



**Republika e Kosovës**  
**Republika Kosova Republic of Kosovo**  
**Qeveria Vlada Government**  
*Ministria e Zhvillimit Rajonal*  
*Ministarstvo za Regionalni Razvoj*  
*Ministry of Regional Development*

# **Analysis of line ministries' capital investment in development regions during 2018**



This document has been compiled by the Department for Regional Socio-Economic Planning and Analysis within the Ministry of Regional Development, supported by UNDP Consultant Mr. Jeton Mehmeti.

This publication is a summary of data collected from official documents of line ministries and all municipalities of the Republic of Kosovo.



Content:	
Abbreviations .....	5
Definitions.....	<b>Error! Bookmark not defined.</b>
Introduction.....	7
Executive Summary .....	8
Methodology .....	<b>Error! Bookmark not defined.</b>
The promotion of balanced regional development.....	10
Identification, preparation and evaluation of capital investment projects.....	10
Calls for project proposals published by Line Ministries .....	11
Total capital investments for 2018, by to line ministries at development regions.....	12
Total capital Investments in 2018 by sectors in development regions.....	13
Partnership projects implemented by two or more municipalities .....	15
Capital Investments by Ministries in Development Region Centre .....	<b>16</b>
Value of investments made in municipalities in the Region Centre .....	<b>Error! Bookmark not defined.</b>
Investment sectors in the region Centre .....	19
Capital investments by ministries in the Development Region East .....	21
Value of investment benefited by municipalities in region East .....	23
Capital investments by ministries in North development region.....	25
Value of investments benefited by municipalities in region North.....	27
Investment sectors in North development region.....	27
Capital investments by ministries in Development Region West .....	28
Value of investments benefited by municipalities in region West .....	30
Investment sectors in development region West .....	31
Capital investments by ministries in the development region South.....	32
Value of investments benefited by municipalities in region South .....	34
Investment sectors in development region South.....	35
Balanced regional development in 2018.....	36
References:.....	41



## Abbreviations

The abbreviations used in this document are as follows:

MRD	Ministry of Regional Development
MoF	Ministry of Finance
LPFMA	Law no. 03 / L-048 on Public Financial Management and Accountability
LLGF	Law no. 03 / L-049 on Local Government Finance
NDS	National Development Strategy 2016 - 2021
KFMIS	Kosovo Financial Management Information System
BO	Budget Organization
MTEF	Medium-Term Expenditure Framework



## Definitions

»**Development region**« is a functional territory for implementation of regional development policies, with economical and infrastructural settlements as well as balanced natural systems, incorporated into a spatial community without distinction where equal opportunities for balanced regional development can be provided;

»**Regional development**« is a general effort to reduce regional disparities by supporting (employment and wealth/welfare generation) economic activities in the regions;

»**Regional disparities**« is a situation where there are substantial differences between certain regions compared to other regions in some socio-economic indicators (GDP/Capita; per capita investment; unemployment rate etc.) but not only;

»**Balanced regional development**« the process of reducing distinctions in terms of socio-economic development and quality of life in different regions;

»**Regional Development Policies**« provide the regional development framework and interventions in specific areas that will be directed towards achieving the goal of balanced regional development;

The »**National Development Strategy**« is a document that aims to address main obstacles for Kosovo's development and represents a document of development initiatives that are national objectives with a broad social consensus;

The »**Medium Term Expenditure Framework**« is the main document based on which is drafted the budget of the Government of the Republic of Kosovo. The main purpose of the MTEF is to provide a grounded analysis of the macroeconomic environment in the country, thus establishing the basis for budget planning for years to come in line with the Government's strategic priorities;

The »**Capital Project**« - a long-term investment that is used to build, grow or improve assets, according to established criteria, as set out in Administrative Instruction no. 04/2019 on Defining Capital Projects and Classifying Capital Project Expenditures.



## Introduction

Ministry of Regional Development, based on its legal mandate set out in Annex 21 of Regulation (EA) No.16/2017 on Amending and Supplementing Regulation No. 02/2011 on Administrative Responsibility Areas of the Office of the Prime Minister and Ministries, as well as the Annual Work Plan for 2019, has produced the document “Analysis of Line Ministries’ Capital Investments in development regions during 2018”.

This analysis summarizes the capital investments made by the line ministries at development regions in 2018, by correctly listing the projects funded in the respective municipalities of each development region and identifying the beneficiary sectors. The document does not contain projects invested by the central level in their branches operating at local level or national infrastructure projects, but it does contain projects related to the municipalities’ own competencies set out in Law no. 03/L-040 on Local Self Government.

With the aim of promoting balanced regional development, this document reflects the line ministries’ capital investments distribution (5) in five development regions: Centre, East, North, West and South, highlighting which region has benefited most from central level capital investment in 2018, which municipality within a region has benefited most and least, as well as the most funded sector. Also, through the publication of this document, the MRD aims to reflect central-level funding imbalances at development regions, reflect investment-favoured sectors, and promote sectors with the least investment in 2018.

Resources used to prepare this analysis are, Budget Allocation and Capital Investment Expenditure Report of 2018 of the Treasury Department of the Ministry of Finance, comments received from line ministries, as well as municipalities’ data on capital investments received by line ministries in 2018.

The MRD has conducted a process of consulting this document with the line ministries and municipalities through consultations and meetings attended by: Directors of Municipalities for Economic Development and other municipal officials, as well as representatives of five (5) regional development agencies.



## Executive Summary

The analysis of line ministries' capital investments at development regions in 2018 falls within the competence of the MRD in terms of preparing the analyses related to balanced regional socio-economic development. This analysis will address in detail distribution of capital investments of line ministries during 2018, in relation to the five (5) development regions: Centre, East, North, West and South, outlining the distribution methodology and the terms and conditions of selection of project proposals.

The distribution of capital investment is initially addressed in the document by focusing in investments in development regions, by concretizing to the respective municipalities of a region, the number of projects, sectors and the distribution of investments across municipalities. The ministry that has invested most capital investments in development regions in 2018 is the Ministry of Infrastructure, followed by the Ministry of Culture, Youth and Sport and the Ministry of Environment and Spatial Planning.

The analysis responds to the question of which development region in Kosovo has received the most capital investment from line ministries in 2018. The development region that has received most capital investment from line ministries is the Western Development Region.

Within each region, which are the three (3) municipalities that have benefited most, and the three (3) sectors where the highest investments have been made. In terms of reflecting balanced investment by Ministries, the document reflects the balanced distribution of investments by line ministries, by highlighting how many out of 13 ministries addressed have invested in the five (5) economic regions, and the % investment of a ministry in the five regions.

The number of ministries that have invested in five (5) development regions is seven (7) Ministries. So, we are talking about the ministries that have distributed capital investments in all development areas, such as: MESP, MED, MEST, MIT, MCYS, MRD, and MLGA. In this context, the % of investments of these ministries in each development region is also reflected.

The line ministries' capital investments at development regions are being addressed with the purpose of reflecting the balanced or misbalanced investments from the central level in development regions. The purpose is to promote balanced regional development, inclusion of all municipalities and development regions in central level capital investments. Unfortunately, many of the small municipalities are heavily dependent of the central budget and line ministries investments. Therefore, not including them and not funding their projects affects, to a significant extent, the well-being of citizens and their local economic development. Ultimately, the overall



purpose of this document is to call for the establishment of investment coordination mechanisms of line ministries in development regions.

## **Methodology**

For the purpose of drafting this document, there was continuous communication with representatives of the Ministry of Finance (MoF), and the municipal directors of economic development were consulted, and suggestions were received from representatives of 5 (five) regional development agencies (RDA).

The contents of this document have been compiled based on Budget Allocation and Capital Investment Expenditure Report 2018 of the Treasury Department of the Ministry of Finance. Furthermore, the lists of capital projects 2018 published by line ministries and municipalities were also reviewed, along with written comments received from most of the municipalities participating in the consultative meetings organized by the MRD. The overview of data regarding central level capital investments in development regions is presented by clustering them at development region level and then breaking them down in municipalities with most funded projects.

This document has been compiled by the Department of Regional Socio-Economic Planning and Analysis.

The team involved in drafting the document is as follows:

- Supervised by Mr. Blerim Hasani, Director of the Department for Regional Socio-Economic Planning and Analysis.
- Compiled by Ms. Vjendita Avdiu Musliu, Head of Division for Balanced Regional Development.
- Continuously supported by Mr. Jeton Mehmeti, UNDP Consultant.
- Assisted by Ms. Vlora Fetoshi, Socio-Economic Development Officer.



## **The promotion of balanced regional development**

The Ministry of Regional Development, based on the applicable legislation, is mandated to promote balanced regional development. This document complies with MRD's commitment of having as much impact as possible on balanced regional socio-economic development in Kosovo.

The central level lacks the mechanism to coordinate balanced investment of ministries at development regions. Through this document and other documents that will be developed in the future, the MRD aims to reduce imbalances of central level capital investments in development regions, to present the sectors that are continuously benefiting investments and promote the sectors that have development stagnation.

As specific objectives related to this area, the MRD aims to reduce the potential regional disparities, particularly by stimulating balanced development and revitalization of marginalized areas. In this context, a central level commitment is needed to link government sectorial development policies and activities at the regional level by stimulating inter-ministerial cooperation in order to identify areas and sectors that accurately affect balanced economic development and population's well-being.

Balanced regional development is an important condition for a country's harmonious development. Balanced regional development implies a pattern of uniform distribution of planned investments between different regions of a country. Otherwise, regional equilibrium requires the distribution of investments so that the regional level of growth in different parts of the country is achieved equally, eliminating the regional disparities that prevail in the country. To achieve political and economic stability in a country, balanced regional development is essential. Continuing regional disparities can lead to dissatisfaction in the community of certain regions, so it is very important to plan and execute projects and capital investments that affect the reduction of disparities in different sectors.

### **Identification, preparation and evaluation of capital investment projects**

Based on the practices so far, the identification of application projects has been done by municipalities, based on community needs and local funding opportunities. In the case of calls for applications issued by Line Ministries or other forms of capital allocation, in the absence of



adequate projects, municipalities in many cases have had to prepare new projects, in accordance with the criteria and conditions published by the relevant Ministry that announced the call.

In terms of project appraisal and capital investment distribution, there has been no regulation in the past that unifies the form, conditions and criteria for distribution of investments from central level to development regions. The Administrative Instruction No. 4/2019 on Definition of Capital Projects and Classification of Capital Projects Expenditures was approved by the Ministry of Finance in 2019. The aforementioned Administrative Instruction sets out the criteria for capital projects, the general criteria for classification of capital investment expenditure, addressing of grants for capital expenditure purposes as well as practical guidelines on classification of capital projects expenditure.

The provisions of this Administrative Instruction are binding to all budget organizations and all capital projects, regardless of the value of the project or sources of capital project financing.

Advantages of the project identification and screening phase, the process for pre-filtering project concepts at the identification stage has a number of obvious advantages and can increase the overall quality of the investment program:

### **Calls for project proposals published by Line Ministries**

In accordance with the applicable legislation, all institutions, whether local or central, are obliged to adhere to the principle of transparency when spending public money. Ministries publish calls and launch capital allocation programs at local level. In order to reflect the forms of public notification of municipalities for project proposals, we surveyed the official websites of twelve (12) ministries.

Out of twelve (12) ministries we have managed to identify only 3 of them that have published calls for application on their websites for 2018:

- Ministry of Local Government Administration, with the program entitled: "Municipal Program for Development of Economic and Social Infrastructure"
- The Ministry of Regional Development has published the call: "Regional Development Program"
- The Ministry of Economic Development has published the call: "Implementation Program of Energy Efficiency Measures in Public Buildings at Local level for Education and Health III "



## Total capital investments for 2018, by to line ministries at development regions

While preparing this Analysis, the MRD addressed capital investments in thirteen (13) line ministries. The total budget invested by line ministries in municipalities in 2018 is 75,787,058.16 €. The number of projects invested is 438. With regard to line ministries' capital investment in municipalities and the capital projects, the MRD in this document has included only investments or projects implemented based of an Agreement between the Ministry and the concerned Municipality that has received financing/co-financing. Also, when selecting projects according to the MoF Treasury Report, special attention is paid to whether the project, its title, or the area in which it is invested, falls within the competence of municipalities as defined by the respective Law on Local Self-Government.

