

**Republic of Kosovo**  
**Study for Poverty Profile**  
**in European Region**

**Final Report**

**October 2010**

**JAPAN INTERNATIONAL COOPERATION AGENCY**

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**OPMAC Corporation**



## Poverty Indicator

Region (*)	Country	Basic data					
		Year	Population, total (millions)	Population growth (annual %)	GNI, PPP (current international \$) (billions)	GNI per capita, PPP (current international \$)	GDP growth (annual %)
ME	Kosovo**	2008	2	1.5	5.4	2,510	5.4 (current US\$)

(Source) World Bank, "Kosovo at a glance" (WB website:

[http://siteresources.worldbank.org/INTKOSOVO/Resources/Kosovo\\_AAG\\_2010\\_Jan.pdf](http://siteresources.worldbank.org/INTKOSOVO/Resources/Kosovo_AAG_2010_Jan.pdf) as of August 2010)

(Note) \* AF: Africa, Ap: Asia and Pacific, CLA: Central and Latin America, ME: Middle-east and Europe

\*\* All data for Kosovo are estimates

Poverty						Inequality		
Poverty incidence (%)			Poverty Gap Index at \$1.25	Poverty Gap Index (National)	Source	Survey year	Gini index	Year
National	Rural	Urban						
45.1	49.2	37.4	--	13.3	Household Budget Survey 2005/06	2005/06	30.0	2005/06

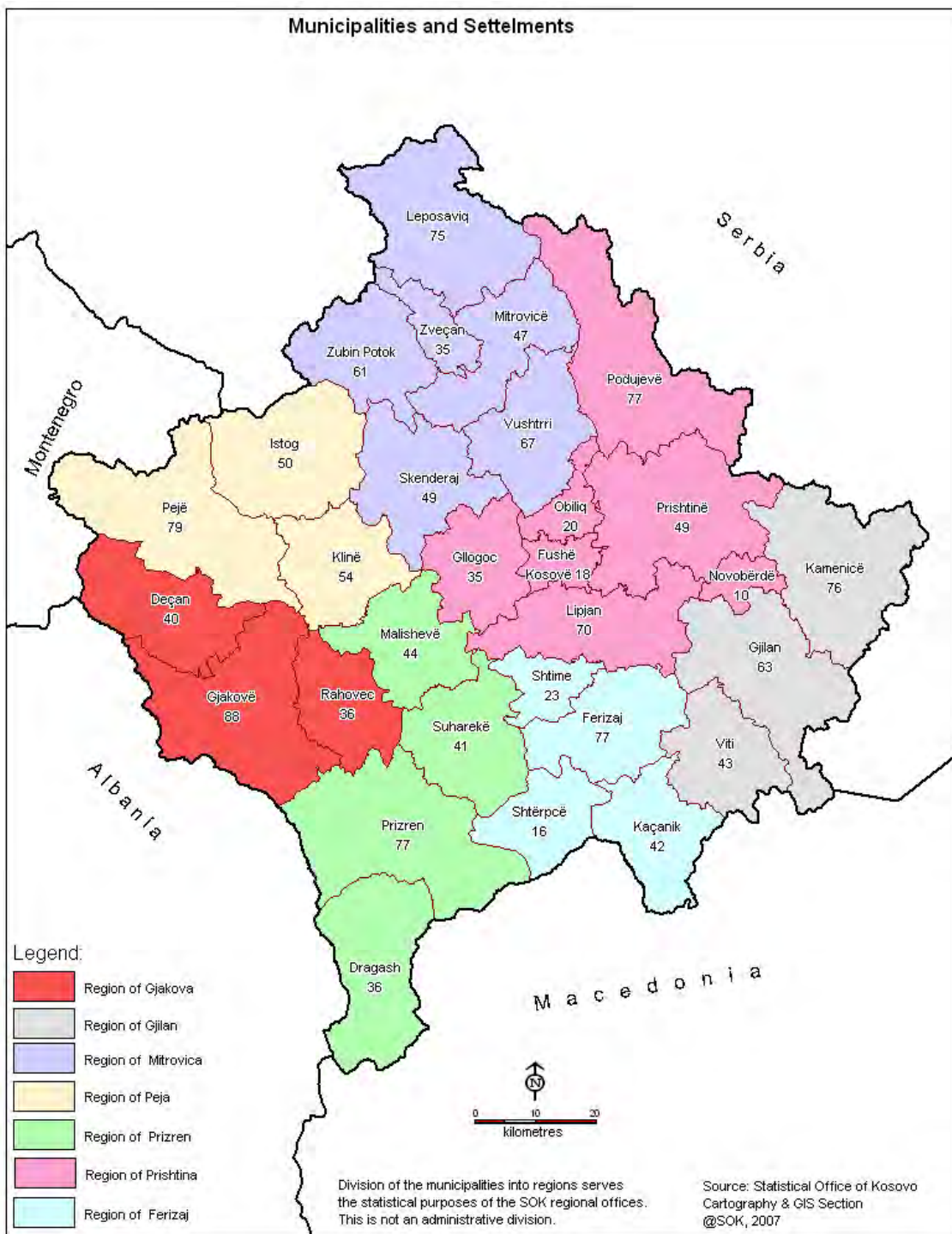
(Source) World Bank, "Kosovo Poverty Assessment" (2007)

Remarks
(Areas, populations & social groups considered to be vulnerable and Gini index disadvantageous)
Not specified

In Republic of Kosovo, there is no data available on demography reflecting changes after the last general population census in 1981. Therefore, statistical analyses on socio-economic conditions of households by region in this report are based on estimations. For more precise and reliable statistical analyses on poverty by region require results of the next population census.



# Map of Kosovo



(Source) Statistical Office of Kosovo (SOK), "Statistical Atlas 2008" (2008), p.8

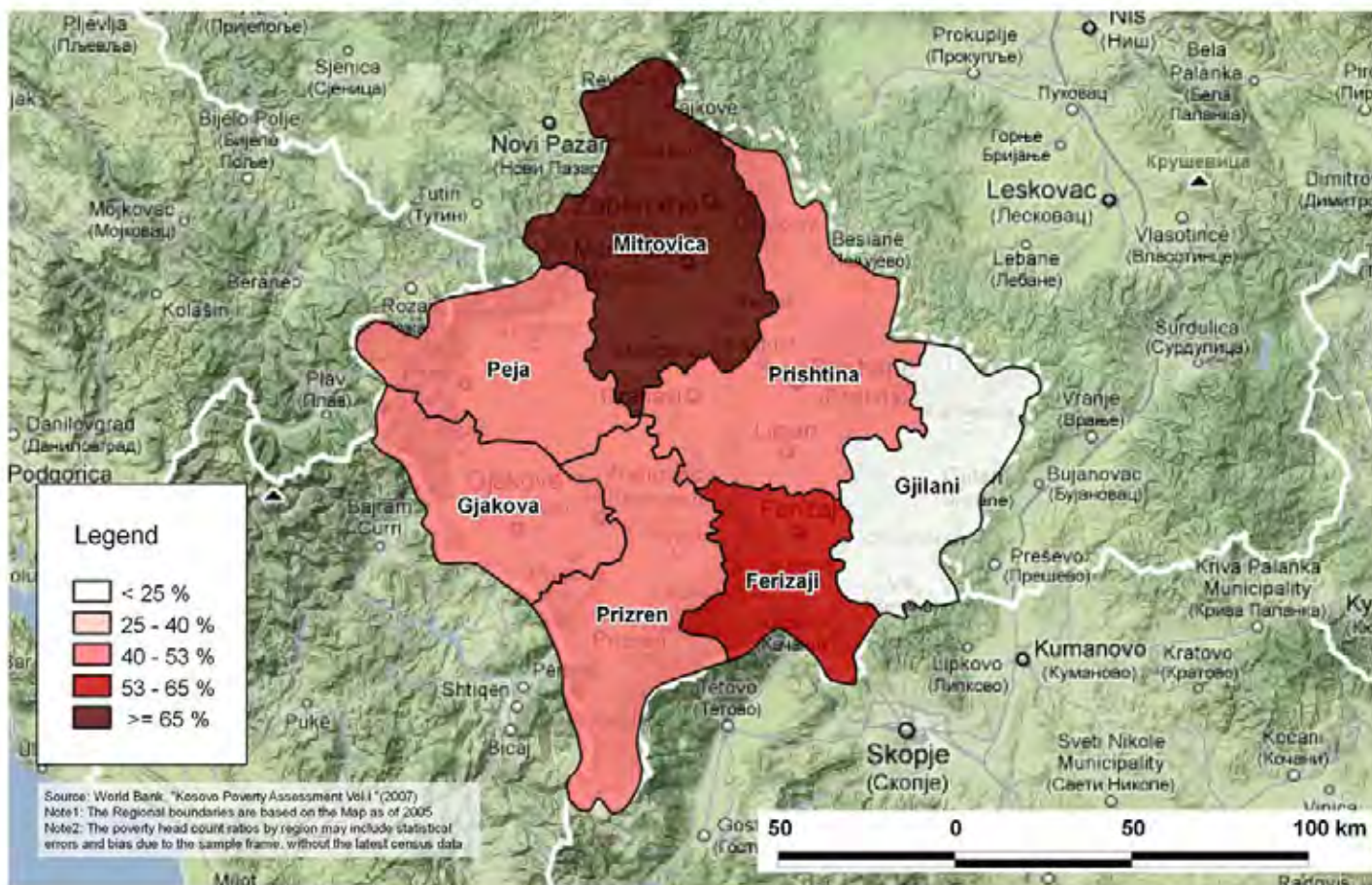


## Maps of Social indicators





貧困者比率%(地域別)2005/06年  
Poverty Headcount Ratio by Region (%), 2005/06

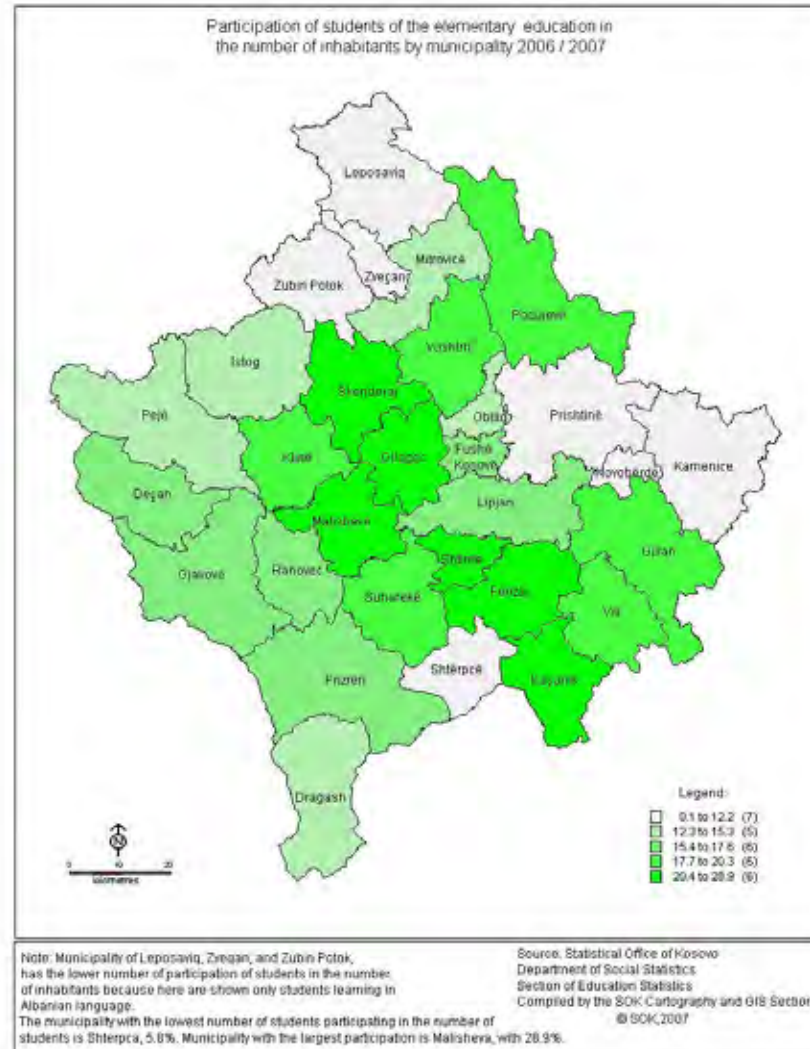


Background Image (c) Google



小学校出席率 % (地方自治体) 2006/2007 年

Participation of students of the elementary education in the number of inhabitants by Municipality (%), 2006/2007



Source: Statistical Office of Kosovo, "Statistical ATLAS 2008" (2008), p41



## Table of Contents

Poverty Indicator	
Map of Kosovo	
Maps of Social indicators	
Table of Contents	
List of Abbreviations and Acronyms	
“What is Poverty?”	
Chapter 1 Income Poverty Analysis.....	1
1.1 Measurement of Income Poverty .....	1
1.1.1 Source of Data for Poverty Analysis .....	1
1.1.2 Poverty Line.....	1
1.2 Income Poverty Indicators .....	2
1.2.1 Poverty Trends at National Level.....	2
1.2.2 Poverty Trends in Urban and Rural Areas.....	3
1.2.3 Poverty Trends by Region.....	3
1.2.4 Poverty Trends by Socio-economic Characteristic .....	4
1.3 Inequality Indicators .....	7
1.3.1 Gini Coefficient and Consumption Distribution .....	7
1.3.2 Thiel Index .....	8
Chapter 2 Non-Income Poverty Analysis .....	11
2.1 Designated Poor Areas and Socially Vulnerable Groups by the Government .....	11
2.2 Vulnerability Analysis.....	11
2.2.1 Vulnerability Groups at Risk of Social Exclusion.....	11
2.2.2 Human Development Index and Human Poverty Index .....	12
2.2.3 Basic Human Needs .....	14
Chapter 3 Explanatory Factors of Poverty in Kosovo .....	17
3.1 Domestic Factors .....	17
3.1.1 National Development and Public Expenditure .....	17
3.1.2 Industrial Structure and Employment.....	20
3.1.3 Agriculture Productivity.....	22
3.2 Geopolitical Factors .....	23
3.2.1 Labor Migration and Remittance .....	23
3.2.2 Displaced Persons and Internal Displaced Persons (IDPs) .....	24
3.3 Factors related to Globalization .....	25
3.3.1 Impacts of the world recession.....	25
Chapter 4 Mechanism of Social Protection .....	27
4.1 Formal Public Social Security System.....	27
4.1.1 Pension .....	27
4.1.2 Health protection .....	31
4.1.3 Social Assistance .....	32
4.1.4 Social assistance for war victims and war invalids .....	37
4.2 Quasi-formal Social Security .....	38
4.3 Informal Social Security System.....	38
Chapter 5 Poverty Monitoring .....	41
5.1 MDGs Progress .....	41

5.1.1	MDG 1: Eradicate extreme poverty and reduce the risk of social exclusion .....	41
5.1.2	MDG 2: Achieve high quality basic universal education.....	41
5.1.3	MDG 3: Promote gender equality and empower women.....	42
5.1.4	MDG 4: Reduce child mortality .....	42
5.1.5	MDG 5: Improve maternal health .....	42
5.1.6	MDG 6: Combat HIV/AIDS and Tuberculosis .....	42
5.1.7	MDG 7: Ensure sustainable environment development.....	43
5.1.8	MDG 8: Develop a Global Partnership for Development.....	43
5.1.9	MDG 9: Improve governance for all citizens and especially for most disadvantaged groups .....	43
5.2	Poverty Monitoring System .....	47
5.2.1	MDG Monitoring .....	47
5.2.2	Issues on Statistical Data.....	47

## Appendix

Appendix 1: Poverty and Inequality Indicator

Appendix 2: Midterm Expenditure Framework (MTEF) 2009-2012 Financing Proposal

## Annex

- (1) List of Major Policy Documents
- (2) List of Major Statistical Surveys and Reports
- (3) List of Major Microfinance Institutions
- (4) List of Major NGOs (international and national) and CSOs
- (5) List of Major Socio-economic Research Institutions
- (6) List of Other References

## List of Tables and Figure

### [Table]

Table 1-1: Poverty Lines for Kosovo (per month per person).....	2
Table 1-2: Poverty Status in Kosovo.....	2
Table 1-3: Income Poverty Trends and Distribution in Kosovo.....	3
Table 1-4: Poverty Incidence by Region.....	4
Table 1-5: Poverty Incidence and Education.....	4
Table 1-6: Poverty Incidence by Employment Status.....	5
Table 1-7: Poverty Incidence by Main Activity.....	6
Table 1-8: Poverty Incidence and Migration/Remittance.....	6
Table 1-9: Poverty Incidence by Ethnicity of the Household Head.....	7
Table 1-10: Inequality Status in Kosovo.....	8
Table 2-1: HDI and HPI in Kosovo (2004).....	13
Table 2-2: Net Enrollment Rates (2005/06).....	15
Table 2-3: Access to Basic Services (2005/06).....	16
Table 3-1: Total Disbursement of Pension and Social Assistance Program.....	19
Table 3-2: Number of the employees and average monthly salary by economic activities.....	21
Table 3-3: Real mean monthly wages of per-diem workers.....	21
Table 3-4: Employment and Education (2005/06).....	22
Table 3-5: Migration and Remittances (2005).....	23
Table 3-6: Returnees by sending countries.....	25
Table 4-1: Pensioners receiving basic state pension.....	28
Table 4-2: Amount of Basic Pension and Expenditure.....	28
Table 4-3: Coverage of Pensions in Total Population.....	31
Table 4-4: Number of Recipients of Social Assistance.....	34
Table 4-5: Number of Social Assistance Beneficiaries and Amount of Benefit, December 2009.....	35
Table 4-6: Targeting of Social Assistance (% of individuals).....	35
Table 4-7: Coverage of Social Assistance (% of individuals).....	36
Table 4-8: Under-coverage and Leakage of Social Assistance.....	36
Table 5-1: MDGs Progress in Kosovo.....	45
Table 5-2: Data collection surveys for poverty monitoring.....	47

### [Figure]

Figure 1-1: Thiel Index (2003/04 and 2005/06).....	9
Figure 2-1: Human Development Index by Municipality.....	14
Figure 3-1: Policy Priorities in Kosovo.....	18
Figure 3-2: Budget Proportion from 2010 to 2012 by Priority Sector.....	19
Figure 3-3: GDP share by sector (2007).....	20
Figure 4-1: KPST Share Price since Inception.....	30





## List of Abbreviations and Acronyms

AVR	: Assisted Voluntary Returns
CSW	: Centers for Social Work
EC	: European Commission
ES	: Employment Service
ESPIG	: Economic Strategy and Project Identification Group
EU	: European Union
FDI	: Foreign Direct Investment
GE	: Generalized Entropy
GDP	: Gross Domestic Product
HBS	: Household Budget Survey
HDI	: Human Development Index
HPI	: Human Poverty Index
IDP	: Internal Displaced Person
ILO	: International Labor Organization
IMF	: International Monetary Fund
IMR	: Infant Mortality Rate
IOM	: International Organization of Migration
IPEC	: International Programme on the Elimination of Child Labour
KLA	: Kosovo Liberation Army
KPST	: Kosovo Pension Saving Trust
MCR	: Ministry for Communities and Return
MDGs	: Millennium Development Goals
MLSW	: Ministry of Labor and Social Welfare
MMR	: Maternal Mortality Rate
NGO	: Non-Governmental Organization
RAE	: Roma, Ashkali, and Egyptian
SBA	: Stand-By Arrangement
SIDA	: Swedish International Development Cooperation Agency
SOK	: Statistical Office of Kosovo
TB	: Tuberculosis
TMK	: Kosovo Protection Corps (Albanian : Trupat e Mbrojtjes së Kosovës)
UNDP	: United Nations Development Programme
UNHCR	: United Nations High Commissioner for Refugees
UNICEF	: United Nations Children's Fund
UNMIK	: United Nations Interim Administration Mission in Kosovo
UNSC	: United Nations Security Council
USAID	: United States Agency for International Development
WB	: World Bank



## “What is Poverty?”

“The JICA Thematic Guidelines: Poverty Reduction”<sup>1</sup>, which was revised in 2009, mention concepts and definitions of poverty. From the practical point of view, the international society has been attempting to measure poverty based on different concepts of poverty as below, which produce different results of measurements or analyses.

- Absolute Poverty: the income or consumption status of household which cannot afford the minimum calorie intake for surviving and the other basic human needs,
- Relative Poverty: the income or consumption status of household which is lower than the majority of population in a country or in a region. People excluded from the general improvement of living standards taking into account social and cultural factors,
- Human Poverty: Denied opportunities and choices to have decent standard of living and constraints against moving out of poverty,
- Social Exclusion: Deprived rights for solidarity and coexistence.

This poverty profile reviews poverty situations in Kosovo by focusing on “income poverty” and “non-income poverty” taking into account the concepts and definitions of poverty mentioned above.

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<sup>1</sup> Please refer to the Chapter 1, Section 1-2 of the JICA’s Thematic Guideline for Poverty Reduction. As mentioned in the Chapter 2, Section 2-2 in the Guideline, JICA focuses on “capabilities” for self-fulfillment and “human security” and recognizes that poverty closely links to discrimination and social exclusion. Then, JICA defines poverty as: “*a condition where the people are deprived of opportunities to manifest their capabilities to have the basic human life, and in addition, where the people excluded from the society or the development process*”.



## Chapter 1 Income Poverty Analysis

### 1.1 Measurement of Income Poverty

#### 1.1.1 Source of Data for Poverty Analysis

The main source of data for poverty analysis is a series of the Household Budget Surveys (HBS)<sup>2</sup> which is a core survey of the Statistical Office of Kosovo (SOK). The World Bank (WB) conducted a poverty assessment<sup>3</sup> (“the WB Poverty Assessment”) to analyze changes between 2002/03 and 2005/06.

However, there are some issues to be considered before using the HBS data for poverty analysis. The most critical issue is the large sampling errors in the HBSs due to the absence of a reliable updated census since 1981. Although there have been large and dynamic demographic changes in Kosovo since the last census conducted in 1981, no reliable baseline data<sup>4</sup> is available to reflect the current situation in the country. It is highly possible that the sample surveys, including HBSs, contain fatal statistical biases.

In addition, the data collection methodology and questionnaire design of the HBS, including a list of data items to be collected, changed after the first HBS of 2002/03. In general, it is necessary for income poverty analysis of developing country to estimate an income level based on consumption data because of difficulty to collect reliable data on income in developing countries. It is same as in Kosovo. However, besides the first HBS, no comparable quantifiable data on consumption, such as consumption items, volume and amount, is available though they are key variables for income poverty analysis.

Therefore, it is noted that there are statistical limitations on income poverty analysis based on the HBS data<sup>5</sup> and this presents a real difficulty in understanding the real situation of poverty in Kosovo.

#### 1.1.2 Poverty Line

For analyzing poverty trends in Kosovo, WB established an absolute poverty line in the WB Poverty Assessment.

The food poverty line is an estimated cost of food consumption to satisfy the per person minimum calorie requirement of 2,100kcal. The absolute poverty line is a total estimated cost of minimum consumption to satisfy basic human needs, including not only food but also clothing, housing, education, health and so on.

$$\text{Absolute Poverty Line}^6 = \text{Minimum requirement of food consumption (Food Poverty Line)} \\ + \text{Minimum requirement of non-food consumption}$$

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<sup>2</sup> Swedish International Development Cooperation Agency (SIDA) provided technical and financial assistances for implementation of the HBSs.

<sup>3</sup> World Bank, “Kosovo Poverty Assessment Volume I: Accelerating Inclusive Growth to Reduce Widespread Poverty” (2007)

<sup>4</sup> According to the estimation by WB, the population of Kosovo is around 2 million. However, there are different poverty estimations which indicate the range of population size in the country from 2 million to 2.6 million. Such different estimated population size can bring about different estimated levels of socio-economic indicators for the country.

<sup>5</sup> For details of problems of data comparability of HBS, please refer to the WB report of “Kosovo Poverty Assessment Volume II: Estimating Trends from Non-comparable Data” (2007).

<sup>6</sup> The WB poverty assessment uses the Complete Poverty Line instead of the Absolute Poverty Line. For the JICA Poverty Profiles, the word of Absolute Poverty Line is used.

There is no significant difference between the poverty lines for 2003/04 and for 2005/06 though the poverty lines for 2005/06 are slightly lower than the ones for 2003/04 (Table 1-1). The food poverty line is around 22 EUR per month per person and the complete poverty line is around 38-39 EUR per month per person.

Table 1-1: Poverty Lines for Kosovo (per month per person)

HBS	Food Poverty Line	Absolute Poverty Line
HBS 2003/04	22.39 EUR	39.01 EUR
HBS 2005/06	21.83 EUR	38.03 EUR

(Source) World Bank, "Kosovo Poverty Assessment Volume II: Estimating Trends from Non-comparable Data" (2007), p.21, Table 2.7

## 1.2 Income Poverty Indicators

### 1.2.1 Poverty Trends at National Level

Due to the practical problems concerning HBS data, the poverty indicators based on them do not necessarily reflect real changes in the poverty status of Kosovo during the period between 2002/03 to 2005/06. However, those indicators show some facts of poverty in the country (Table 1-2).

According to the WB poverty assessment, the poverty headcount ratio (poverty incidence)<sup>7</sup>, which shows the share of population living under the absolute poverty line, is 43.5% (2003/04) and 45.1% (2005/06). The food poverty incidence, which is the fraction of the population living under the food poverty line, was 13.6% in 2003/04 and 16.7% in 2005/06. Taking the issue of statistical bias in to account, it appears that there was little change in absolute and food poverty incidences between the two HBSs.

