



in partnership with



NEWSLETTER

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

CONTENTS

- International Agreements
- Draft Laws
- Government decisions
- Others

INTERNATIONAL AGREEMENTS

Ratification of the Tripartite Financial Agreement between the Republic of Kosovo, Montenegro, and the European Union for the Cross-Border Cooperation Program IPA III for the Years 2021-2027 (the "Financing Agreement"), 13 October 2023



Under the Financing Agreement, The EU agrees to finance Kosovo and Montenegro ("beneficiaries") to accept the financing of the Cross-border cooperation programme (the "CBC programme"). The total estimated cost for the CBC programme is EUR 9,734,118 and the maximum EU contribution is EUR 8,400,000.

The overall objective of the CBC programme is to "promote good neighbourly relations, foster Union integration and contribute to social, economic and territorial development of the programme cross-border area by improving employment, labour mobility, and social and cultural inclusion across borders; and developing sustainable tourism and a stable, socially and economically developed cross-border region." The main sustainable development goals include – among others - economic growth, employment, qualitative education, gender equality, combat climate change, protect, restore and combat desertification.

To improve business environment and competitiveness, the programme aims to raise understanding of the goals of territorial cooperation through good neighbourly relations, sustainable partnerships for socio-economic development, and/or the removal of obstacles to the economic development.

DRAFT LAWS

Draft Law on the Promotion of the Use of Renewable Energy Sources (the “Draft Law”), 18 October 2023

The Draft Law promotes the use of energy from renewable sources (RES) and cogeneration in electricity, heating and cooling and transport, to fulfill the energy needs, increase the security of energy supply, improve environmental protection, provide social and health benefits, and promote equitable employment opportunities in the energy sector.

Article 4 lists the objectives of policies in renewable energy, including the use of energy from renewable sources in the most cost efficient matter, reducing the use of fossil fuels and decreasing the dependence on imports of electricity, reducing greenhouse gas emissions, increasing diversification of energy sources, achieve the targets set for energy efficiency, publish information on the advantages and benefits of the use of energy from renewables, ensure comprehensive and inclusive involvement in the labour force, and promote a competitive regional electricity market while complying with the obligations under international treaties and agreements.

The Draft Law also sets the national target for the share of energy from renewables in Gross Final Consumption of energy for 2030 at 32%. It establishes a support scheme for renewable energy sources; several renewable energy technologies shall be eligible to benefit from the scheme, including technologies for wind energy, solar photovoltaic energy, biomass energy, biogas energy, geothermal energy, plants that use gas from urban waste landfills or from treatment of waste water/sewage (if defined as a RES technology by the European Commission), and cogeneration plants that utilize RES with high efficiency and thermal plants based on RES. The scheme shall be implemented through Feed-in premiums or Feed-in Tariffs established under articles 11 and 12 of the Draft Law.

According to Article 22 of the Draft Law, through a government decision and after proposal by the ministry, new generation capacities from RES can be developed through public investment or public-private co-investment.

Additionally, within 6 months after the entry into force of the draft law, a Renewable Energy Operator will be established which shall be the physical off-taker of electricity produced by privileged producers.

The Draft Law further establishes the rights and obligations of Renewables Self-Consumers, the creation of renewable energy communities, connection to the grid and obligations of network operators, innovative renewable technologies, as well as administrative procedures and requirements for renewable energy projects.

The Draft Law will next enter the phase of review in principle by the Functional Committee in the Assembly.

ADMINISTRATIVE INSTRUCTIONS

Administrative Instruction No. 02/2023 on the Target of Electricity from Renewable Energy Sources (the “Administrative Instruction”), 2 October 2023

The Administrative Instruction determines the annual and long-term target on share of renewable energy source in the gross final electricity consumption, at 32% by 2030. It also sets the annual and long-term target of installed capacity for generation of electricity from RES to 1473 MW by 2030.



GOVERNMENT DECISIONS

Decisions of date 12 October 2023

Decision No. 04/165 on approving in principle the request for a loan in the amount of EUR 15,000,000.00 for the public enterprise "Telekomi i Kosoves Sh.A.", subject of approval by the Ministry of Finance, aiming to fulfill the investment plan.

Decision No. 06/165 on approving the request of the Ministry of Finance for zero exemption from the customs tax for 1) wares (machine spares parts used in production process) for all manufacturers who produce themselves or through contractors who are authorized for the processing procedure by the Customs; 2) wares (spares and accessories) for all manufacturers who import themselves or through the contractors who are authorized by the Tax Administration for postponing VAT; and 3) wares (cans and closures) for all manufacturers who import themselves or through the contractors who are authorized by the Tax Administration for postponing VAT.

Decisions of date 23 October 2023

Decision No. 02/168 on approving the request of the Ministry of Economy for allocating the amount of EUR 1,675.150 up to 25% of the negatively affected allocation for 2023 for the public enterprise TREPCA Sh.A.

Decisions of date 27 October 2023

Decision No. 05/169 on allocating EUR 2,250,000.00 for the implementation of measure 2.1 of the Economic Recovery Package on subsidizing investment loans.

Decision No. 06/169 on approving the increase of the limit of costs on "Reserves" in the amount of EUR 15,000,000 following the received World Bank funds.

OTHER NEWS

Ministry of Economy to launch first competitive auction for 150 MW of wind-based electricity capacity in 2024, 16 October 2023

In addition to the launch of the first 100MW solar electricity generation pilot auction last May and the draft law on renewable energy sources, the Ministry of Economy launched another auction for 150MW in 2024 to attract private investment to wind-based electricity generation. According to the Ministry's announcement, the auction will be the first of its type in Kosovo and will catalyze financing from private developers through a competitive bidding process. It will also attract investors and contribute to reducing reliance on fossil fuels.

Kosovo strengthens economic and commercial cooperation with the UAE, 18 October

The Ministry of Industry, Entrepreneurship and Trade and the United Arab Emirates (UAE) signed the First Protocol of the Joint Economic Committee. The Protocol is expected to strengthen the economic and commercial cooperation between the two countries, increase trade and attract investments. The parties agreed to increase cooperation in manufacturing industry, agriculture, innovation and smart technology, infrastructure, energy, and tourism.

Author:

Vlera Rexha

Legal Analyst

Kosovo-Israel Chamber of Commerce



In partnership with



www.kicc-ks.org

www.kerveshi.com

DISCLAIMER: The views presented in this publication are solely those of the Kosovo-Israel Chamber of Commerce (KICC).

All rights reserved KICC©2023