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Republic of Kosovo
Government
Ministry of Finance and Transfers

Cabinet of the Minister

DATE:	15.05.2020
TO:	Ministers, Mayors, Heads of Budget Organizations, Directors of Municipal Directorates, Chief Financial Officers, Budget Officers of Budget Organizations
FROM:	Besnik Bislimi, Minister of Finances and Transfers
SUBJECT:	Budgetary Circular 2021/01

Honoured,

Allow me to thank you for your contribution to the drafting of the Medium Term Expenditure Framework (MTEF) 2021-2023, which provides the basis for drafting the budget for 2021.

Below you can find the Budget Circular 2020/01, which provides the initial budget limits for each Budgetary Organization at the central level for 2020. The Ministry of Finance and Transfers remains at your disposal in providing the necessary support during the drafting process of the Draft Law of budgetary appropriations for the Budget of the Republic of Kosovo for 2021.

With respect!

Besnik Bislimi
Minister of Finances and Transfers

Budgetary Circular 2021/01

1. Purpose

The Minister of Finance and Transfers is authorized and responsible that in accordance with Article 20 of the Law on Public Financial Management and Responsibilities no. 03 / L-048, to issue budgetary circulars for any or all budgetary organizations through which instructions for the preparation of the Kosovo Budget are provided.

In support of this legal provision, the Minister issues the First Budgetary Circular 2021/01, which provides the first guidelines for drafting the budget for 2021 and estimates for the years 2022-2023, the indicative time calendar and the initial budgetary limits for 2021 and estimates for the years 2022-2023 for each Budgetary Organization. If necessary, this circular will be followed by other additional circulars until the finalization of the budget for 2021 and estimates for the years 2022-2023.

2. The context for budget preparation for 2021-2023

The framework for the 2021 budget is based on the MTEF 2021-2023, which has been approved by the Government of Kosovo based on the Governments medium-term priorities and the macro-fiscal framework for 2021-2023. The Government is committed to maintaining fiscal stability by supporting the requirements of budgetary organizations, within the sectoral budgetary orientation set by MTEF 2021-2023, according to the priorities set out in the Governments Medium Term Priority Declaration.

The fiscal projections of MTEF 2021-2023 have determined the sources of funding that the Government may have available for expenditure in 2021, and estimates of subsequent years. Any tendency to exceed the spending limits on the limits of this circular results in obligation to change, respectively increase the sources of financing, ie to change the tax policies in order to collect additional revenues.

When developing the budget process, we must also take into account our commitments in relation to international financial institutions. In this context, the Budget Circular 2021/01 has been drafted in accordance with the obligations of existing and negotiated financial agreements, and reflects the commitments for the conduct of fiscal policies set out in accordance with the International Monetary Fund (IMF).

3. Forecasts for the implementation of the budget 2020

Prior to the presentation of budgetary requirements for 2021, budgetary organizations must submit to the Ministry of Finance and Transfers a forecast for the implementation of the budget by the end of the 2020 at the level of programs, sub-programs, and individual projects. Budgetary organizations must identify and notify the Ministry of Finance and Transfers of the under or over-exceeding costs in the existing budget, before submitting the budget request for 2021, and estimates for 2022-2023.

4. General criteria for budget preparation for 2021-2023

The budgetary process for the years 2021-2023 aims to link the budget plans and policies with the priorities of the Government. This link has been established in the prioritization of the budget sectors in MTEF 2021-2023 at the sectoral level. Based on this circular, it is required that budgetary organizations concretize the requirements presented in the MTEF, thus detailing the preparation of the budget at the level of programs, sub-programs, expenditure categories and specific projects.

Requests for new expenses should be submitted only if the same are included in MTEF 2021-2023. During the budgetary process, the Ministry of Finance and Transfers must ensure that the total expenditure for all organizations within a sector conveys the amount provided by MTEF 2021-2023 for this sector.

Budgetary organizations should take into consideration that during the preparation of their requests to give priority to;

- Projects that help in achieving the priorities of the Government, defined in the National Strategy for Development 2016-2021, the Government Program, and the Program for Economic Reform 2020-2022;
- Projects that are ongoing from previous years and that have contractual obligations;
- Government Commitments to the Action Plan for the Stabilization and Association Agreement and the Program - Pre-Accession Instrument (PAI);
- New legislation or the amendment/supplementing of the existing one;
- To include within the budgetary appropriations, the obligations for external financing of individual projects and
- Entering into co-financing obligations only to the extent permitted by their budgetary framework.

The budget planning process should include the following aspects:

- Budgeting at the level of programs and sub-programs, in accordance with the existing structure of the accounting plan;
- Improving results-oriented and performance-oriented budgeting approaches;
- Implementation of the multi-year concept on capital project planning;
- Table presentation on funding sources and expenditure structure by expenditure categories for 2021 and projections for 2022-2023 and
- During the budget process, more attention should be paid to the implementation of the recommendations of the National Audit Office and good budget practices with a focus on these issues:
 - Completion of the required data in the budgetary systems SZHM and PIP;
 - Elimination of misclassification of budgetary expenditures;
 - Proposed projects to be projects prepared in accordance with the PIP Manual and the Administrative Instruction on the Selection Criteria of Capital Projects;
 - Proposed projects to be matured (projects ready for implementation);
 - Registration of multi-year commitments in KFMIS;
 - Ministries that allocate budget funds for the implementation of capital projects at the municipal level, should make the distribution of funds by treating municipalities fairly and equally;

- Budgeting of capital projects should be done in accordance with the **Administrative Instruction on Definition of Capital Projects and Classification of Expenditures of Capital Projects**, where *expropriation costs* are part of the project cost. In this case, budget organizations, after a preliminary analysis should plan the expropriation costs within the total cost of the project.

Additional attention will be paid to the implementation of the above-mentioned recommendations by the MoFT, and remarks will be recorded by budget analysts in the PIP system.

The government can change the structure of expenditures in order to achieve its priorities, both within the programs of a budget organization and the shift of the budget from one organization to another at the central level.

Budgetary requirements should support the Governments priority policies and should focus on these areas, justice; economy and employment; education; health; security; Euro-Atlantic integration; and environment.

Current Expenditures: Budgetary organizations must make their requests within budget constraints. It is essential that all budget organizations adhere to the limits set out in Annex 1. attached, for the years 2021-2023. Operating costs for 2021 and estimates for 2022 and 2023 will be almost the same as in 2020 at the aggregate level. This comes as a result of the economic effects that have been during 2020 in combating COVID-19 pandemics.

Employment: In principle, there will be no increase in employment in the public sector unless there is a clear decision on the necessity of new employment and when the budget is provided.

Wages and Allowances: Budgetary organizations should plan the annual increase of the salary invoice at the level of 0.5% according to article 22C, point 1.4 of Law 05 / L-063.

Goods and services: will have an increase in funding where it is expressed as necessary, such as population census, municipal elections and supply with medicaments. Budgetary organizations should identify resources within their main scenarios from those areas of poor performance, or that are not sufficiently consistent with the Governments high-level priorities for meeting high-priority activities.

Municipal expenses: expected to have the same share compared to 2020.

Subsidies and transfers: This category of expenditures is expected to increase by an average of 2% in the medium term and will be based on clear social protection policies in particular for the most vulnerable groups of population. The allocation of funds for the implementation of social and pension schemes will continue, including the natural increase of pension schemes, subsidies in agriculture and will take into account the new policies now already approved by the Government.

Capital expenditures: account for a significant share of total expenditures and are expected to account for about 27.5% of total expenditures in the medium term. During this period, the implementation of capital projects is expected based on a priority list containing projects that have an impact on improving the transport network, improving the electricity network and improving the conditions in education, social and health systems. This category of

expenditures is expected to increase at a rate of 4% in the medium term. Most of the capital investments during the next medium-term period are expected to be from the financing of the regular budget, but a large number of projects in various sectors are planned to be financed by external borrowing through the investment clause.

The new projects must be designated in accordance with the Administrative Instruction on the selection criteria for capital projects approved by the Minister of Finance and Transfers and entered into force in January this year. The main criteria for the selection of new capital projects according to this instruction are the compatibility of the projects with the National Development Strategy, the reasonableness of the proposal based on the economic and financial analysis and the maturity of the projects (ready for implementation).

Priority in funding will be given to ongoing projects as well as those that are in full compliance with Government priorities. All capital projects over one million euros must be prepared on the basis of **cost-benefit** analysis. Consequently, the budgetary limits for capital expenditures in budgetary organizations are indicative and the Government reserves the right to change them depending on the reasonableness of the projects proposed by the budgetary organizations.

For budget organizations competing for borrowing funds (from the budget deficit of 2% - through fund 04) and from the investment clause - through fund 06 (application for funds from the clause is made only for capital projects), it is also necessary that projects meet the above criteria including the analysis of running costs before, during and after the completion of the project which should be within the projections of the budget organization

5. Public Investment Program (PIP)

Budget planning for capital investments is done through the PIP system. It is important that the strategic priorities of the Government, as presented in the "Declaration of Medium Term Priorities of the Government 2021-2023" within the MTEF 2021-2023 be the basis for the preparation of budget requirements and identification of capital projects.

All budgetary organizations must justify budgetary requirements for their projects in full compliance with PIP requirements.

6. The Budget Development and Management System (BDMS)

As it is known, the Budget Development and Management System is a financial system that deals with budget formulation and expenditure planning for all categories of expenditures. From now on, the BDMS system is available for use by budget organizations. Budgetary organizations are obliged to respect the limits issued with the first Budget Circular. The BDMS system and the PIP system will in no case allow exceeding the limits issued with the first budget circular.

7. Performance indicators

Budget organizations of central level should present performance indicators summarized according to the respective objectives and activities at the level of the budget organization, pursuant to Article 21 of Law No. 03/L-48 on Public Financial Management and Accountabilities. Budget organizations should present 1 to 5 objectives, which are related to the strategies and covers the most important programs. Also, requests for extra funds from the budget must be justified in the way they contribute in achieving of objectives.

The form of providing this information is given in Annex 2. Specifically, for each budget organization following information should be provided:

- **Output objectives**, describe expectable results from the provision of services, which are under the control of the budget organization;
- **Output indicators**, measures institution activity, e.g. quantity or quality of service or product.
 - a) Key indicator;
 - b) Targeted indicator;
- Activities describe actions on achieving of declared objectives.