Table 1-2: Poverty Status in Kosovo

Indicator	Rural		Urban		Kosovo	
	2003/04	2005/06	2003/04	2005/06	2003/04	2005/06
<b>Poverty Incidence</b>						
Food Poverty	12.5	18.1	15.6	14.0	13.6	16.7
Poverty	44.2	49.2	42.1	37.4	43.5	45.1
<b>Poverty Gap</b>						
Poverty	-	-	-	-	11.9	13.3
<b>Poverty Severity</b>						
Poverty	-	-	-	-	4.6	5.7

(Source) World Bank, "Kosovo Poverty Assessment Volume I: Accelerating Inclusive Growth to Reduce Widespread Poverty" (2007), Annex A, Table A.9 and Annex B, Table B.1

The poverty gap (Depth of Poverty) shows sensitivity of the distance of the level of consumption by the poor from the poverty line. It is measured by the fraction of the average per capita consumption of the poor against the poverty line. The poverty gap ratio for the same periods in Kosovo is 12% to 13%. It means that the disparity of consumption of the poor

<sup>7</sup> In this report, "the poverty incidence" or "the poor" mean "the absolute poverty incidence" or "the poor population living below the absolute poverty lines unless otherwise stated.

population from the poverty line was 12% to 13%.

The poverty severity measures the inequality in distribution of consumption among the poor which is estimated by the squared poverty gap ratio. In Kosovo for the same period, poverty severity was estimated at approximately 5%. This means that the inequality among the poor in the country is limited.

### 1.2.2 Poverty Trends in Urban and Rural Areas

Table 1-3 shows the poverty incidences and the size of the poor populations in rural and urban areas. In Kosovo, there is a large regional gap in poverty incidence between the rural and the urban areas. In 2005/06, around a half of the rural population were in poverty while less than 40% of the urban population was in poverty. Although no change in the poverty incidence of the country is observed, it is probable that the rural poverty incidence increased from 2003/04 to 2005/06 and the urban poverty incidence decreased over the same period.

Moreover the size of the poor population is greater in the rural areas than in the urban areas. About 70% of the poor inhabit the rural areas of the country while the remaining 30% inhabit the urban areas. However, due to the lack of a recent population census, it is unclear how large the rural population is now. It is possible that the migration from rural areas to outside of the country has been significant and has reduced the size of the rural population, but no data on migration is available. According to the WB poverty assessment, about 1 in 5 Kosovars report having at least one member who is a migrant abroad, and 70% of the total number of migrants are from rural areas (for further details of migration, refer to 3.2.1)

Table 1-3: Income Poverty Trends and Distribution in Kosovo

Indicator	2003/04	2005/06
(%)		
<b>Poverty Headcount ratio</b>		
Rural	44.2	49.2
Urban	42.1	37.4
Kosovo	43.5	45.1
<b>Distribution of Poor Population</b>		
Rural	66.1	70.9
Urban	33.9	29.1
Kosovo	100.0	100.0

(Source) World Bank, "Kosovo Poverty Assessment Volume I: Accelerating Inclusive Growth to Reduce Widespread Poverty" (2007), Annex B, Table B.1 and Table B.2

### 1.2.3 Poverty Trends by Region

In Kosovo, poverty incidence varies greatly across regions (Table 1-4). The region having the highest poverty incidence is Mitrovica: 59.0% in 2003/04 and 69.7% in 2005/06. It is likely that Mitrovica has a larger share of rural population (exceeding 70% of the total population in the region) and a majority of non-Albanian ethnic groups, including mainly ethnic Serbs. Ferizaj and Gjakova had also a higher poverty incidence than the national average: 54.4% in Ferizaj and 45.3% in Gjakova in 2005/06.

On the other hand, Cjilani had the lowest poverty incidence of 23.5% in 2005/06 which decreased from 32.5% in 2003/04. Cjilani was used to be one of foremost industrial areas in Kosovo before the conflict. Even now, private companies have business activities in the region.

In 2007, European Reconstruction Agency (EAR)<sup>8</sup> established a business incubator in the town of Cjilani. Prishtina, which has the capital city of the country, had the second lowest poverty incidence of 34.3% in 2003/04 but it increased to 40.6% in 2005/06.

Table 1-4: Poverty Incidence by Region

Region	2003/04	2005/06
Gjakova	48.9	45.3
Cjilani	32.5	23.5
Mitrovica	59.0	69.7
Peja	37.8	40.1
Prizreni	48.3	40.5
Prishtina	34.3	40.6
Ferizaj	49.8	54.4
<b>Total</b>	<b>43.5</b>	<b>45.1</b>

(Source) World Bank, "Kosovo Poverty Assessment Volume I: Accelerating Inclusive Growth to Reduce Widespread Poverty" (2007), p.20, Table 3.4

#### 1.2.4 Poverty Trends by Socio-economic Characteristic

##### (1) Education

The lower educational attainment of household heads induces a higher poverty incidence among the households in Kosovo (Table 1-5). Also, the poverty incidence of households headed by the persons with educational attainment lower than primary level were much higher than the poverty incidence of households headed by the persons with higher education.

The poverty incidence of households headed by persons with uncompleted primary education was more than 60% in 2005/06. For the households headed by persons with completed primary education, the poverty incidence was more than 50%.

The lowest poverty incidence among the sup-groups by the educational attainment of household head was for the households headed by persons with completed University or higher education. Less than 20% of household heads with higher education fell into poverty.

Table 1-5: Poverty Incidence and Education

Educational Level of Household Head	2003/04	2005/06
Uncompleted primary school	48.2	60.8
Primary	49.1	51.4
Secondary	39.8	40.5
Vocational	30.0	31.5
University or higher	25.5	19.5

(Source) World Bank, "Kosovo Poverty Assessment Volume I: Accelerating Inclusive Growth to Reduce Widespread Poverty" (2007), p.46, Annex B, Table B.10

<sup>8</sup> EAR is an implementation body of assistance programs for Serbia, Kosovo, Montenegro and Macedonia by European Union (EU). It was established in 2000 for the time limit of 5 years, but its activities were extended to 2008.



## (2) Employment Status and Sector

By employment status, the poverty incidence of households headed by an unemployed person was higher than the poverty incidence of households headed by an employed person (Table 1-6). 58.6% of the households headed by the unemployed lived below the poverty line. In 2005/06, the unemployment rate of the poor was about 50%. It implies, not surprisingly, that unemployment leads to a higher risk for households to fall into poverty. But it does not mean that all the households with unemployed heads of households are poor, nor that all the households with household heads in employment are free of poverty. The WB poverty assessment (2007) pointed out that about 70% of all the poor are either employed (salaried or self-employed) or inactive.

Among the employed, the households headed by a per-diem worker had the highest poverty incidence of 60.8%. According to the WB Poverty Assessment, per-diem workers may be casual workers who are paid a wage for specific task. The poverty incidence of housekeepers was also high as 53.6%. Although many females may be engaged in housekeeping, there was no significant difference in poverty incidence between female headed households (49%) and male headed households (44.8%). The poverty incidences of households headed by the economically inactive are also relatively high: 47.5% for the retired and the disabled; 48.5% for the others including students.

The households headed by employer had the lowest poverty incidence of 18.4%. Also the households headed by other self-employed not including farmer had lower poverty incidence of 29.6%.

Table 1-6: Poverty Incidence by Employment Status

Employment Status	2005/06 (%)
Employer	18.4
Employed with salary	35.8
Per-diem worker	60.8
Self-employed (not including farmer)	29.6
Self-employed, agriculture	42.6
Retired/disabled	47.5
Unemployed	58.6
Housekeeper	53.6

(Source) World Bank, "Kosovo Poverty Assessment Volume I: Accelerating Inclusive Growth to Reduce Widespread Poverty" (2007), p.47, Table B.11

By sector (Table 1-7), the self-employed in the mining and construction sector had the highest poverty incidence of 51.9%. It suggests that the more than half of the self-employed in those sectors were living below the poverty line.

Although rural poverty may be a significant issue, the poverty incidence for subsistence farmers was 42.6%, which was lower than the national level. The relatively lower poverty incidence of subsistence farmers may be due to having another source of income, such as from remittances, as mentioned above.

Table 1-7: Poverty Incidence by Main Activity

Main Activity	2005/06 (%)
Self-employed, agriculture	42.6
Self-employed, mining/construction	51.9
Self-employed, trade	37.5
Self-employed, other	41.3
Wage earner, professional	27.5
Wage earner, manufacturing	42.3
Wage earner, other	36.6
Non active	48.5

(Source) World Bank, "Kosovo Poverty Assessment Volume I: Accelerating Inclusive Growth to Reduce Widespread Poverty" (2007), p.47, Table B.12

### (3) Migration and Remittance

According to the estimation by the WB Poverty Assessment, the households having migrant worker or receiving remittances had lower poverty incidences than the poverty incidence of the country (Table 1-8). The poverty incidence for the households having migrant worker and receiving remittance were 30.4% and 29.8%, respectively.

However, there are regional gaps in poverty incidence by migration and remittances between urban and rural areas. In rural areas, the poverty incidence for the households with migrant worker and remittances were 27.3% and 25.7%, respectively. These poverty incidences were much lower than the rural poverty incidence of 49.2%. Therefore, it is obvious that migrant worker and remittances reduce poverty risk in rural areas. On the other hand, in urban areas, the both households with migrant workers and remittances had higher poverty incidence than the urban poverty incidence of 37.4%. 38% of households with migrant workers and 40.6% of households with remittances were living below the poverty line.

It is suggested that the rural households can relatively easily to compensate for the shortfall from the poverty line by revenues from the migrant worker or remittances due to the lower consumption level in rural areas. Therefore, the rural poor households with migrant worker or remittances may enable to move out of the poverty. On the other hand, since the consumption level is higher in urban areas, it can be difficult for the urban poor households to obtain enough level of consumptions in order to fulfill the poverty line only by revenues from migrant workers or remittances. Or, the most of migrant workers from urban areas may be from the lower income households. Therefore, they probably cannot have a work with sufficient wage to satisfy the poverty line even as a migrant worker abroad.

According to the WB poverty assessment, more than 70% of households receiving remittances inhabited in rural areas. In addition, the fractions of households with remittances in Mitrovica and in Prizreni were more than 20%, respectively, which were higher than the other regions.

Table 1-8: Poverty Incidence and Migration/Remittance

	% of the Households with Migrant Worker below the Poverty Line	% of the Households with Remittance below the Poverty Line	Poverty Incidence (%)
Kosovo	30.4	29.8	45.1
Urban	38.0	40.6	37.4
Rural	27.3	25.7	49.2

(Source) World Bank, "Kosovo Poverty Assessment Volume I: Accelerating Inclusive Growth to Reduce Widespread Poverty" (2007), p70, Table D.2

#### (4) Ethnicity

According to the WB poverty assessment, regarding poverty incidence by ethnicity, it is difficult to draw implications because of the concerns about data quality<sup>9</sup>. Table 1-9 shows the poverty headcount ratios by ethnicity in 2003/04 and 2005/06. However, the considerable disparities in the indicators between 2003/04 and 2005/06 are observed despite of there being no change in poverty incidence of household headed by Kosovan Albanian and other ethnic groups across these two survey years.

On the other hand, poverty incidence for the households headed by Kosovan Serb by both absolute and food poverty lines dramatically increased from 2003/04 to 2005/06. The food poverty incidence of Kosovan Serb increased from 43.5% in 2003/04 to 81.8% in 2005/06. However, it is unlikely because of no specific factors to expand the food poverty among the Serbian households for that period<sup>10</sup>.

Table 1-9: Poverty Incidence by Ethnicity of the Household Head

Ethnicity	Food Poverty		Absolute Poverty	
	2003/04	2005/06	2003/04	2005/06
Kosovan Albanian	13.4	14.7	43.6	42.5
Kosovan Serb	8.6	43.5	34.7	81.8
Other	18.5	22.7	54.3	51.8

(Source) World Bank, "Kosovo Poverty Assessment Volume I: Accelerating Inclusive Growth to Reduce Widespread Poverty" (2007), p.20, Table 3.4

The WB poverty assessment mentioned the three hypotheses for such unusual deteriorating poverty among the Kosovan Serb households. The first is that Kosovan Serb areas have become enclaves, isolated economies. The second is that many better off Serbian households have left for the Republic of Serbia and those left behind are mostly the very poor. The third is the possibility that the data qualities from mostly Kosovan Serb statistical areas are poor because the Statistical office does not have much control over the enumerators in the Kosovan Serbareas. The estimated wage level (2002 price) by the WB poverty assessment based on the HBS data indicates no gap with the wage level between Kosovan Serb and other ethnic groups. The average wage of Kosovan Serb was 181.2 EUR per month in 2005/06, which decreased from 215.2 EUR, is almost same as the average wage of 182.0 EUR for the other groups. Therefore, the third one is quite possible to apply.

### 1.3 Inequality Indicators

#### 1.3.1 Gini Coefficient and Consumption Distribution

Gini coefficient, which measures inequality of consumption distribution among the consumption groups, vary between 0 and 1, with 0 representing an equal distribution and a higher value representing a higher level of inequality.

All the Gini Coefficient increased from 0.27 to 0.3 in Kosovo for the period between 2003/04

<sup>9</sup> The ethnic issues are very sensitive for the Government of Kosovo as well as the neighboring countries, including Serbia. Therefore, it may be difficult to collect detailed data and information related ethnicity.

<sup>10</sup> There are many discussions on whether Serbians in Kosovo are poor or not. Some development partners in Kosovo mentioned that they may not be so poor because of remittance as well as social benefits from the Serbian Government for Kosovo.

and 2005/06, which indicates a slight increase in inequality. It is mainly due to the increase in the rural inequality. While the Gini Coefficient for the urban areas remained at the same level of 0.31 over the period, the Gini Coefficient for the rural areas went up from 0.25 to 0.28.

The consumption share by consumption group also showed the deterioration of inequality in the country (Table 1-10). By decile, the population can be classified into 10 consumption groups from the top 10% group to the bottom 10% group. Since the poverty incidence of Kosovo is around 45%, the consumption groups from the bottom 10% to the bottom 50% can be considered as “the poor”. In particular, the bottom 10% can be considered as “the poorest”. The p90/p10 ratio, which is the proportion of the consumption share by the top 10% decile (p90) to the share by the bottom 10% decile (p10), expanded to 3.96 in 2005/06 from 3.33 in 2003/04.

By quartile, there are 4 consumption groups from the top 25% to the bottom 25%. The bottom 25% and the bottom 50% groups can be considered as “the poor”. The p75/p25 ratio, which is the proportion of the consumption share by the top 25% (p75) to the share by the bottom 25% (p25) (p75/p25) also expanded to 1.97 in 2005/06 from 1.89 in 2003/04.

Since the p90/p10 ratio is larger than the p75/p25 ratio, the deterioration of inequality in the country may be mainly attributed to the expansion of consumption gap between the top consumption group and the poorest. In particular, in rural areas, the gap between the top and the poorest consumption groups was considerable. The deteriorated p90/p10 ratio in rural areas, which worsened from 3.09 in 2003/04 to 3.68 in 2005/06, may lead the widening inequality in the country.

Table 1-10: Inequality Status in Kosovo

Indicator	Rural		Urban		Total	
	2003/04	2005/06	2003/04	2005/06	2003/04	2005/06
Percentile Ratio						
p90/p10	3.09	3.68	4.05	4.42	3.33	3.96
p75/p25	1.78	1.9	2.14	2.06	1.89	1.97
Gini Coefficient	0.25	0.28	0.31	0.31	0.27	0.30

(Source) World Bank, “Kosovo Poverty Assessment Volume I: Accelerating Inclusive Growth to Reduce Widespread Poverty” (2007), p.12, Table 2.3

### 1.3.2 Thiel Index

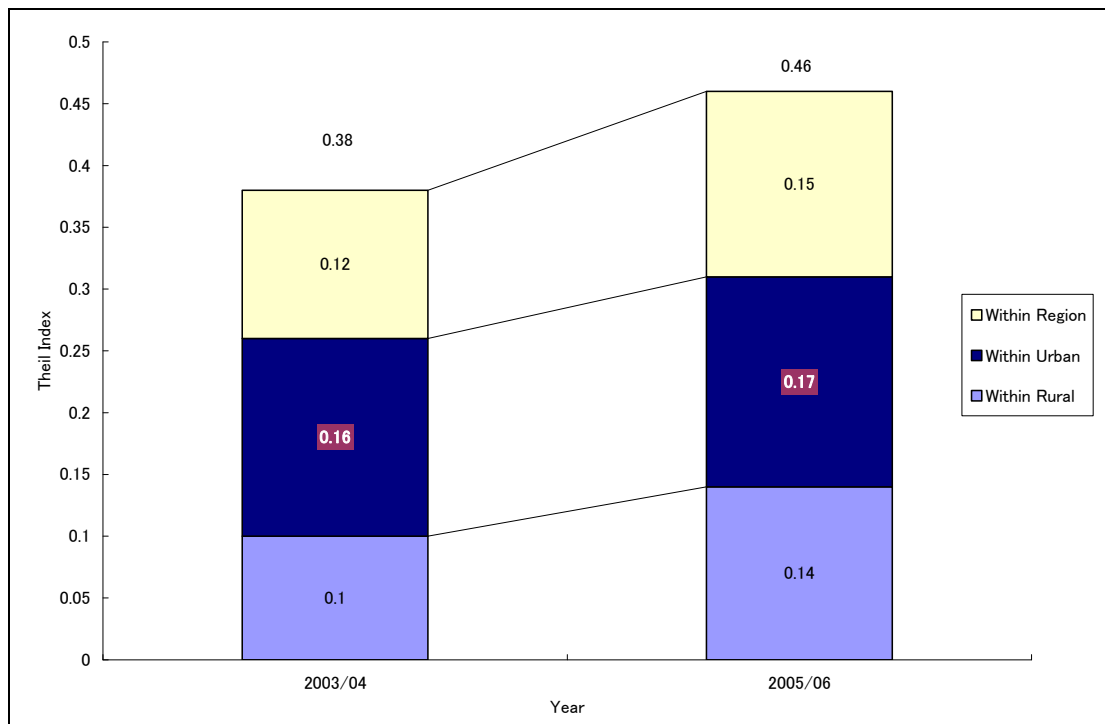
The Thiel Index (Figure 1-1) is also a inequality indicator, which shows the weighted average of inequality within subgroups as well as inequality among those subgroups. The overall Thiel Index can be disaggregated into the intra-regional (or group) and inter-regional (or group) attributions. This can serve as a helpful tool for the analysis of regional inequality as it suggests the relative importance of spatial dimension of inequality.

The overall Thiel index, which deteriorated from 0.38 to 0.45 for the same period, shows the expansion of inequality in Kosovo.

The inequality within urban areas (0.17) was the largest attribution to the overall inequality of the country. On the other hand, the inequality within rural areas was attributed to the deterioration of the overall inequality for the period from 2003/04 to 2005/06. The Thiel Index within rural areas went up from 0.1 in 2003/04 to 0.14 in 2005/06. While the inequality within urban areas slightly increased from 0.16 to 0.17, the inequality between urban and rural areas

worsened from 0.12 to 0.15. Therefore, the urban and rural gap also contributed to the deterioration of overall inequality.

The WB poverty assessment (2007) pointed out that shortfalls of income have been compensated by the remittances from family members who are migrants abroad. On the other hand, households without migrants cannot have additional income from remittances and therefore tend to have a higher poverty incidence than households with migrants. Although remittances increased the incomes of households in rural areas and may have reduced rural poverty, it may also have accelerated the differences in income levels between the better-off household receiving remittances and the worse-off households without remittances in rural areas.



(Source) World Bank, "Kosovo Poverty Assessment Volume I: Accelerating Inclusive Growth to Reduce Widespread Poverty" (2007), p.12, Table 2.3

Figure 1-1: Thiel Index (2003/04 and 2005/06)



## Chapter 2 Non-Income Poverty Analysis

### 2.1 Designated Poor Areas and Socially Vulnerable Groups by the Government

There is no officially designated poor area in Kosovo, geographically or administratively.

However, the Government of Kosovo provides social assistance benefit targeted to the poor (living below the absolute poverty line) and the extreme poor (living below the food poverty line). It was introduced in 2002 and revised in December 2003. The amount of benefit is based on the amount of the food poverty line, which is adjusted every year.

The two categories of eligibility to receive the social assistance benefit:

- Families without resources where no one is capable of work, or expected to make themselves available for work (single mothers, children under 15 years or schooling and under 18 years),
- Families with at least one child under 5 or caring for an orphan under 15 years.

Under the second category, additional members of the household who are capable of working are not eligible as they are required to register as unemployed. Furthermore, eligible families cannot possess income generating assets that exceed 0.5 hectares of land.

The eligible families can receive the amount of difference between the income and the benefit in the case they have income which should be lower than the amount of benefit. Therefore, the only families which are eligible for any one of categories above, and have income below the food poverty line, can receive the social assistance benefit.

According to the WB poverty assessment (2007), the distribution of recipients, which is beneficiary incidence, shows that the social assistance benefit program was well-targeted. By consumption quintile, the bottom 20% and the bottom 40% groups, which can be considered as “the poor”, accounted for over the 70% of the recipients of the social benefit. The simulation by WB also indicates that the poverty incidence without social benefit may be higher than the current poverty incidence. While the needs for such pro-poor social protection programs will increase, there are budget constraints to expand such social protection programs in order to meet the needs. Therefore, for prioritizing the poor, it is necessary to more well-defined targeting and more efficient management of the existing social protection programs.

Details of the social assistance program in Kosovo will be discussed in the Chapter 4.

### 2.2 Vulnerability Analysis

#### 2.2.1 Vulnerability Groups at Risk of Social Exclusion

Among the European Union (EU) member countries, “social inclusion”, rather than poverty reduction, is a main agenda to be addressed by national strategies and programs. “Social inclusion” challenges policy makers to eliminate discrimination economically, politically and socially and to integrate marginalized groups in the society.

The European Commission (EC) conducted an assessment of “Social Protection and Social Inclusion in Kosovo” (2008). In this study report, four groups are identified as “vulnerable groups” at high risk of poverty and exclusion.

### (1) Child Labor

Child labor is a major factor for social exclusion of children in Kosovo, in particular in rural areas. Traditionally, child labor has been regarded as acceptable within cultural and social norms and as a means to integrate children into family and kinship networks. However, currently, children are also exposed to many forms of paid or unpaid work in the country. According to the survey by the Ministry of Education, Science and Technology in 2006<sup>11</sup>, 89% of the respondent children declared that they know children of their age who carry out some kind of labor. 78% percent of them state that their economic situation is the main reason for child labor.

According to United Nations Children's Fund (UNICEF) Situation Analysis of Children and Women in Kosovo, 3,461 children were either suspected or victims of criminal activities between 2000 and 2004. In terms of human trafficking these are low numbers, but they have been increasing over past years. The International Programme on the Elimination of Child Labour (IPEC) reported that only 40 or so official victims of child trafficking are being supported.

Another reason for the social exclusion of children is a lack of birth certification and birth registration. Due to the lack of official certification and registration, children are excluded from social welfare provision as well as from social services such as education and health care. This affects Roma children in particular.

### (2) Women

Women in Kosovo have serious disadvantages in various dimensions. Economically, the labor participation rate of women is only 35% which is the lowest level in Europe. In addition, the unemployment rate for women is considerably higher than for men: 69% for women and 40% for men.

The educational attainment of women is also considerably lower than of men. In particular in rural areas, the backwardness of the educational level of women is serious: 26% of women aged 16-19 are considered relatively illiterate.

### (3) People with Disabilities

It is estimated that around 150,000 person with disabilities in Kosovo live in poverty, isolation and stigma. The majority of them are excluded. In general, awareness of disabilities issues is very low. Therefore, people with disabilities are often hidden away within the family home. There is a general anti-discrimination law to protect disabled persons, but its implementation is too weak to provide effective social assistance to them.

### (4) Ethnic Minorities

The issue of minorities and poverty is a critical consideration for the country although no reliable data exists. Although considerable political attention has been given to the Serb minorities, the social exclusion of other minorities, such as the Turks, Bosniaks, Gorani and the Roma, is often overlooked. In particular, the Roma are a group of people facing tremendous exclusion historically. Poverty has been inherited from generation to generation and has been exacerbated by discrimination at school, in employment and in accessing public services.

## 2.2.2 Human Development Index and Human Poverty Index

There is no updated analysis on vulnerability of the population in Kosovo after “the Human

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<sup>11</sup> The survey covered 334 school children of all ethnic groups.



Development Report Kosovo” in 2004.

The Human Development Index (HDI) measures the level of human development which is composed of multiple factors, including life expectancy at birth, adult literacy, enrollment rate, and income per capita. The higher HDI indicates the higher achievement of human development. The HDI of Kosovo in 2004 is 0.682. HDIs of other countries in the Central European region, such as Albania and Bosnia and Herzegovina as of 2007 were over 0.8. Therefore, the progress of human development in Kosovo is behind compared with those countries.

