

**LAW NO. 08/L-190**

**ON BALANCED REGIONAL DEVELOPMENT**

**The Assembly of the Republic of Kosovo;**

Based on Article 65 (1) of the Constitution of the Republic of Kosovo,

Approves:

**LAW ON BALANCED REGIONAL DEVELOPMENT**

**CHAPTER I  
GENERAL PROVISIONS**

**Article 1  
Purpose**

1. This Law shall define the basic principles, orientations, responsibilities of the institutions, financial instruments and the rules for balanced regional development in the Republic of Kosovo.

2. This law is partly in accordance with the EU Regulation No. 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No. 1080/2006.

**Article 2  
Scope of work**

This law shall define the institutional structure responsible for balanced regional development, principles and criteria for incentive of balanced regional socio-economic development, determination of financial instruments and financial schemes for promotion of balanced regional development, as well as other aspects that provide a balanced regional, economic and social development in the Republic of Kosovo incorporating good practices of the European Union related to the balanced regional development and policies of cohesion.

**Article 3  
Definitions**

1. The expressions used in this law shall have the following meaning:

1.1. Development region - means a functional territory that includes two or more local self-government units, in accordance with criteria of NUTS-3, for implementation of policies of balanced regional development, which is distinguished by a set of geographical, socio-economic, cultural and environmental characteristics. The regional development includes balanced regional socio-economic development, in accordance with the Constitution and relevant legislation and under no circumstances implies administrative or territorial organization;

1.2. Balanced regional development - means the process of reducing the differences in terms of socio-economic development as well as the approximation of the level of economic, social, cultural and environmental development between different development regions through the use of their potentials in terms of financial natural and human capital resources;

1.3. Regional inequality - means the situation when substantial differences are evident between development regions according to socio-economic indicators;

1.4. Policies of balanced regional development - means the framework of strategic and planning documents of balanced regional development with the aim of interventions in certain areas which shall be implemented to achieve the goal of balanced regional development. Depending on the changes and advancement of the strategic documents, the balanced regional development objectives shall refer to and adapt to the latest changes;

1.5. Operational development plan for development regions - means the basic document of strategical planning for a certain development region, which defines the objectives and priorities of development for a development region's area, with specific emphasis on the promotion of balanced development within the development region;

1.6. The Ministry- means the responsible Ministry for Regional Development;

1.7. The regional development centers - means centers established in accordance with the relevant Law on inter-municipal cooperation and in accordance with the Regulation on functioning and organization of these centers approved by the Ministry;

1.8. Balanced Regional Development Program - means the programming document within the budget of the Ministry as a mechanism for financing or co-financing of the projects for balanced regional development, as well as the operational plans of the development regions created by the contribution of national budget, but it may include also other financial resources.

1.9. Urban area - means an area which physically forms a part of a city characterized by significant portions of built-up area, high population and residential density, significant employment and transport as well as other infrastructure. Urban areas may also contain green areas commonly used for recreational purposes.

1.10. Rural area - means an area characterized by a low amount of construction, population density, and technical, public and social infrastructure, as well as employment through the development of agriculture, rural tourism, healing centers and production that does not pollute the surrounding environment.

1.11. NUTS - means the "Nomenclature des Unités Territoriales Statistiques - Nomenclature of Statistical Territorial Units" defined by the European Statistical Agency as a hierarchical system of dividing the economic territory of the European Union for the purposes of collecting, developing and harmonizing European statistical regions and socio-economic analysis of regions. "NUTS-1" means large socio-economic regions three million (3.000.000) up to seven million (7.000.000) inhabitants; "NUTS-2" means the basic regions for the application of regional policies eight hundred thousand (800.000) to three million (3.000.000) inhabitants; and "NUTS-3" means small regions for specific purposes one hundred fifty thousand (150.000) to eight hundred thousand (800.000) inhabitants.

#### **Article 4**

#### **The Principles of Balanced Regional Development**

1. The principle for incentive of balanced regional development, in terms of this law are as follows:

1.1. The principle of partnership and cooperation - means the balanced regional development is based on cooperation between the relevant players from the public and private sector as well as from the civil society. Specifically, the cooperation between the central and institutions, the inter-municipal and trans-boundary cooperation as specified by the relevant Law on inter-municipal cooperation, the economic operators, representatives from the academy, social partners and organizations of civil society included in the process of preparation,

implementation and monitoring of documents for balanced regional development;

1.2. The principle of transparency - means that the process of planning and management of balanced regional development should be public, guaranteeing the information of citizens and other stakeholders for all processes of balanced regional development;

1.3. The principle of programming - means building a sustainable system of the multi-year program according to the objectives of financial planning, for implementation of sustainable and balanced regional development policies;