8. Responsible Gender Budgeting (RGB)

Acting under the Law on Gender Equality No. 05/L-020 (2015), Kosovo institutions are responsible for” the inclusion of gender budgeting in all areas, as a necessary instrument to ensure that the principle of gender equality is respected in the collection, distribution and allocation of resources” (Article 5.1.5.). For this reason, budget organizations should make clear the effects of public spending on gender equality in the annual budget for 2021. This will also contribute to increasing of the effectiveness and transparency of public finance management. Municipalities should consider these guidelines in issuing the internal municipal budget circular, as a basic document for planning of municipal budget for the period 2021-2023. If there is uncertainty in this regard, budget organizations may consult with relevant analysts within the Budget Department of the Ministry of Finance. The form of providing this information is given in Annex 1. Also, when the budget is to be proposed, the budget organization must correctly address the remarks and proposals of the official responsible for gender equality of the budget organization.

9. Budgetary ceilings for central level budget organizations for 2021-2023

Central level budget organizations should consider the budgetary ceilings given in the following table when preparing their budget for 2021 and for the next two years. Please have in mind that these budget ceilings may variate depending on fiscal moves or Government decisions which will be reflected through subsequent Budget Circuits as well as the quality of budgetary requirements. Capital projects started from previous years, which have created contractual obligations on budgeted funds for the respective budget organizations, should be included within the budget for the years 2021-2023.

Apendinx 1 . Budget Cellings for year 2021 and estimated for year 2022-2023

Org. code	Ministries/Institutions	Budget ceiling for 2021									Estimations for 2022			Estimations for 2023		
		No. of approved employees	Current number	Wages and salaries	Goods and services	Utilities	Subventions and Transfers	Capital expenditure	Reserves	Total 2021	Operation expenditure	Capital expenditure	Total 2022	Operation expenditure	Capital expenditure	Total 2023
101	Assembly of Kosovo	415	7,171,249	1,592,160	241,000	140,000	279,000		9,423,409	9,300,105	200,000	9,500,105	9,336,141	200,000	9,536,141	10,746,547
102	Office of the President	83	1,105,064	1,949,672	6,700	270,000	15,000		3,346,435	3,483,710	15,000	3,498,710	3,489,263	15,000	3,504,263	3,698,710
104	Office of the Prime Minister	614	4,532,240	14,146,571	143,248	4,955,000	2,074,000	-	25,851,059	17,783,562	2,574,000	20,357,562	16,806,337	2,574,000	19,380,337	23,357,562
201	Ministry of Finance and Transfers	2,012	19,802,803	11,682,663	703,592	485,000,000	15,004,452		532,193,510	528,883,687	13,851,452	542,735,139	551,154,278	13,851,452	565,005,730	574,506,596
203	Ministry of Agriculture, Forestry and Rural Development	450	2,891,505	3,128,223	135,660	46,477,022	6,957,045	3,000,000	62,589,455	55,647,326	4,250,000	59,897,326	55,661,855	4,250,000	59,911,855	61,969,837
204	Ministry of Economy, Employment, Trade and Industry, Entrepreneurship and Strategic Investments	766	5,105,020	5,754,162	340,175	20,368,870	47,220,050		78,788,277	35,026,861	50,863,154	85,890,015	35,052,514	20,400,645	55,453,159	122,668,207
205	Ministry of Infrastructure and Environment	618	4,107,467	18,461,508	458,410	1,643,814	210,446,788		235,117,987	29,641,460	229,925,396	259,566,856	29,662,100	205,896,596	235,558,696	369,088,973
206	Ministry of Health	1,273	8,917,575	16,388,663	347,148	8,013,805	7,886,000		41,553,191	33,870,065	8,403,000	42,273,065	33,914,876	8,403,000	42,317,876	55,267,563
220	Hospital and University Clinical Service of Kosova	7,438	62,476,877	46,249,346	3,603,416		9,706,500		122,036,139	110,642,023	11,706,500	122,348,523	110,955,969	11,706,500	122,662,469	119,323,523
207	Ministry of Culture, Youth and Sports	777	4,990,615	1,981,817	404,908	10,016,550	19,610,000		37,003,890	16,568,012	19,610,000	36,178,012	16,593,090	19,610,000	36,203,090	42,678,012
208	Ministry of Education, Science, Technology and Innovation	2,242	19,862,424	17,859,525	1,639,459	8,191,929	23,775,485		71,328,822	47,384,011	21,775,485	69,159,496	47,483,820	24,775,485	72,259,305	82,659,496
211	Ministry of Communities and Return	120	842,635	350,286	17,000	300,000	3,500,000		5,009,922	1,490,500	3,000,000	4,490,500	1,494,735	3,000,000	4,494,735	8,540,500
212	Ministry of Local Government Administration	141	1,052,996	292,421	15,500		3,350,000		4,710,917	1,388,192	2,850,000	4,238,192	1,393,483	2,850,000	4,243,483	5,738,192
214	Ministry of Internal Affairs and Public Administration	11,060	83,677,162	33,431,075	4,956,400	2,141,367	32,089,003		156,295,007	125,140,707	33,089,003	158,229,710	125,561,185	33,089,003	158,650,188	163,538,488
215	Ministry of Justice	1,984	13,737,474	5,304,647	1,070,769	6,928,000	805,000		27,845,890	27,109,577	1,005,000	28,114,577	27,178,608	1,005,000	28,183,608	33,213,952
216	Ministry of Foreign Affairs and Diaspora	381	8,418,739	20,718,574	884,551	230,000	3,395,000		33,646,864	30,293,958	1,395,000	31,688,958	30,336,262	2,895,000	33,231,262	36,384,958
217	Ministry of Defense	3,636	27,371,977	11,338,881	988,000		25,890,704		65,589,562	39,908,837	29,220,000	69,128,837	40,046,381	29,220,000	69,266,381	74,006,578
218	Ministry for European Integration	94	727,228	1,019,245	20,000	515,000			2,281,473	2,291,826	-	2,291,826	2,295,481	-	2,295,481	2,611,826
221	Ministry of Regional Development	54	417,419	325,500	11,360	1,000,000	1,000,000		2,754,279	2,255,867	1,500,000	3,755,867	2,257,964	1,500,000	3,757,964	5,780,867
230	Public Procurement Regulatory Commission	42	369,611	250,405	5,000		100,000		725,016	625,712	100,000	725,712	627,569	100,000	727,569	795,712
231	Kosovo Academy of Sciences and Arts	57	877,335	376,597	5,000	-	-		1,258,932	1,261,665	-	1,261,665	1,266,073	-	1,266,073	1,291,665
235	Regulatory Authority of Electronic and Postal Communications	40	445,843	386,166	14,700		600,000		1,446,709	848,004	600,000	1,448,004	850,245	600,000	1,450,245	1,678,004
236	Anti Corruption Agency	43	433,704	129,184	8,500				571,388	573,281	-	573,281	575,460	-	575,460	583,281
238	Energy Regulatory Office	32	519,205	203,979	22,000		70,800		815,983	747,133	70,800	817,933	749,742	70,800	820,542	833,933
240	Procurement Review Body	30	269,060	106,350	5,100				380,511	381,861	-	381,861	383,213	-	383,213	389,861
241	Free Legal and Aid Agency	28	211,296	188,891	10,000				410,188	411,462	-	411,462	412,524	-	412,524	425,462
242	University of Pristina	2,081	21,091,143	4,002,645	1,175,000	1,444,000	4,900,000		32,612,788	26,979,244	5,400,000	32,379,244	27,085,227	5,400,000	32,485,227	35,118,244
243	Constitutional Court of Kosovo	70	1,178,098	457,283	4,000		185,000		1,824,381	1,719,691	110,000	1,829,691	1,725,611	110,000	1,835,611	1,864,691
244	Kosovo Competition Authority	24	270,629	62,181	14,000				346,810	348,163	-	348,163	349,523	-	349,523	352,843
245	Kosovo Intelligence Agency	140	5,088,600	1,692,862	40,000	500,000	1,500,000		8,821,463	7,349,325	1,500,000	8,849,325	7,374,895	1,500,000	8,874,895	8,971,825
246	Kosovo Council for Cultural Heritage	16	129,908	81,833	2,550				214,291	215,100	-	215,100	215,753	-	215,753	221,100
247	Election Complaints and Appeals Panel	20	136,041	68,460	7,820				212,321	213,154	-	213,154	213,838	-	213,838	218,154
249	Independent Oversight Board for the Civil Service of Kosovo	30	270,181	109,143	3,825				383,149	384,714	-	384,714	386,072	-	386,072	392,714
250	Kosovo Prosecutorial Council	876	10,772,146	2,483,613	199,630		1,384,500		14,839,889	13,510,188	3,384,500	16,894,688	13,564,318	3,384,500	16,948,818	16,121,418
302	National Audit Office	173	2,087,841	672,483	50,000		40,000		2,850,324	2,821,380	-	2,821,380	2,831,872	-	2,831,872	2,921,380
313	Water Services Regulatory Authority	21	249,330	125,080	6,503				380,913	382,175	-	382,175	383,428	-	383,428	391,575
314	Railway Regulatory Authority	29	248,312	155,476	6,400				410,188	412,132	-	412,132	413,380	-	413,380	423,132
317	Civil Aviation Authority	30	757,245	207,438	13,738				978,421	982,821	-	982,821	986,626	-	986,626	997,821
318	Minerals and Mines Independent Commission	76	826,705	368,541	30,600		150,000		1,375,846	1,230,719	200,000	1,430,719	1,234,873	200,000	1,434,873	1,457,719
319	Media Independent Commission	39	448,915	339,806	28,000		50,000		866,721	819,043	50,000	869,043	821,298	50,000	871,298	894,543
320	Central Election Committee	86	1,109,704	6,124,048	63,700	4,200,000	-		11,497,453	5,913,951	-	5,913,951	5,919,527	-	5,919,527	5,963,951
321	Ombudsperson	78	982,851	287,698	15,000		-		1,285,550	1,291,119	-	1,291,119	1,296,057	-	1,296,057	1,312,119
322	Justice Academy	32	263,253	595,572	16,500		-		875,325	881,470	-	881,470	882,793	-	882,793	971,470
328	Kosovo Judicial Council	2,177	24,166,766	4,008,695	450,000	500,000	970,000		30,095,461	29,448,025	2,220,000	31,668,025	29,569,463	2,220,000	31,789,463	30,753,495
329	Kosovo Property Comparison and Verification Agency	200	1,264,240	740,364	88,523		331,500		2,424,627	2,000,174	431,500	2,431,674	2,006,527	431,500	2,438,027	2,486,674
251	Privacy and Information Agency	34	226,450	151,077	6,450				383,977	385,481	-	385,481	386,619	-	386,619	396,481
253	Memorial Complex Management Agency	21	172,688	460,230	63,000		3,580,000		4,275,918	697,422	5,080,000	5,777,422	698,290	5,080,000	5,778,290	5,811,422
232	Unpredicted Expenditure						2,000,000	4,800,000	6,800,000	4,800,000	2,000,000	6,800,000	4,800,000	2,000,000	6,800,000	6,800,000
248	Radio Television of Kosovo Kosoves		-			7,460,000			7,460,000	7,960,000	-	7,960,000	7,960,000	-	7,960,000	11,200,000
224	Health Insurance Fund	52	636,078	846,427	3,200	6,000,000	500,000		7,985,705	7,489,595	-	7,489,595	7,492,791	-	7,492,791	7,552,595
	Total	40,735	352,711,649	237,657,469	18,346,035	616,295,357	429,365,827	7,800,000	1,662,176,337	1,241,194,492	456,379,790	1,697,574,282	1,264,137,949	406,388,481	1,670,526,430	1,945,373,671
239	Privatization Agency of Kosovo	257	5,350,236	2,041,520	98,000	40,000	50,000	-	7,579,756	7,842,557	70,000	7,912,557	7,869,442	70,000	7,939,442	8,312,557
254	Air Navigation Service Agency	180	2,853,010	1,319,537	102,370		1,732,550	-	6,007,467	4,289,502	1,732,550	6,022,052	4,303,838	1,732,550	6,036,388	7,121,052
	Grand Total with PAK and ANSA	41,172	360,914,895	241,018,526	18,546,405	616,335,357	431,148,377	7,800,000	1,675,763,560	1,253,326,551	458,182,340	1,711,508,891	1,276,311,229	408,191,031	1,684,502,260	1,960,807,280

10. Stages of the budget process for 2021 for the central level

The following part presents the time schedule of the budget, steps and actions during the budget process for 2019.

