

**LAW No. 04/L-165  
ON BUDGET OF REPUBLIC OF KOSOVO FOR YEAR 2013**

**Assembly of Republic of Kosovo,**

Based on paragraphs (1) and (5) of Article 65 of Constitution of the Republic of Kosovo and Article 21 of the Law on Public Financial Management and Accountability;

In order to define the Budget of Republic of Kosovo for fiscal year 2013,

Adopts

**LAW ON BUDGET OF REPUBLIC OF KOSOVO FOR YEAR 2013**

**Article 1  
Definitions**

1. Terms used in this Law shall have the following meaning:

1.1. **Budget of Republic of Kosovo** - the legally authorized amount that is made available for expenditure from the Kosovo Fund for a specific sub-program or purpose or, where a specific purpose is not identified, for an expenditure category of a Budget Organization, as foreseen in this Law on the Budget of Republic of Kosovo.

1.2. **Allowances** - the supplementary payment taken in consideration for:

1.2.1. specific work assignments with special responsibilities;

1.2.2. work assignments which are hazardous; and

1.2.3. night work that is not paid as overtime.

1.3. **Balances** - the amounts of unexpended commitments, unallocated budgetary appropriations, uncommitted allocations and any revenues of a sum larger than the sum of expenditures and unexpected commitments carried forward from the previous fiscal year;

1.4. **Budgetary Organizations** - all Ministries, Municipalities or Agencies which receive budgetary appropriation from the Kosovo Fund under this Law on the Budget of Republic of Kosovo.

1.5. **Own Source Revenues of the Central Budgetary Organization** - any type of public money that has been lawfully assessed on a cost recovery basis and collected as fees and charges by Central Budgetary Organizations. However, this definition specifically excludes Dedicated Revenue for Independent Agencies.

1.6. **Central Budgetary Organizations** - all Budget Organizations excluding Municipalities.

1.7. **Commitments** – projected expenditures, for which a Commitment Payment Order has been duly completed in accordance with the Treasury Financial Rules and recorded

in the Kosovo Financial Management Information System, whether or not subject to a legal obligation.

1.8. **Dedicated Revenue** - public money that is derived from a particular revenue source and is required by Law to be appropriated to an Independent Agency.

1.9. **Designated Entities** - those entities included in Schedule A of the LPFMA.

1.10. **Employee position** - a full time position or equivalent to full time position of employment as foreseen in Table 2 of this Law on the Budget of Republic of Kosovo.

1.11. **ERO** - the Energy Regulatory Office established in accordance with the Law on the Energy Regulator, Law No.03/L-185.

1.12. **Expenditure categories** - the categories for expenditures that are in this Law on the Budget of Republic of Kosovo: Salaries and Wages, Goods and Services, Utilities, Subsidies and Transfers, Capital Expenditure, and Reserves.

1.13. **Expenditures** - the payment of money from the Kosovo Fund.

1.14. **Fiscal Year** - the period from January 1 of a year to December 31 of the same year.

1.15. **Funds allocation** - the maximum amount of Expenditures and Commitments able to be made related to specific budgetary appropriation, as determined under the procedures included in Article 34 of the LPFMA and recorded in KFMIS.

1.16. **Independent Agency** - public bodies, authorities or agencies that have been designated as independent based on the Constitution or the Law and which exercise regulatory, executive, public administrative or judicial powers.

1.17. **Kosovo Fund** - the fund established in the Central Bank of Kosovo and other commercial bank accounts that may be established by the Treasury where all public money, including the collected interest from these, are deposited and from which all Expenditures are made in accordance with this Law on the Budget of Republic of Kosovo.

1.18. **Kosovo Financial Management Information System (KFMIS)** - the accounting record established within the Treasury of the Ministry of Finance. KFMIS as used herein shall have the same meaning as the term "Treasury Accounting Record" which is defined in the LPFMA.