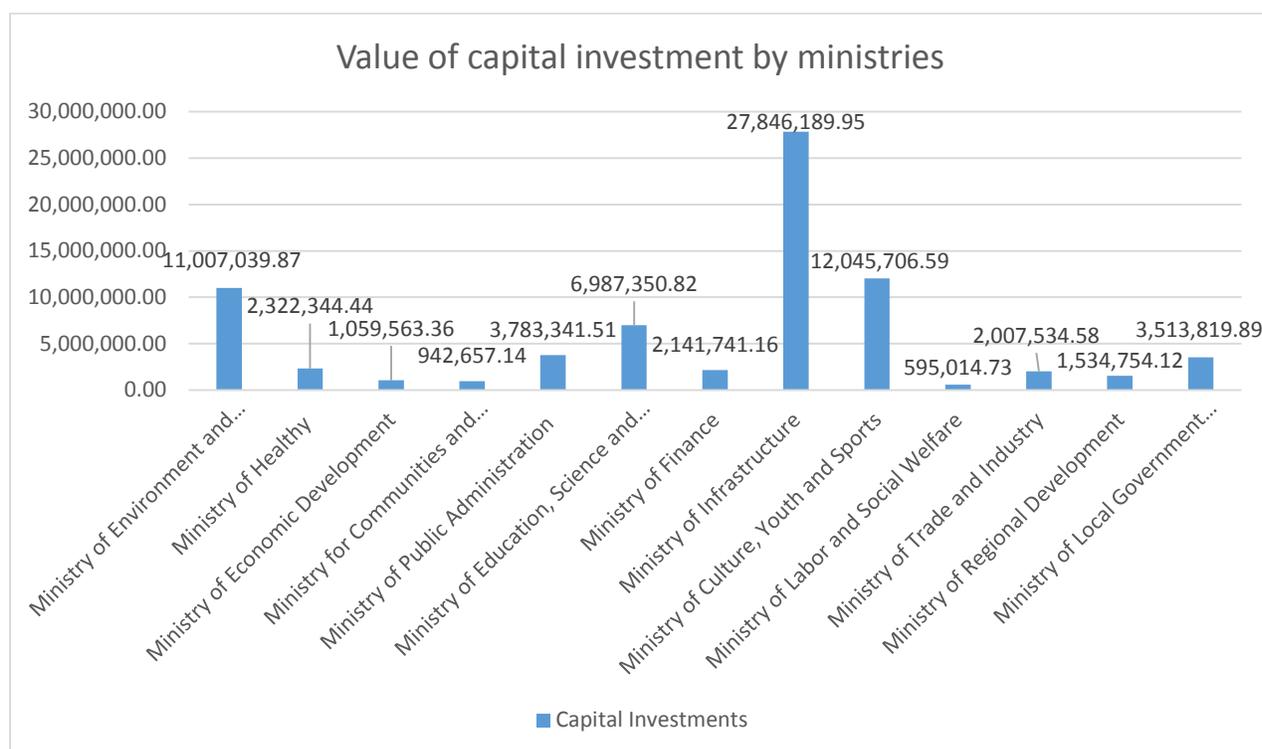
The line ministries and the total capital investments done at development regions in 2018 are presented in the following table.

Table 1. The total capital investment for 2018 by line ministries

Ministries	Total capital investment (€)	Total projects
Ministry of Environment and Spatial Planning	11,007,039.87	35
Ministry of Health	2,322,344.44	8
Ministry of Economic Development	1,059,563.36	17
Ministry for Communities and Returns	942,657.14	21
Ministry of Public Administration	3,783,341.51	17
Ministry of Education, Science and Technology	6,987,350.82	35
Ministry of Finance	2,141,741.16	7
Ministry of Infrastructure	27,846,189.95	155
Ministry of Culture, Youth and Sports	12,045,706.59	54
Ministry of Labour and Social Welfare	595,014.73	14
Ministry of Trade and Industry	2,007,534.58	3
Ministry of Regional Development	1,534,754.12	21
Ministry of Local Government Administration	3,513,819.89	51
<b>Total capital investment in municipalities/ regions</b>	<b>75,787,058.16</b>	<b>438</b>



Chart. 1 Value of capital investments by ministries



As noted in Table no.1 and Chart no. 1, listed above, the following three (3) ministries in which it was invested most capital investments in development regions in 2018, are listed below:

1. Ministry of Infrastructure, with total investments: 27,846,189.95€;
2. Ministry of Culture, Youth and Sports, with total investments: 12,045,706.59€;
3. Ministry of Environment and Spatial Planning, with total investments: 11,007,039.87€;

### **Total Capital Investments in 2018 by sectors in development regions**

The investment sectors addressed in this analysis have been selected based on the Ministry of Finance’s 2018 Annual Financial Report of the Budget of the Republic of Kosovo - “Description



of Capital Expenditures”. The following table summarizes the capital investments made by describing the sectors assessed. The number of sectors addressed is 13 which have been identified based on the description of capital project titles from the Annual Financial Report of the Republic of Kosovo Budget for 2018. In this context, the determination of the amount of funding across sectors was made based on the description of the funded projects and the list of sectors of the above Report.

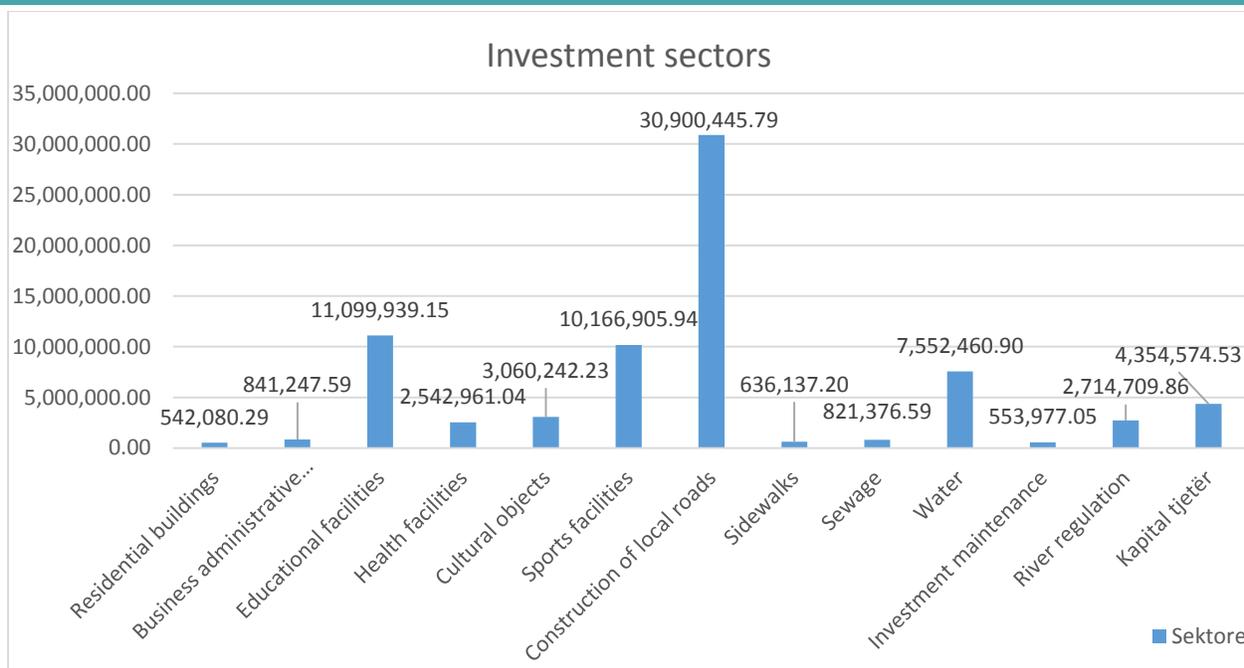
The sectors and total capital investments realized in each sector during 2018 are presented in the following table:

*Table 2 Total capital investment for 2018 by sectors*

Description	Total
Residential buildings	542,080.29
Business administrative buildings	841,247.59
Educational facilities	11,099,939.15
Health facilities	2,542,961.04
Cultural objects	3,060,242.23
Sports facilities	10,166,905.94
Construction of local roads	30,900,445.79
Sidewalks	636,137.20
Sewage	821,376.59
Water	7,552,460.90
Investment maintenance	553,977.05
River regulation	2,714,709.86
Other capital	4,354,574.53
<b>Total</b>	<b>75,787,058.16</b>

*Chart 2 Value of investment by sectors*





As can be seen from the Table no.2 and Chart no. 2, listed above, the following three (3) sectors in which it was invested most during 2018 are listed below:

1. Construction of local roads: 30,900,445.79€;
2. Educational facilities:: 11,099,939.15€;
3. Sports facilities: 10,166,905.94€;

### **Partnership projects implemented by two or more municipalities**

Given the build-up of local capacities for project design and management as well as ingoing local development, recently there have been cases of establishing partnerships with municipalities for implementation of joint projects. Ministry of Regional Development promotes the creation of networking of municipalities for implementation of projects based on their common needs. In 2018, through the Regional Development Program, the MRD financed six (6) joint projects of two or more municipalities. The value of the financing was 50,000.00 to 200,000.00 euros. Each municipality has had the opportunity to submit only one application as a leader, and one application as a partner with other municipalities (Exclusively for individual municipal applications).

Projects invested by the MRD in partnership with municipalities are presented in the following table:



Development al regions	Leading municipalities	Partner Municipality	Project name	Proposal
Economic Region Centre	Drenas	Skenderaj	"Construction of main sewage collectors between Drenas municipality and Skenderaj"	165,000.00
	Lipjan	Shtime	"Green Market"	70,000.00
	Shtime	Ferizaj	"Regulating Cycling and Walking tracks Petrovo - Llanisht "	120,000.00
Economic Region North	Skenderaj	Drenas	"Construction of park infrastructure for recreation and sports in Prekaz MA Skenderaj"	50,000.00
West Economic Region	Junik	Deçan	"Construction of mountain-alpine lodge in Junik"	50,000.00
Economic Region South	Rahovec	Malishevë	" Walking tracks "	125,000.00
<b>Total</b>				<b>580,000.00</b>

Whereas, as a result of research whether other ministries have also invested in joint projects of municipalities, it has been identified that the Ministry of Infrastructure has also invested in a project, which is presented in the following table:

Development Region	Leading municipality	Partner municipality	Project name	The amount of funding
North	Mitrovica	Vushtrria	Construction of road Bare (Mitrovica) - Gumnishte (Vushtrria)	193,993.44

### Capital Investments by Ministries in Development Region Centre

The development region Centre consists of eight (8) municipalities: Prishtina, Podujeva, Lipjan, Obiliq, Drenas, Shtime, Fushe Kosova and Gracanica.

11 ministries have invested in the development region Centre. Within this region, there is no municipality that has not benefited at least one capital project from one line ministry.

The amount of funding for line ministries in this region is: 17,440,857.38 with a total of 93 projects.

In more detail, the following table presents the funding data of line ministries in the development region Centre.