Table 2-1: HDI and HPI in Kosovo (2004)

Category	HDI	HPI-1	HPI-2
<b>Ethnicity</b>			
Kosovan Albanian	0.692	10.14	37.65
Kosovan Serb	0.715	6.70	22.77
RAE (Roma, Ashkali and Egyptian)	0.578	12.43	55.93
Others	0.680	5.72	40.87
<b>Rural/Urban</b>			
Rural	0.615	15.59	39.18
Urban	0.700	4.39	34.21
<b>Kosovo</b>	<b>0.682</b>	<b>9.66</b>	<b>36.74</b>
<b>Reference (2007)</b>			
<b>Bosnia and Herzegovina</b>	<b>0.812</b>	<b>2.8</b>	<b>16.2*</b>
<b>Albania</b>	<b>0.818</b>	<b>4.0</b>	<b>9.48**</b>
<b>Serbia</b>	<b>0.826</b>	<b>3.1</b>	<b>-</b>

(Source) United Nations Development Programme, (UNDP) “Human Development Report Kosovo 2004” (2004), Annex II, p.110, Table A1, p.111, Table A2, and p.112, Table A3, and “Human Development Report 2009” (2009)

(Note) \* HPI-2 for Bosnia and Herzegovina is a figure in 2008. (UNDP, “National Human Development Report 2009: Social Capital in Bosnia and Herzegovina” (2009))

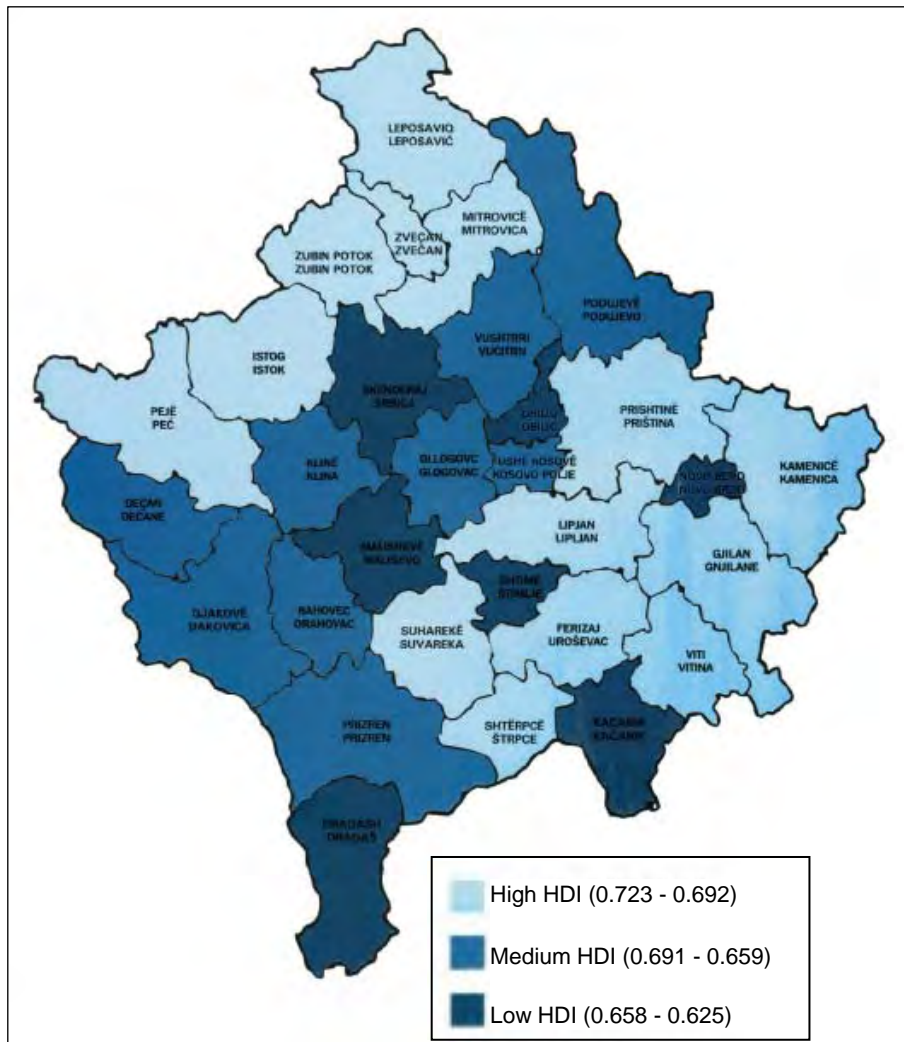
\*\* HPI-2 for Albania is a figure in 2005. (UNDP, “Pro-Poor Women Policies and Development in Albania” (2005))

The HDI of the rural areas is 0.615 which is lower than the country average, while the HDI of the urban areas reached 0.7, which is above the country average. Among the ethnic groups, there are disparities in HDI. Kosovo Albanian and Kosovo Serb people have higher HDI than the country average, but the group of Roma, Ashkali and Egyptian (RAE) has lower HDI of 0.578 which was far below the country average.

The Human Poverty Index (HPI), which measures a level of poverty from dimensions of human development. The higher HPI indicates the severe deprivation of the dimensions of human poverty. The HPI-1, which is used for measuring human poverty in developing countries, is 9.66 for Kosovo which is much higher than the neighboring countries: Bosnia and Herzegovina (2.8), Albania (4.0) and Serbia (3.1), as of 2007. The HPI-2, which is for selected OECD countries, is 36.74 for Kosovo. The HPI-2 of Kosovo is also considerably higher than Bosnia and Herzegovina (16.2 in 2008) and Albania (9.48 in 2005)

By region in the country, the HPIs of the rural area is higher than the HPIs of the urban area. As mentioned in the Chapter I, the rural poor suffer from poverty in both economic and social dimensions.

Regarding the ethnicity, the group of RAE has higher HPIs than the average as well as the other ethnic groups. For RAE, HPI-1 is 12.43 and HPI-2 is 55.93. The other ethnic groups also have higher HPI-2 of 40.87, which is higher than Kosovo Albanian (37.65) and Kosovo Serb (22.77). RAE and other ethnic groups face more severe economic and social conditions than Kosovo Albanian and Kosovo Serb.



(Source) United Nations Development Programme, "Human Development Report Kosovo 2004", p.37,

Figure 2-1: Human Development Index by Municipality

The HDI of Serbs is above Albanians, the HPI is reversed. This indicates that Serbs have higher levels of some prerequisites of development such as educational attainment.

### 2.2.3 Basic Human Needs

#### (1) Education

The analysis on education and poverty level shows that income poverty is closely related to educational level. For primary education, there is a smaller difference in the net enrollment rate between the total population and the poor. But for the secondary and the tertiary education, the net enrollment rates of the poor are lower than of the total population.

The enrollment rates by consumption quintile indicate the same tendency. As mentioned above, the 1<sup>st</sup> and 2<sup>nd</sup> quintile, which are bottom 20% and 40% consumption group, can be considered as “the poor” in Kosovo. While the difference in primary education between the lower and higher quintiles is relatively small, the lower quintiles have lower enrollment rates than the higher quintiles for secondary and tertiary education. For primary education, the enrollment rate for the 1<sup>st</sup> quintile as “the poorest” and the 4<sup>th</sup> and 5<sup>th</sup> quintiles are 83.3% and 91.5%, respectively. However, only 12.9% of the 1<sup>st</sup> quintile (“the poorest”) has tertiary education, while 27.4% of the 5<sup>th</sup> quintile does.

The fact can be interpreted in two ways. One is that the poor population has a limited access to higher education due to their financial constraints. The other one is that the limited educational attainment constrains income opportunities and becomes one of determinants of poverty. It is probable that poverty and education mutually affect on the living standards of the people.

Table 2-2: Net Enrollment Rates (2005/06)

	Primary	Secondary	Tertiary
Total	87.7	74.0	17.7
Poor	85.9	72.0	13.8
Quintile			
1st quintile (bottom 20%)	83.3	67.3	12.9
2 <sup>nd</sup> quintile (bottom 40%)	89.5	78.1	12.6
3 <sup>rd</sup> quintile (bottom 60%)	84.5	71.3	15.0
4 <sup>th</sup> quintile (top 40%)	90.1	72.4	18.3
5 <sup>th</sup> quintile (top 20%)	91.5	81.0	27.4

(Source) World Bank, “Kosovo Poverty Assessment Volume I: Accelerating Inclusive Growth to Reduce Widespread Poverty” (2007), Appendix B. p.50-51, Table B25, B.27 and B.28

## (2) Basic Service

Access to basic services is another dimension to analyze poverty in terms of living standards.

In terms of access to electricity, there is no significant gap between the total population and the poor population, nor is there any difference between the consumption quintiles. 97.5% of the poor had access electricity while 97.9% of the entire population did. The share of population with access to electricity by the 1<sup>st</sup> and 2<sup>nd</sup> quintiles were 96.8% and 98.1%, respectively, whereas 99.4% of the 5<sup>th</sup> quintile group had access to electricity. Also there is no significant difference in access to electricity between the urban and the rural areas. The share of rural population with access to electricity was 97.1% which is almost same level of the country. By consumption quintile in rural areas, there is no significant difference between the top and the bottom quintile: 95.9% for the 1<sup>st</sup> quintile (bottom 20%) and 98.9% for the 5<sup>th</sup> quintile (top 20%). However, in HBS, “access to electricity” is defined by the percentage of people living in dwelling with electricity, which does not necessarily mean that the people always have stable electricity. As the WB poverty assessment pointed out, there are well-known problems of inadequate power supply, in particular, during periods of peak demand. Therefore, there is possibility that quality of life may be harmed by unstable power supply in some regions.

Regarding access to water, there are larger disparities between the total population and the poor and among the consumption quintiles. While 83.9% of the total population lives in dwellings with an indoor water tap, only 75.5% of the poor have access to indoor tapped water within their

dwellings. At the same time, 96% of the 5th quintile (top 20%) has access to water, while less than 70% of the 1st quintile (bottom 20%) has access to water. In addition, the rural population has limited access to indoor tapped water within their dwellings. Only 69.4% of the rural poor population lives in dwellings with an indoor water tap. The percentage of the 1<sup>st</sup> quintile of the rural areas with access to tapped water is even lower: only 61%. The WB poverty assessment also pointed out the differences in the quality of water supply between rural and urban areas, due to bacteriological or chemical contamination.

Considering those facts, income poverty may constrain access to basic services, in particular, safe water, which affect health status of the people. In other words, the poor population, especially in the rural area, suffers from the worse living conditions that the country average.

Table 2-3: Access to Basic Services (2005/06)

	Access to Water*		Electricity**	
	Total	Rural	Total	Rural
Total	83.9	77.8	97.9	97.1
Poor	75.5	69.4	97.5	97.1
Quintiles				
1st quintile (bottom 20%)	69.7	61.0	96.8	95.9
2 <sup>nd</sup> quintile (bottom 40%)	77.7	73.6	98.1	98.2
3 <sup>rd</sup> quintile (bottom 60%)	87.5	83.0	98.5	97.9
4 <sup>th</sup> quintile (top 40%)	88.2	82.6	96.6	94.9
5 <sup>th</sup> quintile (top 20%)	96.3	93.5	99.4	98.9

(Source) World Bank, "Kosovo Poverty Assessment Volume I: Accelerating Inclusive Growth to Reduce Widespread Poverty" (2007), Appendix B. p.52-53, Table B29, B.30 and B.31

(Note) \* Access to safe water is defined by the percentage of people living in dwellings with indoor water tap

\*\* Access to electricity is defined by the percentage of people living in dwelling with electricity

## Chapter 3 Explanatory Factors of Poverty in Kosovo

### 3.1 Domestic Factors

The Government of Kosovo is developing a series of National Strategies, although a comprehensive national development strategy has not yet been developed. The Government of Kosovo established an Economic Strategy and Project Identification Group (hereinafter referred to as ESPIG) with key donors and ministries for the preparation of the development strategy. First of all, they started preparing a nation-wide population census planned 2011, followed by further work to establish a solid basis for all economic statistics and analysis<sup>12</sup>.

#### 3.1.1 National Development and Public Expenditure

In this section, the implementation of government finance will be reviewed mainly according to Program of the Government of Republic of Kosovo 2008-2011, Midterm Expenditure Framework 2010-2012, the Budget of the Republic of Kosovo for the year 2010, and other economic statistics provided by the Statistical Office of Kosovo (SOK).

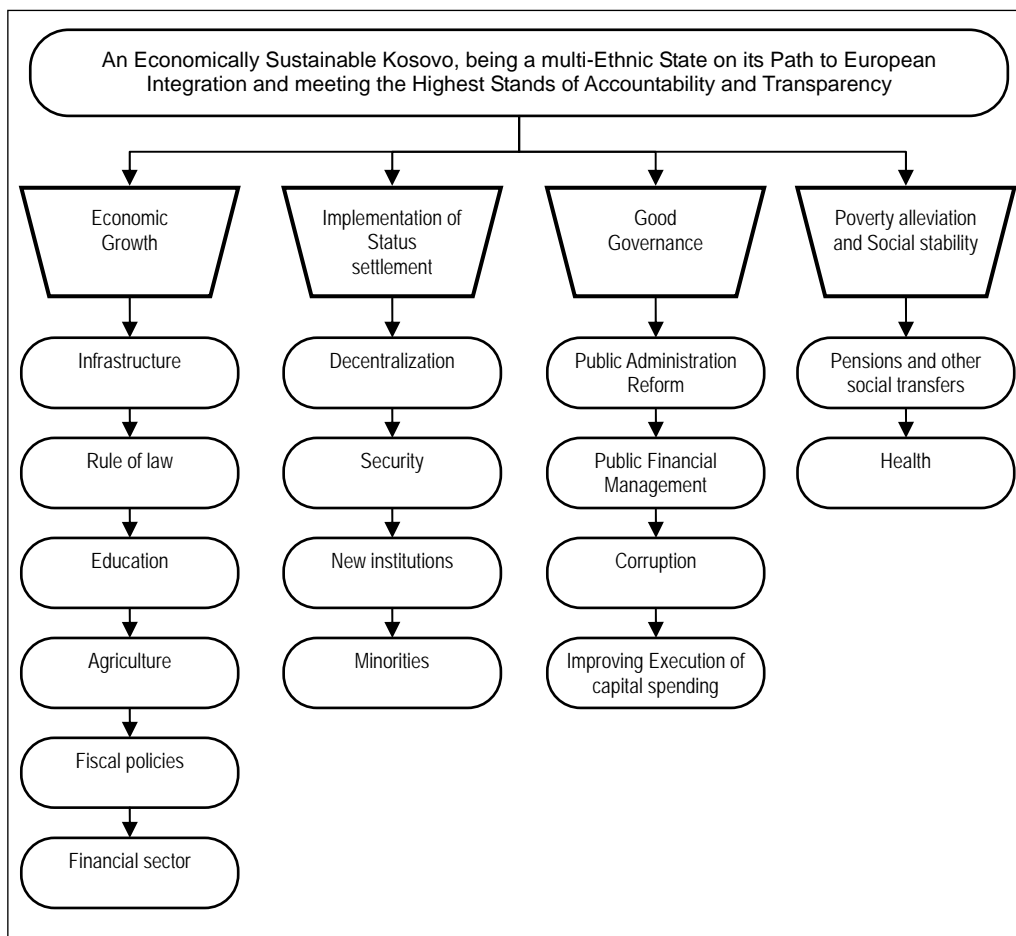
The government has four pillars for prioritized areas in the Program of the Government of Republic of Kosovo 2008-2011:

- 1) Economic Growth,
- 2) Status Implementation,
- 3) Good Governance, and
- 4) Mitigation of Poverty and Social Stability.

Among these priorities, the government especially focused on economic development so that it will decrease the level of unemployment, improve social conditions and mitigate poverty. In order to achieve these, an increase in productivity is the first issue to be solved through investments in the energy sector, physical infrastructure, especially roads and railways, education, rule of law, the development of the financial market and fiscal policies. In addition, the government aims at the improvement of pensions and other social transfers and the health system, in order to mitigate poverty and assure social stability.

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<sup>12</sup> For further information on development of the national strategy, please refer to “Towards a Kosovo Development Plan – The state of the Kosovo economy and possible ways forward-”, ESPIG Policy paper No.1, Pristina, August 2004



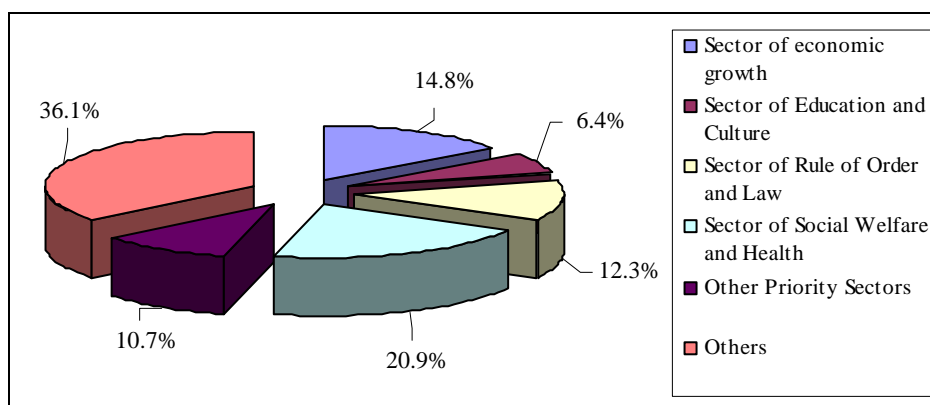
(Source) Ministry of Economy and Finance, “Midterm Expenditure Framework 2010-2012”, p.7

Figure 3-1: Policy Priorities in Kosovo

In accordance with these priorities, the government determined the allocation of the budget and it presented the midterm expenditure framework as shown in Appendix 2.

The budget for priority sectors accounts for around 65% out of total budget from 2010 to 2012. Out of which, sector of economic growth including the education sector makes up 16%, and the sector of social welfare and health makes up 22%. The budget for poverty reduction and the social sector such as education, social welfare and health will account for more than a third if the budget is executed as planned (Figure 3-2).

In Kosovo, the budget for the municipalities is 285 million EUR in 2010, of which 230 million EUR is the central fiscal transfer and 50 million EUR are own resources. The general grant can be used at the discretion of the local authorities.



(Source) Study Team calculation based on MTEF2010-2012

Figure 3-2: Budget Proportion from 2010 to 2012 by Priority Sector

For the compensation of fiscal deficit and the stabilization of macro economy, the Government of Kosovo requested International Monetary Fund (IMF)<sup>13</sup> for a Stand-By Arrangement (SBA), negotiated in May 2010 and concluded the loan agreement in July 2010. In the process of the negotiation with IMF on SBA, the Government of Kosovo was required to reduce the budget for 2010 as a part of the conditionality. The final revised budget is not disclosed yet, but according to the officials in Ministry of Economy and Finance<sup>14</sup>, the major project of the government is to build a new highway to Albania, costing an estimated 1 billion EUR. This highway project is very important for Kosovo society from the aspects of job-creation and income-generation. Thus the Government of Kosovo considers it is inevitable for the project to secure the budget. In addition a pay increase has been agreed for public sector workers. The government aims to preserve spending on education, health and agriculture. The burden of the cuts will therefore fall on other ministries, including other areas of transport such as local roads maintenance.

In terms of budget for social welfare, over 75% of the social protection system is devoted to pensions (as will be described in detail in Chapter 4) and social assistance benefits, according to the Poverty Assessment done by the WB. Table 3-1 shows the evolution of total benefits based on disbursement amounts.

Table 3-1: Total Disbursement of Pension and Social Assistance Program

Indicator	(thousand EUR)					
	2002	2003	2004	2005	2006	2007
<b>Pension</b>						
Official figures		49,495	61,572	84,711	86,268	89,450
HBS estimates		67,799	68,277	70,052	72,788	
<b>Social Assistance</b>						
Official figures	32,293	32,217	32,480			
HBS estimates	19,615	26,323	34,880	33,048		

(Source) World Bank, "Kosovo Poverty Assessment Volume I: Accelerating Inclusive Growth to Reduce Widespread Poverty" (2007), p.28, Table 4.1

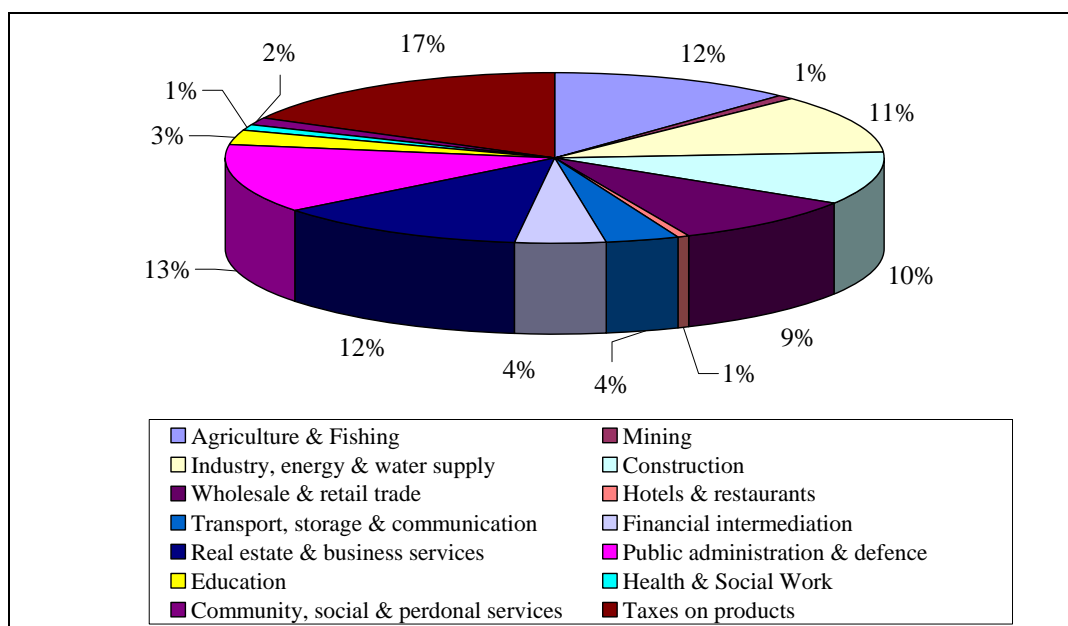
<sup>13</sup> Kosovo became the IMF's 186th member in June 2009.

<sup>14</sup> Interview with Director of Budget Department, Ministry of Economy and Finance, dated on June 4th, 2010

There are two types of financial flows regarding the budget for the education sector and the health sector: one goes directly from Ministry of Education or Ministry of Health to municipalities in the form of budget allocation and the other goes to municipalities in the form of grant from the government. One tenth (10%) of the budget is allocated to the municipalities, and in addition there is an education grant and a health grant. The education and health grants themselves must be spent on those two sectors.

### 3.1.2 Industrial Structure and Employment

As of 2007, the largest proportion to GDP was public administration and defense sector (13.2%). In the economy sector excluding public administration and defense, real estate and business services is large with 12.4%, followed by agriculture sector (12.0%), industry, energy and water supply (11.2%) and construction sector (10%).



(Source) World Bank, "Kosovo: Unlocking Growth Potential: Strategies, Policies, Actions" (2010), p.4, Table 3

Figure 3-3: GDP share by sector (2007)

Looking at the employment, the total number of the employees in 2005 was 72,185 persons (Table 3-2). The following sectors, agriculture, forestry, fishing, finance and public administration are not included in this figure so that it does not cover all of the economic sectors.

In terms of structure of the employees by economic activities (Table 3-2), the largest part accounts for trade sector with 26.7%. The trade sector in Kosovo is characterized by a large number of small enterprises with a small number of the employees, and they are mainly family businesses with only one person employed<sup>15</sup>. The average monthly salary of the trade sector is 279 EUR, at the same level of the average monthly salary in total (281 EUR). Regarding the poverty headcount ratio by sector, the ratio of the self-employed workers in the trade sector is 37.5% and it can be said that the poverty risk is not so high for the workers in the trade sector.

<sup>15</sup> SOK, 2008, Economic Statistics – Structural Business Survey 2005, p.11



Table 3-2: Number of the employees and average monthly salary by economic activities

Activity	No. of the employees	%	Wages and salaries (in '000 EUR)	Monthly average salary
Mining	3,798	5.3	8,551	188
Industry	8,149	11.3	19,548	200
Energy	9,858	13.7	44,093	373
Construction	5,792	8.0	14,435	208
Trade	19,253	26.7	64,393	279
Hotels and restaurants	9,420	13.0	17,635	156
Transport, post and telecommunications	7,857	10.9	52,461	556
Businesses services	4,857	6.7	11,657	200
Other services	3,201	4.4	8,117	211
Total	72,185	100.0	240,890*	281

(Source) Statistical Office of Kosovo, "Economic Statistics – Structural Business Survey 2005" (2008), p.11 and 12

(Note) \*: According to the statistical data from SOK, this figure is EUR 243,530,000.

Turning next to the average salary<sup>16</sup>, the highest is in transport, post and telecommunication and the lowest in hotels and restaurants. The gap between the highest average salary and the lowest is more than 3.5 times. The average monthly salary in the mining sector is low level with 188 EUR and it can be considered that the wage level may affect the poverty risk.

The wage level of per-diem workers that is the highest poverty headcount ratio among all groups by employment status fell much below the average in total and it was 153.5Euro in 2005/06. Moreover, real mean monthly wages reported by wage earners in the household remained unchanged between 2002/03 and 2005/06 while the average wage in the per-diem workers drastically decreased. As the sample is limited<sup>17</sup>, there is controversy whether these data reflects accurately the actual status but it could be a factor of high poverty headcount ratio of the per-diem workers that their wage level is far below the average wage in total.

Table 3-3: Real mean monthly wages of per-diem workers

(EUR)

	2002/03	2003/04	2004/05	2005/06
Total	218.4	214.7	219.0	209.4
Per-diem worker	215.5	227.6	168.1	153.5

(Source) World Bank, "Kosovo Poverty Assessment Volume I: Accelerating Inclusive Growth to Reduce Widespread Poverty" (2007), p.5, Table 1.4

Regarding the relation between employment status by education level (Table 3-4), the employment status differ depending on the education level completed. Around 70% of people with vocational and tertiary education are salaried employees, which poverty incidence is relatively low at 35.8%. 43.8% of people with primary education and 55.2% with uncompleted primary education are housekeepers, which poverty incidence is high at 53.6%. This shows that the lower educated have higher risk of poverty incidence because they have less pay.

The unemployed accounts for 41.1% in secondary education and 32.1% in primary education,

<sup>16</sup> It is calculated by dividing the gross salaries, which is considered the part of pension that the owner pays for the employee, and daily pays for entire year, for the employed number and 12 months of the year.

<sup>17</sup> For example, the samples for the per-diem workers in 2002/03 were 60 and 243 in 2005/06.

and its is higher in comparison with tertiary educated individuals. The poverty incidence of the unemployed is high at 58.6%. Therefore, it indicates that the individuals with lower educated than secondary education have high risk of unemployment, so that hey have high risk of poverty.

Table 3-4 Employment and Education (2005/06)

	(%)				
	Uncompleted primary	Primary	Secondary	Vocational	Tertiary
Employer	0.3	0.1	1.4	1.1	3.6
Salaried employee	3.0	6.2	27.7	70.6	69.0
Subsistence farmer	3.6	7.0	5.6	2.4	1.1
Per-diem worker	1.8	3.9	4.3	1.6	1.3
unemployed	16.9	32.1	41.1	15.1	16.6
housekeeper	55.2	43.8	10.3	2.6	1.0
Other	19.2	6.8	9.7	6.6	7.3
Total	100	100	100	100	100

(Source) World Bank, "Kosovo Poverty Assessment Volume I: Accelerating Inclusive Growth to Reduce Widespread Poverty" (2007), p.20, Table 3.3

### 3.1.3 Agriculture Productivity

According to the WB poverty assessment (2007), the agriculture is a key economic sector for rural households, though it is not sure how large a fraction of the poor in the country lives in rural areas.