1.19. **KPA** - the Kosovo Property Agency established in accordance with UNMIK Regulation No. 2006/10 of 4 March 2006, as amended by UNMIK Regulation No. 2006/50 of the 16 October 2006 and the Law No.03/L-079 amending UNMIK Regulation no. 2006/50 for the resolution of claims relating to private immovable property, including agricultural and commercial property.

1.20. **Law on the Budget of Republic of Kosovo** - this Law adopted by the Assembly for Fiscal Year 2013.

1.21. **LPFMA** - the Law on Public Management Finances and Accountability, No.03/L-048.

1.22. **Minister** - the Minister of Finance.

1.23. **Municipal Own Source Revenues** - any item of public money that has been lawfully assessed and collected by a municipality from a source specified in Article 8 of the Law on Local Government Finance, Law No.03/L-049.

1.24. **New Municipalities**- the municipalities established under the Law on Administrative Boundaries, Law No. 03/L-041.

1.25. **Liability** - a legal agreement, such as the contract or purchase order, entered into by a Budget Organization, that requires the Budget Organization to make expenditure in the future;

1.26. **Undistributed Funds** - the amount of money that has remained either unallocated or unspent in the Kosovo Fund till December 31 of the previous Fiscal Year.

1.27. **RTK** - the Radio Television of Kosovo established in accordance with Law Nr. 02/L-047 on Radio Television of Kosovo.

1.28. **Treasury** - the Department of the Treasury within the Ministry of Finance.

1.29. **Treasury Financial Rules** - the Financial Management and Control Rules as defined in the LPFMA.

1.30. **Trust Fund** - the public money that are held by a budgetary organization for the benefit of a person, body or enterprise that is not a budgetary organization.

1.31. **Transfers**-Any change occurred within the approved appropriations presented in tables 3.1, 3.1 and 4.1. This means that transfers are:

1.31.1. change of appropriated amounts between budget organizations;

1.31.2. changes that occur between programs of the same organization;

1.31.3. changes that occur between the sub-programs of the same budget organization; and

1.31.4. changes occurred between economic categories presented in Table 3.1, 3.1a and 4.1.

1.32. **Reallocations** - Any change occurred in Table 3.2 and 4.2 in the category of capital expenditure within a sub-program of a budget organization.

2. Any terms that are used in this Law on the Budget of Republic of Kosovo that are not defined herein shall have the meaning assigned to them in the LPFMA.

## **Article 2** **Approval of the Kosovo Budget for Fiscal Year 2013**

The Kosovo Budget for Fiscal Year 2013 as determined in Table 1 is hereby approved based on this law.

## **Article 3** **Budgetary appropriations of Kosovo General Budget**

1. Budgetary appropriations from the Kosovo Fund for the Fiscal Year 2013, as presented in Table 3.1, Table 3.1A and Table 4.1 attached to this Law shall be approved based on this Law.

2. The Minister shall maintain a record of all approved budgetary appropriations, transfers of budgetary appropriations or other approved adjustments to budget appropriations made during Fiscal Year 2013 through the KFMIS, and supplemented if it is necessary by other records. At least twice a year, during the review of six months report and final reporting on closure of the fiscal year, the Minister based on this register shall report on budgetary amendments and adjustments occurred during the Fiscal Year 2013.

3. Any time when it is requested by the Assembly, the Minister shall, on behalf of the Government, present to the Assembly a comprehensive report detailing and reconciling the approved budgetary appropriation for 2013, all subsequent transfers and other changes and the final budgetary appropriations for the Fiscal Year 2013.

#### **Article 4**

##### **Municipal Budgetary Appropriation**

1. Notwithstanding Article 3 of this Law, Budgetary Appropriations in Table 4.1 that are based on the Municipal Own Source Revenues are only authorized to the extent such revenues are deposited in the Kosovo Fund and duly recorded in the KFMIS.