1.4. The principle of planning – means planning of balanced regional development which should be done through the documents for multi-year planning, as a precondition for the distribution of funds for balanced regional development;

1.5. The principle of sustainability - means that balanced regional development policies contribute to the harmonization and balancing of regional development, to ensure the protection of natural diversity and cultural heritage, respecting economic and social factors during the process of designing policies for sustainable regional development;

1.6. The principle of coordination - means inter-institutional coordination related to balanced regional development including the distribution of funds in developing regions in accordance with the objectives and priorities set by the National program for balanced regional development and other planning documents, with the purpose of sustainable and balanced social and economic development;

1.7. The principle of harmonization - means the policies for balanced regional development are based on common solidarity for all citizens of the Republic of Kosovo and especially focus on the further stimulation of balanced regional development and the reduction of differences in terms of regional development;

1.8. The principle of subsidiarity - means that the preparation and implementation of measures for balanced regional development, to increase efficiency in developing regions, as far as possible, is carried out by local self-government units, unless they are exempted from their competence and as such are exercised by the central level;

1.9. The principle of co-financing - means that the financing of balanced regional development shall be provided by the collection of financial resources from different sources, dedicated to the preparation, development and implementation of planning documents and the development of projects that have an impact on balanced regional development;

1.10. The principle of monitoring and evaluation – means that the implementation of balanced regional development policies is systematically monitored and evaluated in order to ensure increased effectiveness, efficiency and impact on balanced regional development.

## **Article 5**

### **Criteria for balanced regional development**

1. Balanced regional development criteria are defined as follows:

1.1. Socio-economic index - is defined according to the formula by the Ministry responsible for regional development, calculated according to the average of four indicators such as: gross domestic production per capita according to the development regions, budgetary incomes per capita, increase of added value of non-financial sector and the level of unemployment;

1.2. Demographic index - is defined according to the formula by the Ministry, calculated according to the average of four indicators: natural growth, index of the aging, index of

migrations per one thousand (1000) inhabitants, and graduate students per one thousand (1000) inhabitants;

1.3. Index of development - is defined according to the formula by the Ministry, which is calculated according to the average of the socio- economic index and demographic index.

2. Statistical data for indicators from paragraph 1. of this Article are provided by the Kosovo Statistical Agency, institutions and other relevant organizations.

3. The Ministry with sub-legal act specifies the formula, methodology, criteria and the rules for measurement of regional performance and monitoring of balanced socio-economic regional development.

## **CHAPTER II POLICIES FOR BALANCED REGIONAL DEVELOPMENT**

### **Article 6 Development regions**

1. Development regions are defined by this law on necessities of planning the balanced regional development and the implementation of measures and instruments for incentive of balanced regional development.

2. Development regions are defined only for the purposes of the sectorial intervention in the municipalities as defined and they do not constitute a new administrative or territorial organization.

3. Number of development regions is in accordance with the number of seven (7) statistical regions according to the NUTS-3 classification as specified by the Kosovo Statistical Agency.

### **Article 7 Documents and policies of balanced regional development**

1. Balanced regional development is supported by planning documents in which are specified the priorities and programs of balanced regional development prepared by the Ministry and it recommends the Government of the Republic of Kosovo to approve it.

2. The operational regional development plans of development regions are documents prepared by the development regions in cooperation with the municipalities of relevant development regions and approved in accordance with the standards and the rules as specified by the Ministry.

### **Article 8 Balanced Regional Development Program**

1. Balanced Regional Development Program is a programming document that defines the activities for achievement of objectives according to the priorities for balanced regional development, financial resources and responsible authorities.

2. Balanced Regional Development Program specifies the priority directions of balanced regional development through the short-term and mid-term projects as well as their financing in order to create sustainable socio-economic area within the development region considering the priorities as specified for balanced regional development.

3. Balanced Regional Development Program is proposed by the Ministry for a mid-term period and approved by the Government, with possibility of revision on the annual basis during the process of budgetary planning for each fiscal year.

### **Article 9**

#### **The operational regional development plans of development regions**

1. The operational development plans of development regions are basic documents of planning, which specify the objectives and priorities of development regions with special emphasis on incentive of balanced development between urban and rural areas within the development regions and also incitement of development on less developed areas within development region.
2. The operational plans for development regions are drafted in accordance with the principle of partnership and cooperation according to the procedures and methodology as specified by the Ministry with the contribution of local self-government units coordinated by the centers for regional development within the development region.
3. The operational plans shall be financed by the Balanced Regional Development Program and at the same time must be in accordance with this Program.
4. The operational plans are approved for a period of three (3) years and may be reviewed as required and according to the justification attending the methodology and procedures as specified by the Ministry.
5. The Ministry coordinates the process of drafting, monitoring and evaluation of the operational plans for regional development.
6. The Ministry with sub-legal act specifies the procedures, instructions and methodology for the process of drafting and monitoring of the operational plans of development regions.

