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*Ministry of Regional Development*

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DEPARTMENT FOR REGIONAL SOCIO-ECONOMIC PLANNING AND  
ANALYSES

**ANALYSIS OF BALANCED REGIONAL SOCIO-ECONOMIC  
DEVELOPMENT IN 2018**

June 2019

*This document is a product of the Ministry of Regional Development and it should be used for the needs of this institution and the municipalities of the Republic of Kosovo in the design and development of ongoing programs for supporting the private sector in Kosovo.*

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**List of abbreviations:**

MRD - Ministry of Regional Development

BRDP (2018) – Balanced Regional Development Program (2018)

RDP (2018) – Regional Development Program (2018)

RDA - Regional Development Agency

SERK - Socio-Economic Regions of Kosovo

SERS - Socio-Economic Region South

SERN - Socio-Economic Region North

SERE - Socio-Economic Region East

SERC - Socio-Economic Region Centre

SERW - Socio-Economic Region West

## INTRODUCTION

The Ministry of Regional Development (MRD), in accordance with its legal mandate defined by the applicable legislation, develops, manages and promotes projects to ensure balanced regional socio-economic development throughout the territory of the Republic of Kosovo. Through its Annual Balanced Regional Development Program, the MRD stimulates balanced regional socio-economic development between five (5) development regions: region Centre, region North, region West, region East and region South. In 2018 and in years to come, the MRD aims through the implementation of the programs, to contribute to economic growth, reduction of regional socio-economic disparities, employment stimulation and increasing the welfare of the population in general.

During 2018, the Ministry of Regional Development (MRD) has for the first time developed and implemented two (2) regional development programs in the entire territory of Kosovo: the Regional Development Program (RDP), which included financing of capital projects in all the municipalities of Kosovo and Balanced Regional Development Program (BRDP), which is implemented through the grant scheme for financial support of businesses with projects throughout the territory of Kosovo. This grant scheme was launched by the MRD on 21.05.2019. For clarifying the application process and providing guidance to applicants, the MRD conducted five (5) information sessions in five (5) socio-economic regions.

The BRDP (2018) aimed to meet the needs of doing business in the five (5) development regions of Kosovo (Center, West, East, North and South). The funding amount of this program in 2018 was EUR 1.4 million. The aim of this program launched by the MRD was to support new businesses with a growth potential, generate new jobs, with particular emphasis on young people, and support businesses that contribute to import substitution and stimulation of local products exports. Under the Balanced Regional Development Program (BRDP) 2018, 1,696 applications were received in three (3) lots (1, 2, 3) at Kosovo level. Under Lot 1 category, the MRD received 733 applications, 233 applications under Lot 2 and 730 applications under Lot 3. The applications in five (5) socio-economic development regions were received through the support and professional cooperation of five (5) Regional Development Agencies: RDA Center, RDA North, RDA South, RDA East and RDA West. Under the BRDP 2018, the MRD has during 2018 financed and monitored 145 projects in the five development regions of Kosovo. Beneficiaries of MRD funding were businesses from all municipalities of the Republic of Kosovo, coming from both genders and all

communities living in Kosovo. The implementation of this program has resulted in the generation of 561 new jobs, opening up a large number of new self-employment businesses, and significantly increasing the production capacity of existing businesses.

Considering that the MRD is a new ministry still in the consolidation phase, this analysis only addresses the balanced regional socio-economic development program of the MRD implemented in 2018. This document will serve only as a starting point for the next years, where a more comprehensive analysis will be carried out, addressing the line ministries' pragmatic approaches to supporting businesses and the private sector in general.

### **Implementation of the Balanced Regional Development Program 2018 – Business Grants Scheme**

The Balanced Regional Development Program 2018 was implemented through the launch and implementation of the business grants scheme distributed in lots.

Lots and the funds allocated for each lot were as below:

LOT1- Includes all projects – start-up businesses, in the amount of €1.000 to €5.000

LOT2- Covers all projects – businesses with business experience of up to two (2) years, in the amount of €5.000 to €10.000

LOT3- Covers all consolidated projects-businesses with business experience of over two (2) years, in the amount of €10.000 to €20.000

The grant scheme based on the Balanced Regional Development Program during 2018 supported a total of 145 projects distributed as follows:

In the socio-economic region Centre (Prishtina municipality with surrounding municipalities), thirty projects (30);

In the socio-economic region East (Gjilan municipality with surrounding municipalities), twenty-nine (29) projects;

In the socio-economic region West (Peja municipality with surrounding municipalities), thirty-one (31) projects;

In the socio - economic region North (South Mitrovica municipality with surrounding municipalities), twenty-four projects (24);

In the socio-economic region South (Prizren municipality with surrounding municipalities), thirty-one (31) projects.

The total number of persons employed in the (5) five development regions of Kosovo is 561, of whom 177 persons were employed in region Centre, 101 persons in region East, 100 persons in region West, 87 persons in region North and 96 people in region South.

The types of project activities supported by the Balanced Regional Development Grant Scheme (2018) involved mostly manufacturing and processing activities, as well as various services such as consultancy, information technology, engineering, mechanic/car servicing, medical services, hairdressers, tailoring, design, cleaning services, etc. Manufacturing activities were mostly focused on flour, meat processing, textile and plastic products, iron and wood production and processing, cultivation and processing of tea, fruit, mountain products, confectionery, etc.

The following tables show in more detail all the projects funded during 2018 by the Ministry of Regional Development in the (5) five socio-economic regions in Kosovo, divided into Lot1, Lot2 and Lot3. They will reflect more clearly the balanced distribution of municipal projects and funding and the impact of the development program on balanced regional development throughout the territory of Kosovo, with €1, 346, 806, 00 invested in the five (5) socio-economic development regions.

## SOCIO-ECONOMIC REGION CENTRE (SERC)

### Projects implemented by the MRD under the Grant Scheme "Balanced Regional Development Program" (Year 2018)

In the Socio-Economic Region Centre, which includes eight (8) municipalities (Prishtina, Drenas, Fushe Kosova, Graçanica, Shtime, Podujeva, Obiliq and Lipjan), 30 projects have been supported (including Lot1, Lot2 and Lot3) in all the municipalities of this region. Under the Balanced Regional Development Program - BRDP (2018), the RDA Centre received 450 applications in the socio-economic region Centre distributed in three (3) Lots (1, 2, and 3) from eight (8) municipalities of this region. From

the total 450 applications, 219 applications were under Lot 1, 56 applications under Lot 2 and 175 applications under Lot 3.