2. In cases when during the Fiscal Year, a Municipality's Own Source Revenue amounts, which have been deposited into the Kosovo Fund and recorded in KFMIS, exceed the amounts of revenue appropriated in Table 4.1 of that municipality; the Treasury shall record these funds as available balances of the respective municipalities. These balances shall be available to fund additional appropriations in current or future years approved in accordance with procedures set out in the LPFMA.

3. Municipal Own Source Revenue from education shall be recorded separately. Such revenues may only be authorized and utilized by the municipality only for education purposes.

4. Municipal Own Source Revenues from primary health care co-payments shall be recorded separately, and such revenues may only be authorized and utilized by the municipality only for primary health care purposes.

5. Until a new municipality is established, appropriations can be spent only from existing municipalities for purposes that the community benefits within the new municipal cadastral zones and in consultation with relevant stakeholders, including the Ministry of Local Government, and representatives of the population of cadastral zones. Budget allocation for the new municipality of North Mitrovica in Table 4.1 has been included as a separate budget line for the Administrative Office of Northern Mitrovica (AONM), in accordance with the Government Decision for the establishment of this office and can be spent only on matters that the communities benefits within the cadastral zone of northern Mitrovica.

6. Upon the establishment of a New Municipality as a Budgetary Organization in accordance with the Law on Administrative Municipal Boundaries, Law No. 03/L-041, the Minister, in consultation with the Minister of Local Government Administration and the Mayor, transfers sufficient appropriations from existing budget organizations to the new municipality, in accordance with the allocation of grants made by the Grants Commission:

6.1. after establishing a New Municipality as an Budget Organization, the Minister may issue administrative instructions on the governance, financing, administration and internal control for these Municipalities in consultation with the Minister of Local Government Administration, International Civilian Representative, and respective municipalities.

7. Budgetary appropriations for a new municipality may be changed by the Mayor through a budget review process in accordance with applicable regulations determined in the LPFMA and within the financing limits determined for the municipality in this Law. These changes shall be

registered by the Minister through KIMFS within five (5) days from the day of receiving the approval by the Municipal Assembly

## **Article 5**

### **Own Source Revenues of Central Budgetary Organizations**

1. All Own Source Revenues for Central Budgetary Organizations shall be deposited by the Central Budget Organizations into the Kosovo Fund and recorded in KFMIS in accordance with the Treasury Financial Rules. Notwithstanding the provisions contained in Article 3 of this Law and the budgetary appropriations in Table 3.1, Own Source Revenues of the Central level, are appropriated only to the extent that such revenues are deposited into the Kosovo Fund and duly recorded in the KFMIS.

2. In cases where during the fiscal year, Central Budget Organizations Own Source Revenue amounts which have been deposited into the Kosovo Fund and duly recorded in the KFMIS exceed the amounts of appropriation in Table 3.1 of that Budget Organization, or remain unspent at the end of the fiscal year, then those revenues shall become general revenue.

## **Article 6**

### **Dedicated Revenue of the Independent Agencies**

1. All dedicated revenues shall be deposited by the Independent Agencies into the Kosovo Fund and recorded in KFMIS in accordance with the Treasury Financial Rules. All Independent Agencies are also required to submit cash flow plans to the Treasury.

2. All dedicated revenues are hereby appropriated to each of the Independent Agencies according to the Constitution and applicable Laws. Budget of Republic of Kosovo includes all dedicated revenue as it is received during Fiscal Year 2013.

3. All unspent balance of dedicated revenues from Fiscal Year 2012 is hereby appropriated and authorized for Fiscal Year 2013 to the Independent Agencies according to the Constitution and applicable Law, provided that the maximum amount of Dedicated Revenue that is hereby appropriated through this Law shall not exceed the amount specified in Table 3.1 of this Law and any excess shall no longer be considered as Dedicated Revenue.

4. The sum of dedicated revenues appropriated in paragraphs 2 and 3 of this Article shall not exceed the maximum appropriation for the Independent Agencies specified in Table 3.1 of this Law.