### **CHAPTER III**

#### **FINANCING THE BALANCED REGIONAL DEVELOPMENT**

### **Article 10**

#### **Balanced regional development financial resources**

1. The balanced regional development financial resources in the Republic of Kosovo are:
  - 1.1. Budget of the Republic of Kosovo;
  - 1.2. Funds of the European Union and other Donors;
2. In order to encourage balanced regional development in the Republic of Kosovo according to the law on the budgetary appropriations on the annual basis the Ministry in cooperation with the Ministry responsible for finance shares funds from the annual budget of the Republic of Kosovo in order to support the balanced regional development.
3. Process of planning the financial resources is done in full accordance with the cycle of annual budgetary planning according to the deadlines determined by the relevant Ministry of Finance.
4. The component of balanced regional development is an integral part of short-term and mid-term budgetary planning documents.
5. Program for balanced regional development is a mechanism for financing and co-financing the projects for regional development included in this program as well as the operational plan for regional development of the development region.
6. Balanced Regional Development Program is created as a special budgetary sub-program within the budget of the Ministry.

7. Program includes the allocated amounts in each fiscal year by the public budget allocated within the budget of the Ministry in accordance with Article 10 paragraph 2. of this law.

8. Allocated budget in the function of implementation for the balanced regional development program and operational plan for development region is in accordance with the predictions of annual budget and mid-term budgetary program managed by the Ministry.

9. Program for balanced regional development is used for the purpose of balanced regional development in the following fields:

9.1. improvement of the industry sectors, level of technology, as well as access in new technology;

9.2. promotion of search and development;

9.3. improvement of regional competitiveness between development regions;

9.4. balanced development between rural and urban areas within development regions;

9.5 improvement of environment protection;

9.6. development of tourism;

9.7. development of undeveloped areas;

9.8. support to the businesses;

9.9. growth and promotion of employment;

9.10. improvement and development of human resources;

9.11. improvement and development of infrastructure;

9.12. improvement of inter-municipal cooperation, international inter-municipal and transboundary for issues with the common interest, in accordance with the relevant Law on inter-municipal cooperation;

9.13. improvement of skills and development capacities at the level of development region and local self-government units;

9.14. management and administration of the implementation of the operational plan for regional development within the development region;

9.15. improvement of protection of cultural heritage;

9.16. promotion of social and cultural development;

9.17. other purposes in accordance with this Law;

#### **Article 11**

#### **Beneficiaries of the Balanced Regional Development Program**

1. Beneficiaries of the balanced regional development program are the following subjects:

1.1. municipalities and other institutions at the level of municipality;

- 1.2. the regional development centers of the development region as well as the organizations of civil society as specified by the relevant Law on freedom of association;
  - 1.3. institutions of high education and research-scientific institutions;
  - 1.4. businesses.
2. Potential beneficiaries of these activities are specified by the the Ministry in accordance with the Balanced Regional Development Program and Operational Plan of Development Regions.

#### **Article 12**

##### **Program Management for Balanced Regional Development**

1. The implementation of balanced regional development program is done in accordance with the relevant legislation that regulates the control and financial management for public finances in the Republic of Kosovo.
2. The balanced regional development program is divided to the projects defined for regional development to development regions, urban and rural areas, according to the formula and methodology as specified by the Ministry.
3. The Ministry maintains the data base of the projects funded by the program for balanced regional development and prepares the periodical reports.
4. The Ministry with sub-legal act specifies the conditions, criteria and procedures for the use and management of the financial resources of the program, including also the formula of financing, criteria, evaluation, management and monitoring of the implementation of the projects that are funded by the balanced regional development program.
5. Projects from the field of balanced regional development that are included in the balanced regional development program and the operational plan of development regions may be co-financed by the different financial resources as specified by Article 10 of this Law.
6. Cases of co-financing, the values and detailed rules for co-financing the projects are specified in accordance with the planning documents, agreement of co-financing complying with the rules and procedures as specified by the relevant legislation.

#### **Article 13**

##### **Management of the funds of the sectional fields for balanced regional development**

1. Management of the funds of the sectional fields is done by the sectional Ministry in accordance with relevant legislation on management of public finances in the Republic of Kosovo.
2. The Ministry maintains the data base of the projects from the sectional fields complying with balanced regional development, prepares the annual reports and informs the Government of the Republic of Kosovo.