As of 2004, the share of the agriculture sector accounted for 25% of the total Gross Domestic Product (GDP) and 16% of the total value of exports, and 25 - 35% of the total employment. However, according to the latest WB report<sup>18</sup>, the GDP share of agriculture reduced to 12% in 2007 (Figure 3-3). Sluggish agriculture growth is partly because of the war damage such as destruction of infrastructure, machinery and livestock and loss of traditional export markets.

Although the total size of cultivated land remained stable, the low productivity of agriculture hampered its growth. The low productive agriculture is associated with the small size subsistence-based farming and absence of advisory services.

According to the WB Poverty Assessment, the poverty incidence of farmers is 42.6%, at the same level of total poverty incidence. However, it does not mean the income of farmers is higher than groups engaged on other sectors with high poverty incidence. As mentioned before, more than 70% of the households with remittance live in rural area. It indicates that it is difficult to earn a living only by their agricultural income. In fact, the poverty incidence of the household with remittance in rural area is low at the 20% level. It is highly possible that these households push the total poverty incidence in rural area down. Therefore, the economic growth through improvement of agricultural productivity is a key issue for poverty reduction in rural area.

Land ownership can be a determinant of poverty. According to the Agriculture Household Surveys in 2004 and 2005, around 65% of farms may have less than 3 hectares. Most of smaller farmers reported that 70% of their agriculture outputs are devoted to their household needs. According to the WB poverty assessment (2007), the poverty incidence of landless was

<sup>18</sup> World Bank, "Kosovo: Unlocking Growth Potential: Strategies, Policies, Actions" (2010)

64% in 2005/06 while 47.8% of the land owner lived below the poverty line. The individuals without land in rural area have very high risk of poverty, while even if they have land, where productivity is low and they can run only subsistence farming, their poverty risk is also high.

## 3.2 Geopolitical Factors

### 3.2.1 Labor Migration and Remittance

There are three phases in trends of emigration from Kosovo to other countries, in particular European countries, since 1990s.

The first wave of emigration in 1990s<sup>19</sup> was caused by security reason in Kosovo or former Yugoslavia. The emigrants, who were forced to move to outside of countries, were treated as refugees at that time. They themselves did not have strong intention to send money back home in Kosovo.

In the second phase, when the major combat operation occurred over the independence of Kosovo, however, the emigrants had intention to work abroad and almost exclusively remitted. As the security situation in Kosovo has been stable and European countries started to assist Kosovo's development, many emigrants chose to return and/or repatriated to Kosovo and regular migration became severely restricted.

Now, in the third phase, a few emigrants have chance to live abroad through family reunion scheme.

The number of migrants from Kosovo is estimated at around 400,000<sup>20</sup>. Approximately 71.3% of the migrants are from rural area and 28.7% from urban areas. Most of the migrants (99%) are ethnic Albanians reflecting the demographic position. Regionally, there are many migrants from Mitrovica, Prizren and Gjakove and the proportions are 20.6%, 18.1% and 17.1%, respectively (Table 3-5).

Table 3-5: Migration and Remittances (2005)

Indicator	Kosovo	Migrant	Remittances
Poverty Incidence	37.2	30.4	29.8
% of population	100	25.9	21.4
<b>Urban/Rural Distribution</b>			
Urban	36.2	28.7	27.6
Rural	63.8	71.3	72.4
<b>Ethnic Area Distribution</b>			
Kosovo Albanian area	96.0	99.0	99.1
Kosovo Serb area	4.0	1.0	0.9
<b>Regional Distribution</b>			
Gjakova	11.5	17.1	15.5
Cjilani	12.0	10.2	12.4

<sup>19</sup> There was an earlier wave during the 1970s and 1980s when Kosovers from former Yugoslavia went to work abroad without the restrictions currently imposed on them, i.e. they did not need a visa at that time.

<sup>20</sup> World Bank, "Kosovo Poverty Assessment Volume I: Accelerating Inclusive Growth to Reduce Widespread Poverty" (2007), pp.31-32

<b>Indicator</b>	<b>Kosovo</b>	<b>Migrant</b>	<b>Remittances</b>
Mitrovica	15.1	20.6	20.4
Peja	11.2	13.2	11.3
Prizreni	15.7	18.1	20.1
Prishtina	23.3	13.2	12.2
Ferizaji	11.2	7.6	8.1
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

(Source) World Bank, "Kosovo Poverty Assessment Volume I: Accelerating Inclusive Growth to Reduce Widespread Poverty" (2007), p.32, Table 4.4 and Appendix D, TableD.1

The impact of the remittance on poverty will be mentioned in chapter 4.

### 3.2.2 Displaced Persons and Internal Displaced Persons (IDPs)

The displaced persons from Kosovo live in Serbia, Montenegro and Macedonia. There are 1,722 displaced persons living in Macedonia, mainly from RAE communities. A further 11,000 displaced persons live in Montenegro. The numbers living in Serbia are disputed. According to United Nations High Commission for Refugees (UNHCR), there are around 200,000. In 1981, 10% of the population of Kosovo was ethnic Serb. Now it is estimated that there are just 100,000 Serbians living in Kosovo (perhaps 5% of the population)<sup>21</sup>.

The displaced persons started to return just after the end of fighting in 1999. As of the end of May 2010, 196,211 persons had returned to Kosovo. More than half of the displaced persons came back from Germany (43.2%) and Switzerland (17.5%) in cumulative total. According to the survey conducted by United Nations High Commission for Refugees (UNHCR) in mid 2005, there were 19,488 IDPs within Kosovo territory<sup>22</sup>.

The main problem according to the Ministry of Communities and Returns is employment. Only a small number of returnees has a job. Returnees are assisted with an assistance package, basic housing reconstruction assistance, six months of food items, basic furniture sets, a cash grant of 2,000 EUR, training in business start-up, and a job-placement scheme. However, many returnees do not trust the private sector to retain them in employment after the job subsidy comes to an end. They therefore prefer to get a job in the public sector. In some areas, returnees get their former land back, but in many areas they do not have access to their land as it is occupied by Albanians and they cannot recover their livelihoods<sup>23</sup>.

<sup>21</sup> Interview with Ministry of Communities and Returns on June 7, 2010

<sup>22</sup> The figure is estimated by UNHCR.

<sup>23</sup> Interview with Ministry of Communities and Returns on June 7, 2010

Table 3-6: Returnees by sending countries

Sending Country	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010 (end of May)	Cumulative Total	total %
Albania	7,937	0	0	0	2	5	0	0	0	0	0	0	7,944	4.0
Australia	3,450	192	0	2	0	0	0	0	0	0	0	1	3,645	1.9
Austria	3,435	1,323	111	3	0	5	69	408	515	388	628	202	7,087	3.6
Belgium	1,099	2,896	156	176	125	133	101	63	63	72	79	124	5,087	2.6
Bosnia & H.	2,545	0	0	0	0	0	0	0	0	0	0	62	2,628	1.3
Bulgaria	13	0	0	5	1	0	0	0	0	0	0	0	19	0.0
Canada	1,787	445	178	0	0	0	0	0	0	0	0	0	2,410	1.2
Croatia	746	53	0	12	56	63	0	0	0	0	0	0	930	0.5
Czech R.	863	8	2	0	1	1	0	5	2	1	1	2	886	0.5
Denmark	1,278	1,024	77	31	29	13	0	0	0	0	0	0	2,452	1.2
Finland	422	287	22	3	1	1	6	3	2	12	4	12	775	0.4
France	2,517	528	3	0	0	0	0	0	0	0	27	57	3,132	1.6
FYROM	5,688	341	240	54	29	0	0	0	0	2	0	0	6,354	3.2
Germany	18,408	55,140	4,756	1,810	1,567	947	758	418	263	197	272	140	84,676	43.2
Greece	0	0	0	0	0	0	0	0	1	0	0	0	1	0.0
Hungary	404	66	20	27	28	15	115	142	125	131	250	131	1,454	0.7
Iceland	31	8	0	0	0	0	0	0	0	0	0	0	39	0.0
Ireland	307	736	0	0	3	3	1	2	0	2	1	0	1,055	0.5
Israel	200	0	0	0	0	0	0	0	0	0	0	0	200	0.1
Italy	0	325	29	13	7	17	31	5	7	1	2	0	437	0.2
Japan	0	5	0	0	0	0	0	0	0	0	0	0	5	0.0
Luxemburg	194	203	0	0	0	0	0	0	0	16	15	15	443	0.2
Lithuania	0	0	1	0	0	0	0	0	0	0	0	0	1	0.0
Malta	109	0	0	0	0	0	0	0	0	0	0	0	109	0.1
Montenegro	992	0	0	0	0	0	0	0	0	0	0	0	992	0.5
Netherlands	2,687	681	86	207	141	151	86	49	19	15	14	9	4,145	2.1
New Zealand	15	19	0	0	0	0	0	0	0	0	0	0	34	0.0
Norway	3,664	1,705	1,114	67	113	99	41	33	62	106	175	76	7,255	3.7
Poland	749	28	0	0	0	0	0	0	0	1	0	0	778	0.4
Portugal	1,009	17	0	0	0	0	0	0	0	0	0	0	1,026	0.5
Romania	88	0	0	0	0	0	0	0	0	0	0	0	88	0.0
Slovakia	115	7	19	1	0	0	0	16	1	0	3	0	162	0.1
Slovenia	1,360	0	0	0	0	0	0	0	0	0	0	0	1,360	0.7
Spain	1,031	53	0	0	0	0	0	0	0	0	0	0	1,084	0.6
Sweden	1,555	1,137	9	0	0	0	0	0	0	0	0	78	2,779	1.4
Switzerland	15,997	17,249	26	108	313	98	102	106	113	62	91	52	34,317	17.5
Turkey	2,137	50	11	0	5	0	0	0	0	0	0	0	2,203	1.1
UK	1,426	2,008	129	102	109	139	175	133	101	62	43	8	4,435	2.3
Uruguay	0	0	0	0	0	4	0	0	0	0	0	0	4	0.0
USA	2,898	882	0	0	0	0	0	0	0	0	0	0	3,780	1.9
Total	87,156	87,416	6,989	2,621	2,530	1,694	1,485	1,383	1,274	1,068	1,667	928	196,211	100.0

(Source) International Organization of Migration (IOM) Pristina/ Kosovo: Comparative Statistics of AVR (assisted voluntary returns) Returnees by Sending Countries

### 3.3 Factors related to Globalization

#### 3.3.1 Impacts of the world recession

The global recession affected a limited part of the Kosovo economy and did not directly affect the poverty status in the country.

The country is fairly isolated from the world economy, with low exports and limited Foreign Direct Investment (FDI), most of which was financed by the Kosovo Diaspora. In addition banks are financed entirely from domestic deposits and they are not active in the international financial market so that it shows no significant effect of the recent trend in the international financial market on the banks.<sup>24</sup>

<sup>24</sup> Banks were sending money out of the country, so the Central Bank issued a new regulation that foreign banks could only remit a maximum of 50 million EUR to their 'mother' banks in Austria and other countries.

However, the remittances to Kosovo from workers abroad and emigrants are influenced by global economic crisis. Remittances to Kosovo declined by 16% in 2008 over the previous year. However, there is no evidence that those workers and emigrants are forced to be deported because of the economic crisis. Emigration from Kosovo is more stable from the aspects of number as well as status in the countries where they emigrated. It has a longer history from the period of the former Yugoslav state. About 80% of the Kosovo emigrants in Germany and Switzerland have citizenship status<sup>25</sup>.

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<sup>25</sup> Emigration was forbidden from Albania under the communist regime and migration from Albania to Greece in contrast has a temporary nature. (Interview with the World Bank on June 7, 2010)

## Chapter 4 Mechanism of Social Protection

### 4.1 Formal Public Social Security System

At present, Kosovo does not have the full range of social security schemes. There is no unemployment insurance scheme, maternity benefits scheme or family benefits scheme for children.

An important feature of the social security system in Kosovo is the existence of parallel institutions for the Kosovo Serb minority for the provision of health services, education services and social security, financed from Belgrade.

#### 4.1.1 Pension

<b>Target/Eligibility</b>	<ul style="list-style-type: none"> <li>■ First pillar: elderly over 65</li> <li>■ Second pillar: all employed persons</li> <li>■ Third pillar – no restrictions</li> </ul>
<b>Scheme</b>	<ul style="list-style-type: none"> <li>■ Three pillar system. First pillar is publicly managed non-contributory flat-rate scheme; second pillar is privately managed, compulsory contribution, defined benefit scheme; third pillar is supplementary voluntary scheme.</li> </ul>
<b>Responsible Organization</b>	<ul style="list-style-type: none"> <li>■ First Pillar - Supervising: Ministry of Labor and Social Welfare; Implementing Agency: Department of Pension Administration, Ministry of Labor and Social Welfare</li> <li>■ Second Pillar - Supervising Tax Administration; Implementing: Kosovo Savings Pension Trust</li> <li>■ Third Pillar - Supervising: Central Bank of the Republic of Kosovo; Implementing: Enterprises</li> </ul>
<b>Source of Fund</b>	<ul style="list-style-type: none"> <li>■ First Pillar: Government budget</li> <li>■ Second Pillar: Contributions on wages and salaries</li> <li>■ Third Pillar: Voluntary contributions</li> </ul>
<b>Coverage</b>	<ul style="list-style-type: none"> <li>■ All people aged over 65 receive the basic flat rate state pension; the second pillar covers 58% of the working population</li> <li>■ For the distribution of the basic state pensions by income group, and by region (rural/urban), see table 4.3 below.</li> </ul>

Pension reform was the subject of the first law approved by the first post-war Kosovan parliament that was elected in July 2002<sup>26</sup>. Although Kosovo has a favorable ratio between the working age population and pensioners, there is an unfavorable ratio between pension contributors and pensioners because of the high rate of unemployment estimated at about 50%. Although the share of those older than 65 years in the overall population is relatively low at 6%, future demographic change will place increased pressure on the pension system.

The WB and United States Agency for International Development (USAID) have assisted the provisional Kosovo government in setting up a three pillar pension system.

#### First Pillar

The first pillar is a publicly-managed non-contributory scheme. It provides a flat rate pension of 40 EUR to all citizens resident in Kosovo aged over 65, equivalent to 16% of the average monthly wage, financed out of the government budget. This basic pension scheme is administered by the Pension Administration, which is under the authority of the Ministry of

<sup>26</sup> Regulation 2001/35 “On the Pension System in Kosovo” provides the basic legislative framework of the current pension system in Kosovo. This regulation was amended in 2005 by Regulation 2005/20.

Labor and Social Welfare. In December 2008, a total of 138,847 persons – or 6.4 per cent of the population – received this benefit.

Table 4-1: Pensioners receiving basic state pension

Indicator	2006	2007	2008
Number of pensioners	127,356	131,875	138,847
Pensioners/population	6.06	6.19	6.42
Budget transfer (% GDP)	2.0	1.9	1.8

(Source) International Labour Organization (ILO), “Profile of the Social Security System in Kosovo (within the meaning of United Nations Security Council (UNSC) Resolution 1244 [1999])” (2010), p. 23, Table 8

The basic pension has not been indexed and remains the same since 2004, and consequently the real value has fallen from 32% of GDP per capita in 2006 to 29% of GDP per capita in 2008.

Table 4-2: Amount of Basic Pension and Expenditure

Indicator	2006	2007	2008
Basic pension (EUR/year)	480	480	480
GDP per capita (EUR/year)	1,520	1,612	1,674
Pension/GDP per capita	32%	30%	29%

(Source) ILO “Profile of the Social Security System in Kosovo (within the meaning of UNSC Resolution 1244 [1999])” (2010), p. 22, Table 7

A basic invalidity pension of 45 EUR per month is paid to totally disabled people between 18 and 64 years of age, who do not receive a veteran’s pension or social assistance benefits. In April 2009, 0.9% of the population received this benefit.

An additional pension scheme (the ‘Favourable Pension Insurance Scheme’) was introduced in 2008 which provides an additional 35 EUR per month for those over 65 years of age who can prove that they had been pensioners or paid contributions for at least 15 years under the former Yugoslav system. It is estimated that nearly 20% of all old-age pensioners were in receipt of this pension in January 2009.

A further additional pension scheme for members of the Kosovo Protection Corps (TMK) was introduced in January 2009, funded by transfers from the general budget of Kosovo. The eligibility conditions for receiving benefits are: (i) reaching 50 years of age (early retirement from 45 years of age), (ii) at least five years’ service in the TMK and (iii) being an active member of the TMK when the TMK dissolution law came into force. The pension is 70% of the average net wage over the previous three years (the early retirement pension is 50%). Following the death of a pensioner, survivor’s pensions are 60% of the pension amount for spouses and 20% for children. In April 2009, the average monthly benefit was 168 EUR.

In 2004, a provisional scheme was introduced for the workers who had been laid off from the Trepça mining complex at the end of the Kosovo war in 1999<sup>27</sup>. Recipients must be (i) aged

<sup>27</sup> The Trepça mining complex was once the largest company in Kosovo and was one of the largest producers of lead and zinc in former Yugoslavia. Its physical assets are located in northern Kosovo, some in the Serb inhabited northern Mitrovica area, and some in the Albanian inhabited southern Mitrovica area. At its peak in 1998 it employed about 23,000 workers, but by 1995 employment had fallen to 7,000, and is today just 2,500. The company is under state ownership, but the ownership is disputed by Serbia which claims ownership over the company. A large investment would be needed to restore the mine which has the potential to support employment and the local economy in Mitrovica.



between 50 and 65 years, (ii) have worked for the enterprise for 10 years or more, (iii) not currently employed or self-employed and (iv) not receiving other social assistance. The benefit amount is 80 EUR per month, and is co-financed by the general budget (50 EUR) and by enterprises (30 EUR). Benefit ceases when the recipient reaches 65 years of age. In April 2009, around 4,100 persons received benefits from the scheme.

### Second Pillar

The second pillar of the pension system was introduced in August 2002 for public sector employees and workers in socially-owned enterprises, and was extended to all workers in 2003. As a fully funded system, the savings in individual accounts are invested.<sup>28</sup> Currently there are 291,000 active members, of which 13,700 are of Serbian ethnicity, the majority being Albanian. Workers' individual pension accounts are administered by the Kosovo Pension Saving Trust (KPST)<sup>29</sup>. There has been an annual increase of 12% in the inflow of contributions, partly due to improved tax administration. Tax rates have fallen, and so many firms have been attracted into the formal economy from the informal sector, leading to an increase in contribution payments.

The second pillar is a defined-contribution scheme which is fully funded through a 5% payroll contribution on gross wages of employees, and a 5% contribution from employers. The replacement rate on full contributions over a 40 year payment history is expected to be about 80%, assuming a 4% return on investment. An employee on average wages would contribute about 20 EUR per month. This is not enough to guarantee a satisfactory pension, significantly above the basic state pension of 40 EUR per month. Employees may opt to increase their contribution to 15%. The collection of contributions is carried out by the Tax Administration through the banking system and the scheme therefore has low management costs. Public sector employees make regular contributions, but the contributions from the private sector are not always paid and in 2009 about 16,000 people stopped contributing to the scheme. Private sector employers sometimes declare only the minimum wage in order to reduce their contributions, a practice which will adversely affect future pensions of their employees. Self-employed persons can also contribute to the scheme, paying 7.80 EUR per month.

The second pillar pension scheme is not comprehensive, and various social groups are under-represented. Women are under-represented in the second pillar pension scheme, as only 28% of the contributors are female<sup>30</sup>. Relatively few migrant workers contribute to the second pillar pension scheme, as they usually have better pension options in the countries where they work. Serbian employees working in parallel Serbian government institutions in the ethnic enclaves in Kosovo, such as local administrations, schools, and hospitals, are paid from the Serbian government budget, and are therefore not members of the second pillar pension scheme<sup>31</sup>. Since there is a large informal economy, many workers whose employers are not

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<sup>28</sup> The collection of contributions started on August 2002 and all the funds have been invested abroad since March 2003.

<sup>29</sup> Opened in August 2002 for employees of government, state and socially-owned enterprises, this was become mandatory for all workers in 2003. The Board of Governing the Kosovo Pension Saving Trust has 7 members, 4 professionals, 1 representative of the Employers, (Chamber of Commerce), 1 representative of the Employees, (Union of the Independent Trade Unions), and 1 from United Nations Interim Administration Mission in Kosovo (UNMIK).

<sup>30</sup> A higher proportion among the under 30 years old (33%)

<sup>31</sup> This scheme was established in 2003, and pays salaries that are 50% higher than salaries for equivalent work in Serbia. For example a teacher in a Serbian school in Kosovo may receive about 600 EUR per month, compared to a teacher's salary of about 400 EUR per month in Serbia. The bonus scheme covers 45,000 Serbian employees of the Serbian parallel institutions in the ethnic enclaves and in northern Kosovo, a region that is de facto autonomous and administered from Serbia. The Serbian government pays 26 billion dinars per annum for these salaries (252 million EUR). These employees will receive their pensions from the Serbian pension system.

registered with the Tax Administration (TA), or who are not declared to the TA, do not belong to the scheme. It is estimated that in 2006, only 21% of the working age population or 58% of the labor force population, excluding non-economically active population such as students and the retired persons, belonged to the Second Pillar scheme.

The KPST manages to ensure that management fees are very low. There is a 0.8% annual management fee<sup>32</sup>, and there are no entry charges, which are paid by the Kosovo government. The assets of the pension fund are mainly held abroad in mutual investment funds managed by a number of foreign banks<sup>33</sup>. In 2010 for the first time the Board of KPST invested 10 million EUR in the NKB bank within Kosovo. By mid-year 2009 the total amount invested had reached 345 EUR million, equivalent to 1,206 EUR per person.

The value of the Fund has fallen due to the global financial crisis impact on share prices. About 10% of the Fund is invested in banks in Kosovo in savings accounts. As soon as the government issues its own securities (T-bills) the Fund will invest in those in order to diversify its assets. Due to the global financial crisis the share price of the investments held abroad dropped sharply, losing all their gains since the opening of the Fund, so that the effective rate of return on contributions since the inception of the was zero per cent. In 2008 the KPST made a paper loss of 92 million EUR compared to an inflow of new contributions of 71 million EUR.



(Source) KPST website (<http://www.trusti.org/> as of September 2010)

Figure 4-1: KPST Share Price since Inception

### Third Pillar

The third pillar consists of six small occupational schemes based on the contributions of individuals and employers to provide their employees with an individual supplementary pension. They are licensed and supervised by the Central Bank of the Republic of Kosovo.

#### (1) Coverage by group, by geographical region

The coverage of the population by pensions is relatively low owing to the youthful demography of the country. In 2005/6 just 6.4% of the population was a pensioner, with an even

<sup>32</sup> The asset management fee was reduced from 1% to 0.9% in 2008, and further to 0.8% in January 2010.

<sup>33</sup> These are the ABN-AMRO bank and the Vanguard investment fund. The funds are invested in money market funds based in Brussels including Vanguard Global Stock Index Fund managed by Vanguard Investments, and into actively managed fixed income funds managed by Schroders and ECM and some other companies.

distribution between urban and rural areas. The poverty targeting of the pension system is low, as the basic state pension is not related to income. As it is a fixed rate pension it is rather evenly distributed across income groups.

Table 4-3: Coverage of Pensions in Total Population

	2003/04	2005/06
Urban	5.7	6.3
Rural	5.8	6.4
Wealth Quintile		
Poorest Quintile	4.5	7.1
Quintile 2	7.1	6.0
Quintile 3	5.8	6.5
Quintile 4	6.7	6.0
Richest Quintile	5.1	6.4
<b>Total</b>	<b>5.8</b>	<b>6.4</b>

(Source) World Bank, "Kosovo Poverty Assessment Volume I: Accelerating Inclusive Growth to Reduce Widespread Poverty" (2007), p.30, Table 4.2

#### (2) Issues to be addressed from the viewpoint of poverty reduction

Since there is no official system for the registration of deaths there are cases of family members continuing to draw pensions for a deceased pensioner or their survivors. On the other hand, not all pensioners are actually paid. According to the data of the Statistical Office of Kosovo, while 188,391 persons applied for a pension in December 2009 was, only 112,553 were actually paid.

Since only 58% of the labor force population is covered by the compulsory second pillar pension scheme, due partly to the widespread informal economy, many pensioners in the future will depend on the basic state pension. This basic pension has not been indexed in line with inflation, and its real value is falling, and pensioner poverty is increasing.

The assets of the second pillar pension fund are mainly invested abroad, and their value fell sharply in 2008 due to the global financial crisis effect on share prices. This value has not yet been recovered. The instability of the fund asset value poses a risk for the pension pay-out values in the future. In addition, by investing the assets abroad, the pension fund removes potential job-creating investment assets from the country, and sends a pessimistic signal to potential foreign investors in Kosovo about the wisdom of investing in the Kosovo economy. This may have the effect of reducing investment and jobs, and contributing to unemployment and poverty.

#### 4.1.2 Health protection

<b>Target/Eligibility</b>	■ General population
<b>Scheme</b>	■ Tax based
<b>Responsible Organization</b>	■ Primary health care: Municipalities ■ Secondary health care: Ministry of Health
<b>Source of Fund</b>	■ State budget

Health indicators in Kosovo are among the worst in the entire region of South East Europe. Infant mortality was 134 per thousand in 2006 compared to the EU average of 45 per thousand, while the rate of maternal mortality is also high at 10.73 per 100,000 cases<sup>34</sup>. Life expectancy at birth is the lowest in the region at 69 years compared to 74 in Bosnia and Herzegovina. The incidence of tuberculosis is rising as is the incidence of other infectious diseases.