5. If during the Fiscal Year 2013 there are insufficient funds collected and available, under paragraphs 2 and 3 of this Article, to fulfill the requirements determined in the cash flow plans submitted to the Treasury, other public funds from the Kosovo Fund are hereby authorized to be appropriated in an amount which is sufficient to fulfill the deficit. However, at all times dedicated revenues shall be used as a first priority funding source for payment of Independent Agency's Expenditures before other funding sources are appropriated and used. The Minister shall, at least twice a year, during the budget review and in Financial Report, report to the Committee on Budget and Finance whether the funds have been sufficient and which measures have been taken in order that the necessary funds are available.

6. While dedicated revenues for Fiscal Year 2013 are received and appropriated, they will replace all appropriations and funding made in accordance with paragraph 5 of this Article to the extent that the deficit funding from the Kosovo Fund has not been spent yet.

7. Notwithstanding paragraphs 3. and 4. of this article, the Privatization Agency of Kosovo in accordance with Law no. 04 / L-034 on Kosovo Privatization Agency for 2013 will be fully funded

by dedicated revenues and deposited in the Kosovo Consolidated Fund according to table 3.1.A attached to this law. The remaining funds from dedicated revenue and unspent from previous year continue to be treated as dedicated revenue for financing the Kosovo Privatization Agency for subsequent years.

## **Article 7**

### **Appropriation and Re-Appropriation of Carried Forward Fund**

1. No later than thirty (30) days after the issuance of full budget appropriations for fiscal year 2013, the Government shall submit to the Assembly a preliminary Statement indicating the composition of Treasury and Kosovo Fund balances from fiscal year 2012, including:

- 1.1. unexpended balances of Central Government Own Source Revenues;
- 1.2. unexpended balances of Municipality Own Source Revenues;
- 1.3. unexpended balances of Designated Donor Grants;
- 1.4. balance of Trust Funds held by Budgetary Organizations;
- 1.5. funds that shall be kept as Retained Savings;
- 1.6. unexpended loans for Designated Entities.

2. Not later than thirty (30) days after issuance of full budget appropriations for Fiscal Year 2013, the Government shall submit to the Assembly for information a Table indicating changes made to the attached Tables 3.2 and 4.2, required for Budgetary Organizations to fulfill outstanding financial obligations from the previous year associated with multi-year capital projects. Changes to the Tables 3.2 and 4.2 shall be limited as follows:

- 2.1. the total budget appropriation for capital projects presented in Tables 3.1 and 4.1 for any budgetary organization or sub-program shall not increase as a result of these changes;
- 2.2. any new project added to Tables 3.2 and 4.2 must be a capital project that was a part of Table 3.2 and 4.2 of the Law on Budget Appropriations for the year 2012;
- 2.3. however, provided that new capital projects may be added to Table 3.2 or 4.2 when the capital project is funded entirely by unexpended balances that are foreseen in paragraph 1 of this Article and appropriated in Fiscal Year 2013.

3. Unexpended balances of Own Source Revenues of the Central Budgetary Organizations collected during the Fiscal Year 2012, deposited in the Kosovo Fund and recorded in KFMIS as budgetary appropriations for a central budgetary organization, hereby appropriated for Fiscal Year 2013.

4. Unexpended balances of "Municipal Own Source Revenues" from Fiscal Year 2012 and previous years deposited in the Kosovo Fund and recorded in KFMIS as budgetary appropriation to a municipality are appropriated for Fiscal Year 2013.

5. Unexpended balances of designated donor grants recorded in KFMIS are appropriated for Fiscal Year 2013 if there is a legally binding agreement in force.

