

Newsletter

KOSOVO'S NEW LEGISLATION AND GOVERNMENTAL DECISIONS RELATED TO ECONOMY, FINANCE AND BUSINESS



LAWS

[Law on Ratification on the “Financing Agreement between the Republic of Kosovo and the European Union on IPA 2022 Programme” \(the “Agreement”\), 27 June 2023](#)

This law ratifies the Agreement between the European Commission on behalf of the European Union and the Republic of Kosovo as the “IPA III Beneficiary”, by which the EU will finance the Annual Action Plan in favor of Kosovo for 2022, respectively actions on Fundamental Rights, Approximation, Environment and Green Energy, and inclusive Socio-Economic Development. The total estimated cost of the program is EUR 91,830,000, and the maximum Union contribution to this Program is set at EUR 61,250,000.

The key goals of the Fundamental Rights Action Plan are an accountable justice system, support public and non-governmental actors in Kosovo in implementing a sustainable, gender sensitive return and reintegration of up to 260 displaced families in Kosovo, and to facilitate the judges, prosecutors, and lawyers in obtaining knowledge on the EU human rights standards, including gender equality, through training.

The Approximation Action has two areas of support: 1) the EU acquis approximation through strengthening the technical and administration capacities, strategic communication of EU assistance, and monitoring and evaluation of implementation of EU assistance, and 2) Pristina Belgrade dialogue facilitation.

The specific objectives of the Environment and Green Energy are 1) to improve the energy efficiency of the public buildings which would lead to around 100GWh of energy saved, 2) to modernize the waste management and circular economy framework in line with National waste management strategy, the SAA, and the EU acquis, and 3) to improve the quality of the wastewater infrastructure in Prishtina.

The Annual Action Plan for inclusive socio-economic development aims to 1) create income-generating opportunities and improve social inclusion for women and men from non-majority communities, 2) create equitable access of Roma, Ashkali and Egyptian girls and boys to pre-primary, primary and secondary education, and 3) improve the legal, policy and financial framework for volunteering in accordance with best European practices, through quality programs and adequate support services for young women and men volunteers.



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[Law No. 08/L-148 on Ratification of the “Financial Framework Partnership Agreement between the Republic of Kosovo and the European Commission on Specific Arrangements for Implementation of Union Financial Assistance to Kosovo under the Instrument for Pre-Accession \(IPA III\)” \(hereinafter “the Agreement”\), 16 June 2023](#)

This Law aims to ratify the Agreement between the Republic of Kosovo and the European Commission to implement actions to assist Kosovo as the IPA III beneficiary in adopting and implementing the political, institutional, legal, administrative, social, and economic reforms required to comply with Union values, rules, standards, policies, and practices.

The Agreement sets out the legal, administrative, and technical framework within which the programs consisting of annual and multiannual action plans will be financed and implemented. It also establishes all the necessary steps that the Republic of Kosovo as a beneficiary shall take to facilitate the implementation of the programs.

[Law No. 08/L-151 on Ratification of the Finance Agreement on Public Finance Development Policies and Sustainable Growth between the Republic of Kosovo and the International Development Association \(the “Agreement”\), 16 June 2023](#)

By this ratified agreement, the International Development Association agrees to extend to Kosovo a credit in the amount of EUR 50,600,000 based on 1) the actions that Kosovo as the recipient has already taken to implement actions towards improving fiscal transparency, enhancing the private sector development, and strengthening environmental sustainability, and 2) the maintenance of an adequate macroeconomic policy framework.

To enhance the fiscal transparency, Kosovo as the recipient has adopted and submitted to the Parliament the Draft Law on State Debt and State Guarantees, and requirements for conducting and publishing long-term costing of new pension policy proposals and other social protection policy proposals, as well as regular updating for existing pension policies.

Kosovo has also enacted the Law on Inspections to reduce the number of inspectorates and legal overlaps, establish a general inspector’s office, and introduce risk-based inspections. It also has adopted regulations to reduce the number of agriculture and agribusiness sector licenses and simplify the licenses approval process, and to reduce the fees and documentation requirements for producers, exporters, and importers in the sector. Furthermore, to foster digitalization and digital service delivery by businesses, Kosovo has enacted the Law on Electronic Identification and Trust Services in Electronic Transactions that enables electronic identification and trust services for electronic domestic transactions.

To foster environmental sustainability, Kosovo has adopted and submitted to the Parliament the Draft Law on Amending and Supplementing the Law No. 04/L-060 on Waste to create the legal basis for an extended producer responsibility mechanism and procedures for the establishment of the deposit refund system. It also adopted the Integrated Waste Management Strategy (2021-2030) and Action Plan (2021-2023) which sets the objectives, instruments, and targets to pave the way for a circular economy and improve public service delivery. A Concept Document on Renewable Energy Sources was also adopted, that initiates the required regulatory and legal changes to launch the introduction of a competitive mechanism to support renewable energy investments in the power sector.

Kosovo as the recipient and the Association shall from time to time, at the request of either party, exchange views on Kosovo’s macroeconomic policy framework or the progress achieved. Kosovo shall also promptly inform the Association of any situation that would materially affect the objectives and the actions planned.



DECISIONS OF THE GOVERNMENT

Decisions of date 7 June 2023

Decision No. 10/145 on approving the request of the Ministry of Local Government Administration to allocate the amount of EUR 250,000 for the implementation of the project on the municipalities for the youth in Kosovo, co-funded by the World Bank.

Decision No. 12/145 on the allocation of EUR 20,721.00 for the annual contribution of the Government of Kosovo for 2023 to the Regional Centre for the Regional Initiative on Migration, Asylum, and Refugees, based in Skopje.

NEWS AND ANNOUNCEMENTS

EBRD – EU, WBIF extend €2.5 million grant to wastewater project in Kosovo, 2 June 2023

The European Bank for Reconstruction and Development (EBRD) Head of Kosovo and Kosovo's Minister of Finance, Labor and Transfers signed an agreement for the granting of €2.5 million for the construction of a wastewater treatment plant and the rehabilitation and extension of the existing wastewaters and sewerage network in the municipality of Gjilan.

The plant is co-financed by the EBRD and European Investment Bank (EIB) and it is expected to reduce pollution and mitigate the effects of climate change in the water and wastewater sector.



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