

RECOVERY, INCLUSIVENESS, SUSTAINABILITY

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RECOVERY

ECONOMY

COORDINATION

ORGANIZATION

VARIETY

EQUALITY

RESPONSIBILITY

YOUTH

About the Newsletter

INDEP, for more than eleven months now, has been monitoring and analyzing the implementation of the Economic Revival Package in Kosovo. The information extracted from this monitoring process is presented through newsletters, analyses, and monitoring reports. This data is published so that the general public is ever more informed about this package's implementation and the ways these measures will aid in the recovery of the sectors that the Government of Kosovo has considered as the most affected by the COVID-19 pandemic, which has affected the whole world.

This eleventh edition of the newsletter presents analyses of the green recovery in Kosovo, the features of the Resurrection Package, and the effect of the measures included in this package. It is worth noting that not all these measures have been properly implemented but are expected to be fully implemented during the remaining implementation period of the package, as the implementation of these measures would provide assistance and alleviate the issues citizens and businesses face in our country.

HAVE WE HAD A GREEN RECOVERY IN KOSOVO?

The pandemic will leave its mark even after it's over. Its consequences on health, the economy, and development, are already being observed. But the situation will take time to return to normal. The stimulus packages that have been implemented so far are a driving force toward recovery, but these packages will not suffice to bring about sustainable development. Also, their impact cannot ensure that the recovery will be successful in terms of economic development and sustainability in multiple domains.

Sustainable recovery requires policy intervention in many areas of development, not just fiscal stimulus to temporarily overcome crises and difficulties. Policies and responses to recovery need to be broad in terms of inclusion, economic development, job creation, and many other areas. In such a manner, recovery packages should be based on the principle of product development. Productive development policies can be broadly defined as policies that aim to strengthen the productive structure of a given national economy, through job creation, economic development, strengthened stability, and by achieving long-term sustainability.

One of the main aspects to consider in COVID-19 pandemic recovery packages is related to the long-term economic and physical effects of climate change and the ongoing commitment to achieving the lowest possible carbon emissions. According to reports and measurements, during the lockdowns imposed as a measure to prevent further spreading of the pandemic, global daily greenhouse gas emissions were reduced by 17% in April 2020, compared to the same period in 2019. These figures show how far-reaching is the impact of daily activities on the global environment. And with the resumption of economic activities and the gradual return to normalcy, greenhouse gas emissions may even exceed previous figures.

The need to adopt low-carbon recovery policies in tune with climate impacts is essential. If green projects are financed and pushed forward through packages, then we can achieve double victory, thus achieving economic recovery and overcoming the difficulties of the COVID-19 pandemic, and on the other hand, achieving the goals of low greenhouse gas emissions. Promoting energy transitions, including

new renewable energy generation projects, would create new job opportunities, help reduce greenhouse gas emissions, and it would also help the recovery itself, which would be green and efficient.

In Kosovo, for the 27-month period since the first COVID-19 case, there have been no packages based on green recovery. This is due to the fact that the measures included in the stimulus packages have been of a social nature, offering money and formalization, and not creating new jobs through measures stemming from green policies. The multidimensional effects of green packages are:

- Improved economic development
- New jobs creation
- Reduction of greenhouse gas emissions

Such effects would enable longer-term sustainability, stability, and new jobs, in addition to recovery from the pandemic and the overcoming of the crisis.

The Economic Revival Package initiated by the Government of the Republic of Kosovo is essentially similar to the economic packages of different countries around the world and in Europe. In fact, the Republic of Kosovo, despite its weak economy, had introduced a well-funded package, based on committed values. The Republic of Kosovo ranks ninth among 46 European countries in terms of the value of the economic recovery package as a percentage of GDP in 2019. In June 2021, the performance of economic and social support continues in the form of the Economic Revival Package in the amount of €420 million and is structured through five measures aimed at improving the economic and social situation. The Republic of Kosovo has introduced various measures in all economic fields in the same spirit as other countries, even taking a step further when it comes to committed values.

Kosovo hasn't followed the principles of green recovery. Renewable sources have not been supported in the Revival Package and no investment has been made in this sector or to enhance energy efficiency measures. The support provided for several months, as practiced through the measures of this package, has only helped to alleviate some of the problems, but not overcome them. This creates no long-term sustainability, provides no help to the energy transition, nor does it create any new jobs. This shows that Kosovo has not used the opportunity to turn the recovery into stability and lay the foundation for economic development in the coming years.





ECONOMIC REVIVAL PACKAGE FEATURES

Green recovery has not been the basis of recovery in Kosovo. There have been no measures related to the creation of new sources of electricity generation through renewable energy sources, and they are also missing from the current Economic Revival Package. The chain of creation of these resources is linked to several very important factors, such as the creation of new jobs, overcoming the crisis, economic development, and advancing the process of the energy transition. The Government of Kosovo must ensure a serious shift toward a green and sustainable future by drafting and planning enhanced Economic Packages that include green incentive mechanisms.

The Government of Kosovo is not taking measures to transform the energy sector. The possibility of green recovery from the COVID-19 pandemic is present and profitable. In addition to diversifying and increasing energy sources, this would also help achieve cleaner economic development with greater prospects than right now. This paper reveals examples on which the Government of Kosovo can be based to design subsequent packages which should obviously focus on green recovery, and not only on policies to overcome the current economic crisis

The Economic Revival package has featured measures characterized as several months of relief and not as a basis for sustainable recovery. This has led to this package not providing solutions to the problems and difficulties that the COVID-19 pandemic has brought to Kosovo. Since this package has produced minor economic effects on Kosovo's economy, it has failed to provide adequate recovery.



CONCLUSIONS AND RECOMMENDATIONS

- Green recovery has not been the basis of recovery in Kosovo. There have been no measures related to the creation of new sources of electricity generation through renewable energy sources, and they are also missing from the current Economic Revival Package. The chain of creation of these resources is linked to several very important factors, such as the creation of new jobs, overcoming the crisis, economic development, and advancing the process of the energy transition. The Government of Kosovo must ensure a serious shift toward a green and sustainable future by drafting and planning enhanced Economic Packages that include green incentive mechanisms.
- Evaluate the measures of the preliminary packages and the measures of the Economic Revival Package. Assessing the impact of these measures helps design the measures of future packages so that there are no failures to support citizens. Setting standards for each measure through their assessment process can help overcome the difficulties caused by the COVID-19 pandemic.
- The Government of the Republic of Kosovo must cooperate with all stakeholders. Communication with stakeholders creates a platform from which ideas can be created and experiences exchanged for more effective implementation of package measures. It is also very important to communicate with businesses, representatives of target groups, NGOs, and other entities benefiting from package measures, to obtain information about the effects of the measures. An investigation of the effects of the measures would enable the government to identify the most fruitful measures and channel more financial resources into such measures.

- Stimulus packages should be in line with green policies, which ensure the economic development of the country. Measures to build new RES-based generation capacities, increase energy efficiency, and others, would create new jobs, push forward the green agenda, and contribute to a better environment. Knowing the benefits and advantages of green recovery, and on the other hand recognizing our country's position in terms of the Green Deal and the Energy Community Treaty, it is imperative that we take steps that stimulate the economy and engage in processes that benefit the environment.



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