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# Implementation of the Economic Revival Package

MONITORING REPORT



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**Qeverisja Demokratike**  
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### **Institute for Development Policy – INDEP**

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## **List of acronyms**

**TAK** – Tax Administration of Kosovo

**EARK** – Employment Agency of the Republic of Kosovo

**KCGF** - Kosovo Credit Guarantee Fund

**KEK** - Kosovo Energy Corporation

**INDEP** – Institute for Development Policies

**MEST** – Ministry of Education Science and Technology

**ME** - Ministry of Economy

**MFLT** – Ministry of Finance, Labor and Transfers

**MIET** – Ministry of Industry, Entrepreneurship and Trade

**MCYS** – Ministry of Culture, Youth and Sports

**MoH** – Ministry of Health

**IT** – Information Technology

## Introduction

The COVID-19 pandemic has caused damages and left great consequences, affecting directly or otherwise every citizen in almost every aspect of life. The consequences of this pandemic are long-term, and are becoming increasingly visible, including the economic, social, environmental and even political spheres, always based on recent events. Despite the damage done, human ecosystems have the ability to revitalize themselves and return to old patterns. But to help a faster, at the same time green, recovery, various governments have provided assistance in the form of packages that, in addition to helping the economic recovery, have tried to steer it towards a green and sustainable model.

Even the government of the Republic of Kosovo has sought, during the pandemic period, to assist and mitigate the economic and social consequences on its citizens, through a number of assistance measures which have targeted the most vulnerable categories and most affected by this crisis. In Kosovo, the measures in question, in addition to the economic revival objective, also aimed to address some problems inherent to Kosovo. During this period, in Kosovo were approved and implemented several packages aimed at socio-economic assistance. The first package approved was the Fiscal Emergency Package approved in March 2020, continuing with the Economic Recovery Package, which was approved in December 2020, and the last package is the Economic Revival Package, which was approved in July 2021.

The Economic Revival Package is considered one of the most important and valuable packages from this range of packages. In addition to the importance for economic and social welfare, the package has also allocated the amount of 420 million Euros, which makes the Economic Revival Package, the package with the highest financial value. The Revival Package's objective is to empower women in the economy, formalize the economy, create new economic opportunities for young people, increase gross domestic product by favoring manufacturing sectors, overall economic growth, improve welfare and other indicators affected by the measures of this package. Despite this, the importance of other packages that have contributed to mitigating the post-pandemic consequences, and at the same time to increasing socio-economic well-being, should not be overlooked. The total amount of money allocated for the implementation of all packages is 820.65 million Euros.

The Institute for Development Policy (INDEP), in the framework of the "Recovery for Sustainability" project supported by the Balkan Trust for Democracy (BTD) and USAID, has analyzed and monitored the implementation process of the Economic Revival Package, in periodic phases, and still continues to do so. The analysis and monitoring process is performed in different ways, through monitoring reports and infographics. This regular report is the second monitoring report of the Revival Package. The second monitoring report again focused on data obtained from the Ministry of Finance, Ministry of Education, Tax Administration of Kosovo and other responsible institutions.

The second monitoring report has been produced within the monitoring process of the Economic Revival Package, and was compiled by monitoring the *December-February* period of implementation of the measures of the Revival Package. In general, the monitoring process includes the publication

of newsletters, 7 so far, a total of 12 infographics, 3 podcasts and 2 live discussions with relevant actors with whom the Revival Package and the current post-pandemic situation are analyzed. All these activities are aimed at informing the citizens about the assistance measures of the Package and its implementation. These activities of the Institute for Development Policy (INDEP) seek to increase transparency and accountability, while at the same time keeping citizens informed about the measures and benefits of the Economic Revival Package.

## **Methodology**

To draft this monitoring report, a mixed methodology of qualitative and quantitative research methods was employed. This report was drafted using qualitative research methods, consulting relevant documents and collecting from various sources data and information about the implementation of the measures of the Economic Revival Package. In addition, in order for this report to be as complete as possible, INDEP has completed the range of qualitative information through quantitative research. During the report drafting process, INDEP hosted semi-structured meetings and discussions with representatives of institutions, economic entities and other relevant actors, in order to obtain accurate and coherent information on the implementation of the Revival Package. INDEP has also used the observation method to assess the implementation process, to look closely at it, and to observe the behavior of the implementing actors over a period of four months.

After data collection, data analysis has gone through two main stages. In the first stage, INDEP systematized the data and conducted a content analysis. In the second stage was performed the tabulation of qualitative research data with the conclusions drawn from the interviews to draw the final positions. Finally, the report goes through a general analysis of Kosovo's development context, also grading the implementation level of the measures of the Economic Revival Package.

The grading of the implementation level of the measures is divided into four levels. These levels are:

### **1. No implementation**

The measure has not become operational and INDEP has found no data that the measure's implementation has begun

### **2. Limited implementation**

The measure has become operational but INDEP has found no data that the measure's implementation has begun

### **3. Partial implementation**

The measure has become operational and INDEP has found data that the measure is being implemented

### **4. Full implementation**

The measure has become operational and INDEP has found data that the measure has been fully implemented

Through this grading we will present the level of current implementation of the measures contained in this economic assistance package.