In the Lot 1 category, which included funding up to € 5,000 for new businesses or the so-called "Start Ups", the total financial support amounted to € 60,663.75. Total 14 projects were financed under Lot 1 in the socio-economic region centre and 28 persons were employed. The most commonly funded activities were: various services such as textiles, 3D printing, bags production, leather accessories, wood processing, glass, plastic and gastronomy services. The funded projects met all administrative and content-wise criteria set out under the relevant guidelines of the MRD for the BRDP 2018.

Under Lot 2, financial support was provided to all businesses which have experience up to 2 years in their business activity. The total amount invested by the MRD's Grant Scheme (2018) in the LOT 2 category in Region Centre was € 71,670.00, with 8 businesses supported and 89 persons employed. The value of projects funded under Lot 2 ranged from € 5,000 to € 10,000, where all projects met the criteria set out in the Balanced Regional Development Grant Scheme application guidelines. Types of most common activities in Lot 2 were: the textile sector, design, architectural modelling, consulting and engineering services, and human resource consulting services, dentistry and tailoring services.

Businesses specializing in production activities with larger labour force capacities and businesses which have been registered for over two years received financial support under Lot 3, where the total amount invested in this lot was €144,878,00 and 60 persons were employed under 8 projects. The value of projects funded under Lot 3 ranged up to € 20,000. Businesses with the most frequent activities in Lot 3 were businesses with food production, manufacturing and processing of plastic products, sheets, production of confectionery products, and maintenance and cleaning services of private and public facilities.

Based on the preliminary analysis of DRSEPA, the financial support provided to business activities in the Socio-Economic Region Centre by the Grant Scheme launched by the MRD for 2018 totals to € 277.211,75. This financial support from the MRD resulted in employment of 117 unemployed, thus this region has the largest number of employees from the Regional Development Program. This employment by beneficiary businesses is evidenced by the pension contributions of registered employees in TAK. The MRD has financially supported a total of 30 businesses in the Socio-Economic Region Centre.

SOCIO-ECONOMIC REGION CENTRE (LOT 1)
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LOT 1	Beneficiary municipality	Project description	No. of persons employed	No. of beneficiary businesses	Amount financed by MRD (€)
	Prishtina	Professional services	2	1	4820
	Prishtina	3D printing services	2	1	4299.75
	Prishtina	Shoes and leather manufacturing	2	1	5000
	Prishtina	Service company	3	1	4700
	Drenas	Textile products and services	2	1	4954
	Prishtina	Manufacturing of leather and textile bags and accessories	2	1	3940
	Obiliq	Manufacturing of plastic products	2	1	5000
	Podujeva	Confectionary	2	1	4480
	Fushe Kosova	Chemical cleaning services	2	1	5000
	Prishtina	Textile	4	1	4000
	Gracanica	Wood products	1	1	3950
	Gracanica	Paper and plastic packaging for organic producers services	2	1	4500
	Gracanica	Glass products	1	1	2890
	Gracanica	Gastronomy services	1	1	3130
<b>Total: (LOT 1)</b>			28	14	60.663,75 €

SOCIO-ECONOMIC REGION CENTRE (LOT 2)					
LOT 2	Beneficiary municipality	Project description	No. of persons employed	No. of beneficiary businesses	Amount financed by the MRD (€)
	Prishtina	Design – Fashion	5	1	9627
	Podujeva	Textile	4	1	9990
	Prishtina	Architecture-modelling	2	1	7553
	Prishtina	Engineering and consultancy services	2	1	10000
	Podujeva	Wood production and processing	4	1	9000
	Obiliq	Tailoring	3	1	9000
	Prishtina	Consultancy and human resources	67	1	9500
	Gracanica	Stomatology	2	1	7000
<b>Total: (LOT 2)</b>			89	8	71,670.00 €

SOCIO-ECONOMIC REGION CENTRE (LOT 3)					
LOT 2	Beneficiary municipality	Project description	No. of employees	No. of beneficiary businesses	Amount financed by the MRD (€)
	Prishtina	Cleaning and maintenance of private and public buildings	21	1	18.832,00
	Prishtina	Food production (ice cream and chocolate)	3	1	19.500,00

	Prishtina	Cleaning and maintenance of private and public buildings	15	1	15.696,00
	Fushe Kosova	Logo printing	3	1	13.300,00
	Gracanica	Production	5	1	20.000,00
	Lipjan	Internet and cable television services	4	1	20.000,00
	Gracanica	Production of small confectionary products	5	1	17.550,00
	Podujeva	Production and processing of sheets	4	1	20.000,00
<b>Total: (LOT 3)</b>			60	8	144.878,00 €

General table of investment in the Socio-Economic Region Centre (Lot 1, Lot 2, Lot 3):

SOCIO-ECONOMIC REGION CENTER	Lot 1, Lot 2, Lot 3	No. of persons employed	No. of beneficiary businesses	Amount financed by MRD (€)
	LOT 1	28	14	60.663,75 €
	LOT 2	89	8	71.670,00 €
	LOT 3	60	8	144.878,00 €
	Total	177	30	277.211,75 €

### SOCIO-ECONOMIC REGION SOUTH (SERS)

*Projects implemented by the MRD under the Grants Scheme "Balanced Regional Development Program" (2018)*

In the Socio-Economic Region South, which includes six (6) municipalities (Rahovec, Malisheva, Prizren, Suhareka, Dragash and Mamusha), a total of 31 projects were supported (including Lot1, Lot2 and Lot3) in all municipalities of this region. In the framework of the Balanced Regional Development Program - BRDP (2018) in the Socio-Economic Region South, 403 applications were received by RDA South in three (3) Lots (1,2,3) from the six (6) municipalities of this region. Out of a total of 403 applications, 154 applications were under Lot 1, 49 applications were under Lot 2, and 200 applications were under Lot 3.

In the Lot 1 category, which included funding from € 1,000 up to € 5000 of new businesses or the so-called "Start Ups", the total financial support amounted to € 69,609, 20. In the Socio-Economic Region South, a total of 15 projects were funded in the LOT 1 category and 24 persons were employed. The most distinguished activities, similar to other regions, have been: services, such as designing, production and processing of mountain products, production of bags, leather accessories, wood processing products, gastronomy services, hair dressing, tailoring, food industry,

packaging services, meat and meat products processing, ice cream production, etc. These funded projects met all administrative and content-wise criteria regulated under the relevant guideline of the MRD.