- 30 April – Approval of Mid-term Expenditure Framework 2021-2023 by Government and the delivery of MTEF to the Assembly of Republic of Kosovo.
- 15 May – Issuance of first budget circular 2021/01. This circular contains instructions for budget process, budget ceilings and budget schedule.
- 25 June - Budget organizations to submit to the MFT the budget requirements according to the respective documentation, according to the programs and economic categories. Budget requirements must be fully justified through the use of the BDMS and PIP systems.
- 25 June – Macroeconomic Department presents new macro-fiscal framework.
- 10 July – Budget circular to be issued according to the need and will address only new specific issues which have resulted after issuance of first budget circular.
- 24 July - If additional information is required under the Second Budget Circular then, this information must be submitted by the Budget Organizations to the Ministry of Finance and Transfers - Budget Department by this date.
- 20 August – 28 August - Budget hearings (after receiving of materials from budget organizations). Participants in the hearings will be officials of budget organizations, MFT staff, Office of the Prime Minister of the Republic of Kosovo, representatives of the Parliamentary Committee on Budget and Finance. The schedule of budget hearings will be attached to the Budget Circular 2021/02. If it is possible in these hearings, the possibility of reaching an agreement on the total budget amounts of your organization for 2021 will be considered.
- 10 September - Macroeconomic Department presents latest assessments for macro-economic indicators, especially indicators related to budget process 2020-2022.
- 16 September – 20 September, consultations at the Government on setting of final budget ceilings.
- 25 September – Issuance of third budget circular with final budget ceilings, which may change from previous circular.
- 28 September- 2 October – Complaints by budget organizations.
- 7 October – 8 October, Government meetings on reviewing of complaints from budget organizations.
- 15 October, First draft of budget at MFT and submission of this draft to the Government.
- 16 October – 26 October - Final approval of draft budget at the Government.
- 29 October – Submission of draft budget 2021 to the Assembly of Republic of Kosovo.

Request for budget by central level budget organization should include:

- A table with forecasts until the end of the year for the implementation of the 2020 budget, at the program and sub-program level, as well as the accompanying comments on the sub-execution or the need for over-execution from the 2020 budget allocations,
- Tables 3.1, 3.1 A, 3.1 B and templates of PCF/s printed from SZHMB system,
- Tables 3.2, 3.2 B and templates printed from PIP system,
- Tables of Responsible Gender Budgeting
- Budgeting tables according to performance

- Request (tracking document) signed by Secretary General or CEO of Agency along with all budget materials.
- Description of request in narrative manner, including even following data:
 - Achievements so far with special focus on achieving the objectives foreseen in the SKZH, PRE, NPISAA.
 - What is intended to be achieved with budget allocations for 2021 and assessments for 2022-2023.
 - Budget organizations should notify the Ministry of Finance and Transfers if the budget request covers the continuation of existing policies, or foresees the completion of subsequent activities and commencing of new activities
 - For new activities, budget organizations should emphasize the legal basis (concept document, administrative instruction, draft law, etc.), and notify whether for this legal basis the Budgetary Impact Assessment has been performed, in accordance with the Administrative Instruction (GRK) No. 03/2015 on Budgetary Impact Assessment for New Government Initiatives.

Municipal level

1. Introduction

This Circular determines government grants for municipal funding for 2021 and orientations for the years 2022-2023, based on the Government's strategic priorities in the field of intergovernmental fiscal relations. Also, this circular determines the level of own source municipal revenues for the fiscal year 2021 and the medium-term forecast 2022-2023.

The principles, criteria and formulas applied for the allocation of government grants for municipal funding for 2021 are based on the Law on Local Government Finances (LFPL) and Table 1 of macro-fiscal projections, prepared by the Ministry of Finance and Transfers as specified in the Law on Public Financial Management and Liability (LPFML).

The Grants Commission at the meeting held on 22.04.2020 approved the municipal funding for 2020 and the projections for 2021-2022.

The municipal budget process takes into account the following aspects:

- Budgeting at the level of programs and sub-programs, in accordance with the existing structure of the accounting plan,
- Improving results-oriented and performance-oriented budgeting approaches,
- Implementation of the multi-year concept on capital project planning as well
- Determining the structure of expenditures according to expenditure categories.

Municipalities are obliged to prepare the Municipal Medium Term Budget Framework 2021-2023 and to approve it in the Municipal Assembly by 30.06.2020 as a municipal strategic document, which reflects the overall targets of budget revenues and expenditures and the structure of expenditures by expenditure categories.

Multi-year capital projects should be reported in the Performance Public Investment Projects (PIP) system based on performance. As a result, municipalities are required to design a draft strategy based on results-oriented goals and objectives.

2. Sources of Municipal Financing for the year 2021-2023.

2.1. General Grant

Based on Table 1, presented below, prepared by the Department of Economic, Public Policy and International Financial Cooperation of the Ministry of Finance and Transfers in accordance with the LFPL, the General Grant for Municipalities for 2021 has been approved in the amount of 190.49 million euros .

This division is based on the formula set out in Article 24 of the LFPL. According to this article, 10% of the total budgeted revenues of the Central Government are allocated to municipalities, excluding: budget support and grants, property tax revenues, interest income revenues and taxes, encumbrances and others from the local government.

As shown in the following table, based on the estimates of the Department of Economic, Public Policy and International Financial Cooperation, the total government revenues for 2021 are expected to be 2.006.8 million euros. From this amount, the revenues are deducted as specified in Article 24 of the LFPL and we come to the basis for the allocation of the general grant for municipalities, which grant for 2021 is in the amount of 190.49 million euros.

Table 1: Determining the value of the General Grant for municipalities 2021-2023 (mil. Euro)

In order to level the low capacity of own source revenues of smaller municipalities, based on LFPL, each municipality will receive a fixed total amount of 140,000 euros per year, deducting 1 euro per capita or 0 euros for municipalities with a population equal to or greater than 140,000 inhabitants. After that, the distribution made in the municipalities is based on the formula for allocating the general grant in the municipalities according to LFPL:

(i) the population number is calculated with eighty-nine percent (89%); (ii) the geographical dimensions of the municipality by six percent (6%); (iii) the number of the minority population in the municipality by three percent (3%);

(iv) municipalities where the majority of the population consists of two percent minorities (2%).

Table 2: General Grant Structure for 2021-2023 according to LFPL (mil. Euro)

Table 3 below presents the distribution of the General Grant in the municipalities according to the formula provided in the LFPL.

Table 3: Distribution of General Grant at municipalities 2021-2023

Financing of social services as a competence transferred from MLSW to municipalities is included in the general grant of the municipality.

Employees in the administration of the Municipal Directorates for Pre-University Education and Primary Health Care are funded by the general grant in the municipalities.

Also, the general grant will supplement the specific grants for education and health when necessary.

2.2. Additional grant for the financing of the Capital City

Based on Law no. 06 / L-012 on the Capital of the Republic of Kosovo, Prishtina, Article 19 The Capital of the Republic of Kosovo Prishtina receives an additional grant from the central level, at a height of not less than 6% of the total grant.

For 2021 the Capital, Prishtina benefits an additional grant of 11,429,400 euros, while for 2022 it benefits 12,126,000 euros and for 2023 it benefits 12,886,200 euros.

Table 4: Distribution of additional Grant for financing the Capital 2021-2023

2.3. Specific grant for pre-university education

The specific grant for pre-university education according to the LFPL, is based on an open funding system, taking into account the criteria in re-university education formula for 2021 of MEST.

The specific grant for pre-university education for 2021 has been approved by the Grants Commission in the amount of 194.8 million euros.

The basic grant has been approved in the amount of 192 million euros as follows:

- a) Salaries and allowances in the amount of 175.5 million euros;
- b) Goods and services in the amount of 14 million euros;
- c) Capital expenditures in the amount of 2.5 million euros.

The new policies approved by the KG are as follows:

- a) Jubilee salaries according to the collective agreement for Education, at a cost of 1.1 million euros;
- b) Pre-school salary for schools (2 to 5 years old) for 2021, at a cost of 1.6 million euros;
- c) Goods and services for children (4 to 5 years old), at a cost of 78,848 euros;
- d) Cost of payment of procedures for validation and accreditation for high vocational schools (8 schools), at a cost of 38,400 euros.

The formula addresses the level of pre-school, primary and secondary education, based on the following criteria:

- a) Number of students enrolled for 2019/2020;
- b) Student-teacher relationship for primary and secondary education for students of majority 1: 21.3 (based on Administrative Instruction no. 22/2013 of MEST);
- c) Student-teacher relationship for primary and secondary education for students of minority 1:14.2;
- d) Student-teacher relationship for preschool education 1:12;
- e) Student-teacher relationship for vocational secondary education for students of majority 1:17.2, and for students of minority 1:11.5;
- f) Student-teacher relationship for mountainous areas 1:14.2;
- g) Calculation for English language teaching staff for grades I and II;
- h) Calculation for technical administrative staff for 630 students 1 staff in pre-school and primary education;
- i) Calculation for technical administrative staff for 470 students 1 staff in secondary education
- j) Calculation for assistant staff for 170 students 1 staff (cleaner) and 1 staff per school (guard);
- k) The calculation of salaries and allowances is based on the current average salary in education for each municipality;
- l) Professional Pedagogical / Psychological Service;
- m) Quality coordinators;
- n) Calculation of salaries for replacements during maternity leave from 3% to 6%;
- o) Goods and services are calculated according to the criteria for students (23 euros for majority students and 25 euros for minority students) and for school (1,500 euros for pre-school and primary school and 3,250 euros for secondary school);
- p) Capitals are calculated according to the criterion 7 euros per student;
- q) Calculation of three salaries after retirement at a cost of 1.2 million euros;
- r) Salary for child assistance with special needs at a cost of 0.6 million euros;
- s) Professional practice at a cost of 3.5 million euros;
- t) Jubilee salaries according to the collective contract for Education, at a cost of 1.1 million euros;
- u) Pre-school salary for schools (2 to 5 years old) for 2021, at a cost of 1.6 million euros;
- v) Goods and Services for children (4 to 5 years old), at a cost of 78,848 euros;

w) Cost of payment of procedures for validation and accreditation for high vocational schools (8 schools), at a cost of 38,400 euros.