The data of this report have been obtained from the Ministry of Finance, Labor and Transfers, the Tax Administration of Kosovo and the Kosovo Agency of Statistics. This data helps to compare and determine the implementation level of the measures of the Economic Revival Package. Through this data, INDEP aims to inform citizens and relevant actors on the process of implementation of the Revival Package.

## **Overview of the Economic Revival Package**

Immediately after the approval of the Revival Package, the Government of Kosovo started implementing the measures of this Package. The Revival Package aims to mitigate the economic and social consequences caused by the Covid-19 Pandemic, while simultaneously increasing well-being. The package has a total of 5 measures, which include 3-7 assistance sub-measures, which provide support for the revival and formalization of the economy, employment, manufacturing, education, health, social schemes, public enterprises. The government has allocated a total of 420M Euros in funding for the Revival Package, focusing on mitigating the socio-economic consequences for the most vulnerable and pandemic-affected categories.

The MFLT, which is mainly responsible for drafting the assistance measures of the Economic Revival Package, has cooperated with various institutional actors in the drafting process, and is already cooperating in the process of its implementation. Other actors involved in the process of drafting and implementing the Revival Package are the MEST, MCYS, MoH, TAK. These actors have been responsible for the drafting and implementation of specific measures and sub-measures of this Package, but still the main burden of responsibility for the proper implementation of the Package falls on the Government of Kosovo, namely the MFLT.

The Revival Package contains five main measures for whose implementation funds in the amount of 420 million Euros have been allocated. Of these, 190 million Euros are financed through the budget of the Republic of Kosovo, while the remaining 230 million Euros are financed through borrowing. With the approval of the funds allocated for the Revival Package, for which the 2021 budget was revised, Law No. 07/L-041 on budget appropriations for the Budget of the Republic of Kosovo for 2021 was also amended<sup>1</sup>. Beyond that, the Revival Package continues to be implemented in 2022 as well. It is worth noting that some of the sub-measures of the packages are permanently budgeted. Although the total amount that will support the entire implementation of the measures is not budgeted in the budget appropriations for 2022, some measures are budgeted directly and some others are already integrated under the Government's social policy schemes.

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<sup>1</sup> For a detailed narrative overview of the process of approving the Package and reviewing the 2021 budget for the purpose of allocating funds for the Revival Package, see [Monitoring Report 1](#).

It is worth noting that during the process of drafting the assistance measures of the Revival Package, the Government, as the main entity responsible for the Package, has not held public consultations, which are considered necessary in cases when such an initiative takes shape. Consultations with citizens, civil society and other independent institutions, are considered very necessary in such cases, as this project is of great importance to citizens and is quite costly. Involvement of third parties in any Government initiative is considered vital and necessary to increase accountability and transparency. Given that the digital platform for public consultation exists and is very functional, the failure to use it in cases when projects are approved and implemented on such a large scale, is considered an omission and deep negligence on the part of the Government.

The problem is deepened even more by the fact that according to Regulation 05/2016<sup>2</sup>, the government is obliged to upload any draft-proposal or draft-law on the digital platform for public consultations. This is because the participation of third parties, such as civil society and citizens, or other independent institutions, in such important policy-making processes, in addition to increasing accountability and transparency, is of great interest to the Government itself. This is due to the fact that the Government helps and approximates various initiatives based on real problems and listening to the requests and needs of citizens, as well as benefits from external expertise coming from third parties, such as civil society and economic entities, which should never be underestimated, much less in these difficult times and conditions.

## **Implementation Report**

### **Measure - Support for employment**

The Economic Revival package has separate amounts for each measure and sub-measure. For the first measure, called 'Support for Employment', a total of 50 million Euros have been allocated. This measure has focused on employment and formalization of the economy. This measure was aimed at increasing the number of employees, given that especially after the pandemic period the already bad situation in relation to the number of employees deteriorated even more. The added value of the measure is that it was oriented mainly towards the empowerment of women and youth, but at the same time influencing the formalization of the economy. The first measure included support for the following groups:

1. Return to work of those who lost their jobs during the pandemic
2. Support for formalized employees
3. Support for women's employment
4. Youth guaranteed employment scheme
5. IT training and employment
6. Support for employment of people with special needs
7. Crafts grants scheme

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<sup>2</sup> Regulation No. 05/2016 ON THE MINIMUM STANDARDS FOR PUBLIC CONSULTATION PROCESS, Official Gazette, 13.05.2016, Prishtina, accessible at <https://gzk.rks-gov.net/ActDetail.aspx?ActID=15036>, (accessed in February, 2022)

This support measure of the Revival Package had as its main objective the creation of new jobs, oriented by the empowerment of women and youth. The formalization of the economy was another objective aimed to be achieved by implementing the measures, given that according to numerous studies it is estimated that Kosovo's economy is operationalized between 26.67% and 34.75%<sup>3</sup>. Undoubtedly, this measure is a good incentive for entrepreneurs to start declaring their economic activities and at the same time to increase workers' trust in economic entities. Thus it provided support to re-employed workers, women as well as young workers employed during the pandemic, with considerable financial incentives. Measure 1 also focused on building the capacities of young people in the field of IT, and the measures are considered sufficiently stimulating and supportive, if fully implemented for young people who are oriented towards information technology, as well as for young people or others who have goals towards vocational training. Employees with special needs had their support based on the Package measures, however the implementation of all measures remains to be monitored.