In the Lot 2 category, all businesses with up to 2 years of experience in their business activities have been financially supported. The total amount invested by the Grant Scheme of MRD (2018) in the Lot 2 category in the Region South is € 76,890.00, whereby 8 businesses were supported and 40 people were employed. The value of projects funded under Lot 2 reached up to € 10,000, and all the projects met the criteria set out in the Balanced Regional Development Grant Scheme application guidelines. The types of most common activities in Lot 2 were in the production sectors, such as: metals, mountain products, shoes, textile industry, geodetic-photogrammetric services, health, laboratory analysis as well as processing and packaging.

Businesses specializing in production activities with larger labour force capacities and businesses which have been registered for over two years received financial support under Lot 3, where the total amount invested in Lot 3 was € 157,850, 00, and 32 persons were employed under 8 projects. The value of the projects funded under Lot 3 amounted up to € 20,000. Businesses with the most frequent activities in Lot 3 were businesses with metal and granite production and processing, ventilation systems, software production, packaging production, PVC production and wood processing and production. The aim of this Lot, through the funded projects and their manufacturing activities, was to replace the imports as the main purpose of this grant scheme launched by the MRD.

The financial amount provided to business activities in the Socio-Economic Region South supported by the grant scheme, launched by the MRD for 2018, totals to € 304, 349, 20. This financial support of the MRD resulted in employment of 96 unemployed persons in this region. This employment by beneficiary businesses is evidenced by the pension contributions of registered employees in TAK. A total of 31 businesses were financially supported by the MRD in the Socio-Economic Region South.

SOCIO-ECONOMIC REGION SOUTH					
(LOT 1)					
LOT 1	Beneficiary Municipality	Project description	No. of persons employed	Number of beneficiary businesses	Amount financed by MRD (€)
	Prizren	Designing services	2	1	4000

Village Planjane	Manufacturing, processing and sales	1	1	5000
Prizren	Food Industry	2	1	5000
Prizren	Hairdressing salon, hairdresser	1	1	4500
Prizren	Tailoring	1	1	3500
Prizren	Central heating system installation	2	1	4400
Prizren	Food industry (processing and production of confectionery )	1	1	4800
Prizren	Production of bags/purses, wallets	2	1	4880
Mamusha	Packing of sugar in stick packs	2	1	5000
Suhareka	Tailoring	3	1	4700
Rahovec	Processing of meat and meat products	1	1	4329.20
Dragash	Ice cream production	1	1	5000
Prizren	Shoe manufacturing	3	1	5000
Prizren	Beauty salon	2	1	4700
Total ( Lot 1)		24	15	69.609,20€

SOCIO-ECONOMIC REGION SOUTH					
(LOT 2)					
LOT 2	Beneficiary municipality	Project Description	No. of persons employed	No. of beneficiary businesses	Amount financed by MRD (€)

Prizren	Shoe manufacturing	10	1	9690
Suhareka	Health, Lab tests	1	1	9800
Prizren	Production mountain products	4	1	9900
Prizren	Textile industry, manufacturing of dryers (air bags from polyethylene)	7	1	10,000.00
Prizren	Production and processing of metals	4	1	10,000,00
Prizren	Processing and packaging (tangible assets)	5	1	9000
Rahovec	Geodetic services	2	1	8500
Prizren	Production of mountain products	7	1	10,000,00
Total: ( Lot 2)		40	8	76.890,00€

SOCIO-ECONOMIC REGION SOUTH					
( LOT 3)					
LOT 3	Beneficiary municipality	Project description	No. persons employed	No. of beneficiary businesses	Amount financed by MRD (€)
	Prizren	Production of ventilation systems	2	1	20,000,00
	Prizren	Production of software	3	1	20,000,00
	Rahovec	Production of packaging	4	1	20,000,00
	Prizren	Granite processing	3	1	20,000,00
	Prizren	Metal processing	5	1	20,000,00

	Prizren	Production of PVC	5	1	20.000,00
	Suhareka	Wood production & processing	5	1	19.850,00
	Prizren	Information Technology,, Network distribution	5	1	18.000,00
Total : ( Lot 3)			32	8	157.850,00€

General table of investments for Socio-Economic Region South (Lot1, Lot2, Lot3):

SOCIO-ECONOMIC REGION SOUTH	Lot1, Lot2, Lot3	No. of persons employed	No. of beneficiary businesses	Amount financed by MRD (€)
	LOT 1	24	15	69.609,20€
	LOT 2	40	8	76.890,00€
	LOT 3	32	8	157.850,00€
	Total :	96	31	304.349,20€

**SOCIO-ECONOMIC REGION WEST (SERW)**

*Projects implemented by the MRD under the Grant Scheme "Balanced Regional Development Program", (2018)*

In the Socio-Economic Region West, which includes six (6) municipalities (Peja, Klina, Istog, Junik, Decan and Gjakova), 31 projects were supported (including Lot1, Lot2

and Lot3) in all municipalities of this region. In the framework of the Balanced Regional Development Program - BRDP (2018) in the Socio-Economic Region West, RDA West received 257 applications in all three (3) Lots (1,2,3) from six (6) municipalities of this region. Out of a total of 257 applications, 104 applications were under Lot 1 category; 35 applications were under Lot 2 category, and 118 applications were under Lot 3 category.

As in the above-mentioned regions, Lot 1 included funding from € 1,000 up to € 5000 of new businesses or so-called "Start Ups" where the total financial support amounted to € 60,811.50. In the Socio-Economic Region West, 14 projects were funded in the LOT 1 category and 37 people were employed. The most distinguished activities were processing and production of strawberries and jam, pasta, baked clay products, bags production, textiles processing, wood processing, video production, arts and crafts, tailoring, hairdressing, etc. Funded projects have met all administrative and content-wise criteria regulated according to the relevant manual of the MRD.

In Lot 2 category, all businesses with up to 2 years of experience in their business activities have been financially supported. The total amount invested by the MRD Grant Scheme in the LOT 2 category in the Region West was € 66,852.00, supporting 8 businesses and employing 20 people. The amount funded for projects in Lot 2 amounted up to € 10,000 and all projects met the criteria set out in the Balanced Regional Development Grant Scheme application guidelines. Types of the most distinguished activities in Lot 2, atypical for the region and economic development, were manufacturing and processing activities, sugar packaging, furniture and household items, automotive maintenance and painting, bee hive production, commercial service activities and metal processing.

Businesses specializing in production activities, with larger labour force capacities and businesses which have been registered for over two years received financial support under Lot 3, where the total amount invested in LOT 3 was €175,500,00 and 43 persons were employed under 9 projects. The value of the projects funded in Lot 3 amounted up to € 20,000. Businesses with the most distinguished activities in Lot 3 were those dealing with wood production and processing, furniture production, natural beer production, bread and confectionery production, plastic door and window production, design and tailoring.