6. Unexpended Trust Fund balances from Fiscal Year 2012 recorded in KFMIS are appropriated for Fiscal Year 2013.

## **Article 8**

### **Appropriation of Donor Grants**

1. In accordance with the LPFMA all donor grants shall be deposited into the Kosovo Fund, unless it is required otherwise by the Donor and if there is an agreement in writing by the Minister. All donor grants must be recorded in KFMIS.
2. After completion of the procedures according to Treasury Financial Rules, the donor grants shall be appropriated for the specified purpose(s), and may be allocated and expended for such purpose(s).
3. When a donor grant agreement expressly requires the Donor to reimburse certain expenditures incurred by a budgetary organization, the full amount of the grant is hereby appropriated after the execution of the grant agreement.

## **Article 9**

### **Other Budgetary Appropriations**

1. All public money held by the Kosovo Property Agency (KPA) in the exercise of its responsibility to design, implement and administer the Rental Scheme for the properties that the KPA has in its inventory and any respective payments from the KPA account are to be duly recorded in KFMIS and accounted for as part of the Kosovo Fund in accordance with the KPA legislative framework, the LPFMA and the Treasury financial rules. Such public money held by the KPA shall be considered to have been appropriated for the specific purpose(s) authorized under the applicable law and the KPA Rental Scheme, and may be allocated and expended for such purpose(s).
2. All public broadcast fees transferred to the Kosovo Fund by RTK which comprise five percent (5%) of the Public Broadcasting Fees, and which is designated for the support of Minority, Multiethnic, and disadvantaged Media, is hereby appropriated to the Office of the Prime Minister according to paragraph 11 of Article 20 of the Law on Radio Television of Kosovo (RTK).
3. All trust funds are to be duly recorded in KFMIS and accounted for as part of the Kosovo Fund in accordance with the LPFMA and the Treasury financial rules. Such Trust Funds are hereby appropriated for the use by or on behalf of the defined beneficiaries.

## **Article 10**

### **Limits on Commitments and Expenditures**

1. No budgetary organization can exceed the total number of employment positions at any time during Fiscal Year 2013 specified in Table 3.1, Table 3.1A, or 4.1 attached to this Law.
2. Provided that the number of employees assigned to a sub-program in Table 4.1 may be adjusted by Government decision in the following circumstances:
  - 2.1. number of employment positions set out in the Table 4.1 for all new municipalities created in 2012, can be changed by the Mayor, provided that such a change does not exceed twenty percent (20%) of total number of positions approved by the Municipality in accordance to Law. All these approved changes, relating to the staff, shall be delivered to the Minister who will update them in Table 4.1.
3. Employees of Budgetary Organizations of Independent Institutions that have their salaries outside the salary system of Civil Servants, can not use the right for meals, other reimbursements and increase from thirty percent (30%) according to the decision of the Government.
4. Failure to comply with the limits on the number of employee positions is a breach of this Law and of the LPFMA.

5. Expenditure of public money from the expenditure category Subsidies and Transfers is limited to circumstances where there is a clear legal basis under this Law and other law for such expenditures.

6. Expenditure of public money from the expenditure category Goods and Services is not permitted for payment to Employees either as allowances or as contributions in goods, including meals or gifts.

7. A budgetary organization shall not issue an invitation for tender for an approved capital project identified in Tables 3.2 and 4.2 after 31 October 2013, for potential expenditure in Fiscal Year 2013 unless that expenditure is projected for such capital project for 2014 in Tables 3.2 and 4.2.

8. Expenditures relating to expropriation for special projects must be approved by the Government before being expended.

9. In the event that an individual or entity receives a payment from the Kosovo Fund by mistake, error or omission, such funds shall be returned to the Kosovo Fund within five (5) days after receipt of a written notice from the Director of Treasury notifying the receiving party that such payment was made in error:

9.1. in cases when a budgetary organization notes an unfair payment, immediately informs the Director of Treasury and immediately is given the order for return.

9.2. in cases where an unfair payment is made and there is no reimbursement, the Director of the Treasury has authority to exercise all legal remedies.