*Table 3 Capital investments by ministries in development region Centre*

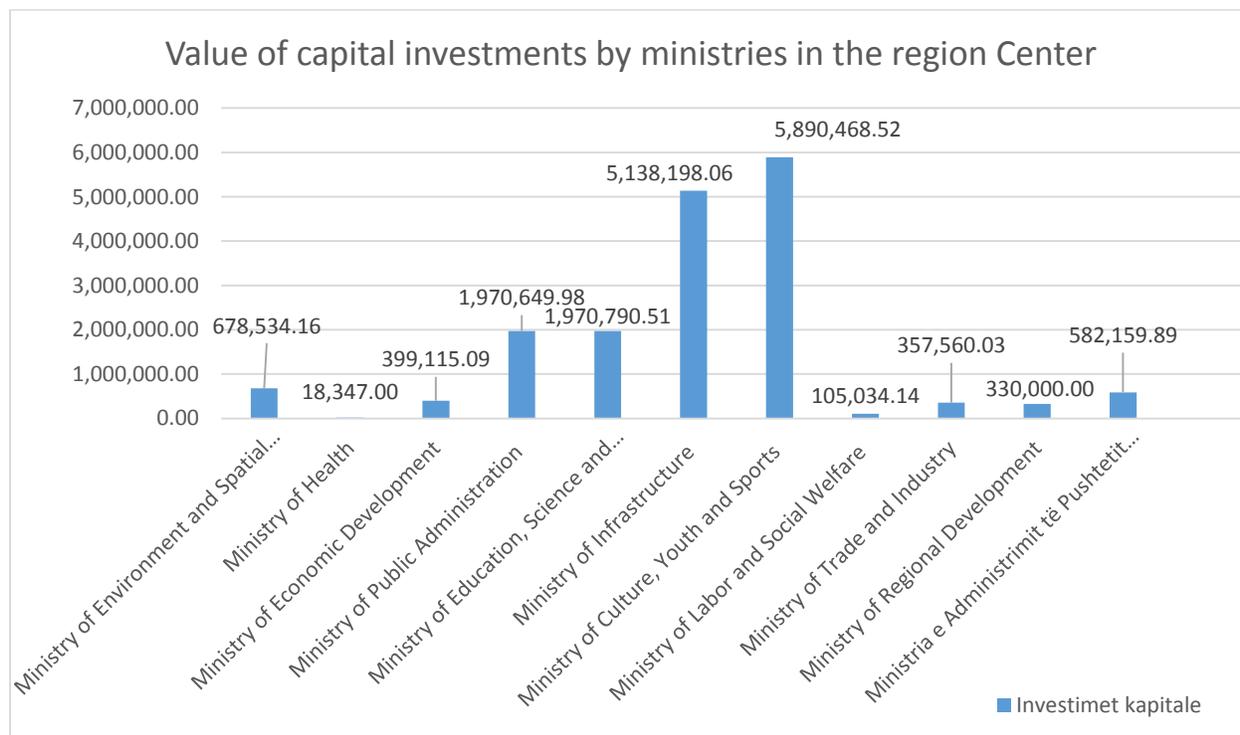


Ministries	Value of capital investment	Number of projects	Number of projects implemented in the municipalities of the development region Center	The value of the investment
Ministry of Environment and Spatial Planning	678,534.16	5	Prishtina 1,	41,082.05
			Drenas 2,	367,464.56
			Shtime 1,	169,998.75
			Lipjan 1.	99,988.80
Ministry of Health	18,347.00	1	Prishtina 1.	18,347.00
Ministry of Economic Development	399,115.09	8	Prishtina 2,	142,240.52
			Drenas 2,	92,021.65
			Shtime 2,	80,421.18
			Podujeve 1,	27,072.74
			Fushe Kosove 1,	57,359.00
Ministry of Public Administration	1,970,649.98	8	Drenas 4,	600,387.82
			Graçanicë 1,	433,539.75
			Shtime 1,	180,000.00
			Podujeve 1,	299,396.98
			Lipjan 1.	457,325.43
Ministry of Education, Science and Technology	1,970,790.51	10	Prishtinë 1,	208,076.69
			Fushe Kosove 1,	86,639.34
			Shtime 3,	797,978.83
			Podujeve 2,	163,172.71
			Obiliq 1,	170,000.00
			Lipjan 2.	544,922.94
Ministry of Infrastructure	5,138,198.06	29	Prishtina 4,	1,332,377.86
			Drenas 7,	780,126.41
			Fushe Kosove 1,	170,824.33
			Graçanice 1,	78,862.11
			Shtime 1,	138,683.05
			Podujeve 5,	1,087,965.83
			Obiliq 3,	228,189.34
			Lipjan 7,	1,321,169.13
Ministry of Culture, Youth and Sports	5,890,468.52	14	Prishtina 6,	4,816,064.52
			Drenas 2,	127,000.00
			Fushe Kosove 1,	45,000.00
			Shtime 2,	252,664.50
			Obiliq 1,	249,998.50
			Podujeve 1,	199,743.00
			Lipjan 1,	199,998.00
Ministry of Labour and Social Welfare	105,034.14	4	Prishtina 1,	26,066.70
			Shtime 1,	43,575.66
			Podujeve 1,	29,640.78
			Lipjan 1.	5,751.00
Ministry of Trade and Industry	357,560.03	1	Drenas 1	357,560.03



Ministry of Regional Development	330,000.00	4	Obiliq 1,	75,000
			Lipjan 1,	70,000
			Shtime 1.	120,000
			Drenas 1,	65,000.00
Ministry of Local Government Administration	582,159.89	9	Prishtina 1,	39,144.40
			Drenas 2,	116,324.23
			Fushe Kosove 2,	127,560.00
			Graqanice 2,	179,994.77
			Obiliq 1,	39,246.49
			Lipjan 1.	79,890.00
<b>Total of implemented projects</b>	<b>17,440,857.38</b>	<b>93</b>		

Chart. 3 Capital investments by ministries in the region Centre



As can be seen from the Table no. 3 and Chart no. 3, listed above, the following three (3) ministries in which it was invested most by development regions in 2018 are listed below:

1. Ministry of Culture, Youth and Sports, with total investments: 5,890,468.52€;
2. Ministry of Infrastructure and Transport: 5,138,198.06€;
3. Ministry of Education, Science and Technology: 1,970,790.51€;

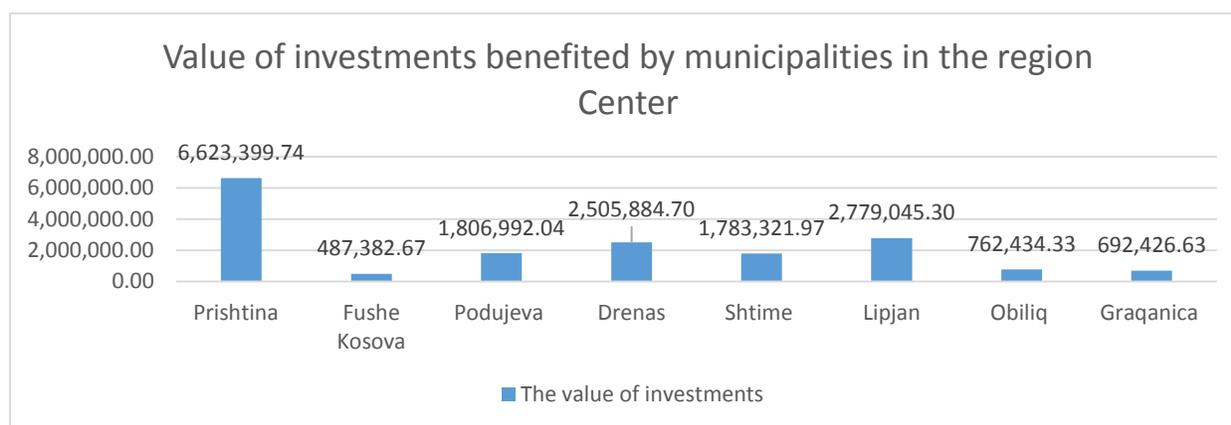


## Value of investments benefited from municipalities in the region Centre

Within the Development Region Centre, the municipality that has received the most funding for the implementation of capital projects is the municipality of Prishtina in the amount of 6,623,399.74. The second is municipality of Lipjan, and the third is municipality of Drenas.

More specifically, regarding the financing of the municipalities of this region, the statistics are presented in Chart 4.

Chart 4 Value of investments benefited by municipalities in the region Centre



## Investment sectors in the region Centre

In the Development Region Centre, investments were done in 11 sectors, with a total investment amount of: 17,182,373.57, out of 13 sectors in total. In the following table no. 4, are presented the sectors of investment in the region Centre and the funding amounts.

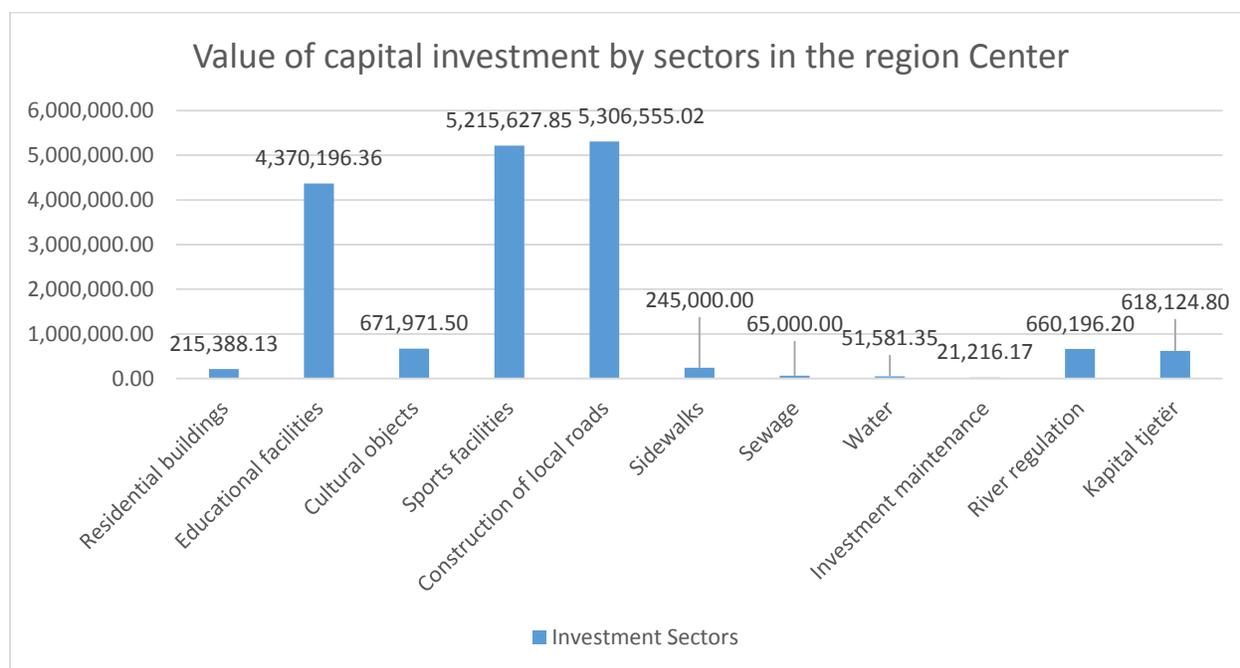
Table 4 Investment sectors in the region centre

Description	Total
Residential buildings	215,388.13
Educational facilities	4,370,196.36
Cultural objects	671,971.50
Sports facilities	5,215,627.85
Construction of local roads	5,306,555.02



Sidewalks	245,000.00
Sewage	65,000.00
Water	51,581.35
Investment Maintenance	21,216.17
River regulation	660,196.20
Other capital	618,124.80
<b>Total</b>	<b>17,440,857.38</b>

Chart 4 The value of capital investment by sectors in the region Centre



As noticed under Table no.4 and Chart no. 6, listed above, the following three (3) sectors in which it was invested most at centre region in 2018, are listed below:

1. Construction of local roads: 5,306,555.02€;
2. Sports facilities: 5,215,627.85€
3. Educational facilities: 4,370,196.36€.



## Capital investments by ministries in the Development Region East

Development Region East consists of 11 (eleven) municipalities as follows: Ferizaj, Gjilan, Hani i Elezit, Kaçanik, Novo Brdo, Shterpca, Viti, Klllokot, Ranillug, Kamenica and Partesh.

The line ministries' investments in the Development Region East and in the municipalities of this region are presented in Table no.5 as follows.