According to MEST, the number was reported to be 10,338 fewer students in pre-university education compared to the previous year. Based on the continuous reduction of the number of students from year to year and taking into account the teacher / student parameters according to the current situation, MEST recommends municipalities that in case of retirement of teaching staff not to announce a competition for admission of new staff, but to accommodate teachers who do not have a norm or do not have a full norm.

Table 5: Distribution of Specific Grant for Education for the year 2021-2023

2.4 Primary health specific grant

Health specific grant is based on an open system in line with the LFPL.

The specific grant for primary health care for 2021 has been approved by the GC in the amount of 62.6 million euros.

The specific grant for primary health care - basic grant for 2021 is in amounted to 61.7 million euros and is prepared according to the criterion per capita (35 €) and in accordance with the recommendations of the Grants Commission issued by the annual report on Adaptability Assessment of Municipal Financing System.

New policy approved by GC for 2021 is care of palliative visit (visit x 20 euro) with a cost of 0.9 million euro.

Table 6: Primary health specific grant, for 2021-2023

2.5 Secondary health financing

Financing for secondary health for 2021 has been approved in amount of 2,603,077 euros according to MH proposal and projections of MTEF for three minority municipalities, as follows:

- Shtërpce municipality, amounted to 522,371 euros,
- Mitrovica municipality, amounted to 989,935 euros, and
- Graçanica municipality, amounted to 1,090,771 euros.

2.6 Residential services financing

The financing of residential services for community houses for the elderly and community houses for people with disabilities for 2021 has been approved according to the MH proposal amounted to 2,305,000 euros.

For 2021, the staff increase of 13 and additional financing for the functioning of Residential Services for the elderly in the Municipality of Prizren has been approved.

Table 7: Financing for residential services for 2021-2023

2.7 Funding for the Historic Center of Prizren, the Cultural Center of the village of Zym and the Council of the Hoçë e Madhe

With the entry into force of Law No. 04/L-066 on the Historic Center of Prizren, Law No. 04/L-196 on the Historical Cultural Center of Zym Village and Law No. 04/L-62 for the village of Hoçë e Madhe, with the budget planning for 2021, financial funds are allocated in the amount of 69,393 euros, for the two municipalities as follows:

- Prizren municipality, amount of 44,365 euros, and
- Rahovec municipality, amount of 25,028 euros.

2.8 Financing for the endangered environmental area of Obiliq

Pursuant to Law No. 05/L-044 on the endangered environmental area of Obiliq and around it Article 9, Obiliq benefits from the collection of mining rent by the respective institution, 20% of the value of this rent is reallocated from the Central Budget to the Municipal Budget of the Municipality of Obiliq, specifically dedicated to investments in community development in the location where the business unit is located in the field of environmental protection, infrastructure, sports, health and education.

For 2021, the Municipality of Obiliq, based on the collection of the mining rent, benefits extra financing of 4,600,000 euros.

2.9 Financing for Theatre

Financing for theatres for 2021 has been approved in amount of 900,000 as in attached table below:

Table 8: Financing for theatres for 2021

2.10 Projections of Municipal Own Source Revenues for 2021 and forecasts 2022-2023

The projections of own source municipal revenues for 2021 based on macro-fiscal assessments are in the amount of 83.1 million euros. These revenues are added to municipal funding in addition to municipal grants.

The projection of own source revenues for each municipality is based on the recommendations of the grant commission, included in the report of "Adoptability Assessment of Municipality Financing".

This projection considered revenues of immovable property tax according to the property tax invoicing (tax burden) and the trend of increasing non-tax revenues during the last three years, excluding revenues from traffic fines and revenues by the courts.

Table 9: Projections of municipal own source revenues for 2021-2023

2.4 Investment Clause

For 2021, with the investment clause mechanism, the project for the Construction of the Water Supply System for the Municipality of Istog in the amount of 1,525,397 euros will be financed.

2.5 Summary of municipal funding for 2021-2023

For the allocation of government grants by municipalities for 2021, the basic criteria and principle formulas stipulated in the Law on Local Government Finance and other relevant laws have been implemented, as well as based on macro-fiscal projections and data from line ministries.

GC also agreed in principle that municipalities that have unemployed staff if it is not in employment procedures and it is unnecessary as a number to be deducted.

Table 10: Summary of municipal funding for 2021-2023 (mil. euro)

Table 11: Summary of municipal financing for 2021 and estimates for 2022-2023

2.6 Timeframe for the municipal level

Budgetary organizations at the local level should adhere to this timeframe in preparing their budget:

- 30 June: the approval of the Mid-Term Municipal Budget Framework,
- Until 30 September : Approval of the municipal budget for 2021-2023 in the Municipal Assembly,
- 30 September: following the approval of the draft budget by the Municipal Assembly, municipalities are obliged to submit the following documents to the Ministry of Finance:
 - o Follow-up letter based on the approval of the draft budget by the Municipal Assembly (signed by the Mayor of the Municipality).
 - o Municipal Assembly decision on the approval of the municipal budget proposal for 2021-2023, including multi-year capital projects.
 - o Municipal Budget Tables (BDMS and PIP):
 - Table 4.1 - Budget allocation plan for total municipal expenditures for 2021-2023 (copy printed by BDMS, stamped and signed by Mayor and CFO),
 - Table 4.2 - Financing of capital projects for 2021 and multi-year capital projects for 2022-2023 (printed by the PIP system, stamped and signed by the Mayor and CFO),
 - Table 4.3 - Table 4.3 - Mid-term plan of municipal budget revenues from government grants and own-source revenues (printed by BDMS, stamped and signed by the Mayor and CFO),
 - Table 3.1.B - Budget allocation plan under the investment clause,
 - Table 3.2.B - Capital Projects Financing through investment clause,
 - Gender Responsive Budgeting Tables.

The MF Budget Department will organize forums with municipal authorities regarding

the development of the municipal budget process for 2021-2023.

Also, additional training will be provided with specific guidelines on budget drafting for each of the key phases, including the application of the Electronic Devices and PIP systems.

Municipal level

1. Introduction

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The Grants Commission at the meeting held on 22.04.2020 approved the municipal funding for 2020 and the projections for 2021-2022.

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2. Sources of Municipal Financing for the year 2021-2023.

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Table 1: Determining the value of the General Grant for municipalities 2021-2023 (mil. Euro)

Factors	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023
General Grant	173.6	180.69	196.28	190.49	202.10	214.77
Formula correction contingency (2.7%)	4.7	4.9				
Fixed amount	3.6	3.6	3.6	3.6	3.6	3.6
Population (inhabitants)	1,780,021	1,780,021	1,780,021	1,780,021	1,780,021	1,780,021
Budget: 89% c of aggregate amount	147.1	153.3	171.5	166.3	176.6	187.9
Municipal zone (km2)	10,901	10,901	10,901	10,901	10,901	10,901
Budget: 6% of aggregate amount	9.92	10.33	11.56	11.21	11.91	12.67
Minority communities in the municipalities	107,926	107,926	107,926	107,926	107,926	107,926
Budget: 3% of aggregate amount	5.0	5.2	5.8	5.6	6.0	6.3
Population of minority municipalities	62,031	62,031	62,031	62,031	62,031	62,031
Budget: 2% of aggregate amount	3.3	3.4	3.9	3.7	4.0	4.2

In order to level the low capacity of own source revenues of smaller municipalities, based on LFPL, each municipality will receive a fixed total amount of 140,000 euros per year, deducting 1 euro per capita or 0 euros for municipalities with a population equal to or greater than 140,000 inhabitants. After that, the distribution made in the municipalities is based on the formula for allocating the general grant in the municipalities according to LFPL:

- (i) the population number is calculated with eighty-nine percent (89%); (ii) the geographical dimensions of the municipality by six percent (6%); (iii) the number of the minority population in the municipality by three percent (3%);
- (iv) municipalities where the majority of the population consists of two percent minorities (2%).

Table 2: General Grant Structure for 2021-2023 according to LFPL (mil. Euro)

Factors	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023
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Formula correction contingency (2.7%)	4.7	4.9				
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Budget: 2% of aggregate amount	3.3	3.4	3.9	3.7	4.0	4.2

Table 3 below presents the distribution of the General Grant in the municipalities according to the formula provided in the LFPL.