#### **Article 11**

##### **Advance Payments**

1. Budgetary Organizations may make advance payments to contractors for capital projects and for goods and services up to a maximum of fifteen percent (15%) of the value of the contract. Such advance payment shall only be made in accordance with a legally binding contract, with a value higher than ten thousand (10,000) € that is achieved in accordance with the Law on Public Procurement. For advance payments for capital projects the contract must contain a performance guarantee and clearly define a complete payment schedule that includes the work required to be completed before each payment is made.

2. In exceptional cases, the Government may approve advance payment of up to thirty percent (30%) of the contract value for capital projects. Government may also approve advanced payment of more than thirty percent (30 %) and up to one hundred (100%) of the contract value for goods and services only after the recommendation of the Budget and Finance Committee of the Assembly.

3. For November there will be no advance payments more than ten (10%) percent and for December not more than five percent (5%) of the contract value and only after the approval by the Minister of Finance.

4. Budgetary Organizations may make advance payments to employees who travel abroad in accordance with the rules that are actually into force for traveling abroad and in accordance with Treasury financial rules. Such advances shall be closed, and unspent amounts will be returned to the Kosovo Fund, in accordance with the Treasury Financial Rules.

5. If advances for petty cash or travel made in 2012 are not closed before 15 January 2013 in accordance with Treasury financial rules, the expenses associated with such advances shall be recorded in relation to appropriations for 2013.

#### **Article 12**

##### **Unforeseen Expenditures and Reserves**



1. Unforeseen expenditures are appropriated within the sub-program - Unforeseen Expenditures in Table 3.1. This amount may be transferred from the Unforeseen Reserve in accordance with Article 29 of the LPFMA. The amounts authorized for unforeseen expenditures may be used only for urgent and unplanned requirements.

2. The Government, in accordance with paragraph 3 of Article 29 of the LPFMA, may authorize the Minister to approve transfers from the sub-program - Unforeseen Expenditures in the other sub-program in Tables 3.1 and 4.1 for individually requested amounts of up to twenty thousand (20,000) Euros. The total amount of the Government authorization granted to the Minister may not exceed twenty percent (20%) of the total annual appropriation of the sub-program - Unforeseen Expenditures.

3. Funds appropriated to the Brain Fund under the Ministry of Finance may be transferred into a Budgetary Organization in the expenditure category for wages and salaries by the Minister in accordance with a plan approved by the Government, that specifies the employment positions and the amount of funds that are specifically needed for attracting and retaining highly skilled non-political staff in positions of national significance in areas of policy development. All such transfers are hereby approved and as such are not subject to the limitations on transfers included in Article 30 of the LPFMA or Article 13 of this Law.

4. Funds appropriated to Ministry of Infrastructure and Ministry of Local Government Administration that are for the co-financing of municipal projects shall either be spent or transferred to municipalities, but all in accordance with the memorandum of understanding which has been signed by both the relevant Ministry and the Mayor of the respective municipality.

5. Reserve Funds appropriated to the Ministry of Finance for the energy sector may be transferred to the Ministry of Economic Development in accordance with a Government Decision.

### **Article 13**

#### **Transfer of Budgetary Appropriated Amounts**

1. The Minister may, if provided with valid justifications by the head of Budgetary Organization, authorize the transfer of one or more budgetary appropriations in accordance with Article 30 of the LPFMA.

2. Whenever a Budget Organization has under spending in accordance with the cash flow plan submitted to the Treasury, the Minister may during the last quarter of the financial year and with the prior approval of the Government, authorize a reduction in the appropriation for all the economic categories of such central Budget Organization and transfer such appropriation within the same Budget organization to another Budget Organization excluding paragraph 6 of Article 10 of this Law. Cumulative value of all such transfers must not exceed five percent (5%) of the total value of all appropriations.

3. Notwithstanding the paragraph 1 of this Article, no transfer of any budgetary appropriation can be made into the category of Wages and Salaries from another economic category without the prior approval of the Assembly.