### Implementation Level

The Revival Package measures, whose operationalization started on June 30, 2021, are still being implemented. For the first three measures of the Package that were drafted and implemented under the responsibility of the Tax Administration of Kosovo and whose implementation started in July-August, it was considered that the implementation was almost completed, because the applications are already closed, and there can be no more new beneficiaries.<sup>4</sup> On this occasion, the MFLT published in November 2021, data which informed the public that the number of beneficiaries who have benefited from these measures is as follows:

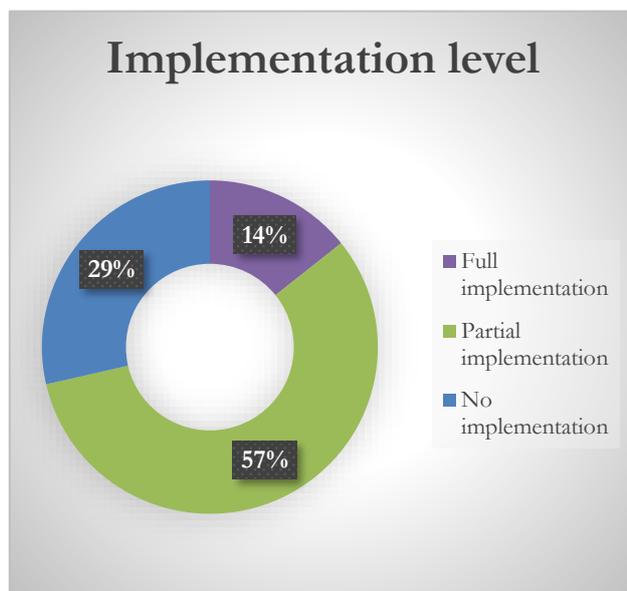


Figure 1. Implementation level of the 'Support for families' measure

**Measure 1.1 - 667 beneficiaries**

**Measure 1.2 - 3,134 beneficiaries**

**Measure 1.3 - 1,939 beneficiaries**

<sup>3</sup>Analysis of the Shadow Economy in Kosovo, Kosovo Academy of Sciences and Arts, 2019, Prishtina, accessible here [http://www.ashak.org/repository/docs/Analiza\\_e\\_ekonomise\\_ne\\_hije\\_ne\\_Kosove\\_529729.pdf](http://www.ashak.org/repository/docs/Analiza_e_ekonomise_ne_hije_ne_Kosove_529729.pdf) (accessed in February, 2022)

<sup>4</sup> To read about the monitoring of the implementation of measures 1.1, 1.2, 1.3 during the September-November period, see [Monitoring Report 1](#)

Despite the figures published in this period of time, in February 2022, the Government of Kosovo allocated funds of 3.5 million Euros to continue the implementation of some of the measures. The measures for which it was decided to continue the implementation are sub-measures 1.1, 1.2, 1.3 and 1.5<sup>5</sup>. For measures 1.1, 1.2 and 1.3, a total of 1 million Euros were allocated from the amount approved in February, 2021, while for sub-measure 1.5 the amount of 500 thousand Euros was allocated. These funds are allocated for the measures for which the applications have already been closed, namely measures 1.1, 1.2 and 1.3. However, although there was no official justification from the Government, these funds may have been allocated due to non-distribution of subsidies to all applicants. Furthermore, within this measure, an electronic app for the verification of employees has been launched, with which employees can verify whether they are registered or not, and can report their employer in case they verify that they are not registered. This, however, aims to alleviate the informal economy, which is the objective of this measure. Following the approval of the request by the MFLT, the Government of Kosovo allocated funds for other measures mentioned below.

One of the other measures whose implementation started in November was measure 1.4, namely the guaranteed youth employment scheme. Within this sub-measure, the MFLT in cooperation with EARK have established internship programs for the employment of 150 UP graduates, for the possibility of employment at the same university, of course for students meeting some preliminary criteria. The MFLT has also established an internship program with the TAK, by signing a Cooperation Agreement for the employment of 100 young professionals for a period of 6 months with a gross salary of 340 Euros<sup>6</sup>. Applications for these internships have already been closed, but there is still no official data on the start of work of young people selected to participate in the program. This may also come from the fact that one of the programs closed the application phase at the end of December.

Regarding the next sub-measure, 'IT training and employment', which according to the Revival Package and MFLT has allocated funds in the amount of 5 million Euros, its proper implementation has not yet begun. Furthermore, according to the decision of the Government dated 23 February, 500 thousand Euros have been allocated from the 2022 budget of the Republic of Kosovo for this measure.<sup>7</sup> Calls for applications have been opened for the distribution of 2,000 vouchers worth up to 600 Euros to attend trainings in the field of IT, through the financial services company FINAKON, but there is still no information whether the distribution of these vouchers has started or not. This also applies to the other two sub-measures, sub-measure 1.6 'Support for employment for people with special needs' and sub-measure 1.7 'Crafts grant scheme', amounting to 10 million Euros for their implementation. There is still no data on the start of their implementation, even at a minimal level, and this is considered worrying given the fact that vulnerable groups of the sub-measures in question, have not yet received post-pandemic state aid.