Based on the preliminary analysis of DRSEPA, the financial support provided to business activities in the Socio-Economic Region West by the Grant Scheme launched by the MRD for 2018 totals to € 303,163.50. This financial support from the MRD resulted in

employment of 100 persons. This employment by beneficiary businesses is evidenced by the pension contributions of employees registered in TAK. In the Socio-Economic Region West, MRD has financially supported 31 businesses in total.

SOCIO-ECONOMIC REGION WEST					
(LOT 1)					
LOT 1	Beneficiary municipality	Project description	No. of persons employed	No. of beneficiary businesses	Amount financed by MRD (€)
	Peja	Services-Beauty salon	2	1	4640
	Gjakova	Pasta Production	7	1	5000
	Gjakova	Tailoring design	2	1	5000
	Gjakova	Production baked clay products	2	1	3391.50
	Peja	Machinery services	2	1	3000
	Peja	Bag manufacturing	4	1	5000
	Gjakova	Textile processing	4	1	5000
	Deçan	Tailoring	2	1	3700
	Peja	Wood processing	2	1	5000
	Gjakova	Video production	2	1	4500
	Deçan	Crafts/Art	1	1	2000
	Deçan	Tailoring	1	1	4700
	Peja	Tailoring	3	1	4880
	Peja	Processing	3	1	5000
Total :( Lot 1)			37	14	60.811,50€

SOCIO-ECONOMIC REGION WEST					
(LOT 2)					
LOT 2	Beneficiary municipality	Project description	No. of persons employed	No. of beneficiary businesses	Amount financed by MRD (€)
	Decan	Production, processing of products (machines)	4	1	9900
	Klina	Sugar packaging for hot drinks	2	1	9900
	Peja	Production of furniture, for office/shops, etc., & production of household items	2	1	10.000,00
	Gjakova	Automotive painting	4	1	7650
	Gjakova	Auto maintenance	3	1	6622
	Peja	Production of bee hives	1	1	10.000
	Istog	Commercial service activities	2	1	4730
	Istog	Metal processing	2	1	8050
Total :( Lot 2 )			20	8	66.852,00€

SOCIO-ECONOMIC REGION WEST					
( LOT 3 )					
LOT 3	Beneficiary municipality	Project description	No. of persons employed	No. of beneficiary businesses	Amount financed by MRD (€)
	Decan	Wood production and processing	9	1	20.000,00
	Peja	Furniture production	9	1	10.000,00

Istog	Wooden furniture production	3	1	20.000,00
Klina	Production	5	1	17.500,00
Peja	Fashion design and tailoring	3	1	20.000,00
Klina	Production of bread & buns confectionary	3	1	20.000,00
Gjakova	Production of plastic doors & windows	3	1	20.000,00
Gjakova	Wood production	2	1	20.000,00
Peja	Production of plastic doors & windows	6	1	20.000,00
Total : ( Lot 3)		43	9	175.500,00€

#### General Investment Table for the Socio-Economic Region West (Lot1, Lot2, Lot3):

SOCIO-ECONOMIC REGION WEST	Lot1, Lot2, Lot3	No. of persons employed	No. of beneficiary businesses	Amount financed by MRD (€)
	LOT 1	37	14	60.811,50€
	LOT 2	20	8	66.852,00€
	LOT 3	43	9	175.500,00€
	Total:	100	31	303.163,50€

#### SOCIO-ECONOMIC REGION NORTH (SERN)

*Projects implemented by the MRD under the Grant Scheme "Balanced Regional Development Program", (Year 2018)*

In the Socio-Economic Region North, which includes seven (7) municipalities (South Mitrovica, North Mitrovica, Leposavic, Zvecan, Zubin Potok, Vushtri and Skenderaj), 24 projects were supported (including Lot1, Lot2 and Lot 3) in all municipalities of this region. In the framework of the Balanced Regional Development Program - BRDP

(2018), in the Socio-Economic Region North, RDA North received 194 applications in three (3) Lots (1,2,3) from eight (8) municipalities of this region. Out of a total of 194 applications, 102 applications were under Lot 1 category, 29 applications were under Lot 2 category, and 63 were under Lot 3 category.

In the Lot 1 category, which included funding from € 1,000 up to € 5000 of new businesses or the so-called "Start Ups", the total financial support amounted to € 59,087. 50. In the Socio-Economic Region North, 14 projects were funded in the LOT 1 category and 37 people were employed. The most distinguished activities were: various services, such as marketing and websites development, photocopying and scanning services, auto-diagnostic services, hairdressing, tailoring, information technology and shampoo production, wood products, fruit and vegetable processing, commercial service products, etc. The funded projects met all administrative and content-wise criteria set out under the relevant guidelines of the MRD.

The total amount invested by the MRD Grant Scheme under the LOT2 category in the Region North was € 32,125.00, where 4 businesses were supported and 12 persons were employed. In the Lot 2 category, all businesses with up to 2 years of experience in their business activities have been financially supported. The value of the projects funded in Lot 2 amounted up to € 10,000. All the projects met the criteria set out in the Balanced Regional Development Grant Scheme application guidelines. The most distinguished types of activities in Lot 2 were: textile industry, electrical equipment servicing, health services and production of household materials and other furnishings.

Businesses specializing in production activities with larger labour force capacities and businesses which have been registered for over two years received financial support under Lot 3, where the total amount of the investments in Lot 3 projects was € 116.900,00 and 38 persons were employed under 6 projects. The value of projects funded under Lot 3 amounted up to € 20,000. Businesses with the most distinguished activities in Lot 3 were businesses dealing with activities, such as food production, production and processing of food products, production of window blinds, from assembly process to sale, smelting and processing of metals, production of thermo-hydro isolation materials, recycling of waste water and waste oils and health services - physiotherapy.

Based on the preliminary analysis of DRSEPA, the financial support provided to business activities in the Socio-Economic Region North by the Grant Scheme launched by the MRD for 2018 totals to € 208,112.55. This financial support from the MRD resulted in employment of 87 persons. The employments by the beneficiary businesses are evidenced through the pension contributions of employees registered in TAK. A total

of 24 businesses were financially supported by the MRD in the Socio-Economic Region North.