4. Transfer of budgetary appropriations within the economic category of Wages and Salaries may be made between sub-programs of the same budgetary organization with the approval of the Minister.

5. The prior approval of the Assembly is required for any transfer between budgetary organizations excluding paragraph 2 of this Article.

6. After the approval of any transfer an adjustment to the amounts appropriated in Tables 3.1 and 4.1 shall be made by the Minister and all this shall be recorded in KFMIS.

**Article 14**  
**Changes in Amounts Appropriated to Capital Projects within a Program**

1. Funds may only be allocated to capital projects listed in Table 3.2. For capital projects set out in Table 3.2, the Minister may, if provided with valid justification by the head of the Budgetary Organization, authorize the movement of allocated funds from one capital project to another capital project within the same subprogram of that Budgetary Organization provided that the carried forward amount is less than or equal to fifteen percent (15 %) of the total value of the capital economic category approved for that subprogram.
2. For any capital project set out in Tables 3.2, the Minister may, if provided with valid justification by the Head of the Budgetary Organization, submit a request for approval to the Government for the movement of allocated funds from one capital project to another capital project within the same subprogram of that Budgetary Organization in an amount greater than fifteen percent (15 %) but less than twenty-five percent (25 %) of the total value of the capital economic category approved for that subprogram excluding paragraph 2 of Article 13, when the Minister is allowed to do such transfer, after the budgetary cuts by approval of the Government.
3. For each capital project set out in Table 3.2, the Minister may, if provided with valid justification by the head of a Budget Organization, submit a request for approval by the Assembly, for movement of allocated funds from one capital project to another capital project within the same subprogram of that Budget Organization, in an amount equal or greater than twenty- five percent (25 %) of the total value of the of the capital economic category approved for that subprogram.
4. New capital projects may be added to Tables 3.2 and 4.2 provided that they are funded under the procedures authorized in paragraph 2 of Article 5, paragraph 2 of Article 8 of this Law and paragraphs 1, 2 and 3 of this Article and if they are added to the Public Investment Program in accordance with instructions issued by the Minister.
5. For the purpose of paragraphs 1, 2, 3 and 4 of this Article, a valid justification shall be prepared by the Head of the requesting Budget Organization which must include, at a minimum, evidence that the estimated cost of the capital project is greater than the available funds as determined in accordance with the Law on Procurement, Law No. 04/L-042, or that a capital project requires less than the amount specified, as well as the description of the effect that the request may have on the Public Investment Program.
6. New capital projects may be added to Table 3.2 and Table 4.2 only in two situations; first in the case when existing projects are financed or partially financed by donors, so long as the funding for the new capital project(s) does not exceed the amount of donor funding received and secondly in the case where there are surplus funds from existing projects that have been completed, new capital project(s) may be added only to the extent surplus funds remain. If the new capital project is proposed to be added by a municipality to Table 4.2 then the prior approval of the Municipal Assembly is required. Such changes will be recorded in KFMIS by the Minister within five (5) days from the receipt of approval by Municipal Assembly. If the new capital project is proposed to be added by a Central Budget Organization, then a request must be submitted to the Minister by the Head of the Budget Organization and the Government must approve the addition of the new capital project to Table 3.2. Thereafter it must be entered into KFMIS.
7. Changes in the amounts allocated to existing projects or replacement of municipal capital projects, presented in Table 4.2. shall be approved by the Municipal Assembly. These changes

are recorded in KFMIS by the Municipal Assembly and within the deadline of five (5) days from the approval the Minister is notified by the Municipal Assembly.

#### **Article 15**

##### **Execution of Budget**

1. All Chief Financial Officers shall ensure that all obligations are recorded in the KFMIS in accordance with the LPFMA and the Treasury Financial Rules.
2. The Chief Financial Officer of every Budgetary Organization that is not a municipality or an Independent Agency shall submit to the Minister of Finance through the Department of Treasury within three weeks of the close of each quarter a report detailing the progress on implementation of all capital projects with a value greater than ten thousand (10.000) Euro.
3. The Chief Financial Officer of every municipality shall submit to the Mayor within three (3) weeks of the close of each quarter a report detailing the progress on implementation of all capital projects with a value greater than ten thousand (10.000) euro. A copy of such report shall be delivered to the Minister.