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<sup>5</sup> Decision 09/62 of the Government of Kosovo; Official Gazette; 23.02.2022; Prishtina, accessible here: <https://gzk.rks-gov.net/ActsByCategoryInst.aspx?Index=3&InstID=3&CatID=30> (accessed in February, 2022)

<sup>6</sup> Application for the internship program, Tax Administration of Kosovo, available at [https://apr.k.rks-gov.net/Content/News/Detail?id=TND7hs\(05xzlqozx1vU6BQ%3D%3D](https://apr.k.rks-gov.net/Content/News/Detail?id=TND7hs(05xzlqozx1vU6BQ%3D%3D)

<sup>7</sup> Decision 09/62 of the Government of Kosovo; Official Gazette; 23.02.2022; Prishtina, accessible here: <https://gzk.rks-gov.net/ActsByCategoryInst.aspx?Index=3&InstID=3&CatID=30> (accessed in February, 2022)

Table 1. Implementation level of measure 1

Measure	Implementation Level	Analysis
Return to work of those who lost their jobs during the pandemic	Full implementation	The measure has been operationalized and has been open for applications. For this measure, payments for the beneficiaries have started and all have been executed, as well as 1 million Euros in new funds have been allocated for the continuation of its implementation (This amount also includes sub-measures 1.2 and 1.3)
Support for formalized employees	Partial implementation	The measure has been operationalized and has been open for applications. Payments for the beneficiaries and their execution has started for this measure. Also, 1 million Euros in new funds for the continuation of its implementation have been allocated. (This amount also includes sub-measures 1.1 and 1.3)
Support for women's employment	Partial implementation	The measure has been operationalized and has been open for applications. Payments for the beneficiaries and their execution has started for this measure. Also, 1 million Euros in new funds for the continuation of its implementation have been allocated. (This amount also includes sub-measures 1.1 and 1.2)
Youth guaranteed employment scheme	Partial implementation	The measure has been operationalized and the first applications for paid internships have been opened for a total of 250 young professionals.
IT training and employment	Partial implementation	The measure has been operationalized and so far 5 million and 500 thousand Euros have been allocated.
Support for employment of people with special needs	No implementation	The measure has not yet started to be implemented and consequently has not yet been operationalized.
Crafts grants scheme	No implementation	The measure has not yet started to be implemented and consequently has not yet been operationalized.

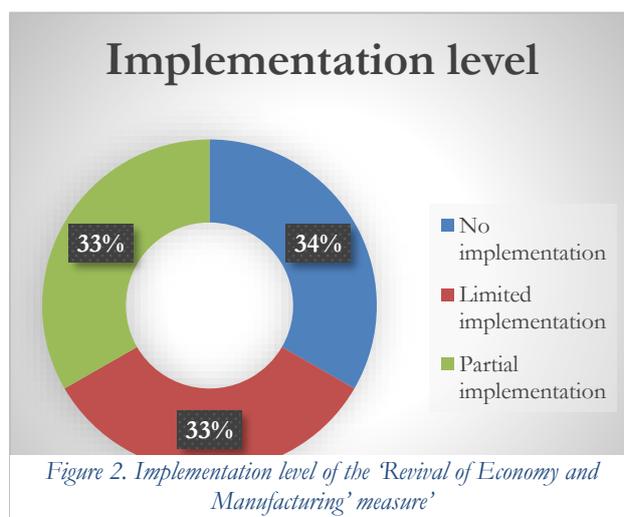
## Measure 2 - Revival of Economy and Manufacturing

Undoubtedly a global crisis like the COVID-19 pandemic left major consequences on the economy as well. The consequences caused had a great short-term and long-term impact, thus affecting the well-being of everyone. Because of this negative impact, it became imperative for states to intervene to minimize the chain effects that the pandemic caused globally. Likewise in Kosovo, economic packages were created to prevent an economic collapse. The Revival Package, which is currently being implemented, also includes the sub-measure 'Revival of Economy and Manufacturing', which aims to boost the local economy by improving the structure of GDP composition, mainly in the manufacturing sectors. In order to have a comprehensive effect, economic entities affected by the pandemic must also be supported. For this reason, initially 108 million Euros were allocated for this measure. Obviously, the revival of the economy should take place by changing the old work patterns and being oriented towards a green future. The measure aims to reduce the consequences through these interventions:

1. Investment loans subsidies
2. Support to businesses for access to financing
3. Investments in IT and Innovation
4. Support for Exports
5. Revival of countryside through agriculture and agri-tourism
6. Recovery of HoReCa and closed businesses

### Implementation Level

In the second quarter of monitoring of the implementation of the Revival Package, measure 2 is still partially implemented. The first sub-measure has started with limited implementation, whereby the money collected from Diaspora Bonds, which make up a total of 10.43 million Euros, has been allocated to subsidizing investment loans for manufacturing and processing businesses. This sub-measure aims to support the manufacturing sector of the country, namely by assisting



manufacturing enterprises with investment loans which are given specifically to increase in-house human and manufacturing capacities<sup>8</sup>.