SOCIO-ECONOMIC REGION NORTH					
(LOT 1)					
LOT 1	Beneficiary municipality	Project description	No. of persons employed	No. of beneficiary businesses	Amount financed by MRD (€)
	Vushtri	Manufacture of textile products	2	1	3670
	Vushtri	Shampoo Production	5	1	4400
	North Mitrovica	Marketing and web development services	4	1	4960
	Skenderaj	Photocopying and scanning services	3	1	5000
	Vushtri	Automotive Diagnostic	2	1	5200
	Mitrovica	Information Technology	2	1	3642.50
	Mitrovica	Beauty salon	2	1	3950
	Mitrovica	Beauty salon	2	1	3900
	Leposavic	Production of wood products	3	1	5000
	Vushtri	Tailoring	2	1	3810
	Zubin Potok	Processing of fruits and vegetables	2	1	4990
	Leposavic	Investing in material goods	2	1	4805
	Leposavic	Production & processing of service products	6	1	4470

	Leposavic	Production of food products	2	1	4960
Total: ( Lot 1)			37	14	59.087,50€

SOCIO-ECONOMIC REGION NORTH (LOT 2)					
LOT 2	Beneficiary municipality	Project description	No. of persons employed	No. of beneficiary businesses	Amount financed by MRD (€)
	South Mitrovica	Electrical equipment servicing	3	1	7125
	Leposavic	Textile industry	3	1	5000
	South Mitrovica	Health Services	3	1	10.000,00
	Skenderaj	Production of household materials and other furnishings	3	1	10.000,00
Total: ( Lot 2)			12	4	32.125,00€

SOCIO-ECONOMIC REGION NORTH ( LOT 3)					
LOT 3	Beneficiary municipality	Project description	No. of persons employed	No. of beneficiary businesses	Amount financed by MRD (€)
	Skenderaj	Health services-Physiotherapy	3	1	20.000,00
	Mitrovica	Food processing	13	1	20.000,00
	Mitrovica	Manufacturing (blinds, aluminium profiles)	5	1	20.000,00
	Vushtri	Metal melting and processing	5	1	16.900,00

	Mitrovica	Manufacturing of thermo-hydro-insulating metals	5	1	20.000,00
	Vushtri	Recycling of waste oils	7	1	20.000,00
Total : ( Lot 3)			38	6	116.900,00€

General table of investments for the Socio-Economic Region North (Lot 1, Lot 2, Lot 3):

SOCIO-ECONOMIC REGION NORTH	Lot1, Lot2, Lot3	No. of persons employed	No. of beneficiary businesses	Amount financed by MRD (€)
	LOT 1	37	14	59.087,50€
	LOT 2	12	4	32.125,00€
	LOT 3	38	6	116.900,00€
	Total:	87	24	208.112,50€

### SOCIO-ECONOMIC REGION EAST (SERE)

*Projects implemented by MRD in the framework of the Grant Scheme "Balanced Regional Development Program" (2018)*

In the Socio-Economic Region East, which includes eleven (11) municipalities (Ferizaj, Gjilan, Han i Elezit, Kacanik, Novoberda, Shterpeca, Vitia, Kllokot, Ranillug, Kamenica and Partesh), have been implemented a total of 29 projects (Lot 1, Lot 2 and Lot 3) in all the municipalities of this region. In the framework of the Balanced Regional Development Program - BRDP (2018) in the Socio-Economic Region East, the RDA has

received 392 applications in the three (3) Lots (Lot 1, 2 and 3) from eleven (11) municipalities of this region. Out of 392 applications in total, 154 applications have been received in Lot 1, 64 applications in Lot 2 and 174 applications in Lot 3.

In Lot 1, which included funding from € 1,000 up to € 5000 to new businesses or the so-called "Start Ups", the total financial support amounted to € 72,009.00. As regards the Socio-Economic Region East, a total of 16 projects have been financed in Lot 1 and 37 people have been employed. The most common activities have been services such as textiles, 3D print, production activities, hairdressing and aesthetic services, geodesic services, industrial services, tailoring, dentistry, IT services, design services, psycho-social services and manufacturing and processing activities of wood, fishing nets, textile and uniforms, etc. The funded projects have met all administrative and content-wise criteria set forth in the MRD's respective guideline (2018).

Under Lot 2 financial support was provided to all businesses which have experience up to 2 years in their business activity. The total amount invested by the MRD's Grant Scheme in Lot 2 in the Region East was € 38,492.00, where 6 businesses have been supported and 16 people have been employed. The value of projects funded in Lot 2 amounted up to € 10,000, where all projects have met the criteria set out in the Balanced Regional Development Grant Scheme application guidelines. The most frequent activities in Lot 2 have been production and service activities such as: production of mattresses, packaging of teas, fruits and spices, production of doors and windows, processing and production of dough and electrical and auto-mechanical services.

Businesses specializing in production activities with larger labour force capacities and businesses which have been registered for over two years received financial support under Lot 3, where the total amount invested in Lot 3 was € 143,468.00 and 48 people were employed under 8 projects. The value of projects funded in Lot 3 has varied up to € 20,000. Businesses with the most distinguished activities in Lot 3 have been businesses with production activities such as renewable energy, production and processing of metal and food products, production of vehicle rims, investments in tangible assets, public and private facilities maintenance services, printing services, etc.

Based on the DRSEPA analysis, the total financial support provided to business activities in the Socio-Economic Region East by the Grant Scheme launched by the MRD for 2018 amounted to € 253,969.00. This financial support from the MRD resulted in the employment of 101 unemployed. In the Socio-Economic Region East, MRD has financially supported a total of 29 businesses.

SOCIO-ECONOMIC REGION EAST					
(LOT 1)					
LOT 1	Beneficiary municipality	Project description	No. of persons employed	No. of beneficiary businesses	Amount financed by MRD (€)
	Kamenica	Hairdressing and aesthetics	2	1	2000
	Gjilan	Geodetic services	1	1	5000
	Gjilan	Textile industrial services	2	1	4566
	Gjilan	Dentistry	1	1	5000
	Ferizaj	Uniform production	2	1	5000
	Shterpca	IT services	1	1	3600
	Vitia	Dentistry	1	1	4994.88
	Ferizaj	Furniture (wood processing for production)	3	1	5000
	Gjilan	Geodesy sector (consulting services)	2	1	5000
	Ferizaj	Beauty salon	2	1	4389
	Gjilan	Design/decoration	4	1	3990
	Gjilan	Psychosocial centre	6	1	5000
	Gjilan	Production of fishing nets	1	1	4800
	Ferizaj	Production in textiles	4	1	5000
	Gjilan	Tailoring	3	1	5000
Total: ( Lot 1)			37	15	72.009,00€

SOCIO-ECONOMIC REGION EAST					
(LOT 2)					
LOT 2	Beneficiary municipality	Project description	No. of persons employed	No. of beneficiary businesses	Amount financed by MRD (€)