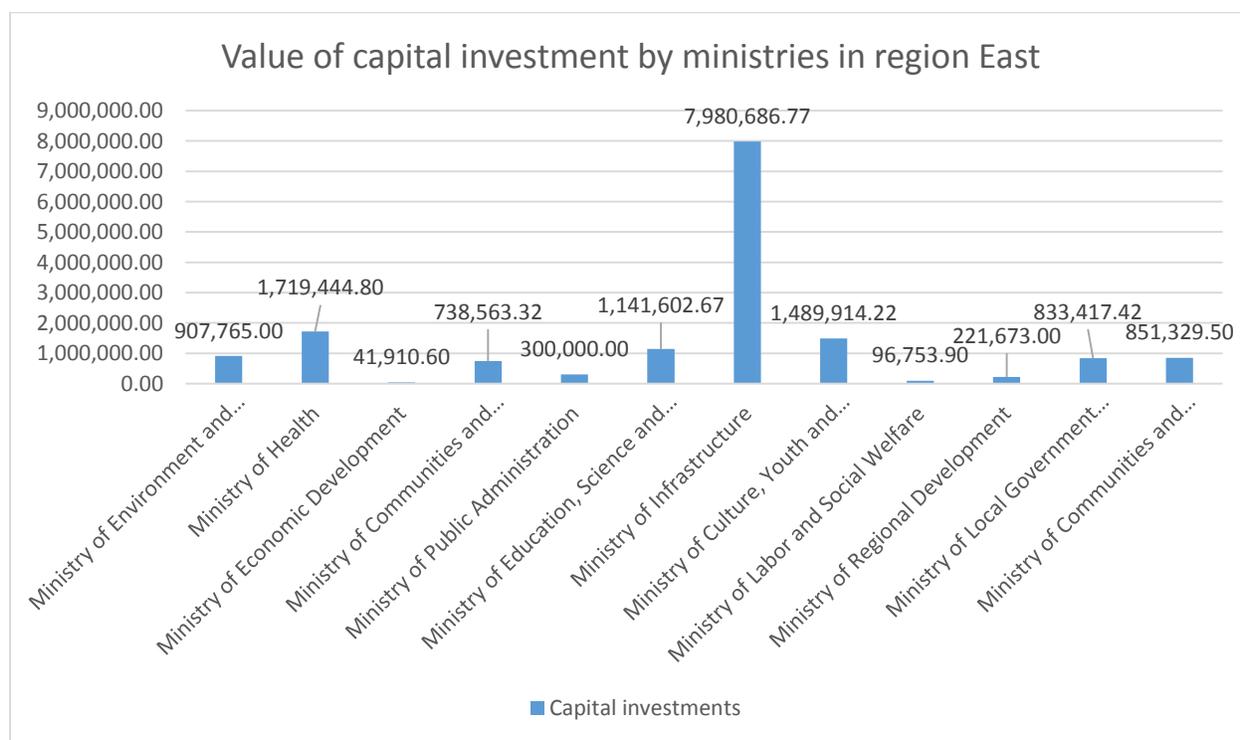
Table 2. Capital investments of line ministries in Development Region East

Ministries	Capital investment amount	Number of projects	Number of projects implemented in the municipalities of Development Region East	Investment value
Ministry of Environment and Spatial Planning	907,765.00	5	Hani i Elezit 1,	50,000.00
			Kaçanik 2,	283,769.81
			Gjilan 1,	400,000.00
			Kamenica 1.	173,995.55
Ministry of Health	1,719,444.80	4	Ferizaj 2,	1,500,138.97
			Gjilan 2.	219,305.83
Ministry of Economic Development	41,910.60	1	Kaçanik 1.	41,910.60
Ministry of Public Administration	300,000.00	1	Viti 1.	300,000
Ministry of Education, Science and Technology	1,141,602.67	7	Ferizaj 2,	278,020.79
			Gjilan 2,	473,029.13
			Kaçanik 2,	328,640.13
			Kamenica 1.	61,912.62
Ministry of Infrastructure	7,980,686.77	41	Ferizaj 12,	2,712,110.47
			Gjilan 5,	1,894,153.89
			Hani i Elezit 1,	82,863.58
			Kaçanik 8,	847,415.16
			Shterpca 2,	165,886.88
			Viti 7,	1,236,509.92
Kamenica 6.	1,041,746.87			
Ministry of Culture, Youth and Sports	1,489,914.22	11	Ferizaj 2,	166,938.00
			Gjilan 2,	447,818.00
			Kaçanik 1,	229,805.59
			Viti 3,	513,711.00
			Kamenica 2,	98,715.48
			Novo Brdo 1.	32,926.15
Ministry of Labour and Social Welfare	96,753.90	2	Ferizaj 1,	20,000.00
			Kaçanik 1.	76,753.90
Ministry of Regional Development	221,673.00	3	Hani i Elezit 1,	70,000
			Kaçanik 1,	112,311



			Kamenica 1.	39,362
Ministry of Local Government Administration	833,417.42	13	Ferizaj 3,	258,073.00
			Gjilan 1,	84,360.00
			Novo Brdo 1,	51,667.32
			Shtërpca 1,	69,956.84
			Viti 1,	71,920.00
			Kamenica 3,	116,259.16
			Partesh 1,	60,000.00
			Klllokot 1,	53,116.10
			Ranillug 1,	68,065.30
Ministry of Communities and Returns	851,329.50	16	Kollokot 2,	30,261.00
			Ranillug 1,	147,600.00
			Novo Brdo 3.	166,101.40
			Shterpca 7.	474,061.26
			Kamenica 1,	12,975.00
			Gjilan 2,	20,330.84
<b>Total projects completed</b>	<b>€ 15,584,497.88</b>	<b>104</b>		

Chart 5. Value of capital investment by ministries in region East



As can be seen in table no. 5 and chart no. 6 presented above, below are listed three (3) ministries that have implemented most capital investments in the development regions in 2018, such as:

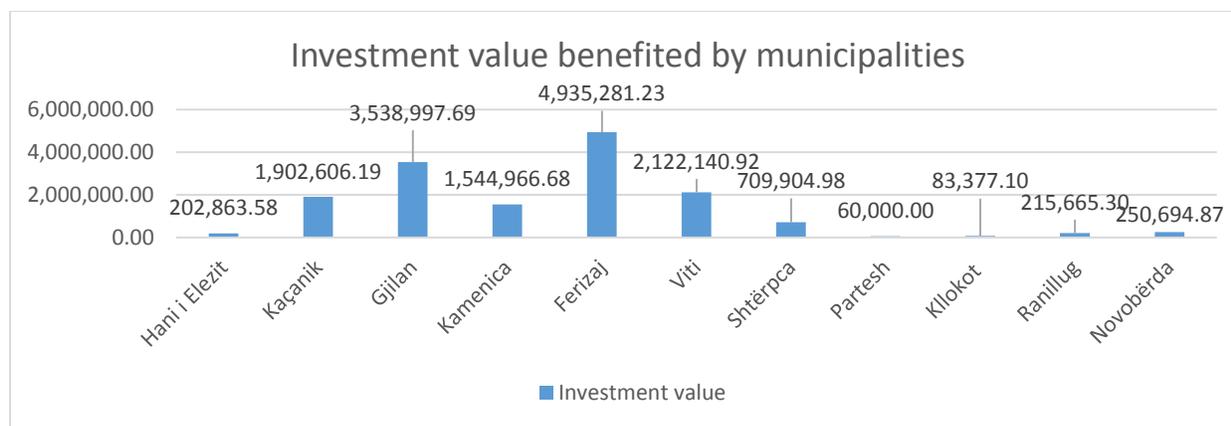
1. Ministry of Infrastructure and Transport: € 7,980,686.77.
2. Ministry of Health: € 1,719,444.80.
3. Ministry of Culture, Youth and Sports: € 1,489,914.22.

### Value of investment benefited by municipalities in region East

Within the Development Region East, the municipality that has benefited the most funding on the implementation of capital projects is the Municipality of Ferizaj, with a total of € 4,935,281.23. The second municipality is the Municipality of Gjilan, with € 3,538,997.69, while the third municipality is the Municipality of Viti with € 2,122,140.92.

More details regarding the funding of municipalities in this region are presented in Chart 7.

Chart 6. Value of investment benefited by municipalities in region east



### Investment sectors in development region East

In development region East, investment were made in 12 sectors with a total amount of: € 15,584,497.88, out of 13 sectors in total. In the following table no. 6, are presented investment sectors in Centre region and funding amounts.

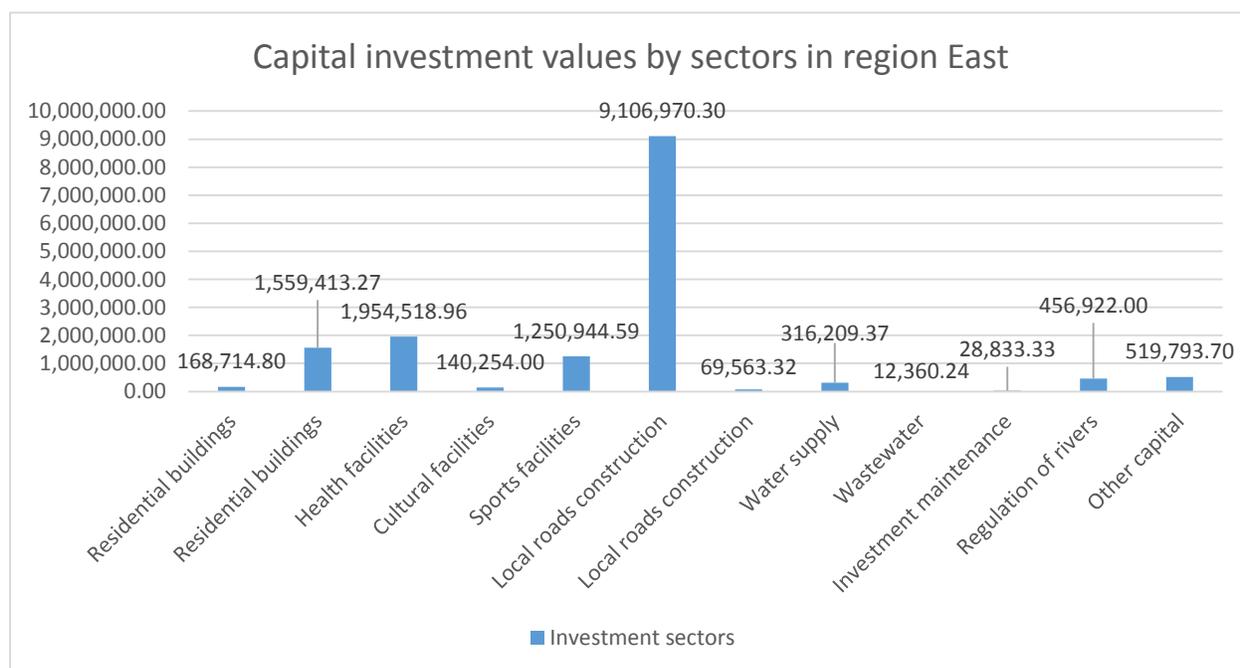
Table 3. Investment sectors in development region East

Description	Total €
Residential buildings	168,714.80
Educational facilities	1,559,413.27
Health facilities	1,954,518.96
Cultural facilities	140,254.00



Sports facilities	1,250,944.59
Local roads construction	9,106,970.30
Sidewalks	69,563.32
Water supply	316,209.37
Wastewater	12,360.24
Investment maintenance	28,833.33
River regulation	456,922.00
Other capital	519,793.70
<b>Total</b>	<b>€ 15,584,497.88</b>

Chart 7. Capital investment by sectors in region East



As can be seen in Table no. 6 and Chart no. 8, presented above, in the following are listed three (3) sectors in which is invested the most in 2018 in the region East, such as:

1. Local roads construction: € 9,106,970.30;
2. Health facilities: € 1,954,518.96;
3. Educational facilities: € 1,559,413.27;



## Capital investments by ministries in North development region

Development region North consists of seven (7) municipalities: South Mitrovica, North Mitrovica, Leposaviç, Zveçan, Zubin Potok, Vushtrria and Skenderaj.

10 Ministries have invested in Development Region North. Within this region, there is no municipality that has not benefited at least one capital project from a line ministry.

Funding amount of line ministries in this region is: € 12,913,651.15 with a total of 68 projects.

In more details, the following table presents the funding data of line ministries in the Development Region North.