The implementation of the sub-measure remains limited due to the fact that the application phase for these loans will remain open until June 2022. The implementation of this measure has been controversial and opposed by manufacturing companies. It is even considered selective, in that it supports manufacturing enterprises in restrictive time

<sup>8</sup> Decision 66/2021 of the Government of Kosovo, Official Gazette, 28.10.2021, Prishtina, accessible here: <https://mf.rks-gov.net/desk/inc/media/7095D9A9-25D7-4FB5-97AD-8EEFF4EDC1C9.pdf> (accessed in February, 2022)

limits, not accounting for the initial period of the pandemic. This is due to the fact that such entities can be subsidized only if they have applied for such loans since October 2021. Another INDEP finding during the monitoring of the implementation process of the Package, is that the funds of 10 million and 430 thousand Euros have been transferred from this sub-measure to be spent in other ways. This leads to the conclusion that only 20 million Euros are already available for the implementation of the measure, including the money collected from Diaspora Bonds, since there is no official statement that this money has been transferred to be used for other financial needs.

Sub-measure 2.4 ‘Support for Exports’ is directly related to sub-measure 2.1, because it aims at providing financial support for manufacturing enterprises, subsidizing the capacity building of managerial staff for professional certification, marketing and participation in trainings abroad on the options of finding new markets. This sub-measure was introduced by the MFLT at the same time as measure 2.1, but still remains only in the first phase of its operationalization. Also, sub-measure 2.2 ‘Support to businesses for access to financing’ is implemented at a limited extent. In addition to supporting KCGF guarantee fees with 3 million Euros<sup>9</sup>, the rest of the amount promised by the Package remains unimplemented. Furthermore, it should be mentioned that the Government of Kosovo has allocated 2 million and 500 thousand Euros for sub-measure 2.5 ‘Revival of countryside through agriculture and agri-tourism’<sup>10</sup>, but the operationalization of this sub-measure has not started yet. This has happened with other sub-measures, for which there is still no official data whether the start of their operationalization is being prepared or not.

Table 2. Implementation level of measure 2

Measure	Implementation Level	Analysis
Investment loans subsidies	Limited implementation	The measure has been operationalized and the deadline for applying for subsidies has been opened.
Support to businesses for access to financing	Partial implementation	The measure’s implementation has begun, and 3 million Euros have been allocated for its full implementation.
Investments in IT and Innovation	No implementation	The measure has not yet been operationalized and has not started to be implemented.
Support for Exports	Limited implementation	The measure has been operationalized and the deadline for applying for subsidies has been opened.
Revival of countryside through agriculture and agri-tourism	Partial implementation	The measure’s implementation has begun and 2 million and 500 thousand Euros have been allocated.
Recovery of HoReCa and closed businesses	No implementation	The measure has not yet been operationalized and has not started to be implemented.

<sup>9</sup> News, Ministry of Finance, Labor and Transfers, 11.08.2021, Prishtina accessible at <https://mf.rks-gov.net/Page.aspx?id=1,2,1111>, (accessed in February, 2022)

<sup>10</sup> Decision 20/50 of the Government of Kosovo, Official Gazette, 23.12.2021, Prishtina accessible here: <https://gzk.rks-gov.net/ActsByCategoryInst.aspx?Index=3&InstID=3&CatID=30> (accessed in February, 2022)

### **Measure 3 - Support for families**

Due to the COVID-19 pandemic, globally societies and communities suffered shocks and regress, thus increasing poverty, inequality, discrimination, and many negative phenomena. Kosovar companies also experienced great disruptions and shocks, which affected their well-being in essence. Undoubtedly, after such a humanitarian and health crisis, the social dimension received special attention and governments globally prepared for a quick response in this regard. Like other governments, the Government of Kosovo took support measures that affect the social dimension, incorporating them in economic and social recovery packages. The Revival package that is currently being implemented, include support measures for which 50 million Euros of funds are allocated. This amount was originally planned to be distributed in six sub-measures. In February this year, the Government added two more sub-measures which will be elaborated below. The sub-measures are as follows:

1. Support for families that have lost their head of household
2. Support for retirees and families on social assistance
3. Reformation of Social Assistance Scheme
4. Food vouchers for families in need
5. Payments for unemployed new mothers
6. Support for household liquidity
7. Support in overcoming the energy crisis
8. Increase state reserves

### **Implementation Level**

Since the third measure is of special priority, it has been treated more seriously by the Government of Kosovo. This treatment has affected the operationalization of almost all sub-measures, at least to a certain extent, unlike other measures. Sub-measure 3.1 ‘Support for families that have lost their head of household’, is still not fully implemented. This is due to the fact that deaths due to the COVID-19 pandemic are still occurring. It should be noted, however, that the application phase for the first group has been closed and payments have been executed, and no new application phase has yet been opened for other groups who have experienced death in the post-application period. While, regarding measure 3.2, beyond the allocations of funds for 2021, as well as the supplements applied during the last three months period, it is worth mentioning that the pension scheme will continue to be implemented, and the supplements for pensioners have now become permanent. So, since 2022 no pension will be below the value of 100 Euros. The same applies to supplements for families with social assistance, thus implying that the measure has been fully implemented.