The health system is tax-financed rather than being based on social insurance as in the other countries of the study. In 2009, expenditure on health accounted for 9% of the total government budget. Health expenditure used to account for 20% of public expenditure, but as it has been continually reduced as a share of expenditure due to the higher priority given to other items of public expenditure such as the road building programme, and now accounts for just 5%-8% of the budget. The total public health budget is around 90 million EUR of which 70 million EUR goes for secondary and tertiary sectors. The IMF has insisted on a reduction in government expenditure, which will involve a reduction in the budget for medicines and for capital expenditure.

The primary health care system is under the responsibility and governance of the municipalities. Primary health care is based on a family medicine model. Each municipality has one major family medical centre (replacing the former *Dom Zdravlja* system). The Ministry of Finance distributes the funding to these centers on the basis of the estimated population in the municipality. The secondary health care system is under the responsibility of the Ministry of Health. The public health system engages 300,000 employees. The Ministry is not able to secure the lowest cost drugs, and some drugs are procured at above market value. The total budget for medicines is 15 million EUR.

The pay of physicians is low, and many work in the private sector. Most of the specialists who work in the public sector also work in the private sector. Often, patients who visit a doctor in the public sector are referred on to the private sector (queue jumping).

More than 50% of the total health expenditures in Kosovo are out-of-pocket expenses. Patients must pay 4 EUR for an overnight stay in a public hospital. Co-payments are required for some medicines. Some drugs are provided nominally free of charge, but often there are insufficient supplies, and patients frequently have to pay for them anyway.

Ethnic minorities are affected in different ways by discrimination and post-conflict ethnic rivalry. Firstly, the Roma, Ashkali, and Egyptian minorities receive poor quality health care, due to discrimination. The Roma are also vulnerable to environmental pollution, notably among a community who inhabit a settlement on lead-contaminated land near the Trepca mine in Mitrovica<sup>35</sup>. Secondly, in an attempt to address discrimination against the Serb minorities additional budget expenditure has been allocated to the provision of health services in the enclaves, in recognition of the marginalized status of the Serbian ethnic minority population which lives there. For example, the Kosovo government granted an additional 300,000 EUR for health expenditure in the Gracanica enclave in 2010. Thirdly, the health service in 1 in North Mitrovica has a special status since the local hospital is funded by the Serbian government. Since the mainly Serb-inhabited region aspires to autonomous status, the hospital management refuses to accept funds from the Kosovo government.

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<sup>34</sup> Ministry of Finance, "Medium Term Expenditure Framework" (2009)

<sup>35</sup> In August 2010, the EC Liaison office launched a project to build houses for 38 families of RAE community in Roma Mahalla in Mitrovica to re-house these people, and to eventually close the lead-contaminated camps at Cesmin Lug and Osterode.

#### 4.1.3 Social Assistance

<b>Target/Eligibility</b>	<ul style="list-style-type: none"> <li>■ Category I: Families with no member able to work;</li> <li>Category II: Families with a member able to work but are all unemployed</li> </ul>
<b>Scheme</b>	<ul style="list-style-type: none"> <li>■ Cash transfer</li> </ul>
<b>Responsible Organization</b>	<ul style="list-style-type: none"> <li>■ Supervising: Ministry of Labor and Social Welfare, Ministry of Community and Returns</li> <li>■ Implementing Agency: Centers for Social Work</li> </ul>
<b>Source of Fund</b>	<ul style="list-style-type: none"> <li>■ State budget</li> </ul>
<b>Coverage</b>	<ul style="list-style-type: none"> <li>■ 23% of the poor receive the assistance</li> <li>■ The poorest account for 45% of the beneficiaries.</li> </ul>

The social assistance scheme is based on the Law on the Social Assistance Scheme (2003/15). It provides financial assistance to families with incomes below a certain threshold, determined by the Ministry of Labor and Social Welfare (MLSW) and the Ministry of Finance, and to families with members in need of care. The scheme is managed by MLSW and the Ministry of Community and Returns. About 35,000 families benefit from the state social assistance scheme. The social assistance scheme in Kosovo is a simple cash transfer scheme. There are two categories of beneficiaries: (i) households in which no person is able to work and (ii) households in which there is a child under 5 years old and at least one unemployment member.

The social assistance scheme is administered by 7 Regional Centers for Social Work (CSW) and 30 local CSWs at the municipal level. In 2009, the administration of CSWs was transferred to the municipalities.

Social Assistance is distributed at local level by the CSWs. To receive social assistance applicants have to complete an application form and submit it to the CSW. IDPs should provide a letter from the CSW in their home municipality stating that they are not receiving social assistance from the CSW there. The municipality then prepares a list of beneficiaries eligible for social assistance. Once a claim is accepted, the CSWs register beneficiaries for social assistance. In some municipalities, the CSWs coordinate their work with the Employment Service (ES) offices, while in others there is no coordination. An EU-funded project will demonstrate how to integrate the CSWs and the ES in four pilot municipalities.

The CSWs also provide support and professional care for adoption, family shelter, and marriage guidance counseling. Their work is focused on the identification and verification of the worst cases of poverty and ensuring that poor families in need of support fulfill the relevant criteria to benefit from social assistance payments or admission to residential institutions. Attention is also given to taking persons no longer eligible for this assistance off the list. This is done in cooperation with the municipalities and the courts. CSWs are also able to grant special payments for emergency needs.

Social assistance is payable to low income families that are permanent residents of Kosovo with no members who are able to work. This category of family consists of: (i) persons above 65 years of age and unemployed; (ii) children under 15 years of age; (iii) children who are in school and under 18 years of age; (iv) adults permanently unable to work; (v) single parents with a child under 10 years of age and with no other adult capable of earning; (vi) persons providing care for family members over 65 years of age or members permanently unable to work; (vii) in rural areas, the family owns less than half a hectare of land. Applications for social assistance are evaluated by CSW officials who interview families to verify their eligibility. Families can receive social assistance for six consecutive months. After six months, if the

family's socioeconomic situation has not improved, they can apply again to continue social assistance.

Social assistance is also paid to families which have members who are able to work, but all of whom are unemployed. The conditions for this category of families are: (i) the unemployed family members are seeking a job; (ii) the family has at least one child under 5 years of age or an orphan; (iii) the family receives no other public assistance; (iv) the family does not own more than half a hectare of land; (v) the family does not own a vehicle, including a tractor or any other agricultural machinery. Families can receive financial assistance for six months on condition that jobseekers actively look for work. If the conditions of the family do not change after six months, they are eligible to reapply.

The amount of monthly social assistance depends on the number of family members at a rate of 40 EUR for a family with one member, 55 EUR for a family with two members, and an additional 5 EUR for each extra family member up to the maximum of 80 EUR for a family with seven or more members. The average payment was 57 EUR in 2008. Social assistance is reduced if the family receives any other income, such as remittances or pensions from abroad. Social assistance is suspended if the income of the beneficiary family exceeds the minimum subsistence level (the "Gross Monthly Standard Ranking").

Table 4-4: Number of Recipients of Social Assistance

Indicator	2002	2003	2004	2005	2006	2007	2008	2009
Beneficiary families	52,329	50,724	46,441	43,356	40,569	37,170	34,307	35,654
Family members	-	-	-	-	174,131	161,049	149,227	152,508
Av. Benefit per family	-	-	-	-	-	62.8	63.4	65.9
Av. Benefit per person	-	-	-	-	-	14.5	14.6	15.4

(Source) World Bank, "Kosovo Poverty Assessment Volume I: Accelerating Inclusive Growth to Reduce Widespread Poverty" (2007), p.28, Table 4.1, ILO "Profile of the Social Security System in Kosovo" (2010), p. 31, and UNICEF, "Child Poverty in Kosovo" (2010), p. 31

The gradual decrease in the number of beneficiaries shown in Table 4-4 is due partly to intensified monitoring and supervision with regard to the eligibility criteria and partly to improvements in the social and economic situation of poor households in Kosovo.

The Law on Material Support for Families of Children with Permanent Disabilities (2008/03/L-22) regulates assistance for families caring for children with limited physical and mental capacities until the age of 18. Material support takes the form of monthly benefits administered by the MLSW. There is a new initiative to provide social assistance to disabled children below the age of 18.

The MLSW also finances a special scheme for the miners of the Trepca mine who are not working, and are temporarily out of work until the mine is restructured and starts to operate again.

For employees, standard work contracts provide the right to paid leave during pregnancy and child care, and stipulate that at least 70% of a worker's wages should be paid for up to six months. The wages for the first three months are covered by the employer and the last three months are covered by the general budget. Compensation in cash is also payable to employees in case of sickness. For the first month of sickness, loss of income is fully compensated by the employer and thereafter, with certification by a medical commission, an employee can receive benefit for temporary work disability, financed by the general budget.

A significant problem of poverty is faced by displaced persons and returnees following the end of the Kosovo war of 1999. As mentioned in 3.4.2, many displaced persons from Kosovo live in Serbia, Montenegro and Macedonia.

Several projects to assist displaced persons and returned are financed from the Kosovo budget and EC. The ERIKA-1 project, implemented by UNDP, constructed 180 houses for displaced persons. ERIKA-2, implemented by the Danish Refugee Council, will construct 200 houses in 4 municipalities. The project receives 1.1million EUR from the Ministry of Communities and Returns and 3.2million EUR from EC.

Returnees are assisted with an assistance package, as mentioned in 3.4.2.

(1) Coverage by group, by geographical region

The social assistance scheme targets the most vulnerable well in comparison with other countries in South East Europe, with 78% of the funds going to the poor, including 50% to the poorest quintile. However, coverage is low due to the tight government budget constraint, with only 23% of the poor in receipt of social assistance benefits.

The distribution of social assistance by region is shown in Table 4-5 below. The average amount of monthly social assistance per family is highest in Pristina at 67.28 EUR, while the average monthly amount of social assistance per family member is highest in Gjilane, at 20.89 EUR. In the poorest municipalities, as many as one fifth of the population receive social assistance.

Table 4-5: Number of Social Assistance Beneficiaries and Amount of Benefit, December 2009

Region	Families	Family members	Amount (€)	Amount per family (€)	Amount per family member (€)
Ferizaj	3,416	15,367	229,092	67.06	14.91
Gjakove	3,221	14,779	215,342	66.86	14.57
Gjilane	2,773	8,824	184,295	66.46	20.89
Mitrovica	9,722	39,027	620,986	63.87	15.91
Pec/Peja	3,516	15,433	228,244	64.92	14.79
Prishtina	9,261	42,127	623,071	67.28	14.79
Prizren	3,745	16,951	249,069	66.51	14.69
<b>Total</b>	<b>35,654</b>	<b>152,508</b>	<b>2,350,099</b>	<b>65.91</b>	<b>15.41</b>

(Source) Statistical Office of Kosovo, "Social Welfare in Kosovo 2009" (2009)

Targeting outcomes of the social assistance scheme are relatively good with 51.7% of social assistance benefits reaching the poorest quintile of the population in 2003/4 and 49.2% of social assistance benefits reaching the poorest quintile in 2005/6 (see Table 4-6). This outperforms comparable schemes in Albania and Bosnia (see accompanying country reports for those countries).

Table 4-6: Targeting of Social Assistance (% of individuals)

	2003/04	2005/06
Poorest Quintile	51.7	49.2
Quintile 2	23.6	24.5
Quintile 3	16.5	14.5
Quintile 4	5.9	5.8
Richest Quintile	2.3	6.0
Total	100	100

(Source) WB, "Kosovo Poverty Assessment Volume I: Accelerating Inclusive Growth to Reduce Widespread Poverty" (2007), p.30, Table 4.2

The coverage of social assistance in Kosovo in 2003/04 and 2005/06 is shown in Table 4-7 below. Social assistance covered 11.2% of the population in 2003/4 and 13.2% of the population in 2005/6. The proportion of the rural population covered is slightly higher than the proportion of the urban population that is covered (11.1% of the urban population were covered in 2005/6 while 14.4% of the rural population were covered). Outcomes improved from a coverage rate of 28.9% of the poorest quintile in 2003/04 to 32.6% in 2005/06 (Table 4-7).

Table 4-7: Coverage of Social Assistance (% of individuals)

	2003/04	2005/06
Coverage (% of population)	11.2	13.2
Urban	9.7	11.1
Rural	11.9	14.4
<b>Quintile</b>		
Poorest Quintile	28.9	32.6
Quintile 2	13.2	16.2
Quintile 3	9.2	9.6
Quintile 4	3.3	3.8
Richest Quintile	1.3	3.9

(Source) World Bank, "Kosovo Poverty Assessment Volume I: Accelerating Inclusive Growth to Reduce Widespread Poverty" (2007), p.30, Table 4.2

However, some of the social assistance goes to people who which are non-poor. Leakage of social assistance is the percent of individual recipients that are not poor. Table 4-8 shows that there is considerable leakage from the social assistance scheme. In summary, the WB poverty Assessment pointed out that the social protection programs have had low impact on poverty despite the high targeting effectiveness, because of the low coverage of the social protection programs and the modest size of the benefit levels. Calculations by WB show that only about 23% of the poor and 34% of the extreme poor are reached by the social assistance program, and the size of the benefits are insufficient to bring beneficiaries out of poverty. According to WB simulations, poverty incidence would be higher by about 2 percentage points in the absence of the social assistance.

Table 4-8: Under-coverage and Leakage of Social Assistance

Indicator	2003/04	2005/06
Leakage to the non-poor	19.5	21.8

(Source) World Bank, "Kosovo Poverty Assessment Volume I: Accelerating Inclusive Growth to Reduce Widespread Poverty" (2007), p.18, Table 3.2

## (2) Issues to be addressed in relation to poverty

Most of the social workers involved in the administration of social assistance only have high school diploma, and are not properly trained in evaluating needs. The social workers who provide personal services generally have a higher education in psychology or related subjects.

The integration and social protection of the estimated 40,000 people with disabilities is not assured, and disabled people face severe hardship in Kosovo in many respects, with no allowance made for disability in schools or hospitals. There is little direct assistance for



people with disabilities to access employment opportunities through skills training or placements. There is little institutional support for disabled people and the National Council for Persons with Disabilities is not operational. Local Non-Governmental Organizations (NGOs) need to develop their capacity to promote awareness and increase knowledge on disability issues, to identify areas in which adaptations have to be made, to enable access to rights for people with disabilities, and to monitor the protection and violation of such rights.

The Division of Social Assistance needs to develop its capacity for improving the methods identification and verification of needs and to improve the mechanism of inspections. Considerable resources are required to identify and verify beneficiaries, and the cost of fuel and for vehicle maintenance for social workers to carry out their visits to the homes of the beneficiaries is a significant burden.

There is an urgent need for better working conditions for CSW employees and for computer equipment to support them. Human resources also need to be developed at municipality level. Under decentralization legislation, the municipalities have responsibilities for developing social welfare services, which requires training of staff.

An important issue in relation to social assistance is the position of returning Serbian displaced persons to Southern Kosovo who often feel abandoned by the international community and receive inadequate social assistance to prevent poverty<sup>36</sup>.

The Serb community receives double social protection, first from the Kosovo government, and second from the Government of Serbia. This applies to the RAE community also, who receive additional assistance from Belgrade. This is supposedly one reason the Roma are unwilling to leave the lead-polluted settlement in North Mitrovica, as they would lose their social assistance from the Serbian Government if they resettled in the South.

#### 4.1.4 Social assistance for war victims and war invalids

<b>Target/Eligibility</b>	■ Five categories of war victims
<b>Scheme</b>	■ Cash transfer
<b>Responsible Organization</b>	■ Supervising: Ministry of Labor and Social Welfare ■ Implementing Agency:
<b>Source of Fund</b>	■ State budget
<b>Coverage</b>	■ Beneficiaries: 11,509 (2008)

In addition to the general social security system individual income support is provided to war invalids from the 1999 war for independence. The 2006 “Law on War Martyrs” identified five categories of people who are eligible to life pensions: Kosovo Liberation Army (KLA) invalids, family members of KLA war victims, family members of war-related civilian dead, war-related civilian invalids, and family members of missing persons. Under this scheme, war invalids are classified into seven categories, depending on the extent of their injuries. The basic disability pension is set at 1.4 times the national minimum wage and an additional 30–100 per cent of the basic pension, depending on the extent of injuries. In addition, paid carers are assigned to disabled persons with very serious body damage. In 2008, there were 11,509 beneficiaries of

<sup>36</sup> Unija – Union, Federation of IDPs Associations, “Kosovo Under Security Council Resolution 1244”, Submission to The Un Committee For Economic, Social and Cultural Rights, October 2008

the scheme. The income support for war veterans is not means tested, and is available for life.

(1) Coverage by group, by geographical region

The benefits are quite large, and for some categories they are well above the average wage. The average of payment of war invalids is 137.26 EUR (the average was taken in December 2009), which is rather high compared to other social benefits which range between 40 EUR and 70 EUR per month.

In addition to benefits for war invalids there are various benefits for survivors of war invalids after death (which include spouse and children, until the age of 18 years respectfully 26 years if in education), for the families of missing KLA soldiers, as well as for families of civilian victims of war, families of the missing, and for the carers of war invalids.

Benefits to the families of soldiers who died in the war are rather high, ranging from 234 EUR per month in case of one deceased family member to 351 EUR in the case of more than four deceased family members.

(2) Issues to be addressed from the viewpoint of poverty reduction

The main issue in relation to war victims' benefits is the great unfairness in relation to the standard social assistance scheme, which has far less generous benefits and conditions. Moreover, the greater expense of the system means that fewer funds are available to combat poverty through the standard social assistance scheme. The war veterans' and war invalids' benefits are not means tested, and therefore fail to target the poorest families.

#### 4.2 Quasi-formal Social Security

An EC Technical Assistance project to the Ministry of Labour and Social Welfare<sup>37</sup> aims to support NGOs that provide social services for disabled and abandoned children, and the state services in this field are quite weak. The NGOs will be licensed by the government to provide services to disabled and abandoned children. Generally, the government aims to outsource these services. The government will plan and regulate, rather than provide the services directly. The project will help the Ministry develop strategic tools in order to do this.

Currently there are 14 microfinance institutions operating mainly in rural areas, representing 18 per cent of the financial sector in terms of number of loans and 7 per cent in total loan amount. The non-bank micro-finance sector has a penetration rate of 5.5%, while the pro-Credit Bank (a bank which provides micro loans) has a penetration rate of 9.7%, giving an overall rate of about 15% - far below Albania (23%) and Bosnia (85%). (The penetration rate is defined as the ratio of the number of microfinance borrowers to the number of people living in poverty according to WB definitions).

Support for displaced persons who return to Kosovo (mainly Kosovan Serbs) is offered by the Ministry for Communities and Return (MCR), led by a Kosovo Serb. This is the main national body supporting minority communities, IDPs and returnees through community development activities, return, social housing and local integration projects. An Office for Communities also exists within the Prime Minister's Office. In 2009, the MCR budget was 7.5 million EUR (10.8 million USD) of which 3 million EUR was dedicated to community development, and the rest to return and local integration in Kosovo.

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<sup>37</sup> Project number 128987/D/SER/KOS, "EU Support to the Ministry of Labour and Social Welfare"

### 4.3 Informal Social Security System

The extended family provides a strong source of social support in Kosovo. Informal social security in Kosovo is provided by the extended family, through remittances, and child care. There are no state orphanages in Kosovo, and the extended family provides a support system for children who lose their parents. Recently a few children without extended family support have been taken into care in temporary shelters. Many orphans without parents receive no cash assistance from the Kosovo Government. Those children are sheltered by relatives or others. Abandoned children and babies also need care, and their shelter takes place in foster families until other solutions are found.

Most pensioners are part of a large household and are supported by their children. This system is facilitated by the favorable demographic structure of the country, which is quite unlike that of the other Balkan countries. Only 6.5% of the population is aged over 65, and the average age of the population is 25. However, the social fabric has been negatively affected by displacement and migration.

Remittances amounted to 535 million EUR in 2008, or 14% of GDP, according to the estimates of the Central Bank of Kosovo. This is a significant contribution to informal social protection, representing an income of about 20 EUR per person per month. The national average of reported household remittances is 320 EUR per month, close to the average monthly salary, being about the same in both urban and rural areas<sup>38</sup>. Overall, one in four households has at least one household member living abroad, and just as many receive remittances<sup>39</sup>. Remittances have an alleviating effect on poverty since, on average, most remittances go to the poorest households by consumption group (net of remittances)<sup>40</sup>. The Migration Survey 2009 showed that the households in the lowest consumption group received remittances of about 450 EUR per month on average, compared to remittance of 90 EUR per month on average received by households in the highest consumption group<sup>41</sup>.

According to an estimation based on the 2005 HBS, the poverty rate for the sub-population with migrants or which receives remittances was 7 percentage points lower than the general population<sup>42</sup>. Unfortunately, remittance flows have diminished as a consequence of the global economic crisis. It is estimated that remittances fell by 16% in 2009, and so the impact of remittances on poverty has declined. According to the results of the Migration Survey 2009, the poverty rate would be only 2.2 percentage points higher in the absence of remittances. Nevertheless, remittances remain a crucial part of the income of the poorest households, representing more than half of average household income for households in the lower income groups<sup>43</sup>.

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<sup>38</sup> World Bank, "Kosovo: Unlocking Growth Potential: Strategies, Policies, Actions" (2010), p.78

<sup>39</sup> Ibid, p.77

<sup>40</sup> Ibid. p.78

<sup>41</sup> Ibid. p.78

<sup>42</sup> World Bank, "Kosovo Poverty Assessment. Volume I: Accelerating Inclusive Growth to Reduce Widespread Poverty" (2007), p35

<sup>43</sup> World Bank, "Kosovo: Unlocking Growth Potential: Strategies, Policies, Actions" (2010), p.77



## Chapter 5 Poverty Monitoring

### 5.1 MDGs Progress

The most recent progress of Millennium Development Goals (MDGs) in Kosovo was reported by “Second Millennium Development Goals Report for Kosovo” in 2007 (hereinafter referred to as “Second MDG Report”). Kosovo representatives were not present at the Millennium Summit in 2000, the Government of Kosovo, however, approved the resolution for adoption of the Millennium Declaration at the Assembly on 17 October 2008. Kosovo, aiming at EU Integration in the future, has set the way toward the achievement of the Laeken Indicators<sup>44</sup> and Social Inclusion Strategy which are required for EU integration and MDGs. Because of that, many targets of Kosovo’s MDGs are integrated into the EU integrations agenda. In this section, the progress of MDGs in Kosovo is reviewed mainly according the Second MDG Report and “MDGs in the Assembly” Programme Document by UNDP Kosovo.

#### 5.1.1 MDG 1: Eradicate extreme poverty and reduce the risk of social exclusion

The Government set the three targets on MDG 1: 1) by 2015, eradicate extreme poverty and halve the proportion of people who live in relative poverty, 2) by 2015, reduce the unemployment rate to 25% and 3) create adequate housing conditions for all individuals, particularly those from vulnerable households by 2015 and set the following indicators, respectively: 1.1) proportion of population living below the extreme poverty line 0.94 EUR per 1.2) poverty headcount ratio (living below the national poverty line of 1.42 EUR per day), 2.1) unemployment rate (percentage of unemployed of working age of population), 2.2) youth unemployment rate (ages 14-25), 3.1) number of Temporary collective centers, 3.2) number of buildings for social housing purposes and 3.3) number of people without shelters.

The proportion of population living below the extreme poverty line 0.94 EUR/day is targeted at 0%. However, according to the Poverty Assessment by the WB, about 15% of the population was estimated to be extremely poor (food poverty) in 2005/06. And poverty headcount ratio was estimated at around 45% in 2005/06 against the target at 22% in 2015. The poverty indicators were not improved between 2002/03 and 2005/06. It seems difficult to achieve the targets. Moreover, the high unemployment rate is a key contributor to poverty in Kosovo. The registered unemployment rate is estimated in a range of 37% to 40% out of the economically active population in 2009<sup>45</sup>. Out of the unemployed, the increase in the registration of the age group from 15 to 24 years is the highest (2.2%)<sup>46</sup>.

#### 5.1.2 MDG 2: Achieve high quality basic universal education

Regarding the targets of MDG 2, the Government of Kosovo set detailed indicators by ethnicity, gender, and region. The overall enrollment rate in primary education was 95% in 2005<sup>47</sup>. There are, however, big differences with regard to ethnicities. Especially the percentage for RAE was low (76%) in comparison with Kosovo-Albanians (96%) and Kosovo-Serbs (94%).

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<sup>44</sup> The Laeken indicators were 18 common statistical indicators for social inclusion which were endorsed by the Laeken European Council in December 2001. The main objective to set the common indicators is to allow monitoring in a comparable way of Member States’ progress towards the agreed EU objectives. For details, refer to “Laeken Indicators: Detailed Calculation Methodology” (European Commission Working Group “Statistics on Income, Poverty & Social Exclusion”, 2003)

<sup>45</sup> Government of Kosovo, Ministry of Labour and Social Welfare, Department of Labour and Employment, “Labour and Employment 2009: Annual Report” (2009)

<sup>46</sup> Ditto. 12-month increase rate by age in 2009 is as follows: age group 15-24, 2.2%, 25-39, 0.9%, 40-54, 0.4% and 55-64, -4.4%.

<sup>47</sup> UNDP, “The Second MDG Report” (2006), p 26

Under this circumstance, the government of Kosovo developed the strategy for integration of RAE Communities in Kosovo, Education Component 2007-2017, in 2007, in order to improve access and quality of education for RAE communities. The strategy includes implementation plan with budget calculation. It is expected that this strategy and the subordinate activities will be in place as planned.

#### 5.1.3 MDG 3: Promote gender equality and empower women

Regarding the many indicators on MDG-3, there is no target defined or statistical data so that it is difficult to evaluate whether or not Kosovo could achieve MDG-3. In view of the current situation in Kosovo, the achievement of MDG-3 might be difficult. The illiteracy level among women is high, 12.5% against 4% among males. Ratio of girls to boys in primary education (grades 1-9) is 0.92, in secondary education (grade 10-13) is 0.78 and in university, 0.85<sup>48</sup>. The proportion of seats held by women in national parliaments improved slightly from 28.3% in 2003 to 30% in 2007. As for the share of women employed in the nonagricultural sector, it has stagnated at 23% of the total nonagricultural employment.