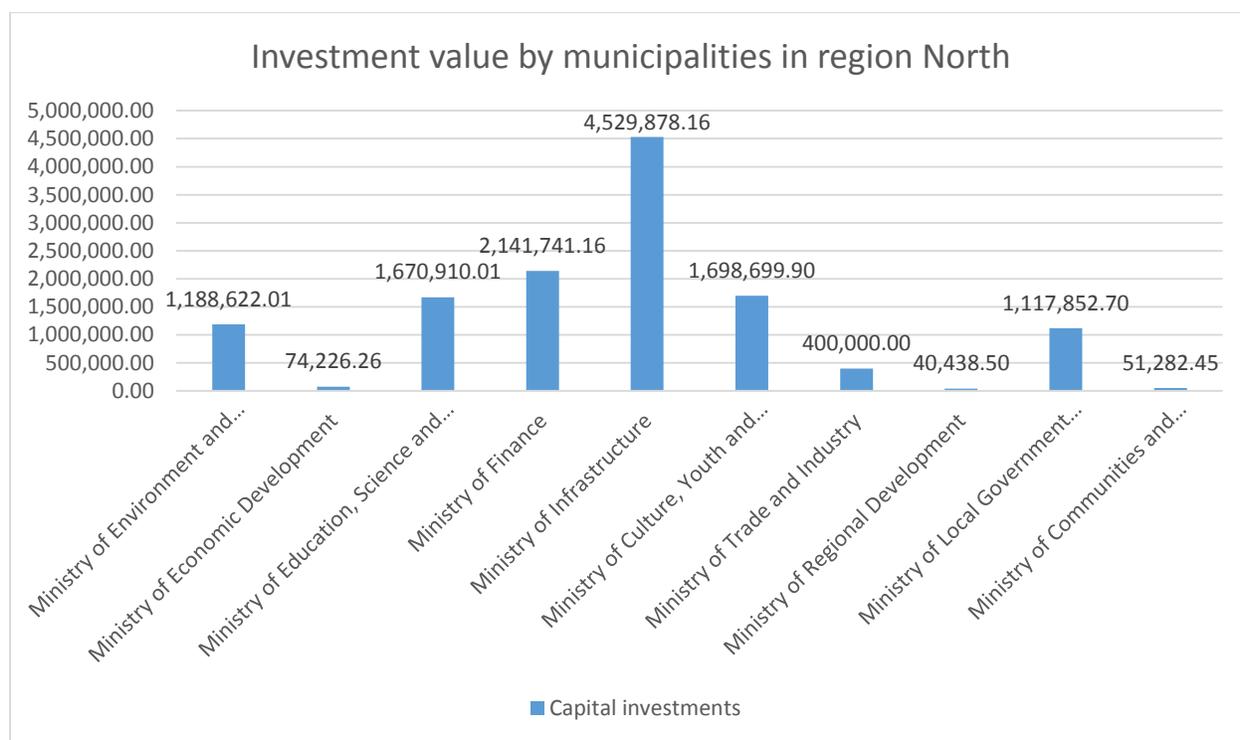
Table 4. Capital investments by ministries in Development Region North

Ministries	Capital investment amount	Number of projects	Number of projects implemented in the municipalities of North Development Region	Investment value
Ministry of Environment and Spatial Planning	1,188,622.01	6	South Mitrovica 6.	562,987.32
			Skenderaj 5,	503,042.77
			Vushtrri 2,	122,591.92
Ministry of Economic Development	74,226.26	2	Vushtrri 1,	28,341.16
			Skenderaj 1.	45,885.10
Ministry of Education, Science and Technology	1,670,910.01	6	South Mitrovica 3,	512,079.93
			Skenderaj 3.	1,158,830.08
Ministry of Finance	2,141,741.16	7	North Mitrovica 2,	499,977.39
			Zveçan 3,	743,685.00
			Zubin Potok 1,	498,078.77
			Leposaviq 1.	400,000.00
Ministry of Infrastructure	4,529,878.16	16	South Mitrovica 6,	1,050,479.60
			Vushtrria 3,	1,185,840.93
			Skenderaj 5,	1,803,776.03
			Zveçan 2,	489,781.60
Ministry of Culture, Youth and Sports	1,698,699.90	8	South Mitrovica 2,	846,576.86
			Vushtrri 5,	552,129.67
			Skenderaj 1.	299,993.37
Ministry of Trade and Industry	400,000.00	1	Vushtrri 1.	400,000.00
Ministry of Regional Development	40,438.50	2	South Mitrovica 1,	10,438.50
			Skenderaj 1,	30,000.00
Ministry of Local Government Administration	1,117,852.70	14	South Mitrovica 2,	76,832.13
			Vushtrri 1,	140,365.56
			Leposaviq 1,	300,000.00



			Zvečan 6,	298,186.25
			Zubin Potok 2,	232,472.00
			North Mitrovica 1.	69,996.76
Ministry of Communities and Returns	51,282.45	2	Vushtrri 2,	51,282.45
Total projects completed	<b>€ 12,913,651.15</b>	<b>68</b>		

Chart 8. Value of investment by municipalities in region North



As can be seen in Table no. 7 and Chart no. 9, presented above, below are listed three (3) ministries that have made most of the capital investments in development regions in 2018, such as:

1. Ministry of Infrastructure and Transport: € 4,529,878.16.
2. Ministry of Finance: € 2,141,741.16.
3. Ministry of Culture, Youth and Sports: € 1,698,699.90.

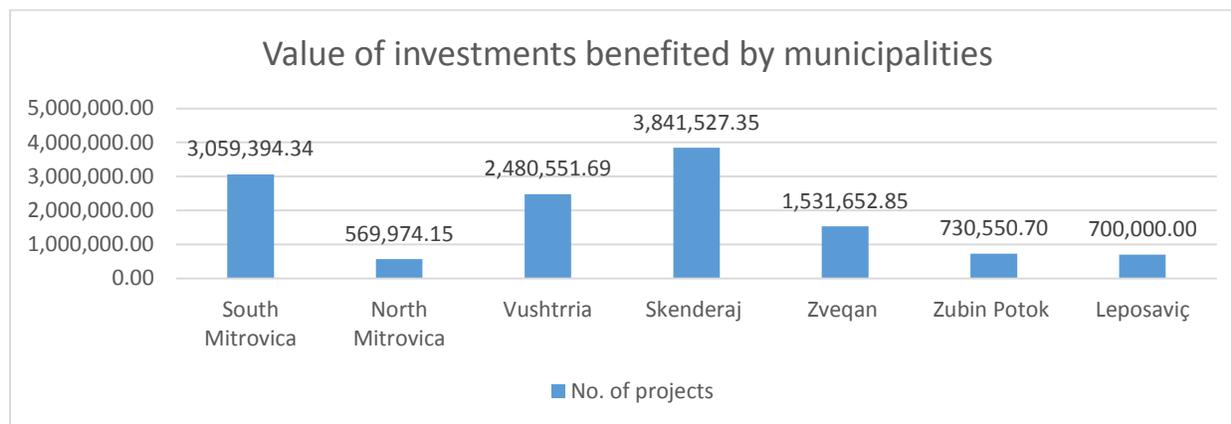


## Value of investments benefited by municipalities in region north

Regarding the Development Region North, the municipality that has benefited the most funding on the implementation of capital projects is the Municipality of Skenderaj, with a total of € 3,841,527.31, the Municipality of South Mitrovica with € 3,059,394.34 is second, and Municipality of Vushtrria with € 2,480,551.69 as third.

More details regarding the funding statistics of municipalities in this region are presented in Chart 10.

Chart 9. Value of investments benefited by municipalities in region North



## Investment sectors in North development region

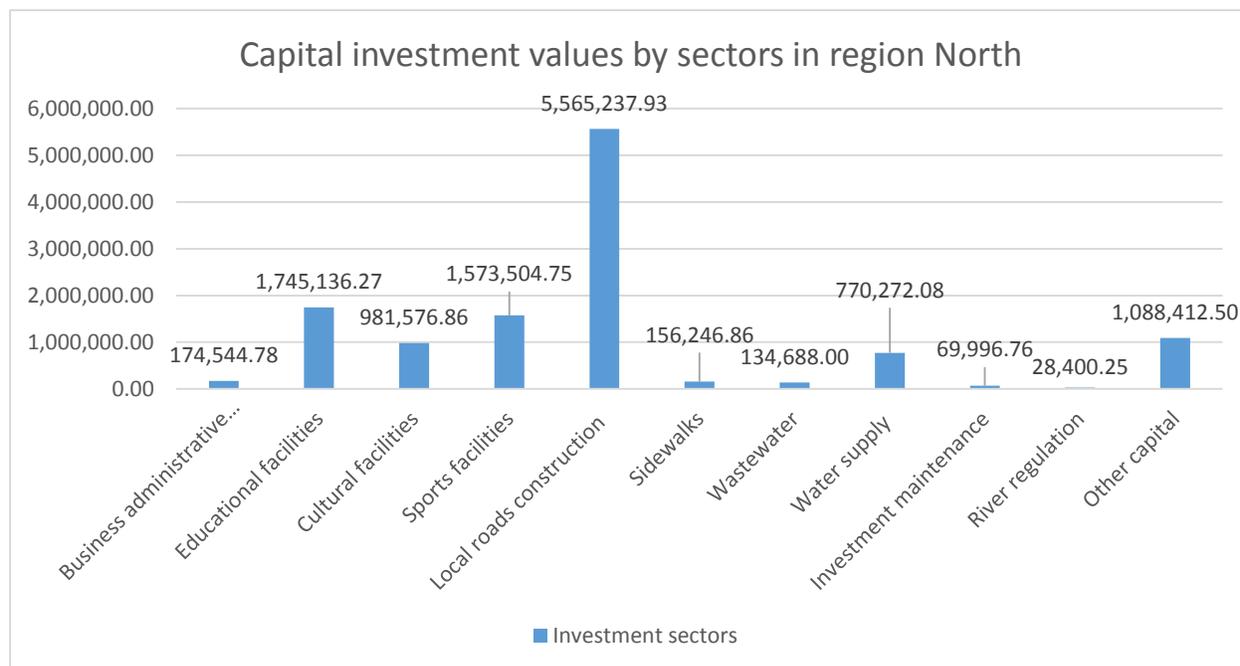
In the Development Region North, is invested in 11 sectors in a total investment amount of: € 12,862,668.94, out of 13 sectors in total. In the following table no. 8, are presented investment sectors in Centre region and funding amounts.

Table 5. Investment sectors in Development Region North

Description	Total €
Business administrative buildings	174,544.78
Educational facilities	1,745,136.27
Cultural facilities	981,576.86
Sports facilities	1,573,504.75
Local roads construction	5,565,237.93
Sidewalks	156,246.86
Wastewater	310,391.35
Water supply	856,987.08
Investment maintenance	69,996.76
River regulation	391,616.01
Other capital	1,088,412.50
<b>Total</b>	<b>€ 12,913,651.15</b>



Chart 10. Capital investment values by sectors in region north



As can be seen in table no.8 and chart no. 11, presented above, in the following are listed three (3) sectors in which is invested the most in 2018, such as:

1. Local roads construction: € 5,565,237.93;
2. Educational facilities: € 1,745,136.27;
3. Sports facilities: € 1,573,504.75.

### Capital investments by ministries in development region West

The Development Region West consists of six (6) municipalities: Peja, Klina, Istog, Junik, Deçan and Gjakova. 10 Ministries have invested in the Development Region West. Furthermore, within this region, there is no municipality that has not benefited at least one capital project from a line ministry.

The funding amount of line ministries in this region is: € 18,476,267.75 with a total of 106 projects.

The table below presents the funding of line ministries in development region West in more details.