### **CHAPTER IV**

#### **INSTITUTIONAL STRUCTURE FOR BALANCED REGIONAL DEVELOPMENT**

#### **Article 14**

##### **Institutions and responsible bodies for balanced regional development**

1. The institutions responsible for balanced regional development are as follow:

- 1.1. The Government of the Republic of Kosovo;
  - 1.2. The Ministry;
  - 1.3. The Municipalities.
2. The bodies responsible for balanced regional development:
- 2.1. The Regional development centers for development regions.
3. The Ministry proposes the policies for balanced regional development, while the Government approves them.

**Article 15**  
**The Ministry responsible for regional development**

1. The Ministry has the following responsibilities:
  - 1.1. it is responsible for preparation of policies and legislation from the balanced regional development field;
  - 1.2. reviews the operational plans of development regions;
  - 1.3. monitors the work of regional development centers for development regions;
  - 1.4. it is the managing authority for the balanced regional development program of the Ministry;
  - 1.5. prepares the periodical reports for the implementation, monitoring and management of the projects of balanced regional development;
  - 1.6. approves the methodology and criteria for selection of the projects of balanced regional development as well as the specific projects with the regional, urban and rural importance according to paragraph 4. of Article 12 of this law;
  - 1.7. coordinates the inter-institutional activities for drafting the strategical documents from the balanced regional development field;
  - 1.8. prepares and implements the projects, feasibility studies and analyses in the function of balanced regional development;
  - 1.9. supports the municipalities in development of the capacities for preparation of the projects, their management within the development regions and other players of development;
  - 1.10. performs accordingly the management and/or the implementation of joint programs under the development regions, based on a cooperation and partnership agreement for this purpose with the partners of development and financiers in accordance with the relevant legislation for inter-municipal cooperation;
  - 1.11. develops indicators for monitoring the balanced socio-economic regional development;
  - 1.12. creates and maintains data base of balanced regional development;
  - 1.13. performs other duties as specified by the relevant legislation.

## **Article 16**

### **Regional development centers**

1. The regional development centers are established within seven (7) development regions in accordance with the statistical regions according to the classification NUTS-3 as specified by the Kosovo Statistical Agency.

2. Procedure on establishment of the Center for regional development is done according to the inter-municipal cooperation agreement and in accordance with the relevant Law on inter-municipal cooperation.

3. Scope of Centers for regional development related to the implementation of provisions of this law is specified as follow:

3.1. support in the process of drafting the policies and programs for balanced regional development as well as their relevant plans of the implementation in accordance with the Articles 8 and 9 of this law.

3.2. coordination of the process of drafting the operational plans for regional development of the relevant development regions and the support of self-government units, in accordance with Article 9 of this law.

3.3. development and implementation of the projects and support of the units of local self-government and other institutions that act in relevant development regions in preparation and implementation of projects which aim to implement the operational regional development plans in development regions.

3.4. support of the organizations of private sector in relevant development regions, in promotion of capacities of planning and management of investing projects, with the purpose of efficient use of the opportunities for the financial support from the governmental programs and donors, as well as aiming to create the opportunities for economic development.

3.5. collection of statistical data and other relevant information by the responsible institutions for relevant development regions which are necessary for measurement of changes to the socio-economic indicators related to the balanced regional development which are used for the processes of reporting and planning.

4. The Ministry issues regulations for establishment, organization, functioning and monitoring of the regional development centers for development regions.

## **Article 17**

### **Monitoring and evaluation**

1. The Ministry reviews the operational plans for regional development according to the development regions complying with the relevant legislation for local self-government.

2. The Ministry monitors the implementation of the operational plans of the development regions.

3. The Ministry in cooperation with the municipalities of the relevant development regions monitors the work of the Regional Development Centers.

## **CHAPTER V TRANSITIONAL AND FINAL PROVISIONS**

### **Article 18 Transitional provisions**

Institutions and responsible bodies which currently perform the implementing functions related to the regional development, shall continue to perform the charged functions until the approval of planning, programming documents and sub legal acts of regional development as specified in this law.

### **Article 19 The sub-legal acts**

1. With the proposal of the Ministry in the period of eighteen (18) months from the entry into force of this Law, the Government shall approve the following sub-legal acts:

- 1.1. Regulation on management of the Balanced Regional Development Program of;
- 1.2. Regulation on establishment organization, functioning and monitoring of the regional development centers in development regions;
- 1.3. Regulation on standards, methodology and system of drafting and monitoring the operational regional development plans of the development regions;
- 1.4. Regulation on the regional performance and monitoring of balanced regional socio-economic development.

### **Article 20 Entry into force**

This law shall enter into force fifteen (15) days after its publication in the Official Gazette of the Republic of Kosovo.

**Law No. 08/L-190  
13 July 2023**

**Promulgated by Decree No. DL-138/2023 dated 01.08.2023 President of the Republic of Kosovo Vjosa Osmani-Sadriu**