#### 5.1.4 MDG 4: Reduce child mortality

In terms of the MDG-4, the probability of achievement cannot be evaluated because the target for each indicator is not defined yet. In Kosovo, as the census has been not conducted for a long time and the demographic shift has been drastically occurred because of the conflicts, there is a difficulty to make consistent estimates on baseline data. In particular the data on child mortality are highly contradictory depending on the sources. In spite of data variation, all data indicate that Kosovo has the highest Infant Mortality Rate (IMR) in South East Europe with 35 cases in 1,000 births (SOK data)<sup>49</sup>.

#### 5.1.5 MDG 5: Improve maternal health

There are no reliable data on maternal mortality rates (MMR) in Kosovo. According to the estimated data in 2003, MMR was 21.9 per 1000,000 and contraceptive prevalence rate was 44.0%.

The Ministry of Health has a reproductive health strategy included in the Kosovo Health Strategy 2007-2013. It is pointed out that challenges remain in the capacities for data gathering, statistical tracking, planning and resource allocation mechanisms to implement this strategy.

#### 5.1.6 MDG 6: Combat HIV/AIDS and Tuberculosis

As for HIV/AIDS, Kosovo remains a low risk country. However, according to the analysis of UNDP, risk factors that contribute to HIV transmission remain high: such as the large portion of young population, high unemployment rate, illicit drug use particularly heroin, emerging sex industry with workers coming from countries with higher HIV/AIDS prevalence, changes of sexual behavior are adjunct with low level of knowledge on virus transmission<sup>50</sup>.

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<sup>48</sup> UNDP, "United Nation Development Programme in Kosovo Programme Document (MDGs in the Assembly)", p.5

<sup>49</sup> UNDP, "The Second MDG Report" (2006), p 40

<sup>50</sup> UNDP, "United Nation Development Programme in Kosovo Programme Document (MDGs in the Assembly)", p.5

The tuberculosis (TB) incidence rate was 52 per 100,000 people. This figure is very high in comparison with other European countries<sup>51</sup>. However, it has dramatically improved from the figure of 83 per 100,000 people measured in 2000. The Second MDG Report evaluated the target on TB will be potentially reached by 2015.

#### 5.1.7 MDG 7: Ensure sustainable environment development

According to the Second MDG Report, Kosovo's environment has severe problems with regard to water quality, waste management, and air and soil pollution. In general, the quality of drinking water and of groundwater is unsatisfactory, and the area covered by sewage treatment is small. Access to potable water was estimated in the range of 65% to 70%, which is the proportion of inhabitants that are connected to the water supply network. Meanwhile, it should be noted that the water supply system in Kosovo suffers from losses in the network (ranging from 50% to 80%), quality that fails acceptable norms, a low percentage of billing (42% in 2005) and low revenue collection (56% in 2005). Therefore, it can be said that the real rate of access to clean water is low. The Second MDG Report points out that the main obstacles are mainly the lack of available funding, enforcement mechanisms and a monitoring system.

#### 5.1.8 MDG 8: Develop a Global Partnership for Development

Target for MDG-8 in Kosovo is that address the provision of more than 50% of foreign aid towards Kosovo's development priorities enabling its long term sustainable development in line with the priorities of the development strategy by 2015.

According to the Second MDG Report, between 1999 and 2005, the donors spent a total of EUR 2.29 billion in foreign aid and development. Out of which, public utilities and activities related to institutional building absorbed the highest share, 25.6% and 26.6%, respectively. More than 16% of the disbursed funds went to the housing sector and about 13% was allocated to education, health and social welfare.

#### 5.1.9 MDG 9: Improve governance for all citizens and especially for most disadvantaged groups

The Government of Kosovo has three targets for MDG-9: 1) by 2015, to have effective, efficient and transparent governance in accordance with EU standards, 2) by 2015, to have an effective and efficient justice and security institution in order to improve public safety and have an effective justice system, and 3) by 2009, according to the law, media, citizens and NGOs will be able to have access to all official documents of Kosovo's institutions.

The government adopted people's satisfaction as some indicators. Although there are some baseline data, it is not sufficient for evaluation of the possibility of the achievement. EU summarizes Kosovo's efforts on governance as follows<sup>52</sup>:

- The recently established government structures function and political stability has been maintained.
- Some progress has been made as regards the adoption of legislation and capacity building.

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<sup>51</sup> UNDP, "United Nation Development Programme in Kosovo Programme Document (MDGs in the Assembly)", p.5

<sup>52</sup> Commission of the European Communities, "Kosovo 2009 Progress Report" (2009), p. 8

- There has been certain progress in local government reform.
- Effective implementation of decentralization to the benefit of all communities remains a major challenge.
- Inter-ministerial coordination needs further strengthening.
- Political interference in high level appointments is an issue of concern.



Table 5-1: MDGs Progress in Kosovo

MDGs Indicator		2000	2005	2006	2007	2008	Target 2015 (National)	Progress (National)
<b>Goal 1: Eradicate extreme poverty and hunger</b>								
1.1	Employment to population ratio, 15+, total (%)	..	..	..	..	..	no target	
1.2	Employment to population ratio, ages 15-24, total (%)	..	..	..	..	..	no target	
1.3	GDP per person employed (annual % growth)	..	..	..	..	..	no target	
1.4	Income share held by lowest 20%	..	..	..	..	..	no target	
1.5	Malnutrition prevalence, weight for age (% of children under 5)	..	..	..	..	..	no target	
1.6	Poverty gap at \$1.25 a day (PPP) (%)	..	..	..	..	..	no target	
1.7	Poverty headcount ratio at \$1.25 a day (PPP) (% of population)	..	..	..	..	..	no target	
1.8	Vulnerable employment, total (% of total employment)	..	..	..	..	..	no target	
1.9	(N) Living below the extreme poverty line €0.94/day (% of population)	..	..	..	..	..	0	on track
1.10	(N) Poverty headcount ratio, living below the national poverty line of €1.42/day (% of population)	..	..	..	..	..	22	off track
1.11	(N) Unemployment rate (% of unemployed of working age of population)	..	41.4'	..	..	..	25	off track
1.12	(N) Youth unemployment rate (ages 14-25, %)	..	..	..	..	..	46	on track
1.13	(N) Number of Temporary collective centers	..	..	41'	..	..	0	
1.14	(N) Number of buildings for social housing purposes	..	..	160'	..	..	2,829	
1.15	(N) Number of people without shelter	..	..	26,546'	..	..	0	
<b>Goal 2: Achieve universal primary education</b>								
2.1	Literacy rate, youth female (% of females ages 15-24)	..	..	..	..	..	no target	
2.2	Literacy rate, youth male (% of males ages 15-24)	..	..	..	..	..	no target	
2.3	Persistence to last grade of primary, total (% of cohort)	..	..	..	..	..	no target	
2.4	Primary completion rate, total (% of relevant age group)	..	..	..	..	..	no target	
2.5	Total enrollment, primary (% net)	..	95.44'	..	..	..	100	
2.6	(N) Pre-school education enrollment rate (%)	..	..	..	..	..	30	
2.7	(N) Primary Education enrollment rate for K-Albanians (%)	..	95.9'	..	..	..	100	
2.8	(N) Primary Education enrollment rate for K-Serbs (%)	..	94.0'	..	..	..	100	
2.9	(N) Primary Education enrollment rate for RAE (%)	..	73.7'	..	..	..	100	
2.10	(N) Primary education enrollment rate, urban areas (%)	..	95.0'	..	..	..	100	
2.11	(N) Primary education enrollment rate, rural areas (%)	..	95.8'	..	..	..	100	
2.12	(N) Enrollment rate of children with special needs (%)	..	..	..	..	..	50	
2.13	(N) Enrollment rate in higher cycle of secondary education (%)	..	75.2'	..	..	..	100	
2.14	(N) Vocational education as share of total number of students in secondary education (%)	..	51.7'	54.5'	..	..	not defined	
2.15	(N) Number of students in tertiary education	..	28,935'	..	..	..	36,169 (25% increase)	
2.16	(N) Share of women in higher education (%)	..	46.0'	..	..	..	50	
2.17	(N) Share of men in higher education (%)	..	54.0'	..	..	..	50	
2.18	(N) Persistence to last grade of basic education (grade 9), total (% of cohort)	..	95.3'	..	..	..	100	
2.19	(N) Percentage of pupils starting grade 10 who reach grade 12 (%)	..	..	..	..	..	100	
2.20	(N) Ratio of dropouts, grade 1-9 (%)	..	1.71'	..	..	..	1.0	off track
2.21	(N) Ratio of female dropouts, grade 1-9 (%)	..	1.3'	..	..	..	1.0	on track
2.22	(N) Ratio of male dropouts, grade 1-9 (%)	..	1.4'	..	..	..	1.0	on track
2.23	(N) Illiteracy rate, 15+, total (%)	..	..	..	..	..	4.0	
2.24	(N) Proportion of schools working 2 shifts (%)	..	..	..	..	..	not defined	
2.25	(N) Literacy rate of RAE children	..	..	..	..	..	not defined	
2.26	(N) Proportion of qualified teachers, pre-school + 1-10 grades (%)	..	..	..	..	..	100	
2.27	(N) Number of trained teachers	..	..	..	..	..	15,000	on track
2.28	(N) Share of education expenditures in GDP (%)	..	3.9'	4.4'	..	..	6.0	on track
2.29	(N) Share of education spending in budget spending (%)	..	12.6'	15.2'	..	..	17.0	on track
2.30	(N) Private spending	..	..	..	..	..	not defined	
<b>Goal 3: Promote gender equality and empower women</b>								
3.1	Proportion of seats held by women in national parliaments (%)	..	..	30'	..	..	40	on track
3.2	Ratio of female to male enrollments in tertiary education	..	..	..	..	..	100	
3.3	Ratio of female to male primary enrollment	..	..	..	..	..	100	
3.4	Ratio of female to male secondary enrollment	..	..	..	..	..	100	
3.5	Share of women employed in the nonagricultural sector (% of total nonagricultural employment)	..	..	23'	..	..	32	off track
3.6	(N) Ratio of literate females to males, 15+ (urban)	..	..	..	..	..	100	
3.7	(N) Ratio of literate females to males, 15+ (rural)	..	..	..	..	..	100	
3.8	(N) Proportion of women minister and deputy ministers (%)	..	..	7.6'	..	..	30	

MDGs Indicator		2000	2005	2006	2007	2008	Target 2015 (National)	Progress (National)
3.9	(N) Proportion of management positions by women at the municipal level (%)	..	..	10.0'	..	..	30	
<b>Goal 4: Reduce child mortality</b>								
4.1	Immunization, measles (% of children ages 12-23 months)	..	93.0'	..	..	..	not defined	
4.2	Mortality rate, infant (per 1,000 live births)	..	..	..	..	..	not defined	
4.3	Mortality rate, under-5 (per 1,000)	..	..	..	..	..	not defined	
<b>Goal 5: Improve maternal health</b>								
5.1	Adolescent fertility rate (births per 1,000 women ages 15-19)	..	..	..	..	..	no target	
5.2	Births attended by skilled health staff (% of total)	..	96.0'	..	..	..	100	on track
5.3	Contraceptive prevalence (% of women ages 15-49)	..	..	..	..	..	no target	
5.4	Maternal mortality ratio (modeled estimate, per 100,000 live births)	23.0'	6.98'	..	..	..	5.5	on track
5.5	Pregnant women receiving prenatal care (%)	..	..	..	..	..	no target	
5.6	Unmet need for contraception (% of married women ages 15-49)	..	..	..	..	..	no target	
5.7	(N) Contraceptive prevalence rate (%)	..	50.0'	..	..	..	70	on track
<b>Goal 6: Combat HIV/AIDS, malaria, and other diseases</b>								
6.1	Children with fever receiving anti-malaria drugs (% of children under age 5 with fever)	..	..	..	..	..	no target	
6.2	Condom use, population ages 15-24, female (% of females ages 15-24)	..	..	..	..	..	no target	
6.3	Condom use, population ages 15-24, male (% of males ages 15-24)	..	..	..	..	..	no target	
6.4	Incidence of tuberculosis (per 100,000 people)	83'	52'	..	..	..	26	off track
6.5	Prevalence of HIV, female (% ages 15-24)	..	..	..	..	..	no target	
6.6	Prevalence of HIV, male (% ages 15-24)	..	..	..	..	..	no target	
6.7	Prevalence of HIV, total (% of population ages 15-49)	..	..	..	..	..	no target	
6.8	Tuberculosis cases detection rate (all forms) (%)	..	..	..	..	..	no target	
6.9	(N) Prevalence among groups at higher risk of HIV exposure	..	..	<1	..	..	<5	
<b>Goal 7: Ensure environmental sustainability</b>								
7.1	CO2 emissions (kg per PPP \$ of GDP)	..	..	..	..	..	not defined	
7.2	CO2 emissions (metric tons per capita)	..	..	..	..	..	not defined	
7.3	Forest area (% of land area)	..	41.3	..	..	41.3	not defined	
7.4	Improved sanitation facilities (% of population with access)	..	..	..	..	..	not defined	
7.5	Improved water source (% of population with access)	..	65-70'	..	..	..	80	
7.6	Marine protected areas, (% of surface area)	..	..	..	..	..	not defined	
7.7	Terrestrial protected areas (% of total surface area)	..	..	..	..	..	not defined	
<b>Goal 8: Develop a global partnership for development</b>								
8.1	Aid per capita (current US\$)	..	..	..	..	..	no target	
8.2	Debt service (PPG and IMF only, % of exports, excluding workers' remittances)	..	..	..	..	..	no target	
8.3	Internet users (per 100 people)	..	..	..	..	..	no target	
8.4	Mobile cellular subscriptions (per 100 people)	..	..	..	..	..	no target	
8.5	Telephone lines (per 100 people)	..	..	..	..	..	no target	
<b>Other</b>								
9.1	Fertility rate, total (births per woman)	3	3	..	..	2		
9.2	GNI per capita, Atlas method (current US\$)	..	..	..	..	..		
9.3	GNI, Atlas method (current US\$) (billions)	..	..	..	..	..		
9.4	Gross capital formation (% of GDP)	..	26.0	..	..	27.2		
9.5	Life expectancy at birth, total (years)	68	69	..	..	69		
9.6	Literacy rate, adult total (% of people ages 15 and above)	..	..	..	..	..		
9.7	Population, total (billions)	0.0	0.0	..	..	0.0		
9.8	Trade (% of GDP)	..	64.0	..	..	71.1		
9.9	(N) Satisfaction with Kosovo PISG'S performance (%)	..	..	..	34.2'	..	70	
9.10	(N) Number of municipalities and decentralization public services and responsibilities	..	..	..	30+5'	..	not defined	
9.11	(N) Cases pending in Prishtina courts	..	..	10,721'	..	..	80 % decrease	
9.12	(N) Satisfaction with Kosovo police service (%)	..	..	..	68.5'	..	90	
9.13	(N) Satisfaction with courts (%)	..	..	..	20'	..	50	
9.14	(N) Free media access to official documents	..	..	..	..	..	Full access	
9.15	(N) Personal perception of corruption (%)	..	..	..	15'	..	10	
9.16	(N) Citizens' participation in public debates at local level (%)	..	..	..	23'	..	70	

(Source) "The Second Millennium Development Goals Report for Kosovo" (2007)

(Note) (N)=National Goals

## 5.2 Poverty Monitoring System

### 5.2.1 MDG Monitoring

There is no established monitoring system for MDGs in the Government of Kosovo. So far, relative UN agencies collect necessary data and report to the government.

On the other hand, the government published Kosovo Government Annual Report in 2008, which is the first of the Government of Kosovo to show main developments and achievements of the government and the comprehensive progress of the Kosovo society. In addition, the Assembly published White Paper- Kosovo Social Inclusion Challenges on October 2009. Those papers, especially the latter, include some indicators from Laeken Indicators and MDGs. Although the Assembly recognizes importance of better policy planning, implementation, monitoring mechanisms and new financial commitments in order to achieve the targets, those are not in place yet.

### 5.2.2 Issues on Statistical Data

As the reliable Census has not been conducted since 1981, absence of demographic data is one of the critical issues in taking of statistics in Kosovo. The current surveys such as Household Budget Survey (HBS) still use the 1981 population frame for selecting areas and sample. Since then, Kosovo has experienced drastic demographic changes because of wars and migration for work. Therefore, it is pointed out that representativeness of the samples is unconvincing<sup>53</sup>. The next census is planned in 2011.

Since 2002, Kosovo has conducted annual HBS. The HBS provide a solid foundation for monitoring poverty in Kosovo. The HBS has become a core survey in Kosovo's efforts to build a long term monitoring and evaluation system. It is fully funded by the government and implemented by the SOK staff with technical support from Statistics Sweden, which is financed by Swedish International Development Cooperation Agency (SIDA).

It is expected that the results of future HBSs based on more appropriate sampling are effectively utilized for poverty monitoring after the next population census which shows the reality of demography in Kosovo.

Table 5-2: Data collection surveys for poverty monitoring

Kind of survey	Agency	Frequency	Last survey
Census	SOK	Once a decade	1981 (next survey:2011)
Household Budget Survey	SOK	Annual	2009 (next survey:2010)
Labor force survey	SOK	Annual	2009 (next survey:2010)

<sup>53</sup> World Bank, "Kosovo Poverty Assessment" (2007), p.7



# **Appendices**



## Appendix 1: Poverty and Inequality Indicator

### (1) Poverty Indicators

Term	Explanation
<b>Poverty Lines</b>	<ul style="list-style-type: none"> <li>■ <b>Relative poverty lines</b> These are defined in relation to the overall distribution of income or consumption in a country. Relative poverty indicates people who are relatively poor compared to the majority of the population. The relative poverty lines, for example, could be set at 60% of the country's mean income by the EU standard. Then, people who have income or consumption below the relative poverty line can be classified as "the relative poor".</li> <li>■ <b>Absolute poverty lines</b> These are anchored in an absolute standard of what households should be able to count on in order to meet their basic needs. For monetary measures, the absolute poverty lines are often based on estimates of the cost of basic food needs, that is the cost of a nutritional basket considered minimal for the health of a typical family, to which a provision is added for nonfood needs. The minimal requirement of calorie intake is adjusted by age, gender, weight and temperature.</li> </ul>
<b>P0: Poverty Headcount Index/ Poverty Incidence</b>	<p>Proportion of the population living below the poverty line. The most widely used measure to show the size of poverty. It is simple to construct and easy to understand but it does not take into account the living standards of the poor population and the intensity of poverty.</p> $HCI = \frac{q}{N}$ <p>q: Number of Poor N: Total Population</p>
<b>P1: Poverty Gap Index/ Poverty Depth</b>	<p>The average income or consumption shortfall compared to the poverty line across the whole population. This is obtained by adding up all the shortfalls of the poor (assuming that the non-poor have a shortfall of zero) and dividing by the total population. In the case where the poverty line is constant, the increase in the shortfall of the poor leads to a higher poverty gap index. The index can be considered as the minimum cost of eliminating poverty because it shows how much would have to be transferred to the poor to bring their income or expenditure to the poverty line.</p> $PGI = \frac{1}{N} \sum_{i=1}^q \left( \frac{z - y_i}{z} \right)$ <p>N: Total Population z: Poverty Line <math>y_i</math>: Individual Income or Consumption</p>
<b>P2: Squared Poverty Gap Index/ Poverty Severity)</b>	<p>A weighted sum of poverty gaps (as a proportion of the poverty line), where the weights are the proportionate poverty gaps themselves. The index shows poverty severity which is inequality among the poor as a higher weight is placed on those households further away from the poverty line. In the case that the poverty line is constant, a more unequal income or consumption distribution among the poor leads</p> $SPI = \frac{1}{N} \sum_{i=1}^q \left( \frac{z - y_i}{z} \right)^2$ <p>to higher poverty severity. N: Total Population z: Poverty Line <math>y_i</math>: Individual Income or Consumption</p>

(Reference) World Bank, "Poverty Reduction Strategy Paper (PRSP) Sourcebook" (2004)  
World Bank, "Handbook on Poverty + Inequality" (2009)

(2) Inequality Indicator

Term	Explanation
<b>Gini coefficient and Lorenz Curve</b>	Gini Coefficient shows the disparity of income or consumption distribution from the completely equal distribution in an economy. It is based on the Lorenz curve, a cumulative frequency curve that compares the distribution of a specific variable (for example, income) with the uniform distribution that represents equality. Gini Coefficient varies between 0, which reflects complete equality, and 1, which indicates complete inequality (one person or one household has all the income or consumption; all the others have none)
<b>Theil index</b>	<p>The index is obtained by the proportion of the individual income to the mean income per person and the proportion of the individual income to the total income. The index varies between 0, which represents an equal distribution among the total population, and 1, which represents completely unequal distribution among the total population.</p> $Z(1) = \frac{1}{n} \sum_{i=1}^n \frac{y_i}{\bar{y}} \log \frac{y_i}{\bar{y}}$ <p>n: Total Population  <math>y_i</math>: Individual Income  <math>\bar{y}</math>: The Mean Income per capita</p> <p>The Theil Index has the advantage of being additive across different subgroups or regions in the country, this enables to understanding of the attribution of each subgroup to the total inequality in the country.</p> $I \text{ (Total Inequality)} = I_w \text{ (Inequality within subgroup)} + I_b \text{ (Inequality among the subgroups)}$

(Reference) World Bank, "Poverty Reduction Strategy Paper (PRSP) Sourcebook" (2004)  
World Bank, "Handbook on Poverty + Inequality" (2009)



(3) Human Development Index and Human Poverty Index

Term	Explanation
<b>Human Development Index (HDI)</b>	<p>A composite index measuring average achievement in three basic dimensions of human development: a long and healthy life, access to knowledge and a decent standard of living. HDI are constructed by the following indicators:</p> <ul style="list-style-type: none"> <li>■ A long and health life: Life expectancy at birth</li> <li>■ Access to knowledge: Adult literacy rate and Gross enrollment rate</li> <li>■ A decent standard of living: GDP per capita (PPP USD)</li> </ul>
<b>Human Poverty Index (HPI)</b>	<p>A composite index measuring deprivations in the three basic dimensions captured in the human development index: a long and healthy life, access to knowledge and a decent standard of living. There are two types of HPIs: HPI-1 is for developing countries and HPI-2 is for OECD countries. HPI-2 includes not only the above three dimensions but also the capturing of social exclusion.</p> <p><b>【HPI-1 for developing countries】</b></p> <ul style="list-style-type: none"> <li>■ A long and healthy life: Probability at birth of not surviving to age 40</li> <li>■ Access to knowledge: Adult literacy</li> <li>■ A decent standard of living: % of population not using an improved water source and % of under 5 children who are underweight-for-age</li> </ul> <p><b>【HPI-2 for OCED countries】</b></p> <ul style="list-style-type: none"> <li>■ A long and healthy life: Probability at birth of not surviving to age 60</li> <li>■ Access to knowledge: % of adults lacking functional literacy skills</li> <li>■ A decent standard of living: % of people living below the poverty line</li> <li>■ Social exclusion: Long-term unemployment rate</li> </ul>

(Reference) UNDP, “Human Development Report”



## Appendix 2: Midterm Expenditure Framework (MTEF) 2009-2012 Financing Proposal

(EUR)

Sector/Budget Organization	Budget	Estimates	Estimates	Estimates	Total
	2009	2010	2011	2012	2010~2012
<b>Sector of economic growth</b>	217,400,571	174,137,227	169,772,850	170,219,593	514,129,670
Operational Expenditures	74,047,670	34,678,811	33,330,266	34,257,593	102,266,670
Capital Expenditures	143,352,901	139,458,416	136,442,584	135,962,000	411,863,000
<b>Ministry of Transport and Telecommunication</b>	115,972,879	112,882,804	114,717,374	117,060,308	344,660,486
Operational Expenditures	13,056,394	13,382,804	13,717,374	14,060,308	41,160,486
Capital Expenditures	102,916,485	99,500,000	101,000,000	103,000,000	303,500,000
<b>Ministry of Energy and Mines</b>	2,227,927	2,378,226	2,149,457	2,080,568	6,608,251
Operational Expenditures	1,327,927	1,409,226	1,444,457	1,480,568	4,334,251
Capital Expenditures	900,000	969,000	705,000	600,000	2,274,000
<b>POE's</b>	71,459,461	28,650,000	17,900,000	14,300,000	60,850,000
Operational Expenditures	49,398,461	6,850,000	5,000,000	5,000,000	16,850,000
Capital Expenditures	22,061,000	21,800,000	12,900,000	9,300,000	44,000,000
<b>Mining Sector- Trepca</b>	6,189,431	6,189,431	6,189,431	6,089,431	18,468,293
Operational Expenditures	3,089,431	3,089,431	3,089,431	3,089,431	9,268,293
Capital Expenditure	3,100,000	3,100,000	3,100,000	3,000,000	9,200,000
<b>Ministry of Agriculture, Forestry and Rural Development</b>	12,337,253	14,777,191	18,829,741	19,309,741	52,916,673
Operational Expenditures	5,337,253	8,063,191	8,147,741	8,647,741	24,858,673
Capital Expenditure	7,000,000	6,714,000	10,682,000	10,662,000	28,058,000
<b>Ministry of Trade and Industry</b>	9,213,620	9,259,575	9,986,847	11,379,545	30,625,967
Operational Expenditures	1,838,204	1,884,159	1,931,263	1,979,545	5,794,967
Capital Expenditure	7,375,416	7,375,416	8,055,584	9,400,000	24,831,000
<b>Sector of Education and Culture</b>	67,515,497	68,346,718	75,932,286	78,077,200	222,356,204
Operational Expenditures	24,419,968	24,893,641	25,378,882	25,875,980	76,148,503
Capital Expenditure	43,095,529	43,453,077	50,553,404	52,201,220	146,207,701
<b>MEST and UP</b>	56,254,004	56,925,929	61,081,806	63,650,743	181,658,478
Operational Expenditures	18,471,005	18,934,780	19,406,100	19,891,252	58,232,132
Capital Expenditure	37,782,999	37,991,149	41,675,706	43,759,491	123,426,346
<b>Ministry of Culture, Youth and Sports</b>	11,261,493	11,422,789	14,850,481	14,426,457	40,699,727
Operational Expenditures	5,948,963	5,960,861	5,972,783	5,984,728	17,918,372
Capital Expenditure	5,312,530	5,461,928	8,877,698	8,441,729	22,781,355
<b>Sector of Rule of Order and Law</b>	134,029,154	137,282,620	141,749,572	146,712,468	425,744,660
Operational Expenditures	94,238,258	97,510,087	99,947,839	102,446,535	299,904,461
Capital Expenditure	39,790,896	39,772,533	41,801,733	44,265,933	125,840,199
<b>Ministry of Justice</b>	19,999,486	20,387,428	20,828,114	21,271,717	62,487,259
Operational Expenditures	15,480,418	15,867,428	16,264,114	16,670,717	48,802,259
Capital Expenditure	4,519,068	4,520,000	4,564,000	4,601,000	13,685,000
<b>Department of Justice</b>	889,727	873,845	908,441	953,527	2,735,813
Operational Expenditures	764,727	783,845	803,441	823,527	2,410,813
Capital Expenditure	125,000	90,000	105,000	130,000	325,000
<b>Kosovo Judicial Council</b>	13,420,708	13,702,976	13,752,088	14,463,917	41,918,981
Operational Expenditures	11,110,708	11,388,476	11,673,188	11,965,017	35,026,681
Capital Expenditure	2,310,000	2,314,500	2,078,900	2,498,900	6,892,300