	Gjilan	Production of mattresses	2	1	8000
	Kacanik	Machines for packaging and processing of teas, fruits and spices	2	1	7038
	Gjilan	Automatic and electrical services	5	1	9954
	Gjilan	Garage - Car mechanic	3	1	5000
	Kamenica	Production of doors and windows	3	1	8500
	Ferizaj	Production - processing of dough	1	1	5200
Gjithësej: ( LOT 2)			16	6	38.492,00€

SOCIO-ECONOMIC REGION EAST ( LOT 3)					
LOT 3	Beneficiary municipality	Project description	No. of persons employed	No. of beneficiary businesses	Amount financed by MRD (€)
	Viti	Production of renewable energy	3	1	14.000,00
	Ferizaj	Investment in tangible assets	8	1	19.500,00
	Gjilan	Maintenance and repair of various facilities	15	1	17,280,00
	Gjilan	Maintenance and repair of vehicles	5	1	15,988.00
	Gjilan	Print - Graph	5	1	19.200,00
	Gjilan	Processing of products (mushrooms, fruits and vegetables)	3	1	20.000,00
	Ferizaj	Production and processing of metals	6	1	17.500,00

	Ferizaj	Processing and repair of vehicle rims	3	1	20.000,00
Total:( Lot 3 )			48	8	143.468,00€

General table of investments for the Socio-Economic Region East (Lot 1, Lot 2, Lot 3):

SOCIO-ECONOMIC REGION EAST	Lot 1, Lot 2, Lot 3	No. of persons employed	No. of beneficiary businesses	Amount financed by MRD (€)
	LOT 1	37	15	72.009,00€
	LOT 2	16	6	38.492,00€
	LOT 3	48	8	143.468,00€
	Total :	101	29	253.969,00€

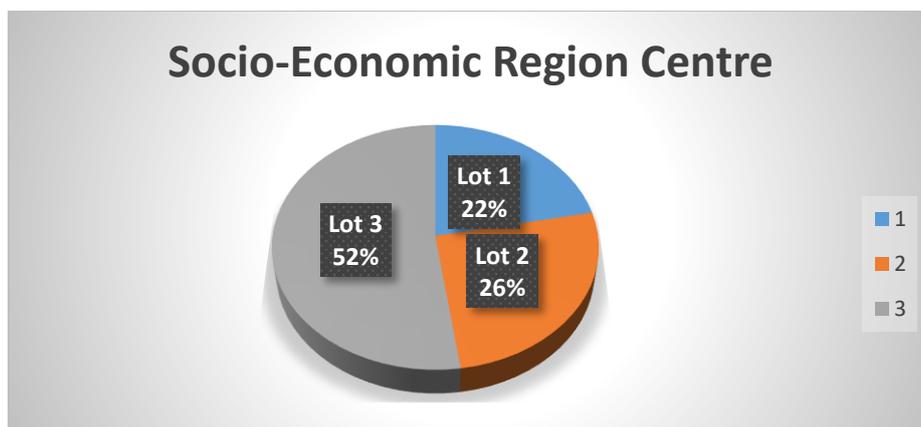
## GRAPHICAL REPRESENTATION OF DATA

The charts below present in percentage the tabular values, which are also interpreted in the narrative, for five (5) socio-economic development regions in Kosovo (Region

Centre, Region North, Region South, Region East and Region West). The values are also divided into Lots (1, 2, 3) for each region with a view, in particular, to provide a clearer and more transparent reflection of five (5) development regions.

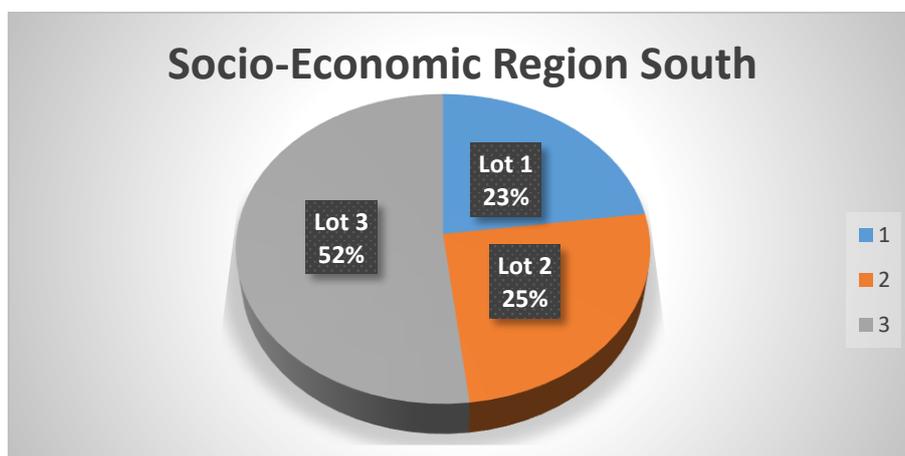
### Socio-Economic Region Centre

Allocation of financial means by Lots in the Socio-Economic Region Centre by the MRD under the Grant Scheme "Balanced Regional Development Program" 2018 is shown in % in the chart below:



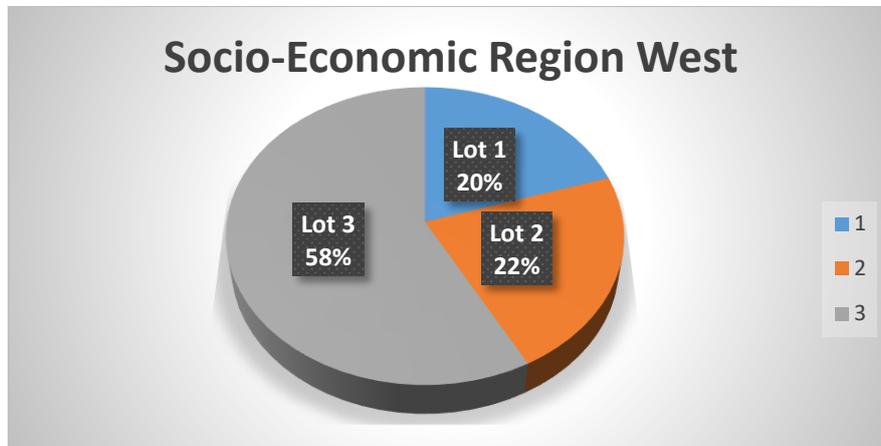
### Socio-Economic Region South

Allocation of financial means by Lots in the Socio-Economic Region South by the MRD under the Grant Scheme "Balanced Regional Development Program" 2018 is shown in % in the chart below:



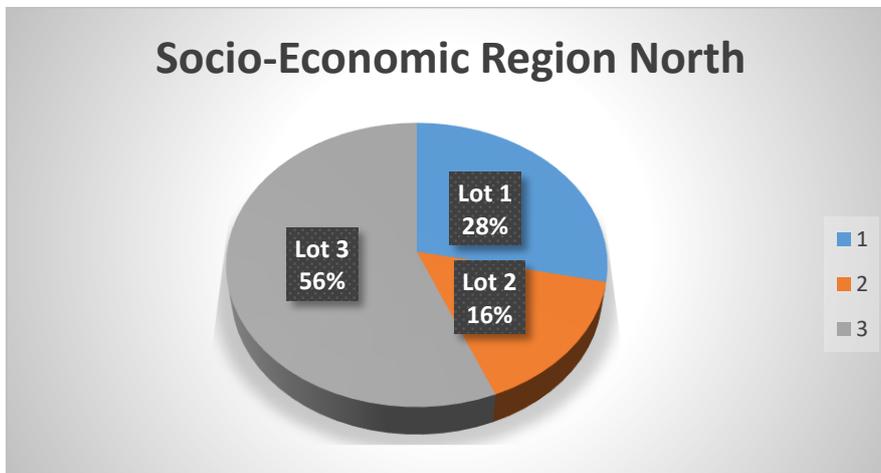
### Socio-Economic Region West

Allocation of financial means by Lots in the Socio-Economic Region West by the MRD under the Grant Scheme "Balanced Regional Development Program" 2018 is shown in % in the chart below:



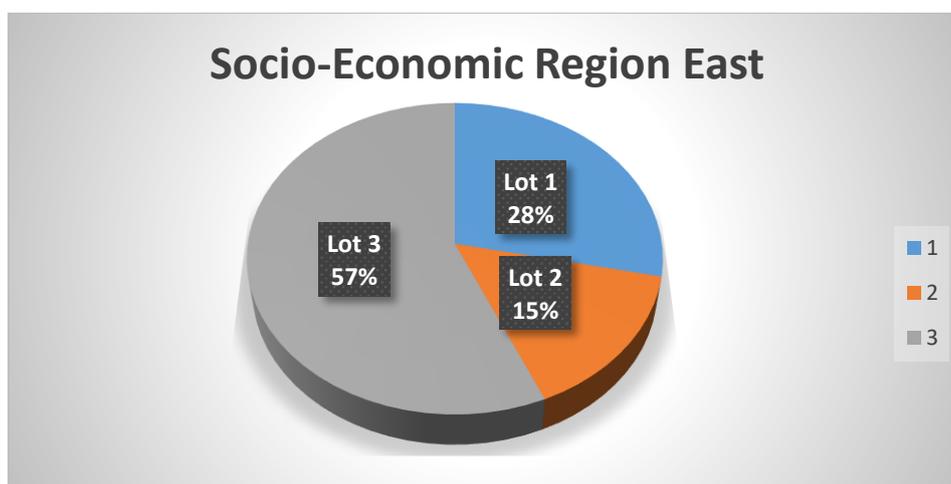
#### Socio-Economic Region North

Allocation of financial means by Lots in the Region North by the MRD under the Grant Scheme "Balanced Regional Development Program" 2018 is shown in % in the chart below:



## Socio-Economic Region East

Allocation of financial means by Lots in the Socio-Economic Region East by the MRD under the Grant Scheme “Balanced Regional Development Program” 2018 is shown in % in the chart below:

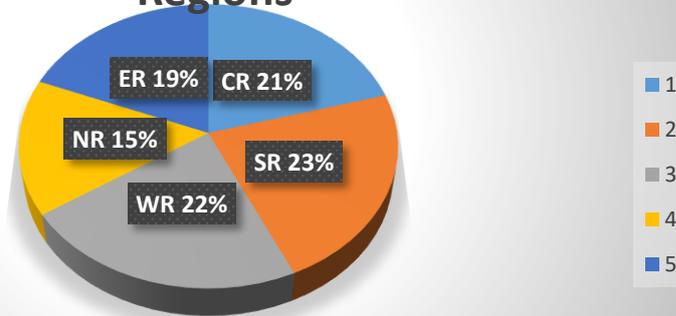


### The total investment amount in % including the 3 Lots (Lot 1, Lot 2 and Lot 3) in five (5) Socio-Economic Development Regions in Kosovo

The chart below shows a sufficiently balanced allocation with small differences of 2% to 8% in certain regions. The chart below shows that the Region North has the lowest percentage, namely 15%, compared to other regions. Such a percentage is due to the small number of applications received by the Region North, which led to lower competitiveness in relation to other Socio-Economic Development Regions in Kosovo. Subsidies to businesses in five (5) Socio-Economic Regions of Kosovo have been made in accordance with the Administrative Instruction on meeting the criteria for each Lot in particular.

FIVE (5) SOCIO-ECONOMIC REGIONS	FINANCING AMOUNT-BRDP 2018 (€)
Socio-Economic Region Centre	277,211.00
Socio-Economic Region South	304,349.20
Socio-Economic Region West	303,163.50
Socio-Economic Region North	208,112.50
Socio-Economic Region East	253,969.00
<b>TOTAL:</b>	<b>1,346,806.00 €</b>

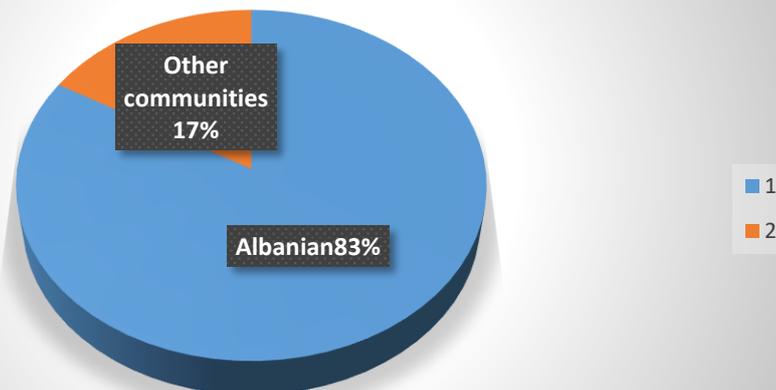
## Five (5) Socio-Economic Development Regions