Sub-measure 3.3 is at the beginning of implementation, due to the fact that in December a financing agreement was signed for the ‘Kosovo Social Assistance System Reform Project’

between the MFLT and the World Bank<sup>11</sup>. The agreement promises 45 million Euros in funding to improve the performance of the Social Assistance Scheme. There is still no official data when the agreement will become operational and when the categories included in the sub-measure will start to benefit. Sub-measure 3.4 entitled ‘Food vouchers for families in need’ is a sub-measure that has been fully implemented.

‘Payments for unemployed new mothers’ is sub-measure five of measure three of the Package, and it aims to empower women and their financial position. This sub-measure was fully implemented in 2021, since the applications have been made every month and the payments have been executed<sup>12</sup>. The sub-measure is still being implemented, and in the budget planning of 2022 it is foreseen that this financial support will continue to be applied at least until 2024.<sup>13</sup> Sub-measure 3.6 aims to support household liquidity, and aims to subsidize consumer loans.

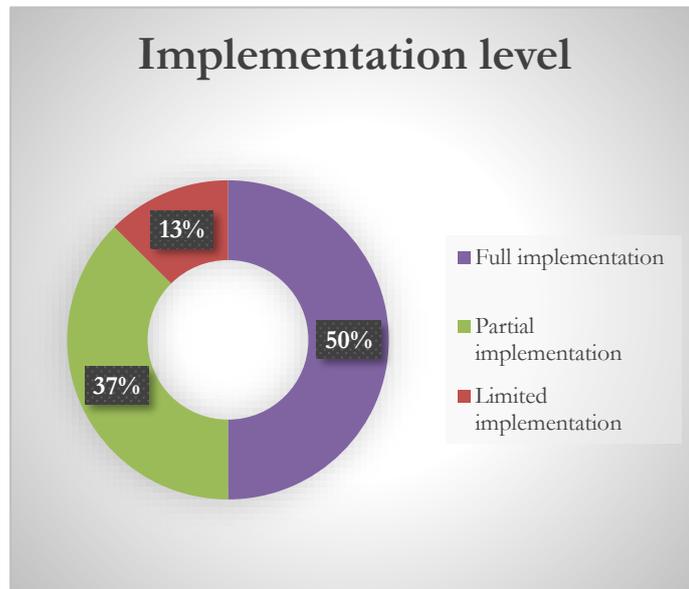


Figure 3. Implementation level of the ‘Support for families’ measure

This sub-measure has started its implementation with the opening of the application phase for consumer loans with a 10% loan subsidy, up to the amount of 10,000 Euros. So far, the payment has been made for 3,396 beneficiaries of this measure, and there is no official data whether this subsidy will continue in 2022, but taking into account that on December 23, other funds in the amount of 6 million Euros have been allocated for the implementation of this sub-measure, it is expected its implementation will continue with the subsidizing of other applicants.<sup>14</sup>

The Government of Kosovo has approved two new sub-measures to overcome the crisis resulting from the economic consequences of the COVID-19 Pandemic. Budget funds in the amount of EUR 20 million have been allocated for the implementation of sub-measure 3.7. This sub-measure will be implemented by the Ministry of Economy, which will transfer this amount of money to KEK to subsidize the import of electricity. A total of 10 million Euros have been allocated for the increase of state reserves falling under sub-measure 3.8.<sup>15</sup> These funds have been transferred to

<sup>11</sup> News, Ministry of Finance, Labor and Transfers, News 26.10.2021, Prishtina accessible at <https://mf.rks-gov.net/Page.aspx?id=1,2,1141> (accessed in February, 2022)

<sup>12</sup> Decision 54/2021 of the Government of Kosovo, Official Gazette, 08.09.2021, Prishtina, accessible here: <https://mf.rks-gov.net/desk/inc/media/4F250604-F09F-481F-B678-EB53F7BE9BEF.pdf> (accessed in February, 2022)

<sup>13</sup> Law 08/L-066 on Budget Appropriations for the Budget of the Republic of Kosovo for 2022, Official Gazette, December 2021, Prishtina accessible at <https://mf.rks-gov.net/desk/inc/media/1F77FA35-E121-43D3-9683-791B0ADE3337.pdf> (accessed in February, 2022)

<sup>14</sup> Decision No. 19/50 of the Government of Kosovo, Official Gazette, 23.12.2020, Prishtina accessible here: <https://gzk.rks-gov.net/ActsByCategoryInst.aspx?Index=3&InstID=3&CatID=30> (accessed in February, 2022)

<sup>15</sup> Decision 01/65 of the Government of Kosovo, Official Gazette, 26.02.2022, Prishtina accessible here: <https://gzk.rks-gov.net/ActsByCategoryInst.aspx?Index=3&InstID=3&CatID=30> (accessed in February, 2022)

the Ministry of Industry, Entrepreneurship and Trade, which will implement this measure in coordination with the MFLT.