Sector/Budget Organization	Budget	Estimates	Estimates	Estimates	Total
	2009	2010	2011	2012	2010~2012
Ministry of Internal Affairs	70,105,711	70,921,104	73,857,881	75,349,828	220,128,813
Operational Expenditures	50,215,711	51,471,104	52,757,881	54,076,828	158,305,813
Capital Expenditure	19,890,000	19,450,000	21,100,000	21,273,000	61,823,000
Ministry of Kosovo Security Force	29,613,522	31,397,267	32,403,048	34,673,478	98,473,793
Operational Expenditures	16,666,694	17,999,234	18,449,215	18,910,445	55,358,894
Capital Expenditure	12,946,828	13,398,033	13,953,833	15,763,033	43,114,899
<b>Sector of Social Welfare and Health</b>	<b>227,914,801</b>	<b>235,533,897</b>	<b>242,702,929</b>	<b>246,988,647</b>	<b>725,225,473</b>
Operational Expenditures	212,240,331	218,780,567	224,250,082	229,856,334	672,886,983
Capital Expenditure	15,674,470	16,753,330	18,452,847	17,132,313	52,338,490
MLSW	159,931,028	164,679,700	169,242,443	172,221,379	506,143,522
Operational Expenditures	156,756,558	161,909,700	165,957,443	170,106,379	497,973,522
Capital Expenditure	3,174,470	2,770,000	3,285,000	2,115,000	8,170,000
MoH	67,983,773	70,854,197	73,460,486	74,767,268	219,081,951
Operational Expenditures	55,483,773	56,870,867	58,292,639	59,749,955	174,913,461
Capital Expenditure	12,500,000	13,983,330	15,167,847	15,017,313	44,168,490
<b>Ministry of Public Services</b>	<b>33,375,919</b>	<b>35,751,733</b>	<b>32,251,733</b>	<b>32,251,733</b>	<b>100,255,199</b>
Operational Expenditures	9,850,919	12,226,733	8,726,733	8,726,733	29,680,199
Capital Expenditure	23,525,000	23,525,000	23,525,000	23,525,000	70,575,000
<b>Ministry of Foreign Affairs</b>	<b>24,820,814</b>	<b>24,932,252</b>	<b>29,078,359</b>	<b>23,969,918</b>	<b>77,980,529</b>
Operational Expenditures	11,780,514	13,242,252	18,118,359	18,079,918	49,440,529
Capital Expenditure	13,040,300	11,690,000	10,960,000	5,890,000	28,540,000
<b>Ministry of Environment and Spatial Planning</b>	<b>12,323,715</b>	<b>10,389,808</b>	<b>11,731,228</b>	<b>11,787,009</b>	<b>33,908,045</b>
Operational Expenditures	2,123,715	2,176,808	2,231,228	2,287,009	6,695,045
Capital Expenditure	10,200,000	8,213,000	9,500,000	9,500,000	27,213,000
<b>Ministry of Economy and Finance</b>	<b>36,969,810</b>	<b>32,487,082</b>	<b>34,565,467</b>	<b>35,435,416</b>	<b>102,487,965</b>
Operational Expenditures	21,553,915	17,071,187	17,497,967	17,935,416	52,504,570
Capital Expenditure	2,415,895	2,415,895	4,067,500	4,500,000	10,983,395
Expropriation for Merdare-Morine Highway	13,000,000	13,000,000	13,000,000	13,000,000	39,000,000
<b>Customs</b>	<b>9,671,548</b>	<b>9,865,837</b>	<b>10,064,983</b>	<b>10,186,007</b>	<b>30,116,827</b>
Operational Expenditures	7,771,548	7,965,837	8,164,983	8,369,107	24,499,927
Capital Expenditure	1,900,000	1,900,000	1,900,000	1,816,900	5,616,900
<b>Ministry of Local Government Administration</b>	<b>11,317,082</b>	<b>8,575,355</b>	<b>8,562,381</b>	<b>8,348,940</b>	<b>25,486,676</b>
Operational Expenditures	4,639,641	1,426,713	1,462,381	1,498,940	4,388,034
Capital Expenditure	6,677,441	7,148,642	7,100,000	6,850,000	21,098,642
<b>Priority Sectors</b>	<b>775,338,911</b>	<b>737,302,529</b>	<b>756,411,788</b>	<b>763,976,931</b>	<b>2,257,691,248</b>
Operational Expenditures	462,666,479	429,972,636	439,108,720	449,333,565	1,318,414,921
Capital Expenditure	312,672,432	307,329,893	317,303,068	314,643,366	939,276,327
<b>Other Sectors</b>	<b>61,096,475</b>	<b>51,189,592</b>	<b>58,805,607</b>	<b>50,887,575</b>	<b>160,882,774</b>
Operational Expenditures	44,059,977	37,223,592	45,305,607	37,412,575	119,941,774
Capital Expenditure	17,036,498	13,966,000	13,500,000	13,475,000	40,941,000
<b>Total of priority and other sectors</b>	<b>836,435,386</b>	<b>788,492,121</b>	<b>815,217,395</b>	<b>814,864,506</b>	<b>2,418,574,022</b>
Operational Expenditures	506,726,456	467,196,228	484,414,327	486,746,140	1,438,356,695
Capital Expenditure	329,708,930	321,295,893	330,803,068	328,118,366	980,217,327
External debt	56,000,000	55,000,000	55,000,000	55,000,000	165,000,000
Energy import		20,000,000			20,000,000
KEK loan Salaries for TAK and customs		37,900,000			37,900,000

Sector/Budget Organization	Budget	Estimates	Estimates	Estimates	Total
	2009	2010	2011	2012	2010~2012
Customs		1,000,000	1,000,000	1,000,000	3,000,000
MiM	11,000,000				
Municipalities	246,780,000	280,350,000	288,500,000	297,700,000	866,550,000
Operational Expenditures	165,510,172	170,720,000	174,988,000	179,362,700	525,070,700
Capital Expenditure	81,269,828	109,630,000	113,512,000	118,337,300	341,479,300
Sub-total	1,094,215,386	1,089,842,121	1,104,717,395	1,113,564,506	3,308,124,022
Operational Expenditures	683,236,628	658,916,228	660,402,327	667,108,840	1,986,427,395
Capital Expenditure	410,978,758	430,925,893	444,315,068	446,455,666	1,321,696,627
<b>Overall Total</b>	<b>1,150,215,386</b>	<b>1,144,842,121</b>	<b>1,159,717,395</b>	<b>1,168,564,506</b>	<b>3,473,124,022</b>

(Source) Ministry of Economy and Finance, "Mid-Term Expenditure Framework 2010-2012", pp.41-44

(Note) The figures of yellow parts differ from original data because of rounding errors.



# **Annex**





(1) List of Major Policy Documents

File No.	Name of Document	Publisher	Year	Source
1	Kosovo National Integrated Border Management (IBM) Strategy	Ministry of Internal Affairs / UNMIK/ PISG (Provisional Institutions of Self-government)	2006/12	<a href="http://www.eulex-kosovo.eu/training/police/PoliceTraining/BORDER_BOUNDARY/DOCUMENTS/4.pdf?page=agreements">http://www.eulex-kosovo.eu/training/police/PoliceTraining/BORDER_BOUNDARY/DOCUMENTS/4.pdf?page=agreements</a>
2	Strategy For Development of Pre-University Education in Kosovo 2007-2017	Ministry of Education, Science and Technology / UNMIK / PISG	2007/03	<a href="http://www.kec-ks.org/botimet_files/Strategy%20for%20Development%20of%20pre-university%20education%20in%20Kosovo.pdf">http://www.kec-ks.org/botimet_files/Strategy%20for%20Development%20of%20pre-university%20education%20in%20Kosovo.pdf</a>
3	Strategy for Integration of Roma, Ashkali, And Egyptian Communities in Kosovo  Education Component 2007-2017	Ministry of Education, Science and Technology / UNMIK / PISG	2007/07	<a href="http://www.see-educoop.net/education_in/pdf/rae-english.pdf">http://www.see-educoop.net/education_in/pdf/rae-english.pdf</a>
4	Middle-Term Work Strategy of the Ministry of Local Government Administration (MLGA) 2009-2012	Ministry of Local Government Administration (MLGA)	2008/11	<a href="http://www.map1-ks.org/repository/docs/strategjia-afat-mesme_a ng.pdf.pdf">http://www.map1-ks.org/repository/docs/strategjia-afat-mesme_a ng.pdf.pdf</a>
5	Midterm Expenditures Framework 2010-2012	Ministry of Economy and Finance	2009	<a href="http://www.mef-rks.org/en/download/mid-term-expenditure-framework/575-mid-term-expenditure-framework">http://www.mef-rks.org/en/download/mid-term-expenditure-framework/575-mid-term-expenditure-framework</a>
6	Agriculture and Rural Development Plan(ADRP) 2009-2013	Ministry of Agriculture, Forestry and Rural Development	2009/08	<a href="http://www.ks-gov.net/Mbpzhr/LinkClick.aspx?fileticket=SLRP04wTpmM%3d&amp;tabid=38&amp;mid=532&amp;language=en-US">http://www.ks-gov.net/Mbpzhr/LinkClick.aspx?fileticket=SLRP04wTpmM%3d&amp;tabid=38&amp;mid=532&amp;language=en-US</a>
7	Health Sector Strategy 2010-2014	Ministry of Health	2009/05	<a href="http://www.ks-gov.net/Mbpzhr/LinkClick.aspx?fileticket=SLRP04wTpmM%3d&amp;tabid=38&amp;mid=533&amp;language=en-US">http://www.ks-gov.net/Mbpzhr/LinkClick.aspx?fileticket=SLRP04wTpmM%3d&amp;tabid=38&amp;mid=533&amp;language=en-US</a>
8	Program of the Government of Republic of Kosovo	The government of Republic of Kosovo	2008/04	PDF File
9	Resolution for adoption of the Millenium Declaration	The Assembly of the Republic of Kosovo	2008/10	PDF File

(2) List of Major Statistical Surveys and Reports

File No.	Name of Survey	Publisher	Year	Survey Cycle	Source
1	Demographic changes of the Kosovo population 1948-2006	Statistical Office of Kosovo	2008/02	ad-hoc	<a href="http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=8&amp;Itemid=8">http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=8&amp;Itemid=8</a>
2	Population, Households according to Settlements and Territorial Organization of Kosovo until 2008	Statistical Office of Kosovo	2009/09	ad-hoc (For the first time)	<a href="http://www.ks-gov.net/esk/eng/index.php?option=com_docman&amp;task=cat_view&amp;Itemid=8&amp;gid=36">http://www.ks-gov.net/esk/eng/index.php?option=com_docman&amp;task=cat_view&amp;Itemid=8&amp;gid=36</a>
3	Report on Test census 27 October-10 November 2008	Statistical Office of Kosovo	2008/12	ad-hoc	<a href="http://www.ks-gov.net/esk/eng/index.php?option=com_content&amp;view=article&amp;id=123&amp;Itemid=105">http://www.ks-gov.net/esk/eng/index.php?option=com_content&amp;view=article&amp;id=123&amp;Itemid=105</a>
4	Statistics of Births in Kosovo 2008	Statistical Office of Kosovo	2009/07	Yearly basis (data collection started in Aug, 2001)	<a href="http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=8&amp;Itemid=8">http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=8&amp;Itemid=8</a>
5	Living Standards Measurement Study Survey 2000	The World Bank	2001	ad-hoc	<a href="http://siteresources.worldbank.org/INTLSMS/Resources/3358986-1181743055198/3877319-1181930029376/KOSBID.pdf">http://siteresources.worldbank.org/INTLSMS/Resources/3358986-1181743055198/3877319-1181930029376/KOSBID.pdf</a>
6	Household Budget Survey 2002	Statistical Office of Kosovo	2003	Yearly basis (first time)	<a href="http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=17&amp;Itemid=8">http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=17&amp;Itemid=8</a>
7	Household Budget Survey Questionnaire (2002)	Statistical Office of Kosovo	2002	Yearly basis	<a href="http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=17&amp;Itemid=8">http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=17&amp;Itemid=8</a>
8	Housing in Kosovo 2003 *Report on HBS 2002	Statistical Office of Kosovo	2003/12	Yearly basis	<a href="http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=17&amp;Itemid=8">http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=17&amp;Itemid=8</a>
9	Living Standard Statistics 2002-2003, 2003-2004	Statistical Office of Kosovo	2005/05	Yearly basis	<a href="http://www.ks-gov.net/esk/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=17&amp;Itemid=8">http://www.ks-gov.net/esk/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=17&amp;Itemid=8</a>
10	Statistics of Living Standard 2003-2005	Statistical Office of Kosovo	2007/08	Yearly basis	<a href="http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=17&amp;Itemid=8">http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=17&amp;Itemid=8</a>
11	Statistics of Living Standard 2006	Statistical Office of Kosovo	2008/06	Yearly basis	<a href="http://www.ks-gov.net/esk/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=17&amp;Itemid=8">http://www.ks-gov.net/esk/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=17&amp;Itemid=8</a>

File No.	Name of Survey	Publisher	Year	Survey Cycle	Source
12	Statistics of Living Standards 2007	Statistical Office of Kosovo	2008/11	Yearly basis	<a href="http://www.ks-gov.net/esk/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=17&amp;Itemid=8">http://www.ks-gov.net/esk/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=17&amp;Itemid=8</a>
13	Household Budget Survey 2008	Statistical Office of Kosovo	2009/07	Yearly basis	<a href="http://www.ks-gov.net/esk/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=17&amp;Itemid=8">http://www.ks-gov.net/esk/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=17&amp;Itemid=8</a>
14	Labour Force Survey 2001 Methodological report	Statistical Office of Kosovo	2002/08	Yearly basis	<a href="http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=16&amp;Itemid=8">http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=16&amp;Itemid=8</a>
15	Labour Force Survey 2002 Key employment indicators	Ministry of Public Service/ Provisional Institutions of Self Government / Statistical Office of Kosovo	2004/03	Yearly basis	<a href="http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=16&amp;Itemid=8">http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=16&amp;Itemid=8</a>
16	Labour Force Survey 2003	Statistical Office of Kosovo	2003	Yearly basis	<a href="http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=16&amp;Itemid=8">http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=16&amp;Itemid=8</a>
17	Labour Market Statistics 2004	Statistical Office of Kosovo	2004	Yearly basis	<a href="http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=16&amp;Itemid=8">http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=16&amp;Itemid=8</a>
18	Labour Market Statistics 2005	Statistical Office of Kosovo	2006/08	Yearly basis	<a href="http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=16&amp;Itemid=8">http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=16&amp;Itemid=8</a>
19	Labour Market Statistics 2006	Statistical Office of Kosovo	2007/09	Yearly basis	<a href="http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=16&amp;Itemid=8">http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=16&amp;Itemid=8</a>
20	Labour Market Statistics 2007	Statistical Office of Kosovo	2008/08	Yearly basis	<a href="http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=16&amp;Itemid=8">http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=16&amp;Itemid=8</a>
21	LFS 2008 Labour Market Statistics 2008	Statistical Office of Kosovo	2009/11	Yearly basis	<a href="http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=16&amp;Itemid=8">http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=16&amp;Itemid=8</a>
22	Social Welfare Statistics 2003 (Jan-Mar)  Number of families and family members receiving social assistance benefits by region and month during first quarter 2003	Statistical Office of Kosovo	2003/05	monthly basis	<a href="http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=19&amp;Itemid=8">http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=19&amp;Itemid=8</a>

File No.	Name of Survey	Publisher	Year	Survey Cycle	Source
23	Number of families and family members receiving social assistance benefits by region and month during 2003	Statistical Office of Kosovo	2004/01	monthly basis	<a href="http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=19&amp;Itemid=8">http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=19&amp;Itemid=8</a>
24	Number of families receiving social benefits by region and month during 2004	Statistical Office of Kosovo	2004	monthly basis	<a href="http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=19&amp;Itemid=8">http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=19&amp;Itemid=8</a>
25	Number of Beneficiaries of Social Assistance and Pensions in Kosovo in 2004	Statistical Office of Kosovo	2005/10	Yearly basis	<a href="http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=19&amp;Itemid=8">http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=19&amp;Itemid=8</a>
26	Social Welfare Statistics 2005	Statistical Office of Kosovo	2006/04	Yearly basis	<a href="http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=19&amp;Itemid=8">http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=19&amp;Itemid=8</a>
27	Social Welfare Statistics 2006	Statistical Office of Kosovo	2007/05	Yearly basis	<a href="http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=19&amp;Itemid=8">http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=19&amp;Itemid=8</a>
28	Statistics of Social Welfare 2007	Statistical Office of Kosovo	2008/11	Yearly basis	<a href="http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=19&amp;Itemid=8">http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=19&amp;Itemid=8</a>
29	Social Welfare Statistics 2008	Statistical Office of Kosovo	2009/06	Yearly basis	<a href="http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=19&amp;Itemid=8">http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=19&amp;Itemid=8</a>
30	Employees in Kosovo Health Sector 2003	Statistical Office of Kosovo	2004	Yearly basis	<a href="http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=19&amp;Itemid=8">http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=19&amp;Itemid=8</a>
31	Health Statistics 2004	Statistical Office of Kosovo	2004	Yearly basis	<a href="http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=19&amp;Itemid=8">http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=19&amp;Itemid=8</a>
32	Health Statistics 2005	Statistical Office of Kosovo	2006/06	Yearly basis	<a href="http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=19&amp;Itemid=8">http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=19&amp;Itemid=8</a>
33	Health Statistics 2006	Statistical Office of Kosovo	2007/10	Yearly basis	<a href="http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=19&amp;Itemid=8">http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=19&amp;Itemid=8</a>
34	Health Statistics 2008	Statistical Office of Kosovo	2010/04	Yearly basis	<a href="http://www.ks-gov.net/esk/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=19&amp;Itemid=8">http://www.ks-gov.net/esk/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=19&amp;Itemid=8</a>

File No.	Name of Survey	Publisher	Year	Survey Cycle	Source
35	Women and men in Kosovo 2005	Statistical Office of Kosovo	2007/04	Yearly basis	<a href="http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=8&amp;Itemid=8">http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=8&amp;Itemid=8</a>
36	Women and men in Kosovo 2006	Statistical Office of Kosovo	2008/11	Yearly basis	<a href="http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=8&amp;Itemid=8">http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=8&amp;Itemid=8</a>
37	Women and men in Kosovo 2007	Statistical Office of Kosovo	2009/03	Yearly basis	<a href="http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=8&amp;Itemid=8">http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=8&amp;Itemid=8</a>
38	Literacy in Kosovo Statistics on Education in Kosovo	Statistical Office of Kosovo	2003	ad-hoc	<a href="http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=19&amp;Itemid=8">http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=19&amp;Itemid=8</a>
39	Education Statistics 2008-2009	Statistical Office of Kosovo	2010/02	Yearly basis	<a href="http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=18&amp;Itemid=8">http://www.ks-gov.net/ESK/eng/index.php?option=com_docman&amp;task=cat_view&amp;gid=18&amp;Itemid=8</a>
40	Statistical Atlas 2008	Statistical Office of Kosovo	2008/04	ad-hoc	<a href="http://www.ks-gov.net/esk/eng/index.php?option=com_docman&amp;task=cat_view&amp;Itemid=8&amp;gid=36">http://www.ks-gov.net/esk/eng/index.php?option=com_docman&amp;task=cat_view&amp;Itemid=8&amp;gid=36</a>
41	IOM Comparative Statistics of AVR Returnees by Sending Countries	IOM	2010/06	ad-hoc	PDF File
42	UNHCR Statistical Overview Update as at end of April 2010	UNHCR OCM Pristina	2010/04	ad-hoc	Hard Copy
43	UNIFEM Survey of The Position of Women in Kosovo in 2009  A background paper to inform the European Commission Progress Report in Kosovo	Nicole Farnsworth (UNIFEM)	2009/05	-	Hard Copy
44	Labour and Employment	Ministry of Labour and Social Welfare Department of Labour and Employment	2009	Yearly basis since 2003	Publication

(3) List of Major Microfinance Institutions

No.	Name of MFI	Address	Contact Number	Contact Person	Email Address	Homepage	Activity summary
1	AFK (Agency for Finance in Kosovo)	Str. Lidhja e Prizrenit no.1 Peje/Pec, 38300, Kosovo	+381 39 424 6242	none	<a href="mailto:afk_info@yahoo.com">afk_info@yahoo.com</a>	<a href="http://www.afkonline.org">www.afkonline.org</a>	Main activities are Loans in local currency, donations, capacity building grants, other investment, equity investment and loans in US\$.
2	Atlantic Capital Partners	str. UCK, Prishtina, Kosovo	+381 38 223 311	none	<a href="mailto:info@acapitalpartners.com">info@acapitalpartners.com</a>	<a href="http://www.acapitalpartners.com">www.acapitalpartners.com</a>	Main activities are Loans, Voluntary Savings, Insurance, Leasing, Training and Consulting.
3	BZMF Beselidhja/Zavet Microfinance	Str. UCK, No. 18, Prishtina, Kosovo	+381 38 225 023	none	<a href="mailto:info@bzmf.org">info@bzmf.org</a>	<a href="http://www.bzmf.org">www.bzmf.org</a>	Main activities are Loans in Local Currency, Loans in USD, Donations, Guarantees, Capacity Building Grants, Equity investments and Loans in EUR. With a combination of very lean operations and a strong repayment focus.
4	FINCA - Kosovo	Str. Bedri Pejani 4, Prishtina, Kosovo	+381 35 226 721	none	<a href="mailto:info@fincakosovo.org">info@fincakosovo.org</a>	<a href="http://www.FINCA-ks.org">www.FINCA-ks.org</a>	FINCA Kosovo has four main products: Individual Loan, Rural Loan, Solidarity Group Loan, Home improvement Loan. Mission is to provide financial services to the world's lowest-income entrepreneurs so they can create jobs, build assets and so forth.
5	KEP trust (Kosovo Enterprise Program)	Bajram Kelmendi St. No. 16, Prishtina, Kosovo	+ 381 38 225 557	none	<a href="mailto:info@keponline.net">info@keponline.net</a>	<a href="http://www.keponline.net">www.keponline.net</a>	Main products are Loans as well as Training and Consulting. KEP Trust boasts the country's most extensive MFI branch network, with 33 branch locations covering all the cities throughout Kosovo. KEP is also the leading MFI in the country.
6	KGMAMF (Kosovo Grameen Missione Arcobaleno)	154, ex. Marshall Tito Nr.122, Peje, Kosovo	+381 44 165 254	none	<a href="mailto:kgmpeje@yahoo.com">kgmpeje@yahoo.com</a>	Website is not available	Main product is Loans. Kosovo Grameen Missione Arcobaleno is a replication Project of Grameen Bank, Bangladesh. An international NGO KGMAMF which was established in 1999 with financial assistance of Missione Arcobaleno of Italy Grameen Trust of Bangladesh.
7	KosInvest	Qyteza Pejton 2A no 2, Prishtina, Kosovo	+381 202 572-6326	none	<a href="mailto:twallace@worldvision.org">twallace@worldvision.org</a>	Website is not available	Products are Loans in Local Currency, Donations, Guarantees, Capacity Building Grants, Equity investments.
8	KRK Ltd - (Kreditimi Rural i Kosoves LLC -formerly Rural Finance Project of Kosovo)	Street Rexhep Mala Nbr.4, Prishtina, Kosovo	+ 381 38 518 048	-	<a href="mailto:krk_imf@hotmail.com">krk_imf@hotmail.com</a>	<a href="http://www.micro-credit.net/kosovo/home.html">http://www.micro-credit.net/kosovo/home.html</a>	Products are Loans. The Rural Finance Project assist farmers and rural micro-entrepreneurs of Kosovo in the creation of a rural finance network for storing and developing agricultural production capacity; restoring and developing rural services.

No.	Name of MFI	Address	Contact Number	Contact Person	Email Address	Homepage	Activity summary
9	Qelim Kosova	Rr. UCK Nr. 5 Bankkos, Gjakova, Kosovo	381 (039) 032-4664	none	<a href="mailto:qelim_kosove@yahoo.it">qelim_kosove@yahoo.it</a>	<a href="http://www.amik.org/member_profiles09.html">http://www.amik.org/member_profiles09.html</a>	Main products are Loans. The aim of the institution is to improve the living conditions of rural areas of Gjakova where confronting with the difficulties caused by the conflict. During five years this MFI has financed more than 1000 families among them.
10	MFI START	Rasim Kicina Nr.5, Drenas, Kosovo	381 38 585 051	none	<a href="mailto:mfi_start@yahoo.com">mfi_start@yahoo.com</a>		Main products are Loans. In 2002 "START" has been registered in Banking and Payment Authority of Kosovo (BPK) - Central Bank Authority of Kosova (CBAK) now- in Prishtina, as a Micro Finance Institution and recieved a License to work in credit business.