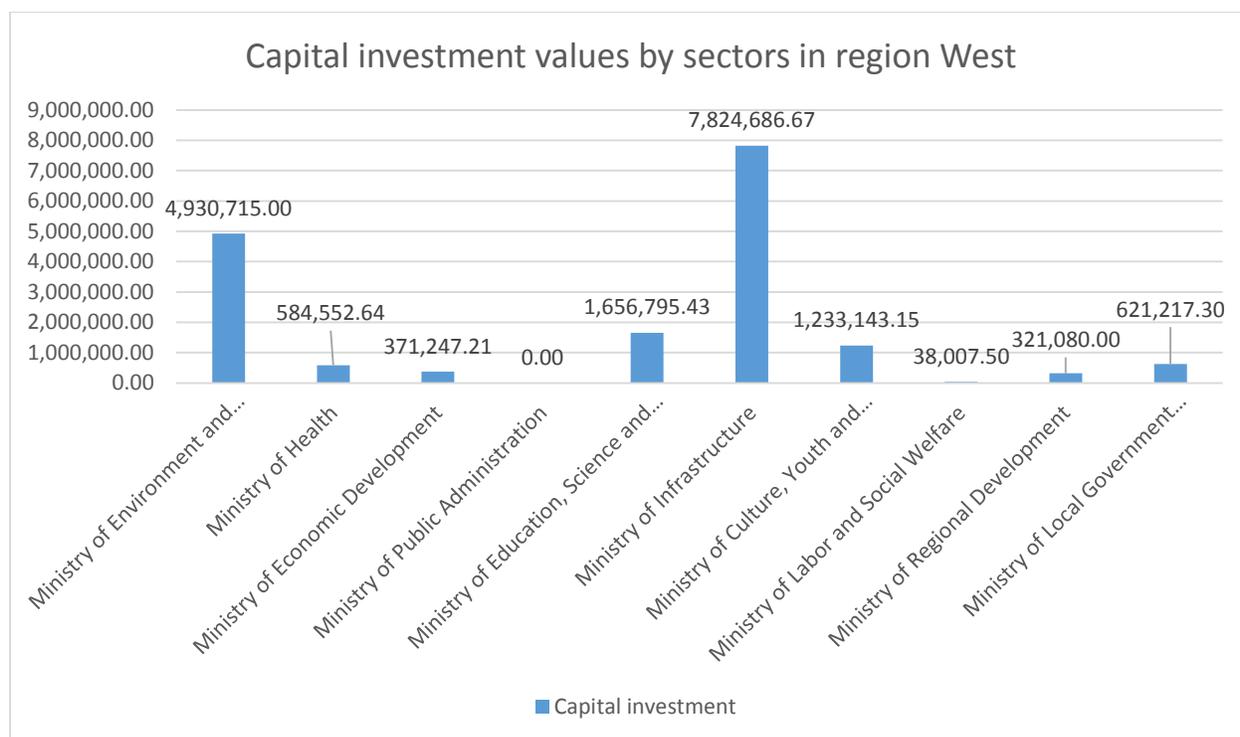
Table 6. Capital investments by ministries in development region West

Ministries	Capital investment amount	Number of projects	Number of projects implemented in the municipalities of Development Region West	Investment value
Ministry of Environment and Spatial Planning	4,930,715.00	11	Deçan 5,	515,996.51
			Peja 2,	3,859,294.45
			Klina 1,	100,000.00
			Istog 1,	55,426.86
			Gjakova 2.	399,997.19
Ministry of Health	584,552.64	3	Gjakova 2,	540,304.26
			Deçan 1.	44,248.38
Ministry of Economic Development	371,247.21	4	Gjakova 2,	139,741.21
			Deçan 1,	183,063.00
			Junik 1	48,443.00
Ministry of Public Administration	894,822.53	4	Gjakova 3,	594,936.99
			Peja 1.	299,885.54
Ministry of Education, Science and Technology	1,656,795.43	9	Peja 3,	876,096.32
			Klina 1,	410,341.94
			Deçan 3,	292,123.59
			Gjakova 2.	78,233.58
Ministry of Infrastructure	7,824,686.67	50	Gjakova 11,	1,608,584.61
			Deçan 7,	1,389,869.73
			Junik 4,	626,631.62
			Istog 8,	810,059.11
			Klina 5,	979,667.91
			Peja 15.	2,409,873.69
Ministry of Culture, Youth and Sports	1,233,143.15	11	Peja 4,	232,509.67
			Klina 1,	55,000.00
			Istog 2,	161,887.78
			Deçan 2.	315,407.00
			Gjakova 2.	468,338.70
Ministry of Labour and Social Welfare	38,007.50	2	Peja 2,	38,007.50
Ministry of Regional Development	321,080.00	4	Peja 1,	51,080.00
			Klina 1,	120,000.00
			Junik 1	50,000.00
			Deçan 1	100,000.00
Ministry of Local Government Administration	621,217.30	8	Deçan 2,	143,408.00
			Gjakova 1,	105,999.30
			Junik 2,	183,550.00
			Istog 1,	80,160.00
			Klina 1,	30,000.00



			Peja 1,	78,100.00
<b>Total projects completed</b>	<b>€18,476,267.75</b>	<b>106</b>		

Chart 11. Capital investment values by sectors in region West



As can be seen in table no.9 and chart no. 12, presented above, below are listed three (3) ministries in which is invested the most capital investments in development regions in 2018, such as:

1. Ministry of Infrastructure and Transport: € 7,824,686.67.
2. Ministry of Environment and Spatial Planning: € 4,930,715.00.
3. Ministry of Education, Science and Technology: € 1,656,795.43.

### Value of investments benefited by municipalities in region west

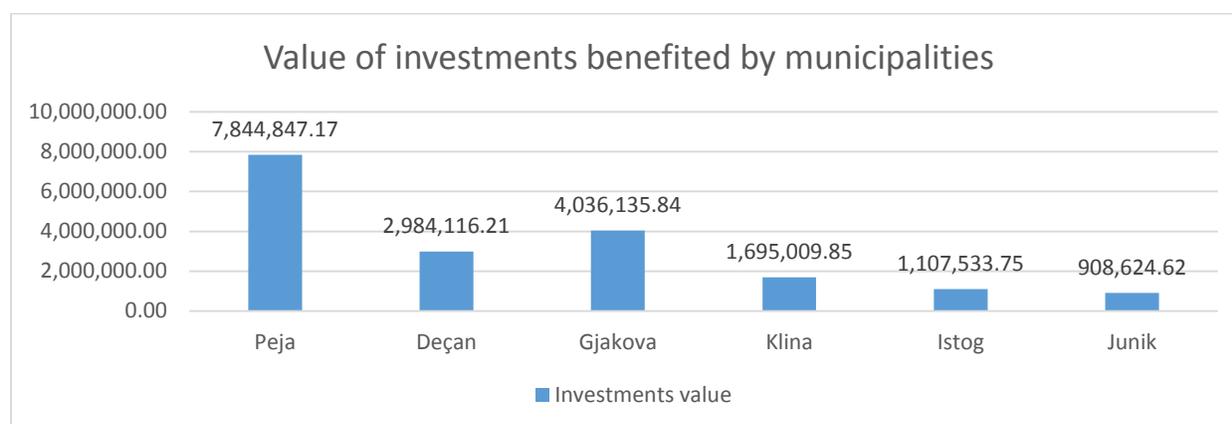
Regarding the Development Region West, the municipality that has benefited the most funding for the implementation of capital projects is the Municipality of Peja, with a total amount of €



7,844,847.17, and second is the Municipality of Gjakova with € 4,036,135.84, and third is the municipality of Deçan with € 2,984,116.21.

More details regarding the funding statistics of municipalities in this region are presented in Chart 13.

Chart 12. Value of investments benefited by municipalities in region west



### Investment sectors in development region west

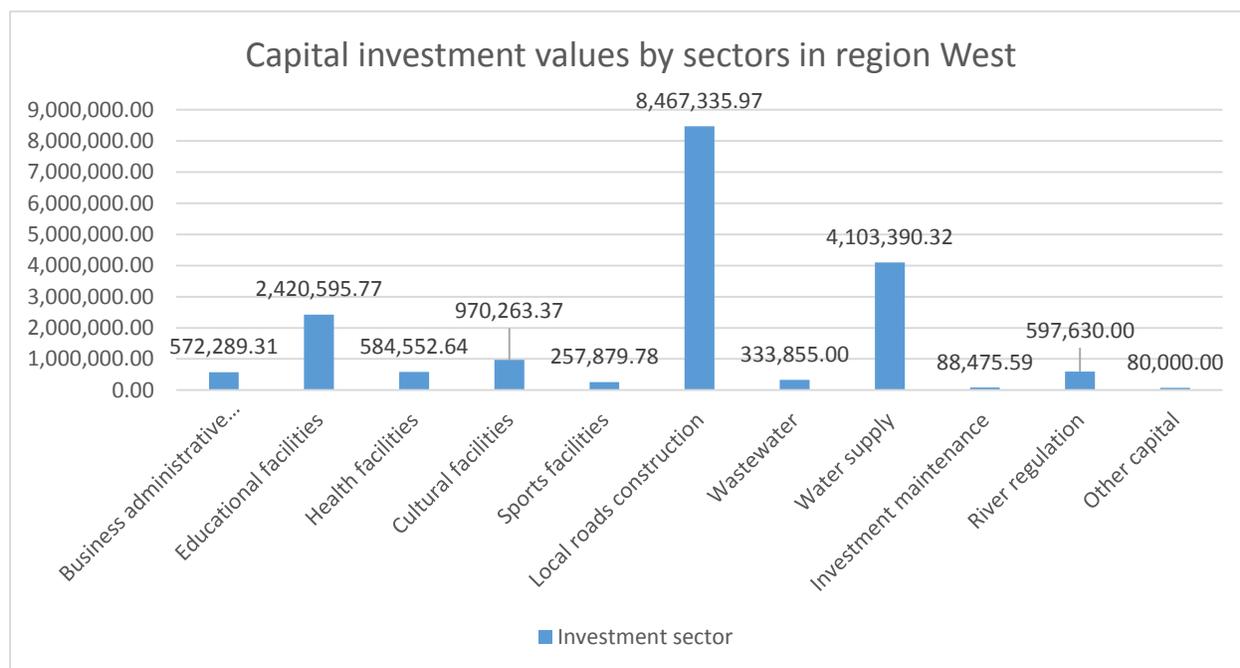
In addition, in the Development Region West is invested in 11 sectors, with a total of investments amounting to: € 18,476,267.75, out of 13 sectors in total. In the following table no. 10, are presented investment sectors in Region Centre and the amounts of funding.

Table 7. Investment sectors in West development region

Description	Total €
Business administrative buildings	572,289.31
Educational facilities	2,420,595.77
Health facilities	584,552.64
Cultural facilities	970,263.37
Sports facilities	257,879.78
Local roads construction	8,467,335.97
Wastewater	333,855.00
Water supply	4,103,390.32
River regulation	597,630.00
Investment maintenance	88,475.59
Other capital	80,000.00
<b>Total</b>	<b>€ 18,476,267.75</b>



Chart 13. Capital investment values by sectors in West region



As one can see in Table No. 10 and Chart No. 14, below we will present the three (3) sectors where most of the investments were made during 2019 in the Region West:

1. Local roads construction: € 8,467,335.97.
2. Water supply: € 4,103,390.32.
3. Educational facilities: €2,420,595.77.

### Capital investments by ministries in the development region South

The Development Region South consists of six (6) municipalities: Rahovec, Malisheva, Prizren, Suhareka, Dragash and Mamusha.

11 Ministries have invested in the Development Region South. Within this region, there is no municipality that has not benefited at least one capital project from a line ministry. The amount of funding from line ministries in this region is: € 11,268,985.04 € with a total of 68 projects.

More details regarding the funding statistics of municipalities in the Development Region South are presented in table below.