*Table 3. Implementation level of measure 3*

<b>Measure</b>	<b>Implementation Level</b>	<b>Analysis</b>
Support for families that have lost their head of household	Partial implementation	The measure has been operationalized and has started to be implemented. Payments have already been executed for about 3,396 families who have lost a family member as a result of the COVID-19 pandemic.
Support for retirees and families on social assistance	Full implementation	This financial support has become permanent.
Reformation of Social Assistance Scheme	Limited implementation	An agreement has been reached with the World Bank under this sub-measure, however, the measure is still at the beginning of implementation.
Food vouchers for families in need	Full implementation	The measure has been operationalized and the deadline for applications has already been closed. Through it, support has been provided for soup kitchens for people in need. The MFLT has signed financial support agreements with representatives of beneficiary organizations.
Payments for unemployed new mothers	Partial implementation	The measure has been operationalized and the implementation of payments for beneficiaries has begun. The measure is budgeted for implementation until 2024.
Support for household liquidity	Partial implementation	The measure has been operationalized and the application phase for consumer loans has been opened. So far, payments have been executed for 3,396 persons, as well as other funds in the amount of 6 million Euros have been allocated.
Support in overcoming the energy crisis	Full implementation	Budget funds in the amount of 20 million Euros have been allocated. This sub-measure will be implemented by the ME, which will transfer this amount of money to KEK to subsidize the import of electricity.
Increase state reserves	Full implementation	For this measure are allocated funds of 10 million Euros. These funds have been transferred to MIET, which will implement this

		measure in coordination with the MFLT.
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## Measure 4 - Support for the public domain

Support for the public domain, or measure four of the Economic Revival Package, has a total of 112 million Euros allocated. The successful and complete implementation of the measure has the main goal of increasing the quality of public services, thus assisting in the recovery from the consequences of the pandemic for the sectors listed below. The measure is of special value because it includes the assistance of the Albanian diaspora. Sub-measures include support for the sectors listed below:

1. Support for Healthcare
2. Support for Education
3. Support for Culture and Sports
4. Support for Security
5. Support for the Diaspora
6. Support for Public Enterprises

### Implementation Level

In the quarter of the monitoring process of the Revival Package for the November-February period, the next sub-measure was analyzed, for which the initial budget allocated was 112 million Euros. The first sub-measure of this measure ‘Support for Healthcare’ has not yet been fully implemented. The monitoring report for the quarterly period September-November analyzed the distribution of 2.7 million Euros for this sub-measure,<sup>16</sup> which led to a partial implementation level of the measure. However, in this second quarter, additional funds of 3 million Euros were allocated to continue its implementation.

Regarding sub-measure two of this measure, in December 2021 the decision was made to allocate the amount of 4 million and 110 thousand Euros for sub-measure 4.2, which includes financial support for education. Apart from the decision made on the distribution of funds, there is still no official data on whether this measure has started to be implemented and whether the intended objectives are achieved through its implementation. It should be noted that sub-measures 4.3 and 4.5 are already almost fully implemented, given that funds for these measures have been allocated as intended in the Revival Package, and the

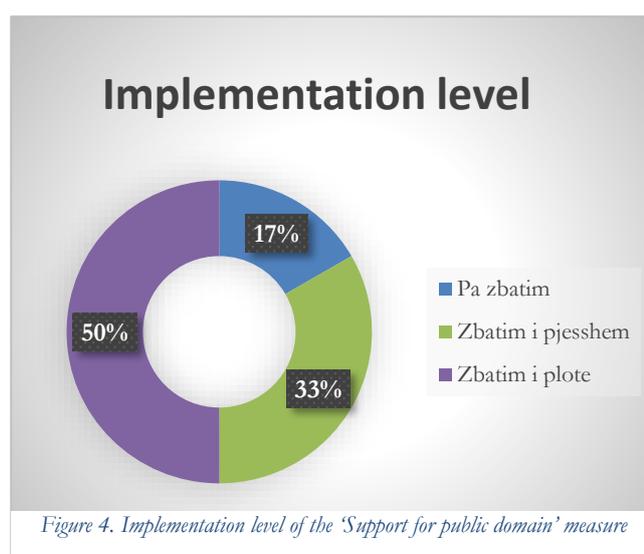


Figure 4. Implementation level of the 'Support for public domain' measure

<sup>16</sup> Monitoring report on the implementation of the Government's Economic Revival Package, INDEP, December 2021, Prishtina accessible at [https://indep.info/wp-content/uploads/2021/12/BTD\\_INDEP-Raporti-i-Monitorimit\\_ALB.pdf](https://indep.info/wp-content/uploads/2021/12/BTD_INDEP-Raporti-i-Monitorimit_ALB.pdf), (accessed in February, 2022)

funds allocated for sub-measure 4.5 have reduced insurance policy costs for all emigrants returning to Kosovo. On December 23, at the meeting of the Government, the decision for the allocation of funds in the amount of 2 million and 400 thousand Euros was approved, for the continuation of the implementation of this measure in the future. Regarding sub-measure 4.4 ‘Support for Security’, there is no official data and government decision regarding the start of its implementation. For this reason, this sub-measure is still considered not implemented.

‘Support for Public Enterprises’ listed under number 6 of measure 4, has also started its implementation. The government has allocated funds in the amount of 10 million and 860 thousand Euros to financially support public enterprises.<sup>17</sup> The implementation of the measure in question benefits central and local public enterprises that have financial difficulties, as a result of facing the pandemic. Public enterprises will have the opportunity to borrow interest-free, in order to cover operating expenses and financial obligations. The companies that will be supported are Trepça Sh.A. and Telekom Sh.A., which risk losing their operation license in case of default on their financial obligations.