Table 3: Distribution of General Grant at municipalities 2021-2023

Criteria for allocation of General Grant (pursuant to L.F.P.L.)																
Municipalities	Population		Geographical size		Minority population		Municipalities with minority population		Fixed amount (140,000-142)	Amount per population (89%)	Amount for geographical size (6%)	Amount for minority population in municipalities (3%)	Amount for minority population with municipalities (2%)	Total General Grant for 2021	Total General Grant for 2022	Total General Grant for 2023
	Population	89%	Geographical size	6%	Minority population in municipalities	1%	Minority population in municipalities	2%								
1. Dren	40,019	2.296	297	2.754	551	0.515	99,981	1,718,208	108,476	305,476	28,619	-	-	4,172,814	4,455,940	4,702,111
2. Drenish	13,697	1.915	430	1.940	13,559	12.585	106,003	3,176,139	492,066	709,245	-	-	-	4,178,703	4,697,291	4,996,401
3. Ruzica	108,610	6.106	546	1.176	4,193	3.899	31,399	1,014,093	154,844	217,781	217,781	-	-	10,750,067	11,417,020	12,143,584
4. Pribje Koprive	34,837	1.965	51	0.766	4,511	4.189	165,171	3,251,732	83,499	224,298	-	-	-	3,678,702	3,900,741	4,143,052
5. Srebren	94,556	5.116	587	3.383	6,679	6.196	45,444	8,331,018	661,869	166,993	-	-	-	9,810,155	10,438,121	11,101,595
6. Glina	90,128	3.673	392	3.696	2,664	2.109	49,832	8,423,931	603,304	117,591	-	-	-	8,995,647	9,551,490	10,158,081
7. Zadar	58,531	1.295	276	2.532	45	0.645	81,469	5,668,292	283,298	2,317	-	-	-	5,836,097	6,193,656	6,583,861
8. Labin - Zadar	19,289	0.513	83	0.706	44	0.048	330,597	8,788,481	85,499	2,285	-	-	-	1,095,962	1,156,908	1,272,470
9. Metković	19,426	2.123	424	1.753	5,085	2.682	120,711	3,976,597	467,670	160,233	-	-	-	4,398,611	4,665,658	4,957,087
10. Dubrovnik	6,084	0.246	74	1.245	4	0.003	133,916	5,684,401	76,242	208	-	-	-	778,267	818,335	862,560
11. Šibenik	31,489	1.883	211	1.495	36	0.035	106,591	3,121,235	271,116	1,870	-	-	-	3,446,661	3,654,407	3,850,902
12. Koprivnica	36,085	2.076	434	1.692	1,864	1.735	103,915	3,171,562	456,216	96,915	-	-	-	4,008,207	4,250,797	4,515,435
13. Zagreb	38,406	2.656	199	2.454	1,241	1.154	181,504	3,396,511	317,929	64,457	-	-	-	4,080,410	4,327,637	4,597,435
14. Gospić	13,773	0.779	539	4.654	323	0.366	126,227	1,286,760	554,492	16,776	-	-	-	2,814,003	2,981,006	3,163,156
15. Karlovac	37,665	3.249	138	3.036	3,107	2.889	82,335	5,391,780	347,765	16,135	-	-	-	5,973,315	6,333,343	6,738,790
16. Makarska	34,613	1.678	366	2.316	54	0.058	85,387	3,102,251	314,553	2,805	-	-	-	5,505,295	5,842,058	6,209,566
17. Šibenik	5,897	0.119	32	0.295	379	0.353	134,493	514,195	33,046	19,685	331,770	-	-	1,031,438	1,080,347	1,150,305
18. Metković	71,969	4.029	331	3.618	2,199	2.346	48,291	6,718,139	340,566	11,423	-	-	-	7,341,010	7,686,695	8,173,070
19. Novigrad	6,725	0.386	254	1.776	3,052	2.076	118,451	6,718,139	209,912	160,310	-	-	-	1,138,118	1,200,628	1,268,768
20. Osijek	31,540	1.215	105	0.966	1,655	1.356	118,451	2,013,228	108,176	85,960	-	-	-	2,325,764	2,465,914	2,612,585
21. Zadar	59,150	5.426	663	5.537	8,334	7.792	43,550	9,010,896	620,116	43,862	-	-	-	10,107,634	10,735,049	11,415,365
22. Ploče	84,499	4.079	633	5.518	849	0.792	8,208,069	631,171	44,096	41,096	-	-	-	9,014,838	9,571,369	10,179,547
23. Ploče	198,897	11.176	514	4.276	4,146	3.896	18,592,065	528,780	215,546	19,316	-	-	-	20,627,065	21,837,459	23,137,913
24. Vukovar	177,781	9.996	663	5.537	29,396	0.896	10,650,291	626,516	1,645,541	16,815	-	-	-	18,875,149	20,047,912	21,337,913
25. Bjelovar	58,208	3.103	238	2.556	944	0.876	81,792	5,231,264	286,055	49,031	-	-	-	5,670,142	6,017,246	6,398,041
26. Slavonski Brod	6,994	0.396	248	2.286	3,182	2.295	689,214	255,200	165,271	1,201,737	-	-	-	1,201,737	1,269,201	1,341,733
27. Šibenik	27,224	1.546	374	3.439	858	0.295	113,081	2,521,869	172,952	44,565	-	-	-	2,847,932	3,017,907	3,203,718
28. Šibenik	50,889	2.802	374	3.439	109	0.109	89,482	4,251,438	384,797	5,521,032	-	-	-	5,521,032	5,590,173	5,899,173
29. Šibenik	39,722	3.664	361	3.116	575	0.316	80,278	5,579,595	371,420	29,865	-	-	-	6,061,115	6,433,741	6,818,185
30. Vukovar	48,987	2.646	220	2.486	238	0.246	9,613	4,389,787	277,827	13,400	-	-	-	4,774,078	5,064,379	5,392,286
31. Vukovar	69,820	3.073	345	3.178	960	0.396	70,150	6,527,645	354,964	40,862	-	-	-	7,092,601	7,433,345	7,903,416
32. Zadar	6,616	0.176	333	1.009	905	0.305	137,319	6,688,917	126,607	20,030	-	-	-	1,544,312	1,632,431	1,722,717
33. Zadar	7,481	0.123	123	1.119	386	0.305	7,481	10,679,4	17,248	643,117	-	-	-	1,478,817	1,540,351	1,597,360
34. Zadar	10,675	0.669	131	1.209	1,422	1.776	10,675	17,248	17,248	17,248	-	-	-	2,201,709	2,393,202	2,584,792
35. Zadar	2,536	0.246	23	0.276	1,131	0.116	12,326	17,248	17,248	17,248	-	-	-	461,999	481,758	504,165
36. Zadar	12,326	0.669	5	0.036	867	0.066	17,248	17,248	17,248	17,248	-	-	-	2,102,117	2,199,944	2,323,792
37. Zadar	1,287	0.108	20	0.276	2	0.066	1,287	1,287	1,287	1,287	-	-	-	44,287	46,817	49,124
38. Zadar	3,866	0.223	69	0.678	168	0.108	3,866	3,866	3,866	3,866	-	-	-	810,951	851,924	897,629
39. Zadar	1,780,021	100%	19,901	100%	107,976	100%	62,031	100%	3,636,657	166,299,475	11,211,411	5,605,600	3,737,067	190,490,000	202,100,000	214,770,000

Financing of social services as a competence transferred from MLSW to municipalities is included in the general grant of the municipality.

Employees in the administration of the Municipal Directorates for Pre-University Education and Primary Health Care are funded by the general grant in the municipalities.

Also, the general grant will supplement the specific grants for education and health when necessary.

2.2. Additional grant for the financing of the Capital City

Based on Law no. 06 / L-012 on the Capital of the Republic of Kosovo, Prishtina, Article 19 The Capital of the Republic of Kosovo Prishtina receives an additional grant from the central level, at a height of not less than 6% of the total grant.

For 2021 the Capital, Prishtina benefits an additional grant of 11,429,400 euros, while for 2022 it benefits 12,126,000 euros and for 2023 it benefits 12,886,200 euros.

Table 4: Distribution of additional Grant for financing the Capital 2021-2023

Description	Year 2018	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023
General Grant for municipalities	173.60	180.69	196.28	190.49	202.10	214.77
Additional Grant for financing the Capital City(6%)		10.84	11.78	11.43	12.13	12.89

2.3. Specific grant for pre-university education

The specific grant for pre-university education according to the LFPL, is based on an open funding system, taking into account the criteria in re-university education formula for 2021 of MEST.

The specific grant for pre-university education for 2021 has been approved by the Grants Commission in the amount of 194.8 million euros.

The basic grant has been approved in the amount of 192 million euros as follows:

- Salaries and allowances in the amount of 175.5 million euros;
- Goods and services in the amount of 14 million euros;
- Capital expenditures in the amount of 2.5 million euros.

The new policies approved by the KG are as follows:

- Jubilee salaries according to the collective agreement for Education, at a cost of 1.1 million euros;
- Pre-school salary for schools (2 to 5 years old) for 2021, at a cost of 1.6 million euros;
- Goods and services for children (4 to 5 years old), at a cost of 78,848 euros;
- Cost of payment of procedures for validation and accreditation for high vocational schools (8 schools), at a cost of 38,400 euros.

The formula addresses the level of pre-school, primary and secondary education, based on the following criteria:

- Number of students enrolled for 2019/2020;
- Student-teacher relationship for primary and secondary education for students of majority 1: 21.3 (based on Administrative Instruction no. 22/2013 of MEST);

- c) Student-teacher relationship for primary and secondary education for students of minority 1:14.2;
- d) Student-teacher relationship for preschool education 1:12;
- e) Student-teacher relationship for vocational secondary education for students of majority 1:17.2, and for students of minority 1:11.5;
- f) Student-teacher relationship for mountainous areas 1:14.2;
- g) Calculation for English language teaching staff for grades I and II;
- h) Calculation for technical administrative staff for 630 students 1 staff in pre-school and primary education;
- i) Calculation for technical administrative staff for 470 students 1 staff in secondary education
- j) Calculation for assistant staff for 170 students 1 staff (cleaner) and 1 staff per school (guard);
- k) The calculation of salaries and allowances is based on the current average salary in education for each municipality;
- l) Professional Pedagogical / Psychological Service;
- m) Quality coordinators;
- n) Calculation of salaries for replacements during maternity leave from 3% to 6%;
- o) Goods and services are calculated according to the criteria for students (23 euros for majority students and 25 euros for minority students) and for school (1,500 euros for pre-school and primary school and 3,250 euros for secondary school);
- p) Capitals are calculated according to the criterion 7 euros per student;
- q) Calculation of three salaries after retirement at a cost of 1.2 million euros;
- r) Salary for child assistance with special needs at a cost of 0.6 million euros;
- s) Professional practice at a cost of 3.5 million euros;
- t) Jubilee salaries according to the collective contract for Education, at a cost of 1.1 million euros;
- u) Pre-school salary for schools (2 to 5 years old) for 2021, at a cost of 1.6 million euros;
- v) Goods and Services for children (4 to 5 years old), at a cost of 78,848 euros;
- w) Cost of payment of procedures for validation and accreditation for high vocational schools (8 schools), at a cost of 38,400 euros.

According to MEST, the number was reported to be 10,338 fewer students in pre-university education compared to the previous year. Based on the continuous reduction of the number of students from year to year and taking into account the teacher / student parameters according to the current situation, MEST recommends municipalities that in case of retirement of teaching staff not to announce a competition for admission of new staff, but to accommodate teachers who do not have a norm or do not have a full norm.