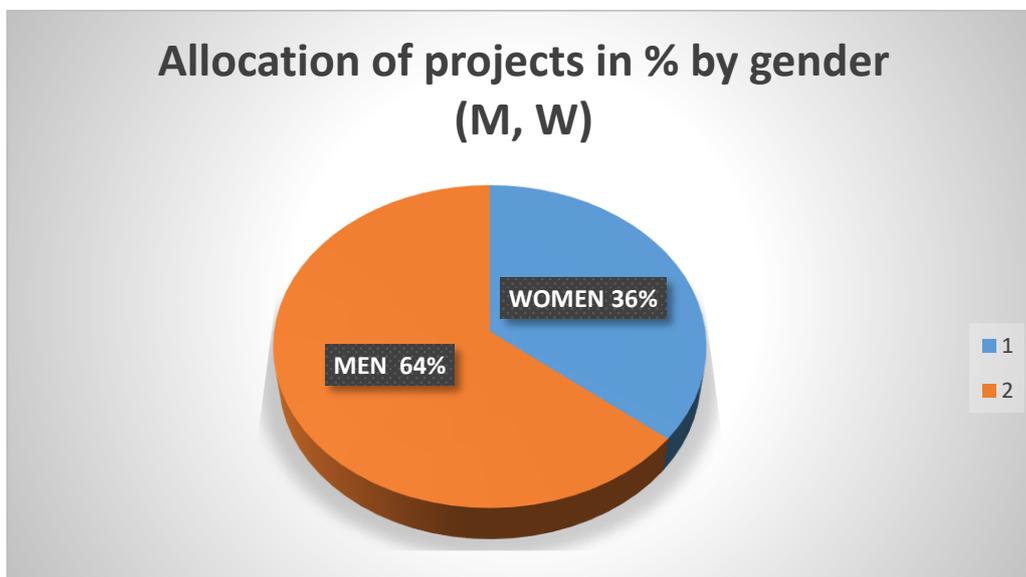
The total investment amount in % including the 3 Lots (Lot 1, Lot 2 and Lot 3) in five (5) Socio-Economic Development Regions in Kosovo by ethnicity.

The "Balanced Regional Development Program" for 2018 has financially supported a relatively large number of projects of other communities in Kosovo (Serb, Bosnian, Turkish, RAE and Goran) to a fairly high percentage of 17% compared to the overall number of communities in Kosovo.

## Allocation by ethnicity



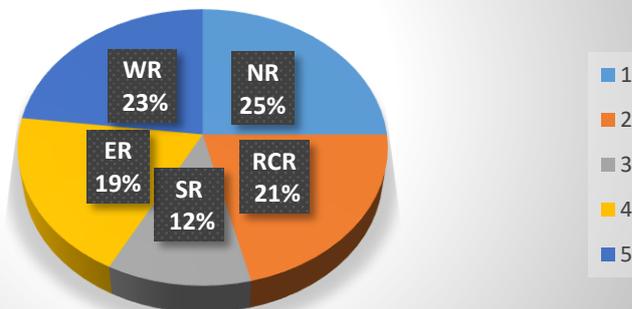
The “Balanced Regional Development Program” for 2018 has financially supported fifty-two (52) businesses run by women.



Allocation of fifty-two (52) projects run by women in five (5) development regions in Kosovo

<b>FIVE (5) SOCIO-ECONOMIC REGIONS</b>	<b>TOTAL NUMBER OF PROJECTS</b>
Socio-Economic Region Centre	11
Socio-Economic Region South	6
Socio-Economic Region West	12
Socio-Economic Region North	13
Socio-Economic Region East	10
<b>TOTAL:</b>	<b>52</b>

## Projects allocated by gender in five (5) development regions



### INFORMATION SOURCES:

- Evaluation Committee Report (BRDP) 2018, registered on 06/04/2018 under protocol no. 102/1
- Based on the Annual Financial Report registered on 31.01.2019 under protocol no. 45
- Administrative Instruction No. 01/2018 on the Conditions and Criteria for Support of Businesses/Enterprises (young) from the Balanced Regional Development Program RDP 2018.
- [https://www.balkanplus.net/wp-content/uploads/2019/03/Raporti-vjetor-i-Subvencioneve-PZHRB-2018-1\\_compressed-2\\_reduce.pdf](https://www.balkanplus.net/wp-content/uploads/2019/03/Raporti-vjetor-i-Subvencioneve-PZHRB-2018-1_compressed-2_reduce.pdf)

## CONCLUSIONS

Despite that the Balanced Regional Development Program (2018) was implemented in 2018 for the first time, the MRD has managed to meet its goals and objectives to further advance the balanced regional socio-economic development.

The BRDP (2018) has stimulated a large number of businesses in all municipalities of the Republic of Kosovo. Throughout the process of implementing this program, it has been applied a constructive and professional approach to applicants, such as: conducting information sessions in each region to clarify the Program and application procedures, providing answers via the website to the questions of applicants during the process of implementation, coordination and cooperation with RDA for receiving applications from applicants, as well as publishing the Instructions in the website which specify in details all conditions and criteria for businesses and young entrepreneurs to be granted support from the Balanced Regional Development Program (BRDP) 2018.

Implementation of this program in the amount of EUR 1.4 million, which has supported start-up businesses with growth potential, employed 561 people and supported businesses contributing in replacing imports and stimulating export of domestic products, has had a positive impact on the general well-being of citizens. The Region North is the region with the highest number of women beneficiaries (southern Mitrovica with the surrounding municipalities). Importance should also be given the stimulation of application by non-majority communities. Seventeen per cent (17%) of beneficiaries were from non-majority communities. It is not a low figure but can be promoted to increase even more. The budget increase from 2018 to 2019, 1.4 to 2.5 respectively, is an additional argument for increasing the number of beneficiaries. In addition to identifying the advantages and positive effects, this analysis enables us to

highlight the shortcomings and difficulties in the process of implementing the program. The application process in the Grant Scheme BRDP (2018) has been carried out through the classic system of hard copy applications and this form of application and completion of documentation has posed difficulties for the applicants as well as for the MRD during the evaluation process.

Based on this, the MRD has technically advanced the application system for 2019, transferring it from a classic system of hard copy applications into an online electronic application system – OEAS. This system has made it easier for applicants to apply by enabling them to carry out this activity even from home by filling in a particular form. By functionalizing the OEAS, the Ministry of Regional Development has intended to achieve: the economization and effectiveness of time during the application process, the advancement of the level of application, increase of transparency and accountability in relation to applicants and to speed up the evaluation process. During the evaluation process, it has often been noted that the projects of start-up businesses have been textually poor in describing the objectives and criteria set out in the Instructions, obliging the MRD to develop policies and programs to advance the human capacities to accept as many professional and implementable projects as possible. In this regard, the MRD should increase the commitment of creating opportunities with local and international donors in terms of building the capacities of parties interested in applying and implementing projects in the coming year.