*Table 4. Implementation level of measure 4*

<b>Measure</b>	<b>Implementation Level</b>	<b>Analysis</b>
Support for Healthcare	Partial implementation	3 million Euros have been allocated for the continuation of the implementation of this measure.
Support for Education	Partial implementation	4 million and 110 thousand Euros have been allocated for financial support for education
Support for Culture and Sports	Full implementation	5 million Euros have been allocated for this measure in support of cultural and sports activities
Support for Security	No implementation	The measure has not yet been operationalized and has not started to be implemented.
Support for the Diaspora	Full implementation	5 million Euros have been allocated for this measure in support of the Diaspora
Support for Public Enterprises	Full implementation	10 million and 860 thousand Euros have been allocated for financial support for education.

## **Measure 5 - Investments in infrastructure an environment**

This measure of the Economic Revival Package is one of the most important measures and its implementation is of great importance for INDEP, since INDEP advocates for energy efficiency within a period of 10 years. This fifth measure has 100 million Euros allocated of for its

<sup>17</sup>Decision No. 01/53 of the Government of Kosovo, Official Gazette, 31.12.2021, Prishtina, accessible here: <https://gzk.rks-gov.net/ActsByCategoryInst.aspx?Index=3&InstID=3&CatID=30> (accessed in February, 2022)

implementation. This amount of money is dedicated to strategic projects and investments related in one way or another to the protection of the environment.

The monitoring report of the Revival Package for the September-November quarter presents the implementation level of this measure, which unfortunately at that time was in phase 0, namely it had not started yet. Currently, the situation remains the same, and the MFLT as well as the entire Government of Kosovo has not yet begun the presentation of projects or investments that it intends to implement in the framework of the implementation of this measure. The presentation of the Revival Package gave hope for the implementation of this measure of great importance for Kosovo. The measure in question also contains important multi-year projects for Kosovo, such as investments in the filters of TPP Kosova B and other projects that improve the lives of residents and air quality in general in Kosovo. INDEP finds that the implementation of this measure has not yet begun, and this is alarming for the citizens of Kosovo, given the fact that now is the right time to act for a different reconstruction in this regard, and to strive towards a green future.

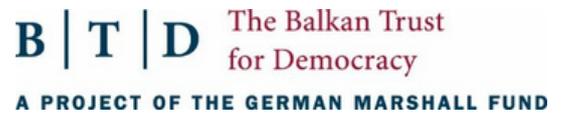
## **Conclusions**

Given that the Revival Package contains very important measures for the recovery of the economy and the increase of well-being in Kosovo, after the difficult period of the COVID-19 pandemic, it is indispensable that these revival measures be fully implemented. The measures, in addition to rebuilding the economy, are aimed at doing so in a sustainable manner. The formalization of the economy, empowerment of women, new employment opportunities, new social schemes, are some of the main objectives that the package aims to meet. It should be borne in mind that now more than ever it is necessary for institutions to intervene, in order to improve the standard and quality of life of Kosovar citizens.

INDEP, in the analysis of the December-February period of monitoring of the implementation of the measures of the Revival Package, has noticed that their implementation has continued, and this has been done to a greater extent than in the first period. Despite the fact that the process of implementing the measures is not easily traceable, due to the lack of standardization of data arising from the implementation of the Package, INDEP finds that the measure are being operationalized as intended, with small exceptions. By February 2022, a total of 7 sub-measures have been fully implemented, 11 have been partially implemented, 3 to a limited extent, and 4 have remained not implemented. This does not include measure 5, which has not yet started to be implemented even at the initial level. This is of course a serious concern, because in addition to the great importance of the measure, given that energy is a current topic, it is also high time to set the orientation towards a different future.

However, other measures, with the exception of measure 5, are considered to be at a relatively acceptable implementation level. Measure one is being implemented, although there are two sub-measures that have not started yet, while the other sub-measures are being fully implemented, and for some of the sub-measures funds have been reallocated again, to continue their implementation during 2022. While the implementation of measure two leaves much to be desired, this is due to the fact that no sub-measure is fully implemented. Funds are allocated for this measure, however,

the execution of subsidies for consumer loans is expected to begin and a rapid response is needed for unimplemented measures. Measure three 'Support for families' stands well in terms of analyzing the implementation of its sub-measures. It is worth noting that two sub-measures of this measure have been adopted as permanent schemes, and despite the funds leaving much to be desired, it is a necessary step to increase social welfare. Last in terms of implementation, measure 4, which has the largest budget designed for its implementation, stands relatively well. In addition to being designed, it also has the necessary budget allocated, and two of its sub-measures are fully implemented. However, it should be borne in mind that there are sub-measures arising from this measure, whose implementation has not started, even at a minimum level. In general, we can conclude that the implementation level for this period is better than in the first quarterly period, however, intensive work must be done to have a real recovery and improve the life of Kosovar citizens, whom the pandemic found in a poor state, and left almost destroyed.



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