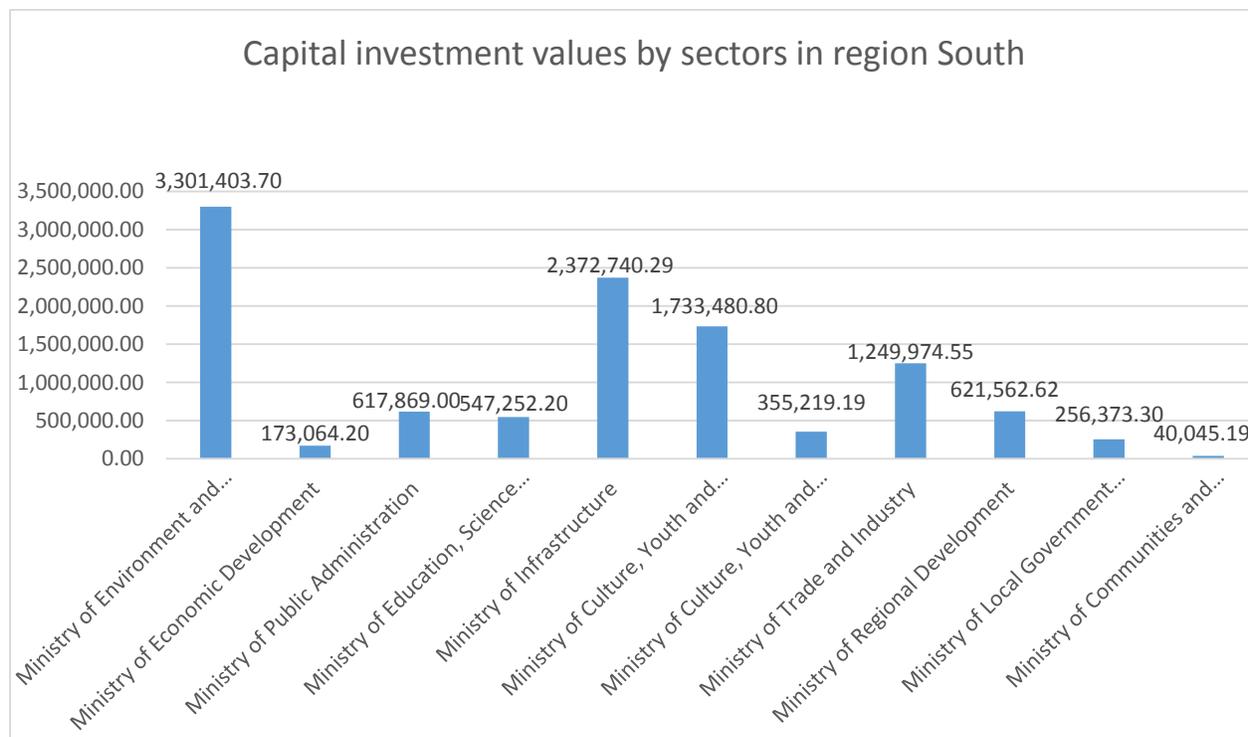


Table 8. Capital investments by ministries in development region South

Ministries	Capital investment amount	Number of projects	Number of projects implemented in the municipalities of development region South	Investment value
Ministry of Environment and Spatial Planning	3,301,403.70	8	Malisheva 3,	553,420.60
			Prizren 2,	2,285,922.85
			Suhareka 2,	445,455.19
			Dragash 1.	16,605.00
Ministry of Economic Development	173,064.20	2	Prizren 1,	74,243.00
			Suhareka 1.	98,821.20
Ministry of Public Administration	617,869.00	4	Rahovec 2,	359,869.00
			Prizren 2	258,000.00
Ministry of Education, Science and Technology	547,252.20	3	Rahovec 1,	181,094.10
			Prizren 1.	203,219.93
			Suhareka 1	162,938.17
Ministry of Infrastructure	2,372,740.29	19	Rahovec 6,	532,301.67
			Malisheva 3,	533,495.27
			Prizren 4,	531,068.59
			Suhareka 1,	90,439.13
			Dragash 5	685,435.63
Ministry of Culture, Youth and Sports	1,733,480.80	10	Rahovec 1,	398,618.00
			Prizren 7,	1,194,864.80
			Suhareka 2.	139,998.00
Ministry of Labour and Social Welfare	355,219.19	6	Malisheva 2,	157,977.36
			Prizren 2,	125,041.83
			Mamusha 1,	40,000.00
			Dragash 1.	32,200.00
Ministry of Trade and Industry	1,249,974.55	1	Suhareka 1,	1,249,974.55
Ministry of Regional Development	621,562.62	7	Rahovec 1,	71,513.02
			Prizren 2,	279,799.60
			Suhareka 1	90,000.00
			Dragash 2,	110,250.00
			Mamusha 1.	70,000.00
Ministry of Local Government Administration	256,373.30	5	Mamusha 2,	99,308.30
			Dragash 2,	133,251.14
			Malisheva 1.	23,814.00
Ministry of Communities and Returns	40,045.19	3	Rahovec 3,	40,045.19
<b>Total projects completed</b>	<b>€ 11,268,985.04</b>	<b>68</b>		



Chart 14. Capital investment values by sectors in South region



As can be seen under Table No. 11 and Chart No. 15 above, we will also present below the three (3) ministries that have invested the most capital investments in the development regions during 2018:

1. Ministry of Environment and Spatial Planning: 3,301,403.70€
2. Ministry of Infrastructure and Transport: 2,372,740.29€
3. Ministry of Culture, Youth and Sports: 1,733,480.80€

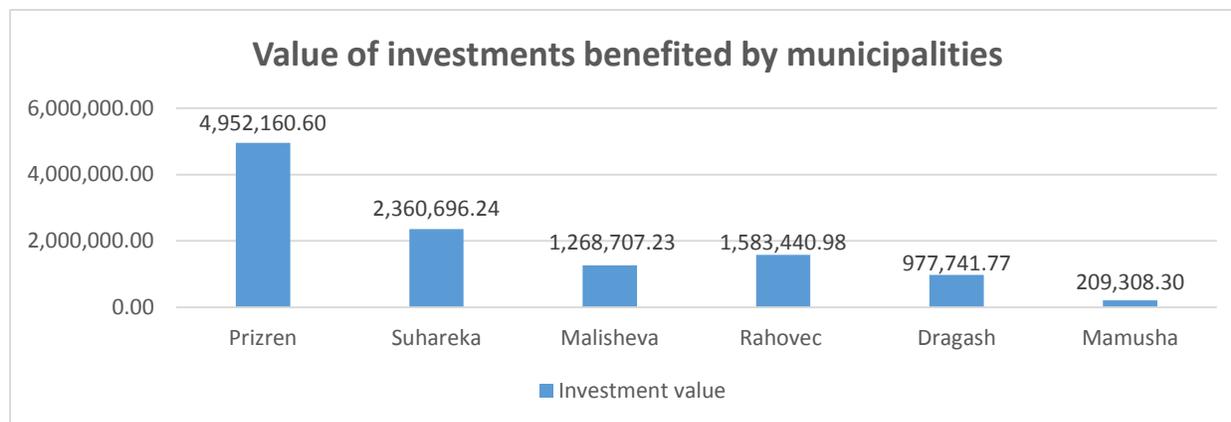
### Value of investments benefited by municipalities in region south

Regarding the development region South, the municipality that has benefited the most funding for implementation of capital projects is the Municipality of Prizren, with a total of € 4,952,160.60, whereas the second municipality is the Municipality of Suhareka with € 2,360,696.24, and the third is the Municipality of Rahovec with € 1,583,440.98.

More details regarding the funding statistics of municipalities in this region are presented in Chart 16.



Chart 15. Value of investments benefited by municipalities in region South



### Investment sectors in development region south

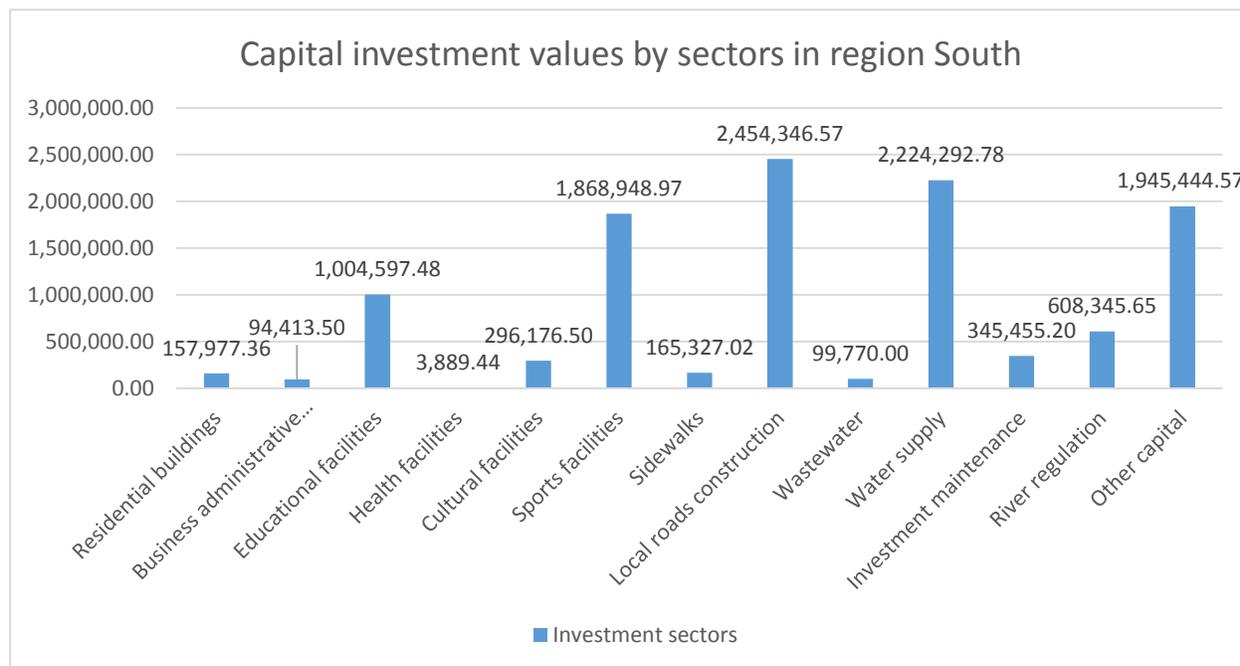
In the development region South, was invested in 13 sectors in a total investment amount of: € 11,268,985.04, out of 13 sectors in total. The table below no.12, presents the investment sectors in region South as well as the amounts of funding.

Table 9. Investment sectors in South development region

Description	Total €
Residential buildings	157,977.36
Business administrative buildings	94,413.50
Educational facilities	1,004,597.48
Health facilities	3,889.44
Cultural facilities	296,176.50
Sports facilities	1,868,948.97
Local roads construction	2,454,346.57
Sidewalks	165,327.02
Wastewater	99,770.00
Water supply	2,224,292.78
Investment maintenance	345,455.20
River regulation	608,345.65
Other capital	1,945,444.57
<b>Total</b>	<b>11,268,985.04</b>



Chart 16. Capital investment values by sectors in region South



As can be seen in table no. 12 and chart no. 17, presented above, below are listed three (3) sectors in which is invested the most during 2018 in region South, such as:

1. Local roads construction: € 2,454,346.57;
2. Water supply: € 2,224,292.78;
3. Other capital: € 1,945,444.57;

### Balanced regional development in 2018

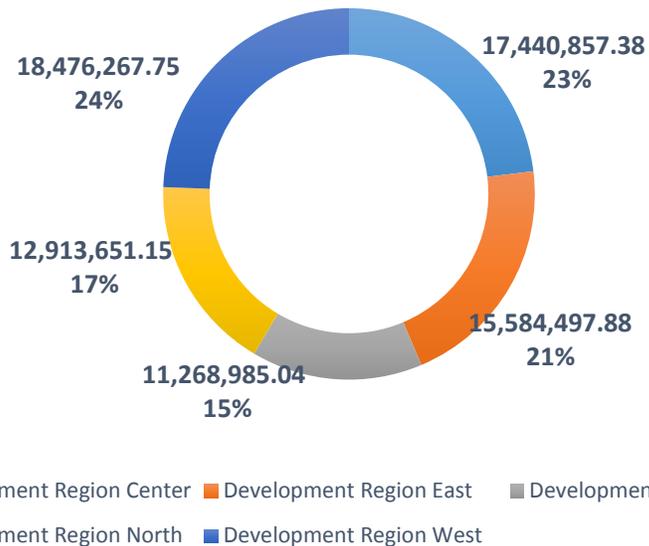
The balanced regional development is a strategic goal of the Ministry of Regional Development for the coming period. Regional developments imbalances have been evident in the past years, so MRD aims to influence through the development of policies and documents that have a positive effect on advancing in this area. This document reflects the capital investments of line ministries in 2018. Out of the five (5) development regions in Kosovo, the difference between the regions with most investments to that with lowest investment is around 9%.