#### **Article 16**

##### **Budget Estimates for Proposed Legislation**

1. Whenever there is a proposed a new Draft Law or a Draft Law on amending and supplementing the existing Law, Ministry or proposed body, in advance must submit the new Draft Law or the Draft Law on amending and supplementing the Law together with a Statement on existing Budgetary and Economic Impact in the Ministry of Finance, for which it is made a detail estimation of impact that the proposed legislation may have on the Overall Budget of Kosovo and Kosovo Economy.
2. Proposer of a new Draft Law or Draft Law on amending and supplementing of an existing Law, should receive a budgetary Statement from Ministry of Finance regarding the budgetary implications of the new Draft Law or the Draft Law on amending and supplementing the existing Law, before its delivery to Government and Assembly, for review and approval.
3. Department of budget as needed in cooperation with the Department of Economic Policies shall review the Statement on Budgetary and Economic impact of the new Draft Law or Draft Law on amending and supplementing the existing Law proposed and shall present their independent opinion regarding these issues before Government or Assembly, when the proposer is the Assembly.
4. Any new expenditure initiative, including proposed new legislation, that does not have an appropriation contained in the attached tables, shall not receive an appropriation unless respective reductions in other budgetary appropriations of equal value are implemented.

#### **Article 17**

##### **Loans to Designated Entities and Publicly Owned Enterprises**

The Minister is authorized to provide to a Designated Entity according to paragraph 2 Article 50 of the LPFMA, or to a Publicly Owned Enterprise in accordance with the Law on Publicly Owned Enterprises No.03/L-087, a reimbursable loan and in compliance with the Terms and Conditions approved by the Government. The amounts approved for such credits are hereby appropriated according to this Law and set out in Table 1. The reimbursable credit or the credit shall be based on the agreement between the Designated Entity or the Publicly Owned Enterprise receiving the

borrowing or loan in one hand and the Minister on the other hand, whereas they shall only be used for capital expenditure purposes.

**Article 18**  
**Funds to maintain emergency liquidity assistance**

In compliance with the foresights specified in Table 1, including even the financing from International Financial Institutions (International Monetary Fund and World Bank), Minister of Finance based on Memorandum of Understanding signed with Central Bank of Kosovo, shall appropriate the amount of forty-six million (46.000.000) Euro from bank balance sheet of the Government as a reserve to maintain emergency liquidity assistance of financial system. These funds may be used only in compliance with the Memorandum of Understanding for Emergency Liquidity Assistance signed between the Governor of Central Bank, Minister of Finance and Chairperson of the Committee on Budget and Finance.

**Article 19**  
**Reduction of allocated funds in case of need**

In accordance with Article 36 of the Law Nr. 03/L-048 on Public Financial Management and Accountability amended with the Law Nr. 03/L-221, with the aim of preserving the sufficient level of budget reserve in order to secure it from fiscal risks, an amount of twenty million (20,000,000) Euro from budget appropriations for 2013 will remain unallocated.

**Article 20**  
**Allocation for Highway 6**

Means for construction of Highway 6 will be allocated when the bank balance achieves the level of three hundred million (300,000,000) Euro.

**Article 21**  
**Expiry of the Budget of Republic of Kosovo**

Budget appropriations of the Republic of Kosovo made in fiscal year 2013 shall automatically expire at midnight of 31 December 2013.

**Article 22**  
**Entry into Force**

This Law shall enter into force on 1 January 2013.

**Law No. 04/L-165**  
**13 December 2012**

**Promulgated by Decree No.DL-056-2012, dated 17.12.2012, President of the Republic of Kosovo Atifete Jahjaga.**