Table 5: Distribution of Specific Grant for Education for the year 2021-2023

No.	Municipality	Total number of pupils	Wage and allowance (for Teaching, administrative staff)	Assent for children with special needs (100)	Three total wages and allowances	Goods and services		Total goods and services	Capital expenditure	Ground Grant for pre-university education for 2021	New policies				Total proposal of specific grant for pre-university education for 2021	Total proposal of specific grant for pre-university education for 2022	Total proposal of specific grant for pre-university education for 2023		
						Goods and services for pupils	Professional practice				Jobless wages according to collective contract for education	Wage for pre-school for schools for 2021	Goods and services for children - 4 to 5 years	Payment for processing of validation and accreditation for vocational high schools					
1	AL	159,811	173,644,706	619,643	1,211,239	175,495,990	10,476,508	3,520,800	2,492,481	191,966,779	1,068,638	1,659,239	78,848	38,493	2,845,125	194,811,904	212,460,183	213,560,111	
1	Deven	5,608	3,386,274	18,471	26,167	3,430,912	165,987	32,311	198,298	38,492	3,667,964	22,460	33,341	1,916	4,808	62,395	3,730,297	4,004,021	4,057,237
2	Dagupan	3,908	2,706,888	5,276	16,434	2,789,298	152,284	-	192,284	27,918	2,968,630	17,599	21,227	1,011	0	39,796	3,008,426	3,223,811	3,236,302
3	Ferdinand	24,442	11,186,186	38,627	40,313	11,314,536	672,757	260,503	933,220	169,575	12,417,421	67,197	104,892	4,985	4,800	181,816	12,599,235	13,729,096	13,796,477
4	Fuente Osorbe	9,804	3,029,208	24,328	19,929	3,073,665	252,349	62,576	319,925	67,991	3,461,581	17,250	42,757	2,032	0	62,319	3,524,120	3,939,329	3,975,249
5	Gabrove	17,624	9,038,815	36,422	68,292	9,143,510	515,802	205,089	720,591	122,108	9,986,238	54,941	87,072	4,138	4,800	150,951	10,137,179	11,011,088	11,077,510
6	Ghila	17,893	10,080,606	31,976	67,447	10,189,122	518,610	225,684	744,294	124,222	11,653,639	68,707	71,284	3,187	4,800	148,178	11,801,816	12,746,956	12,801,626
7	Gilguyce	12,194	5,735,806	18,488	32,319	5,866,647	338,170	123,416	461,592	84,402	6,332,701	30,607	61,865	2,946	0	94,831	6,447,573	7,013,890	7,043,544
8	Hera, Ebera	1,843	752,387	12,352	4,782	768,921	52,956	-	52,956	12,768	835,685	4,589	9,612	428	0	14,029	809,714	983,028	987,373
9	Illegos	7,293	3,785,726	18,204	31,851	3,855,287	225,810	42,927	268,737	51,236	4,155,751	24,271	36,513	1,716	0	62,529	4,218,280	4,610,370	4,630,120
10	Illegos	808	392,155	-	1,516	394,711	23,150	-	23,150	5,600	422,461	1,449	3,795	186	0	5,424	422,885	501,097	503,551
11	Kamernec	6,309	3,304,309	18,519	20,496	3,343,924	185,624	41,080	227,604	43,722	3,615,750	22,218	30,560	1,452	0	54,240	3,669,480	4,002,671	4,019,949
12	Kamernec	4,484	4,282,987	21,696	28,613	4,333,697	192,827	39,601	231,888	31,157	4,598,741	33,086	16,059	763	0	49,908	4,628,649	4,911,773	4,934,035
13	Kilbe	7,864	4,611,528	18,899	34,616	4,665,057	222,585	64,594	287,976	15,834	4,813,430	30,791	45,128	2,145	0	78,064	4,889,494	5,202,818	5,223,720
14	Korovana	2,265	935,710	-	4,908	939,779	98,170	29,039	124,469	15,834	1,080,022	604	1,287	61	0	1,932	1,081,974	1,182,567	1,167,765
15	Korovana	12,895	6,189,487	17,810	54,945	6,262,245	388,551	82,619	471,170	88,844	6,832,252	37,070	54,615	2,595	0	91,280	6,916,540	7,563,566	7,595,510
16	Korovana	12,335	6,299,884	18,598	38,737	6,317,215	353,900	63,602	417,592	85,428	6,820,235	38,036	62,627	1,024	0	104,686	6,924,921	7,526,118	7,558,337
17	Korovana	898	404,918	6,135	1,668	414,121	28,316	-	28,316	6,210	418,633	2,053	4,966	725	0	7,234	455,867	525,635	528,191
18	Korovana	16,568	7,732,299	24,610	71,831	7,830,741	459,782	216,052	675,839	114,772	8,461,332	47,938	83,074	3,948	0	134,959	8,776,311	9,609,735	9,669,660
19	Korovana	1,401	952,564	5,351	5,351	963,266	77,432	17,992	95,424	9,788	1,068,388	3,760	5,724	167	0	6,931	1,075,339	1,162,913	1,168,229
20	Korovana	4,932	2,295,552	17,568	13,176	2,326,296	158,849	46,342	205,091	34,123	2,550,610	13,403	20,597	979	0	34,981	2,600,597	2,878,781	2,890,946
21	Korovana	18,607	9,217,902	35,704	69,344	9,325,950	510,004	200,433	710,437	128,856	10,163,243	58,202	106,112	5,043	4,800	174,156	10,339,399	11,301,487	11,308,825
22	Korovana	17,962	8,509,704	24,864	57,498	8,592,066	511,497	197,046	708,537	124,607	9,425,210	30,606	78,060	3,709	0	121,375	9,546,585	10,404,013	10,447,684
23	Korovana	45,405	18,671,616	73,728	124,416	18,869,200	1,188,998	388,398	1,577,396	314,734	20,755,896	124,614	214,528	10,195	4,800	354,137	21,108,027	23,193,266	23,288,592
24	Korovana	30,587	14,047,488	32,160	94,822	14,174,570	867,862	315,467	1,183,331	211,722	15,590,273	89,717	164,860	7,814	0	262,412	15,851,684	17,270,596	17,342,099
25	Korovana	9,839	5,214,034	6,244	42,150	5,262,448	292,933	36,693	329,626	68,131	5,660,205	27,169	51,198	2,411	4,800	85,559	5,745,764	6,223,778	6,250,627
26	Korovana	2,332	1,196,664	-	4,384	1,199,099	77,967	868	78,835	16,373	1,286,237	15,456	6,102	299	0	22,057	1,308,314	1,408,563	1,415,023
27	Korovana	5,280	2,710,164	6,036	16,216	2,732,416	169,295	46,715	216,010	40,089	3,008,515	15,577	25,478	1,211	0	42,263	3,050,780	3,344,526	3,358,732
28	Korovana	10,095	5,072,584	18,338	39,733	5,131,655	302,105	119,192	421,297	69,867	5,623,018	32,723	54,208	2,576	0	89,507	5,712,526	6,202,980	6,229,442
29	Korovana	11,056	5,938,236	31,650	41,106	6,010,902	332,190	105,267	437,457	76,580	6,524,999	89,032	55,992	2,557	0	92,501	6,622,599	7,204,089	7,235,669
30	Korovana	8,209	4,944,168	13,438	22,650	4,989,257	354,807	59,558	414,365	56,973	5,351,591	31,516	31,677	1,600	4,800	71,993	5,423,184	5,860,723	5,886,733
31	Korovana	14,469	6,815,831	18,708	48,328	6,882,867	418,472	148,589	567,061	100,138	7,550,265	42,887	65,122	3,104	0	111,412	7,661,677	8,361,642	8,399,104
32	Korovana	1,263	391,558	-	1,100	392,658	44,242	21,336	65,578	8,830	467,726	1,328	1,626	77	0	5,032	470,758	520,286	521,734
33	Korovana	1,353	419,953	-	-	419,953	37,336	-	37,336	20,043	439,933	-	1,491	71	0	1,567	438,396	560,528	562,206
34	Korovana	615	331,925	-	-	331,925	23,570	-	23,570	4,293	337,771	725	883	42	0	1,647	339,418	418,582	420,726
35	Korovana	4,878	1,137,664	-	-	1,137,664	152,852	159,329	312,172	34,118	1,490,985	0	1,694	81	0	1,775	1,505,729	1,648,922	1,648,215
36	Korovana	999	499,623	-	2,593	412,217	48,454	22,963	71,417	6,986	499,623	5,796	721	13	0	6,080	496,700	550,686	553,237
37	Korovana	1,192	428,713	-	-	428,713	44,416	28,723	73,139	8,344	510,197	4,589	68	3	0	4,690	514,856	572,722	575,351
38	Korovana	3,998	986,916	-	1,137	988,053	135,802	70,802	206,604	27,558	1,222,715	2,294	2,168	103	0	4,560	1,227,300	1,330,324	1,355,765

2.4 Primary health specific grant

Health specific grant is based on an open system in line with the LFPL.

The specific grant for primary health care for 2021 has been approved by the GC in the amount of 62.6 million euros.

The specific grant for primary health care - basic grant for 2021 is in amounted to 61.7 million euros and is prepared according to the criterion per capita (35 €) and in accordance with the recommendations of the Grants Commission issued by the annual report on Adaptability Assessment of Municipal Financing System.

New policy approved by GC for 2021 is care of palliative visit (visit x 20 euro) with a cost of 0.9 million euro.