In the following Chart no. 18 are presented balanced capital investments by regions.

Chart 17. Value of capital investment by region



## Value of capital investment by region



According to the chart above, the region benefiting the largest amount of capital investment from line ministries in 2018 is the development region West, with a total of: € 18,476,267.75. The second most developed region is the region Centre with an amount of: € 17,440,857.38, whereas, the analysis has gone beyond regional level investment, by also elaborating investments allocation within the municipalities of a particular region. Out of 13 ministries addressed in this document, 7 ministries have allocated their capital investments in five (5) development regions. However, with regard to balanced investment by a ministry, there are differences from one region to another.

The Charts below show the % of a ministry's investment in the five development regions.



Chart 18. MESP investments by regions

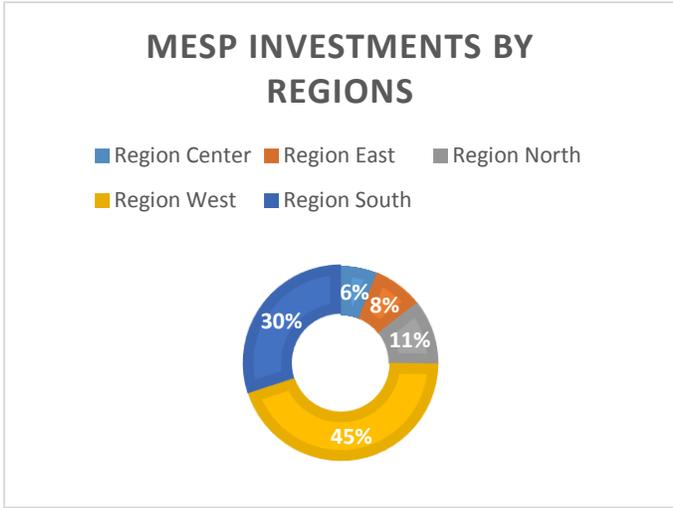


Chart 19. MED investments by regions

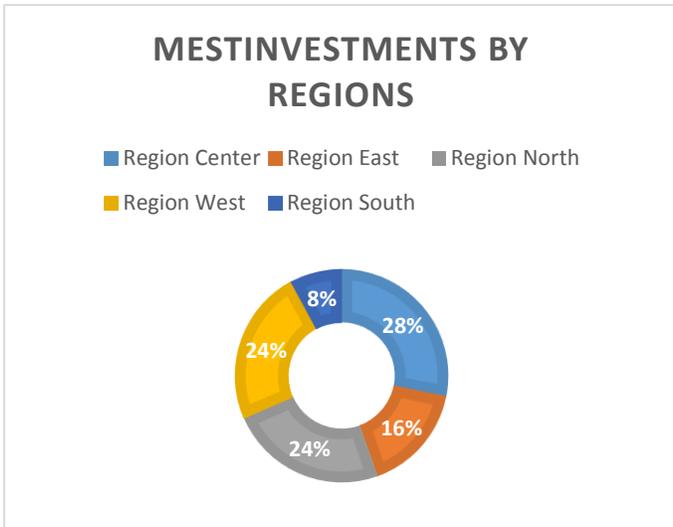
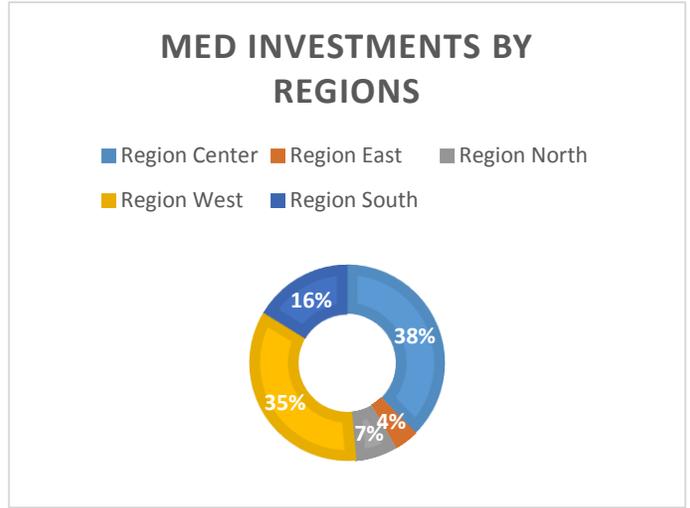


Chart 21. MEST investments by regions

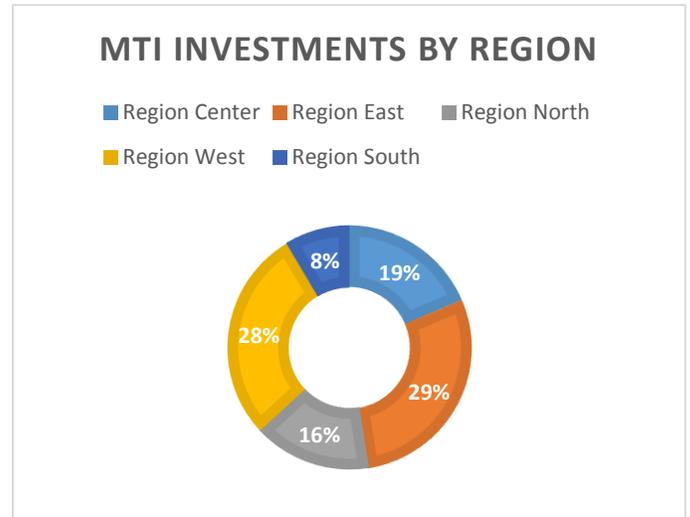


Chart 20. MTI investments by region



Chart 22. MCYS investments by regions

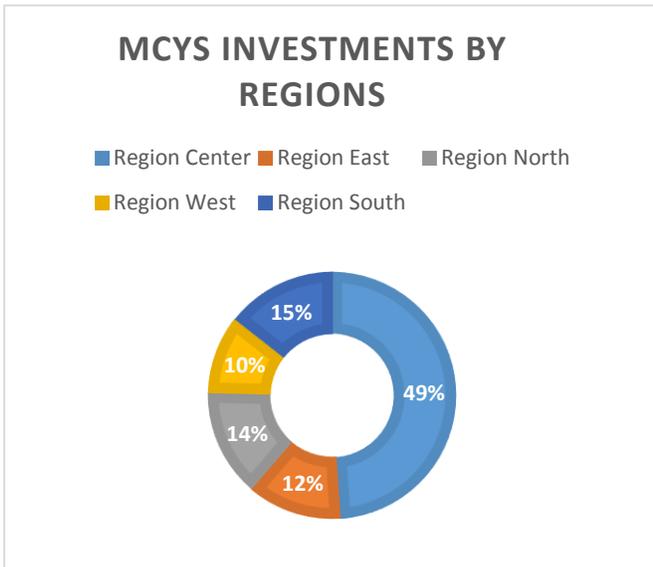


Chart 23. MRD investments by regions

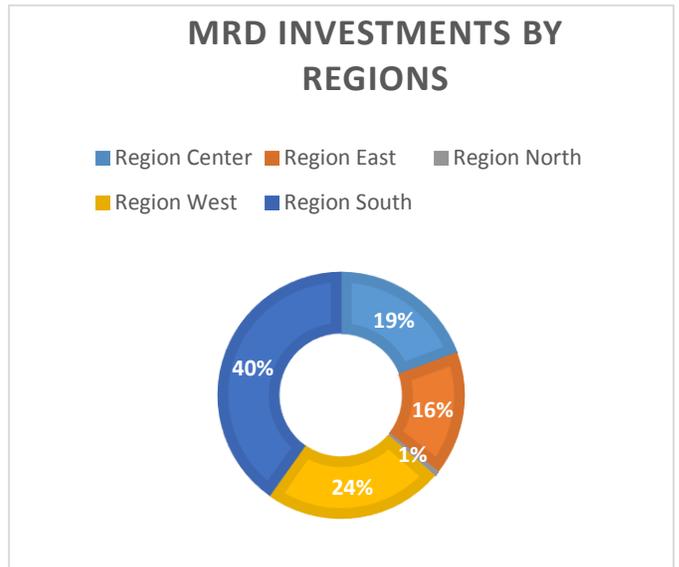
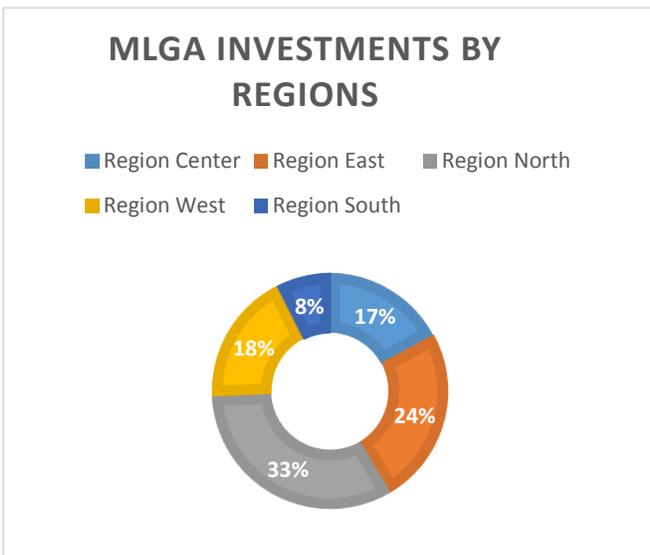


Chart 24. MLGA investments by regions



Finally, the development regions that have benefited the most from capital investments of line ministries are: Development Region West, Development Region Centre, and Development Region East. While the municipalities that have benefited the most are: Municipality of Peja, with a total amount of € 7,844,847.17, Municipality of Prishtina with a total amount of € 6,623,399.74, and the third is the Municipality of Prizren with € 4,952,160.60.

## Conclusions and recommendations

Line ministries have made capital investments during 2018 in the development regions based on the strategic priorities of the Government, their legal mandate as a ministry, and the law on annual budget, whereas, projects at local level have been identified based on funding opportunities and current needs of the community.

The document presents in detail the allocation of investments by line ministries into five (5) development regions, breaking them down into municipalities and sectors. After analysing the content and issues addressed in the document, as conclusions and recommendations can be considered:

- Increase rather than decrease the budget of lines ministries for capital investments in development regions;
- Line ministries, shall adhere to the transparency principle, and publish the invitations for financing on their official websites;
- Preparation, application and evaluation of the project, as well as monitoring of implementation, should be in accordance with the legislation in force and new guidelines issued by MoF;
- Establish a central level mechanism for coordinating and preventing duplication of investments by two or more ministries;  
At central level, establishing a capital investment database from line ministries at development regions, and its annual update;
- Based on previous years investments, to prioritize less-invested sectors and take into account the National Strategy for Development and Governmental Program in the planning phase of capital investment and developing investment criteria;
- Municipalities in cooperation with the central level should look into the possibility of funding the maintenance of capital investments, which is rather necessary since the investments made years ago can return to their previous state;
- The difference of 9% between the development region with most investments from lines ministries within a year compared to the Development Region with least investment, should be continuously reduced;



## **References:**

1. Law no. 03/L-040, (2008) on Local Self-Government
2. Law no. 03/L-049, (2008) on Local Government Finance
3. Law No.03/L-048 (2008) on Public Financial Management and Accountability
4. Law no. 06/L-33 (2019) on the Annual Budget appropriation for 2019
5. Report on Budget Appropriations and Capital Investment Expenditures for 2018 from the Treasury Department within the Ministry of Finance;
6. Official websites of line ministries and municipalities;

## **Annexes:**

In this document is attached - Annex 1 "Capital Investment Analysis of Line Ministries in development regions in 2018"