Table 6: Primary health specific grant, for 2021-2023

Ground Grant										New policies			
No	Municipality	Population	Demography					Specific grant for Health for 2021	Palliative care visits (visit x 20 euro)	Total specific grant for Health for 2021	Total specific grant for Health for 2022	Total specific grant for Health for 2023	
			Gender		Age		Number of persons with special needs (reported by municipalities)						
			M	F	Females of reproduction age 15-49 years	Number of children from 0-14 years							Number of elderly persons - over 65 years
1	Deçan	40,019	20,125	19,894	10,941	10,471	4,084	151	1,386,900.81	3,480	1,390,381	2,138,546	2,149,239
2	Dragash	33,997	17,035	16,962	8,500	10,000	5,000	497	1,178,202	9,220	1,187,422	1,814,473	1,823,545
3	Ferizaj	108,610	54,841	53,769	29,300	31,566	6,900	982	3,763,995	91,480	3,855,475	5,732,650	5,761,313
4	Fushë Kosovë	34,827	17,621	17,206	14,123	6,585	3,202	233	1,206,967	44,520	1,251,487	1,841,970	1,851,180
5	Gjakovë	94,556	47,226	47,330	25,198	25,300	9,329	1,090	3,276,938	6,320	3,283,258	4,852,885	4,877,159
6	Gjilan	90,178	45,354	44,824	24,539	23,464	6,554	180	3,125,214	41,840	3,167,054	4,086,375	4,106,807
7	Glllogovë	58,531	29,733	28,799	15,996	17,507	3,336	177	2,028,454	24,160	2,052,614	2,905,945	2,920,474
8	Hani i Elezit	9,403	4,836	4,567	1,824	2,778	560	84	325,871	0	325,871	633,811	636,980
9	Istog	39,289	19,679	19,610	10,607	10,804	2,976	486	1,361,602	20,260	1,381,862	1,981,193	1,991,099
10	Jenik	6,084	2,995	3,089	2,020	1,681	450	50	210,847	33,700	244,547	355,335	357,112
11	Kaçanik	33,409	16,970	16,439	9,054	9,683	1,940	200	1,157,824	3,180	1,161,004	1,804,596	1,813,619
12	Kamenice	36,085	18,559	17,526	23,263	5,389	4,140	242	1,250,564	27,820	1,278,384	2,596,316	2,609,297
13	Klinë	38,496	18,960	19,537	10,726	10,915	2,830	260	1,334,120	92,240	1,426,360	1,999,168	2,009,164
14	Leposavic	13,773	6,969	6,804	3,443	2,754	965		477,318	11,880	489,198	652,566	655,829
15	Lipjan	57,605	29,325	28,280	15,355	17,461	7,032	706	1,996,362	0	1,996,362	3,087,960	3,103,400
16	Malisheve	54,613	25,901	28,713	37,276	20,758	3,500	640	1,892,671	0	1,892,671	2,792,431	2,806,393
17	Manushë	5,507	2,672	2,836	2,543	2,670	737	40	190,851	7,300	198,151	378,544	380,437
18	Mitrovicë	71,909	36,275	35,634	18,624	20,351	5,074	1,200	2,492,083	14,820	2,506,903	3,627,727	3,645,865
19	Novoberdë	6,729	3,466	3,264	1,726	1,643	732	41	233,201	6,300	239,501	336,728	338,412
20	Obiliq	21,549	10,885	10,664	5,636	6,419	1,239	340	746,803	60,900	807,703	1,655,125	1,663,401
21	Pejë	96,450	50,466	45,985	24,817	24,993	7,495	1,411	3,342,577	0	3,342,577	4,662,844	4,686,158
22	Podujevë	88,499	44,555	43,544	24,942	12,975	2,476	872	3,067,027	6,940	3,073,967	4,199,260	4,220,256
23	Prishtinë	198,897	99,355	99,543	55,375	51,884	13,231	1,600	6,892,986	57,020	6,950,006	10,003,357	10,053,374
24	Prizren	177,781	89,173	88,608	49,156	49,661	11,524	1,578	6,161,189	0	6,161,189	8,023,493	8,063,611
25	Rahovec	56,208	28,512	27,696	15,393	16,081	3,352	377	1,947,948	3,100	1,951,048	2,590,376	2,603,328
26	Shitërcë	6,949	3,554	3,395	1,744	1,577	500	47	240,825	0	240,825	437,253	439,439
27	Shitëne	27,324	13,650	13,474	5,874	7,877	1,800	253	946,942	20,340	967,282	1,441,658	1,448,865
28	Skenderaj	50,858	25,646	25,212	15,665	14,263	4,241	1,523	1,762,538	12,660	1,775,198	2,607,180	2,620,216
29	Suturçkë	59,722	29,478	30,244	16,413	17,409	4,104	400	2,069,729	21,320	2,091,049	2,916,349	2,930,931
30	Vit	46,987	23,686	23,301	12,343	14,168	6,109	731	1,628,384	0	1,628,384	2,307,320	2,318,856
31	Vushtri	69,870	36,004	33,866	18,146	19,634	4,508	750	2,421,419	4,000	2,425,419	3,266,671	3,283,004
32	Zubin Potok	6,616	3,408	3,208	1,456	1,588	476	38	229,284	97,720	327,004	406,157	402,157
33	Zveçan	7,481	3,661	3,821	1,623	1,770	531	18	259,262	40,740	300,002	493,410	495,877
34	Graçanice	10,675	5,428	5,248	2,463	2,661	993	81	369,953	92,360	462,313	724,130	727,751
35	Këbëk	2,556	1,417	1,140	688	670	214	18	88,581	30,260	118,841	179,043	179,939
36	Mitrovica Veriore	12,326	6,272	6,053	2,686	2,931	879	82	427,171	20,940	448,111	613,835	616,904
37	Partesh	1,787	922	865	477	340	202	0	61,930	0	61,930	79,848	80,247
38	Ranilug	3,866	1,969	1,897	1,012	393	259	0	133,980	0	133,980	266,755	268,088
Total		1,780,021	897,179	882,843	520,067	479,076	133,466	17,378	61,688,512	906,820	62,595,332	90,487,384	90,939,721

2.5 Secondary health financing

Financing for secondary health for 2021 has been approved in amount of 2,603,077 euros according to MH proposal and projections of MTEF for three minority municipalities, as follows:

- Shtërpce municipality, amounted to 522,371 euros,
- Mitrovica municipality, amounted to 989,935 euros, and
- Graçanica municipality, amounted to 1,090,771 euros.

2.6 Residential services financing

The financing of residential services for community houses for the elderly and community houses for people with disabilities for 2021 has been approved according to the MH proposal amounted to 2,305,000 euros.

For 2021, the staff increase of 13 and additional financing for the functioning of Residential Services for the elderly in the Municipality of Prizren has been approved.

Table 7: Financing for residential services for 2021-2023

Nr.	Municipalities	Extra staff	Wages and allowance	Goods and services	Utilities	Capital expenditure	Total 2021	Total 2022	Total 2023
1	Skenderaj SHKPM		90,000	75,000	10,000	10,000	185,000	185,000	185,000
2	Graçanice SHKPM/SHKPAK		170,000	144,000	16,000	20,000	350,000	350,000	350,000
3	Istog SHKPM		90,000	75,000	10,000	10,000	185,000	185,000	185,000
4	Deqan SHKPAK		85,000	72,000	8,000	10,000	175,000	175,000	175,000
5	Ferizaj SHKPAK		85,000	72,000	8,000	10,000	175,000	175,000	175,000
6	Kamenice SHKPAK		85,000	72,000	8,000	10,000	175,000	175,000	175,000
7	Vushtrri SHKPAK		85,000	72,000	8,000	10,000	175,000	175,000	175,000
8	Shtime SHKPAK		85,000	72,000	8,000	10,000	175,000	175,000	175,000
9	Lipjan SHKPAK		85,000	72,000	8,000	10,000	175,000	175,000	175,000
10	Prizren SHKPM/SHKPAK	13	175,000	147,000	18,000	20,000	360,000	360,000	360,000
11	Novobërd SHKPM		85,000	72,000	8,000	10,000	175,000	175,000	175,000
Total		13	1,120,000	945,000	110,000	130,000	2,305,000	2,305,000	2,305,000

2.7 Funding for the Historic Center of Prizren, the Cultural Center of the village of Zym and the Council of the Hoçë e Madhe

With the entry into force of Law No. 04/L-066 on the Historic Center of Prizren, Law No. 04/L-196 on the Historical Cultural Center of Zym Village and Law No. 04/L-62 for the village of Hoçë e Madhe, with the budget planning for 2021, financial funds are allocated in the amount of 69,393 euros, for the two municipalities as follows:

- Prizren municipality, amount of 44,365 euros, and
- Rahovec municipality, amount of 25,028 euros.

2.8 Financing for the endangered environmental area of Obiliq

Pursuant to Law No. 05/L-044 on the endangered environmental area of Obiliq and around it Article 9, Obiliq benefits from the collection of mining rent by the respective institution, 20% of the value of this rent is reallocated from the Central Budget to the Municipal Budget of the Municipality of Obiliq, specifically dedicated to investments in community development in the location where the business unit is located in the field of environmental protection, infrastructure, sports, health and education.

For 2021, the Municipality of Obiliq, based on the collection of the mining rent, benefits extra financing of 4,600,000 euros.

2.9 Financing for Theatre

Financing for theatres for 2021 has been approved in amount of 900,000 as in attached table below:

Table 8: Financing for theatres for 2021

Municipalities	Wages and allowance	Subsidies and transfers	Total
Teatri Profesionist Gjilan	100,886		100,886
Teatri Profesionist Gjakovë	73,443	42,500	115,943
Teatri Profesionist Prizren	111,558	29,750	141,308
Teatri Profesionist Pejë	85,639	43,500	129,139
Teatri Profesionist Ferizaj	94,788	18,700	113,488
Teatri Profesionist Mitrovicë	100,886	68,500	169,386
Teatri Profesionist Podujevë	79,800	50,050	129,850
Totali	647,000	253,000	900,000

2.10 Projections of Municipal Own Source Revenues for 2021 and forecasts 2022-2023

The projections of own source municipal revenues for 2021 based on macro-fiscal assessments are in the amount of 83.1 million euros. These revenues are added to municipal funding in addition to municipal grants.

The projection of own source revenues for each municipality is based on the recommendations of the grant commission, included in the report of "Adoptability Assessment of Municipality Financing".

This projection considered revenues of immovable property tax according to the property tax invoicing (tax burden) and the trend of increasing non-tax revenues during the last three years, excluding revenues from traffic fines and revenues by the courts.

Table 9: Projections of municipal own source revenues for 2021-2023

No.	Municipality	Tax revenues			Non tax revenues			Projections for 2021	Projections for 2022	Projections for 2023
		Tax on property and land 2021	Tax on property and land 2022	Tax on property and land 2023	Years 2021	Years 2022	Years 2023			
1	Deçan	665,801	799,528	933,255	104,465	298,768	298,768	770,266	1,098,296	1,232,024
2	Dragash	285,429	319,464	353,500	176,915	185,300	185,300	462,344	504,765	538,800
3	Ferizaj	3,339,473	3,766,930	4,194,386	1,676,053	2,577,353	2,577,353	5,015,526	6,344,283	6,771,740
4	Fushë Kosovë	1,031,165	1,060,168	1,089,171	1,778,345	1,793,763	1,793,763	2,809,510	2,853,931	2,882,934
5	Gjakovë	2,144,265	2,315,756	2,487,247	1,578,101	1,629,124	1,629,124	3,722,367	3,944,880	4,116,371
6	Gjilan	2,301,939	2,507,975	2,714,011	2,097,458	2,247,028	2,247,028	4,399,396	4,755,003	4,961,040
7	Glogoc	614,578	650,580	686,583	776,212	755,495	755,495	1,390,790	1,406,075	1,442,078
8	Hani i Elezit	182,502	209,906	237,309	135,362	171,208	171,208	317,865	381,114	408,517
9	Istog	540,133	599,828	659,523	611,165	652,165	652,165	1,151,298	1,251,993	1,311,689
10	Junik	86,232	92,263	98,293	50,968	87,277	87,277	137,199	179,540	185,571
11	Kaçanik	402,569	449,309	496,048	308,158	325,755	325,755	710,727	775,063	821,803
12	Kamenicë	420,694	471,356	522,019	441,381	426,635	426,635	862,074	897,991	948,653
13	Klinë	527,311	565,041	602,771	387,763	510,049	510,049	915,074	1,075,090	1,112,821
14	Leposaviq				40,000	53,529	53,529	40,000	53,529	53,529
15	Lipjan	1,119,922	1,157,900	1,195,879	960,997	993,412	993,412	2,080,919	2,151,313	2,189,292
16	Malishevë	541,151	620,388	699,625	354,939	438,398	438,398	896,090	1,058,786	1,138,023
17	Mamusha	38,174	41,011	43,848	25,023	30,232	30,232	63,197	71,243	74,080
18	Mitrovicë	1,158,840	1,232,528	1,306,216	1,341,135	1,524,035	1,524,035	2,499,975	2,756,563	2,830,251
19	Novobërdë	127,617	142,657	157,696	114,862	119,841	119,841	242,479	262,498	277,538
20	Obiliq	496,510	520,932	545,355	526,156	546,545	546,545	1,022,665	1,067,477	1,091,899
21	Pejë	2,631,700	2,851,428	3,071,157	1,717,896	1,981,975	1,981,975	4,349,595	4,833,403	5,053,132
22	Podujevë	576,895	644,341	711,788	839,666	809,102	809,102	1,416,561	1,453,444	1,520,890
23	Prishtinë	9,639,529	10,043,605	10,447,681	19,618,838	20,410,796	20,410,796	29,258,367	30,454,401	30,858,477
24	Prizren	3,042,452	3,267,929	3,493,407	4,517,843	4,720,059	4,720,059	7,560,295	7,987,988	8,213,466
25	Rahovec	619,394	691,785	764,175	537,447	620,190	620,190	1,156,841	1,311,975	1,384,365
26	Shitërpçë	406,431	441,968	477,506	82,774	149,446	149,446	489,205	591,415	626,952
27	Shitërpçë	282,562	328,856	375,149	347,088	312,496	312,496	629,651	641,352	687,645
28	Skenderaj	314,460	345,956	377,452	1,213,553	1,381,700	1,381,700	1,528,014	1,727,656	1,759,151
29	Suharekë	1,032,436	1,119,833	1,207,230	938,220	1,011,313	1,011,313	1,970,656	2,131,146	2,218,543
30	Viti	545,001	595,983	646,966	403,598	467,205	467,205	948,599	1,063,188	1,114,171
31	Vushtri	923,124	982,644	1,042,164	1,112,535	1,310,145	1,310,145	2,035,660	2,292,789	2,352,309
32	Zubin Potok				30,000	42,823	42,823	30,000	42,823	42,823
33	Zveçan				35,000	48,176	48,176	35,000	48,176	48,176
34	Gracanice	941,270	981,580	1,021,889	845,896	1,110,784	1,110,784	1,787,166	2,092,363	2,132,673
35	Klokot	91,932	99,673	107,414	66,909	76,704	76,704	158,842	176,377	184,118
36	Mitrovica veriore				60,000	74,941	74,941	60,000	74,941	74,941
37	Partesh	69,955	74,213	78,470	15,000	37,368	37,368	84,955	111,580	115,838
38	Ranillug	52,451	58,690	64,930	76,112	68,861	68,861	128,564	127,552	133,791
TOTAL		37,193,896	40,052,005	42,910,113	45,943,835	50,000,000	50,000,000	83,137,732	90,052,005	92,910,113

2.4 Investment Clause

For 2021, with the investment clause mechanism, the project for the Construction of the Water Supply System for the Municipality of Istog in the amount of 1,525,397 euros will be financed.

2.5 Sumamry of municipal funding for 2021-2023

For the allocation of government grants by municipalities for 2021, the basic criteria and principle formulas stipulated in the Law on Local Government Finance and other relevant laws have been implemented, as well as based on macro-fiscal projections and data from line ministries.

GC also agreed in principle that municipalities that have unemployed staff if it is not in employment procedures and it is unnecessary as a number to be deducted.

Table 10: Summary of municipal funding for 2021-2023 (mil. euro)

Description	Year 2018	Year 2019	Year 2020	Year 2021	Projections for 2022	Projections for 2023
1. Government grants	392.4	419.1	463.5	447.9	505.1	519.1
1.1 General grant	173.6	180.7	196.3	190.5	202.1	214.8
General grant	168.9	175.8	196.3	190.5	202.1	214.8
Contingency to the correction for	4.7	4.9				
1.2 Specific health grant	48.5	53.4	61.7	62.6	90.5	91.0
Basic grant			61.7	61.7		
New policies				0.9		
1.3 Specific education grant	170.3	185.0	205.6	194.8	212.5	213.4
Basic grant			205.6	192.0		
New policies				2.8		
2. Financing for secondary healthcare	2.6	2.6	2.6	2.6	2.6	2.6
3. Residential services	1.7	1.6	2.0	2.3	2.3	2.3
4. Financing for CPC, QKHEZ and KHM	0.1	0.1	0.1	0.1	0.07	0.07
5. Grant for the Capital - Prishtina		10.8	11.8	11.4	12.1	12.9
6. Financing for Obilic		5.0	4.2	4.6	4.6	4.6
7. Municipal own-source revenues	82.0	87.0	83.1	83.1	90	93
8. Financing for theatres			0.9	0.9	0.9	0.9
9. Financing from borrowing	3.7	4.8	0	0	0	0
10. Funding from the Investment Clause		23.1	11.5	1.5	0	0
Total Municipal Financing	482.41	554.05	579.75	554.45	617.70	635.49

Table 11: Summary of municipal financing for 2021 and estimates for 2022-2023

Municipal level	Year 2019 Expenditure	Year 2020 Budgeted	Year 2021 Estimated	Year 2022 Estimated	Year 2023 Estimated
Total	513,303,281	579,742,721	554,446,080	617,700,000	635,490,000
Number of employees	44,203	44,349	44,362	44,362	44,362
Wages and allowances	263,426,315	273,900,231	277,769,732	279,158,581	280,554,374
Goods and services	64,389,565	75,742,746	82,242,746	83,542,746	82,000,000
Utilities	10,678,380	11,527,757	11,527,757	12,000,000	12,500,000
Subsidies and transfers	21,968,209	13,490,858	15,000,000	17,000,000	18,000,000
Capital expenditures	152,840,812	170,834,360	167,905,845	225,998,673	242,435,626
Reserves		34,246,769			
Sources of financing	513,303,281	579,742,721	554,446,080	617,700,000	635,490,000
Government grants	450,459,626	485,096,142	469,782,951	527,647,995	542,579,887
Own source revenues	54,393,723	83,116,579	83,137,732	90,052,005	92,910,113
Borrowing financing	8,449,932	11,530,000	1,525,397	-	-
Financing from budget deficit (2%) -- 04	1,034,964				
Financing from Investment clause - 06	7,414,968	11,530,000	1,525,397		

2.6 Timeframe for the municipal level

Budgetary organizations at the local level should adhere to this timeframe in preparing their budget:

- 30 June: the approval of the Mid-Term Municipal Budget Framework,
- Until 30 September : Approval of the municipal budget for 2021-2023 in the Municipal Assembly,
- 30 September: following the approval of the draft budget by the Municipal Assembly, municipalities are obliged to submit the following documents to the Ministry of Finance:
 - o Follow-up letter based on the approval of the draft budget by the Municipal Assembly (signed by the Mayor of the Municipality).
 - o Municipal Assembly decision on the approval of the municipal budget proposal for 2021-2023, including multi-year capital projects.
 - o Municipal Budget Tables (BDMS and PIP):
 - Table 4.1 - Budget allocation plan for total municipal expenditures for 2021-2023 (copy printed by BDMS, stamped and signed by Mayor and CFO),
 - Table 4.2 - Financing of capital projects for 2021 and multi-year capital projects for 2022-2023 (printed by the PIP system, stamped and signed by the Mayor and CFO),
 - Table 4.3 - Table 4.3 - Mid-term plan of municipal budget revenues from government grants and own-source revenues (printed by BDMS, stamped and signed by the Mayor and CFO),
 - Table 3.1.B - Budget allocation plan under the investment clause,
 - Table 3.2.B - Capital Projects Financing through investment clause,
 - Gender Responsive Budgeting Tables.

The MF Budget Department will organize forums with municipal authorities regarding the development of the municipal budget process for 2021-2023.

Also, additional training will be provided with specific guidelines on budget drafting for each of the key phases, including the application of the Electronic Devices and PIP systems.

Annex 1

Responsible Gender Budgeting

Table 1. Number of employees in respective budget organization

Name of Institution/Ministry/Municipality

Year	Total number of staff	Total number of women staff	Total number of men staff	Wage and allowance/amount for women	Wage and allowance/amount for men
2016					
2017					
2018					
Planning for 2019					

Table 2. Planning for 2021 Wage levels at budget organization

Name of Institution/Ministry/Municipality

Wage level	Total number of staff under this wage level	Number of men under this level	Spent amount for men under this level	Number of women under this level	Spent amount for women under this level
201-400					
401-600					
600+					

Table 3. Number of subsidies beneficiaries or even provided services by budget organization of respective directorates (where applicable)

[Name of institution/Ministry/Municipality: Name of Service/Subsidy].

Year	Total budget of certain service/subsidy	Total number of beneficiaries	Number of women beneficiar ies	Number of men beneficiar ies	Budget for women	Budget for men
2018						
2019						
2020						
Planning for 2021						

Annex 2

BUDGETARY PROGRAM PERFORMANCE INDICATORS

Budget organization:

Example:

318 Komisioni i Pavarur i Minierave dhe Mineraleve		
Objektivi 1	Treguesi bazë	Treguesi i synuar
Përmirësimi i mbikëqyrjes së aktiviteteve të minierave dhe atyre prodhuese	Numri i licencave ose numri i inspektimeve	Numri i licencave ose numri i inspektimeve
<i>Aktivitetet:</i>		
<i>Rishikimi i procedurave për zvogëlimin e barrës së ndërveprimit me agjencinë</i>		
<i>Grumbullimi i të dhënave (raportimi) mbi aktivitetet ekonomike për aktivitete inspektimi të synuara më mirë</i>		
<i>Kryerja e hetimeve mbi aktivitetet e paligjshme</i>		
Objektivi 2	Treguesi bazë	Treguesi i synuar
Zhvillimi i përmbljedhjes së burimeve minerare	Madhësia e vlerësuar e zbulimeve	Madhësia e vlerësuar e zbulimeve
<i>Aktivitetet:</i>		
<i>Mirëmbajtja e kadastrës së minierave dhe bazës së të dhënave GIS që përmbajnë të dhëna gjeografike, gjeologjike dhe të tjera relevante</i>		
<i>Hulumtime për gjetjen e burimeve të reja minerare</i>		
<i>Bashkëpunimi me universitetet dhe bizneset për të përmirësuar hulumtimin në shfrytëzimin e burimeve</i>		