(4) List of Major NGOs (international and national) and CSOs

No.	Name of NGO / CSO	Source	Address	Contact Number	Contact Person	Email Address	Activity summary	Remarks
1	Kosovar Civil Society Foundation (KCSF)	B	Rr. Josip Relja 29 10000 Prishtina, Kosova	+381 38 248 636	Fidan Hallaqi	<a href="mailto:fidan.hallaqi@kcsfoundation.org">fidan.hallaqi@kcsfoundation.org</a>	KCSF focuses in supporting local civil initiatives leading to a strong civil society movement that will promote a democratic culture and will be responsive to the socio-economic needs of Kosovo. The main activities are designing and implementing project.	Citizen participation European Integration
2	CELNAJA	B	Dardania SU 6/6 L.B2. 23 Prishtina	+381 38 739 636	Jeton Zulfaj	<a href="mailto:ngocelnaja@yahoo.com">ngocelnaja@yahoo.com</a>	The goal is to improve the process of decision making, improvement of public administration through broad but qualitative involvement of all institutions, stakeholders and social actors, participation of citizens in public sphere.	European Integration Advocacy and Lobbying Research and Analysis
3	Kosova Young Lawyers (KYL)	B	Dëshmoret e Kombit 58/6 Prishtinë, 10000 Kosova	-	Liridon Shurdhani	<a href="mailto:kosova.young.lawyers@gmail.com">kosova.young.lawyers@gmail.com</a>	The website is not available.	Human rights Judicial Assistance European Integration
4	Centre for Legal Aid and Regional Development (CLARD)	B	Luan Haradinaj str. 9A/1 Prishtine	+381 38 228 372	Armen Cekic	<a href="mailto:armen@clardkosovo.org">armen@clardkosovo.org</a>	The aim is to improve democratization processes, especially through Rule of Law implementation and Socio Economic sector development. The main fields of activity are Democratization, Economic Development and Human Rights.	Human rights, Democratization Economic Development
5	Youth Initiative for Human Rights (YIHR)	B	Hajdar Dushi No. 12 10000 Prishtina	+381 38 248 509	Sarah Maliqi	<a href="mailto:ksoffice@yih.org">ksoffice@yih.org</a>	YIHR's human rights programme in Kosovo aims to protect the victims of human rights violations and establishment of the rule of justice in Kosovo by monitoring the implementation of the Anti-discrimination Law and the Law on Access to Official Documents.	Human rights Community development
6	Peace and Human Rights Council (PHRC)	B	Rr. Necat Matrancic N0-31	+381 29 630 030	Musa Vezgishi	<a href="mailto:phrc08@gmail.com">phrc08@gmail.com</a>	The aim is to help and support Peace, Reconciliation processes in Kosovo, Supporting the return of IDPs, Integration Processes and Security in Society. Main Activities are supporting of Return Processes of IDP from Kosovo, reconciliation between conflicted areas.	Peace building Community development
7	Community Development Fund (CDF)	B	Sejdi Kryeziu No. 16 Prishtina 10000 Kosovo	+381 38 249 677	Vjollca Cavolli	<a href="mailto:info@kcdf.org">info@kcdf.org</a>	CDF is designed to help communities in rebuilding their shattered infrastructure and improving community services. It carries out community development projects through small-scale community investments.	Community service



No.	Name of NGO / CSO	Source	Address	Contact Number	Contact Person	Email Address	Activity summary	Remarks
8	Balkan Sunflowers	A	Youth, Culture and Sports Hall #114 , Prishtina 10 000	+381-38-246-299	Luan Haradinaj	only online form is available	The organization promotes local volunteerism and brings volunteers from around the world to work as neighbors and friends in social reconstruction and renewal by organizing educational, social and cultural activities.	Community, Human Dignity, Children and Youth
9	DOKUFEST	B	Mimar Sinan 13 20000 Prizren	+381 29 633718	Eroll Shporta	<a href="mailto:info@dokufest.com">info@dokufest.com</a>	The main fields of activities are Culture, Citizen Participation and Environment.	Culture, Citizen participation
10	Emancipimi Civil Ma Ndryshe (EC Mandryshe)	B	Rr. Xhevdet Doda Nr.10 Prizren, Kosovë	+38138220199	Laura Xhelili	<a href="mailto:info@ecmandryshe.org">info@ecmandryshe.org</a>	The main fields of activities are citizen participation and Cultural Heritage.	Cultural Heritage
11	Asociacioni i Kimistëve të Rinjë të Kosovës (AKRK)	B	Asociacioni i Kimistëve të Rinjë të Kosovës (AKRK)	+381 38 544 271	Veprim Thaqi	<a href="mailto:Veprimi_24@hotmail.com">Veprimi_24@hotmail.com</a>	The website is not available.	Environment Consumer Protection, Educaion, Training
12	Atë« Lorenc Marku (ATM)	B	Rr: Nena Tereze 79	00381 39 431 833	Engelbert Zefaj	<a href="mailto:atelorencmazreku@gmail.com">atelorencmazreku@gmail.com</a>	The website is not available.	Eductaion, Training, Peace Building, NGO Development
13	Balkan Investigative Reporting Network (BIRN)	B	BIRN Mensa e Studenteve, kati I 10000,	+381 38 224 498	Krenare Maloku	<a href="mailto:krenare@birn.eu.com">krenare@birn.eu.com</a>	BIRN is a close group of editors and trainers that enables journalists in the region to produce in-depth analytical and investigative journalism on complex political, economic and social themes. It provides momentum to democratic transition.	Culture, Education, Training Youth
14	Kosova Academic Services (KAS-Shak)	B	Rr Anton Ažetta 3, Fahu Postal 357, 10000 Prishtinë	+381 38 248 887	Argjiro Shaqiri	<a href="mailto:office@kas-ks.org">office@kas-ks.org</a>	The Kosova Academic Services (KAS) has been working in partnership with Western countries, colleges and universities to increase the student mobility, especially in places of growing strategic importance to Kosova: Europe and North America.	Education (studying abroad)
15	BlackBird Books	B	c/o Anthony Barilla Fah 157 40010 Mitrovice/a	+381 44 61 33 77	Anthony Barilla	<a href="mailto:blackbirdkosovo@gmail.com">blackbirdkosovo@gmail.com</a>	The Blackbird Books provides classic and adventurous modern literature to the people of Mitrovicë/a in an environment designed to foster dialogue and combat the emigration of artistically-inclined young adults from the community.	Youth
16	TI GEZOJME FEMIJET (TGF)	B	"Ti Gezojme Femijet" RRUGA "DESHMORET E KOMBIT"-70.000 -FERIZAJ ndertesa (ish bankosit) kati pare	+381 290 323 053	ilir ismaili	<a href="mailto:ti_gezojme_femijet@hotmail.com">ti_gezojme_femijet@hotmail.com</a>	Main activity is to help children in medical tretment.	Children

No.	Name of NGO / CSO	Source	Address	Contact Number	Contact Person	Email Address	Activity summary	Remarks
17	The Kosova Humanitarian and Charitable Society "Mother Teresa"	B	St. Mujë Krasniqi" pn ULPIANA U1/1 10 000 Prishtinë/a	+381 38 542 864	None	<a href="mailto:ntereze@yahoo.com">ntereze@yahoo.com</a>	The aim is to build open civil society where human values are cultivated and live freely in peace, mutual respect and tolerance through supporting vulnerable families of socio-economic situation in Kosovo. The main activities are to implement Development.	to protect vulnerable people
18	NGO Lady	B	Emin Duraku 16	+387 44 167 463	Sanija Murati	<a href="mailto:lady_sani@hotmail.com">lady_sani@hotmail.com</a>	The aim is to support and engage woman in a society, through activities such as Trainging, Consulting, Support of the founding of private business and Employment possibilities through production and service program.	Women
19	Kasnecet e Ardhmerise (KeA)	B	St.UCK p.n. Prishtina	+381 38 248 691	Xhevat Kurhasani	<a href="mailto:xhevat.kurhasani@gmail.com">xhevat.kurhasani@gmail.com</a>	As the main sub recipient of GFATM TB Project for Kosovo as well as a strategic partner and developed partnership with MoH, it focuses on improving the health of general and vulnerable population from diseases that present public health. KeA implements 85 projects in the country.	Health
20	Down Syndrome Kosova (DSK)	B	Kroi i Bardh, No 72, Dardania 10000, Prishtine Republic of Kosova	+381 38 545 715	Driton Bajraktari	<a href="mailto:info@downsyndromekosova.org">info@downsyndromekosova.org</a>	The aim is to increase dignity of people with Down Syndrome and their families by promotion human rights, for advocacy in the decision-making institutions, education of parents and families, services on education and early intervention, inclusive education and so forth.	Down Syndrome
21	Kosovar Center for Security Studies (KCSS)	B	Universiteti UNIVERSUM, CAGLLAVICA, in front of GRAND STORE, Third floor, 10000 Prishtina KOSOVO	+381 44 640 160	Ramadan Qehaja	<a href="mailto:qehaja42@yahoo.com">qehaja42@yahoo.com</a>	The aim is studying, researching, organizing conferences and seminars in the field of security and defence policies. Activities of KCSS in the local level are evaluation of the security actors performance, risks and threats, comprehensive research in the country.	Security and diffence
22	American Chamber of Commerce in Kosovo (AMCHAM Kosovo)	B	Street Gustav Majer, nr. 6, Prishtina, Republic of Kosovo	+381 38 248 012	Mimoza Kusari	<a href="mailto:info@amchamks.org">info@amchamks.org</a>	The American Chamber of Commerce is a Business Association. It represents more than 70 Kosovar medium and large businesses, which jointly employ over 10,000 Kosovar employees. The mein purpose is to support in every manner both legal and practicable.	Business.
23	Forum 2015	B	Ulpiana, Imzot Nikë Prela, Villa 13, Prishtinë	+ 38138 542157(e107)	Hajrulla Ceku	<a href="mailto:info@forumi2015.org">info@forumi2015.org</a>	The website is not available.	Analysis Research.
24	Asocijacija Novinara Turskih Medija na Kosovu (KTGD)	B	Dardania BL. 7/I6 10000 Prishtina Kosova	+381 38 559 257	Ercan Kasap	<a href="mailto:kosovagazeteci@yahoo.com">kosovagazeteci@yahoo.com</a>	The website is not available.	Media association.

No.	Name of NGO / CSO	Source	Address	Contact Number	Contact Person	Email Address	Activity summary	Remarks
25	APPK	Local consultant	Rr. Andrea Gropa p.n, 10 000 Prishtine	+381(0)38243474	-	<a href="http://www.appk.org">www.appk.org</a>	intermediary agency for employment, support for business establishment, professional trainings, organization of different occasions, etc.	
26	Social emancipation - Differently	Local consultant	-	-	-	<a href="http://www.ecmandryshe.org">www.ecmandryshe.org</a>	Promotion of active society, social awareness increase, protection and cultivation of cultural heritage, youth advancement in decision making processes in the country.	
27	Kosovo Foundation for Open Society	Local consultant	Villa Nr. 13 Imzot Nikëprelaj,Ulpiana, Prishtina, Kosovo	Tel: +381 (0)38 542 157, 158, 159, 160	Fikrete Kelmendi	<a href="http://www.kfos.org">www.kfos.org</a>	Education and youth support, human rights, civil society, media, women programs, and other fields. With the decision of Mr. Soros in June 1999, Prishtina office was transformed in an independent foundation and supervised by a Kosovo board.	
28	Foundation "Mjaft"	Local consultant	-	-	-	<a href="http://www.mjaftfoundation.org">www.mjaftfoundation.org</a>	Non-governmental K-albanian organization with the main objective to empower civil society, to promote development and induce fast positive changes in the country.	
29	German Training Center	Local consultant	Rr. Bislim Bajgora (te laura/rampa)	044/331873	-	<a href="http://www.gtc-kosova.org">www.gtc-kosova.org</a>	Center for professional training and education.	
30	Institute for youth research	Local consultant	Rr."28 QERSHORI" p.n (objekti i qendres rinore) 11 000 Podujevë,KS	044/492-004	TAULANT HOTI	<a href="http://www.ikr-ks.org">www.ikr-ks.org</a>	Improvement of Kosovo youth situation focusing on "children rights", "culture", "education/training", "european integration", "peace building", "research & analysis", "sport".	
31	Council for protection of human rights and freedom	Local consultant	-	-	-	<a href="http://www.cdhrf.org">www.cdhrf.org</a>	Established in 1989, the council deals with protection of human rights and democracy development.	
32	Movement "Mjaft"	Local consultant	Rruga e Elbasanit, Nr. 38, Kati 4,Tirana, Albania	+355 (4) 4 500 693	-	<a href="http://www.mjaft.org">www.mjaft.org</a>	Main vision of the movement "Mjaft" is to create a well governed society, with active citizens, strong communities and a positive image in the world.	
33	Help to Childrens with Cancer	Local consultant	-	-	-	<a href="http://www.nfk-ks.org">www.nfk-ks.org</a>	Identification of patients with such diseases in order to identify their and their family needs and problems.	
34	Vision Eye	Local consultant	Qendra Zejtare 64/B 30000 Pejë	+377 (0) 44 111 408	-	<a href="http://www.syriivizionit.org">www.syriivizionit.org</a>	Implementation of projects in media and communication	
35	Women organization "Life in Kastriot"	Local consultant	Rruga Hajdar Dushi hyrja 2 Numer 5 Prishtinë	Tel: +377 (0)44 209651	Luljeta Selimi	<a href="http://www.vajzat.com">www.vajzat.com</a>	Main objective of the organization is to support women which have been sexually, physically and mentally abused.	

No.	Name of NGO / CSO	Source	Address	Contact Number	Contact Person	Email Address	Activity summary	Remarks
36	Open Gate "La Strada" Maqedoni	Local consultant	-	-	-	<a href="http://www.lastrada.org.mk">www.lastrada.org.mk</a>	Social support to human trafficking potential victims	
37	Training and Advocation Sources Center	Local consultant	Gazmend Zajmi St. No.20,10.000 Prishtina - Kosova	Tel: +381 (0) 38 244 810	-	<a href="http://www.advocacy-center.org">www.advocacy-center.org</a>	Training and support to NGO-s in Kosova to make them more professional in their job, to articulate their requests and stimulate governmental structures for future changes.	
38	Kosovo Education Center	Local consultant	Third Millennium" School Complex ,Isa Kastrati St., n.n, 10000 Prishtina, Kosovo	Tel: +381 38 244 257, 258 203	-	<a href="http://www.kec-ks.org">www.kec-ks.org</a>	Education support in Kosovo	
39	Sunbeam	Local consultant	-	-	-	<a href="http://www.rrezedielli.org">www.rrezedielli.org</a>	Support to Kosovo youth for the emancipation and youth development with special focus on the individual traumatized from war.	
40	Humanitarian association "Mother Teresa Germany"	Local consultant	Postfach: 310306 , 80103 München	Tel.: +49 89 97 34 92 88 / 89 , Fax: +49 89 97 34 92 90	-	<a href="http://www.mteresa.org">www.mteresa.org</a>	Individual support to children in need by selecting sick children, controlling them and regulate the correct documents for the treatment abroad.	
41	Swisscontact Kosova	Local consultant	Address: Rr 6 Hamdi Gashi 91 P.O Box 182,10000 Prishtina, Republika e Kosovës	Tel: +381 (0)38 517 543, Fax: +381 (0)38 518 768	Majlinda Bajraktari	<a href="http://www.swisscontactkos.org">www.swisscontactkos.org</a>	Promotes sustainable economic and social development in the privat sector in the Southeast Europe through counseling services, trainings and continued education.	

References:

	Name	Link	Memo
A	Worldwide NGO Directory (WANGO connecting and serving NGOs beyond borders)	<a href="http://www.wango.org/resources.aspx?section=ngodir#tab2">http://www.wango.org/resources.aspx?section=ngodir#tab2</a>	Search by country - choose 'Albania' (No option of 'Kosovo')
B	Kosovo Civil Society Organizations (CSO) List of NGOs	<a href="http://www.cso-ks.org/?page=2,4#?1">http://www.cso-ks.org/?page=2,4#?1</a>	Total Search results: 66
C	NGO Directory of South Eastern Europe (2006) A Directory of West Balkan Environmental Civil Society Organisations	<a href="http://archive.rec.org/REC/Databases/NGO_Directory_SEE/Find.html">http://archive.rec.org/REC/Databases/NGO_Directory_SEE/Find.html</a>	Environmental NGOs only. Total Search results:30

(5) List of Major Socio-economic Research Institutions

No.	Name of Research Institutions	Source	Address	Contact Number	Contact Person	Email Address	Activity summary	Remarks
1	National Center for Social Studies (NCSS)	visited in Albania	Kodra e Diellit Z-P 9/10, Prishtina	+ 381 38 557 179	None	<a href="mailto:ncss.kos@gmail.com">ncss.kos@gmail.com</a>	NCSS cooperates closely with donors as well as leverages with government and civil society actors, to monitor and revise social protection policies and to place evidence based information in the public domain for greater participation by a wider range of groups.	*There is an office in Tirana, Albania as well.
2	Kosovar Institute for Policy Research and Development (KIPRED)	A	St. Rexhep Mala, Nr.5A, Prishtinë, Kosovë	+381 38 227 778	Burim Ejupi	<a href="mailto:info@kipred.net">info@kipred.net</a>	The aim is to promote and strengthen democracy and democratic values in Kosovo and the region. The main activities are developing and implementing the government training program focusing on capacity building of high-level elected officials.	A local think tank and training organization
3	The Institute for Advanced Studies (GAP)	A	Rr: Nëna Terrezë 41/29 10000 PRISHTINË	+381 38 224 145	Visar Berisha	<a href="mailto:info@institutigap.org">info@institutigap.org</a>	GAP's main purpose is to attract professionals by creating a professional research and development environment commonly found in similar institutions in Western countries.	Research
4	RINVEST Institute for Development Research	visited in Kosovo	Universiteti AAB-Riinvest Ndërtesa nr. 2, K/4 Zona Industriale 1000 Prishtinë	+381 38 601 320 +381 38 601 321	None	<a href="mailto:riinvest@riinvestinstitute.org">riinvest@riinvestinstitute.org</a>	Riinvest is a non-profit research organization, with a mission to promote modern economic development in Kosova based on a philosophy of entrepreneurship. From 1999 to 2000, Riinvest activities were oriented towards analysing various situations.	A non-profit research organization
5	Kosova Academy of Sciences and Arts	A	St. Agim Ramadani, 10000 Prishtinë	+381 38 249 303	none	<a href="mailto:ashak_pr@hotmail.com">ashak_pr@hotmail.com</a>	The KASA is mainly focused on: historical issues, political studies, sociology, psychology, law and philosophy research, ethnological and demographic studies and Kosovo challenges and issues.	
6	Statistical Office of Kosovo	Visited in Kosovo	St. Zenel Salihu nr. 4, 10000 Prishtinë	+381 38 235 111	none	<a href="mailto:eskinfo@ks-gov.net">eskinfo@ks-gov.net</a>	Data publication and analysis	
7	Central Bank of the Republic of Kosovo	Local consultant	33 Garibaldi Street, 10000 Prishtinë	+381 38 222 055	Bujar Abdullahu	<a href="mailto:BujarAbdullahu@bqk-kos.org">BujarAbdullahu@bqk-kos.org</a>	Data publication and analysis	
8	Institute of History	Local consultant	Lagja e Spitalit nr.3, 10000 Prishtine	+381 38 512 392	none	<a href="mailto:info@ihp-ks.org">info@ihp-ks.org</a>	The Institute published monographic studies, studies on Kosovo's history and Albanian's history through different periods by science academics as well as outside partners.	
9	Institute for Albanian Studies	Local consultant	St. Eqrem Çabej, n.n, 10000 Prishtine	+381 38 229 033	none	<a href="mailto:instituti.albanologjik@hotmail.com">instituti.albanologjik@hotmail.com</a>	The Institute focuses its research capacities mainly in Albanian Studies: language studies, literature, history, folklore and ethnology.	

No.	Name of Research Institutions	Source	Address	Contact Number	Contact Person	Email Address	Activity summary	Remarks
10	KFOS/ Forum 2015	Local consultant	Ulpiana, Villa No.13, 10000 Prishtine	+ 381 38 542 157	none	<a href="mailto:info@forumi2015.org">info@forumi2015.org</a>	Forum 2015 is “a project-based think tank committed to competence building and advocacy”.	
11	Kosovar Stability Initiative	Local consultant	St. Garibaldi H 11/6, 10000 Prishtine	+381 38 222 321	none	<a href="mailto:info@iksweb.org">info@iksweb.org</a>	Development research, training, political and economic studies and analyses, media studies, security analysis and local governance.	
12	Kosovo Education Center	Local consultant	St. Isa Kastrati, n.n., 10000 Prishtine	+381 38 244 257	none	<a href="mailto:office@kec-ks.org">office@kec-ks.org</a>	Education research, development research and training.	
13	Management Development Associates	Local consultant	St. Zija Shemsiu, nr. 25, 10000 Prishtine	+381 38 500 147	none	<a href="mailto:info@seemda.com">info@seemda.com</a>	Consulting Services, Capacity Building, and International Development Projects.	
14	Index Kosova	Local consultant	St. Bajram Kelmendi 38, 10000 Prishtine	+381 38 247 977	none	<a href="mailto:office@indexkosova.com">office@indexkosova.com</a>	Social, political, media and market research.	
15	Ubo Consulting	Local consultant	St. Eduard Lir, Arbëria nr.17, 10000 Prishtine	+381 38 225 582	none	<a href="mailto:info@ubiconsulting">info@ubiconsulting</a>	Market research as well as business consulting.	
16	Kosovo Law Centre	Local consultant	St. Tringe Ismajli 76/4, 10000 Prishtine	+381 38 247 163	Liridon Shurrdhani	<a href="mailto:l-shurdhani@kcl-ks.org">l-shurdhani@kcl-ks.org</a>	Research in fields of civil, criminal, criminal procedure, human rights, and property.	

(6) List of Other References

File No.	Name of Document	Publisher	Year
1	Public Expenditure and Institutional Review (Volume.1 of 2)	The World Bank	2006/09
2	Public Expenditure and Institutional Review (Volume.2 of 2)	The World Bank	2006/09
3	Public Expenditure & Financial Accountability Public Financial Management Assessment	Public Expenditure and Financial Accountability (PEFA)	2009/05
4	Kosovo under UNSCR 2009 Progress Report	Commission of the European Communities	2009/10
5	Kosovo Technical background paper Policy Issues in the Social Sectors	European Commission/ The World Bank	2008/07
6	Local reform in Kosovo Final report Forum 2015	RIINVEST institute	2010/02
7	Kosovo Unlocking Growth Potential: Strategies, Policies, Actions A Country Economic Memorandum	The World Bank	2010/04
8	Local Governance Handbook	Association of Kosovo Municipalities	2006?
9	Kosovo Municipalities -Short Profile	Association of Kosovo Municipalities	2008/06
10	Organization and function of Local government in Kosovo (1999-2009)	Ministry of Local Government Administration/Association of Kosovo Municipalities	2009
11	Budget of the republic of Kosovo for year 2010	Ministry of Economy and Finance	2010
12	Microfinance Analysis and Benchmarking report 2009	Association of Microfinance Institutions of Kosovo (AMIK)	2010/01
13	Regional roundtable discussion on Roma, Ashkali and Egyptian (RAE) Education in Kosovo	OSCE Mission in Kosovo	2003/07
14	The Kosovo Pension Reform: Achievements and Lessons	John Gubbels, David Snelbecker, Lena Zezulin, The World Bank	2007/04
15	The Fourth International Roundtable Forum Selected aspects of the social situation and development of the pension system in Kosova	RIINVEST Institute	2002/12
16	Kosovo Poverty Assessment Promoting Opportunity, Security, and Participation for All	The World Bank	2005/06
17	Migration and Poverty Reduction in Kosovo	DFID/ Development Research Centre on Migration, Globalisation and Poverty, University of Sussex	2007/02
18	Kosovo Poverty Assessment (Volume.1 of 2) Accelerating inclusive Growth to Reduce Widespread Poverty	The World Bank	2007/10
19	Kosovo Poverty Assessment (Volume.2 of 2) Estimating Trends from Non-comparable Data	The World Bank	2007/10
20	Social Protection and Social Inclusion in Kosovo Under UN Security council resolution 244	European Commission	2008/10
21	Kosovo Youth in Jeopardy Being Young, Unemployed, and Poor in Kosovo	The World Bank	2008/02

<b>File No.</b>	<b>Name of Document</b>	<b>Publisher</b>	<b>Year</b>
22	White Paper Kosovo Social Inclusion Challenges	The Assembly of Republic of Kosovo	2009/10
23	Child Poverty in Kosovo Policy Options Paper and Synthesis Report	UNICEF Kosovo	2010/05
24	The Position of Roma, Ashkali and Egyptian communities in Kosovo	COMPASS Research and Consulting Company	2009
25	Basic Information Survey for Kosovo for the Preparation of JICA's Future Assistance	UNDP/JICA	2008/03
26	Education and Economic Development of Kosova	RIINVEST Institute	2004/02
27	Kosova Socio-Economic Profile and Development challenges	RIINVEST Institute / UN Habitat/ Ministry for the Environment and Spatial Planning(MMPH)	2005/04
28	Towards Economic Viability of Kosova (Challenges, Policies, Opportunities )	RIINVEST Institute Friedrich Ebert Stiftung	2006/01
29	Diaspora and Migration Policies forum 2015	RIINVEST Institute	2007/12
30	Determinants of Remittances: The case of Kosovo	Central Bank of Republic of Kosovo/ Office of the Chief Economist	2009
31	Cutting the lifeline Migration, Families and the Future of Kosovo	European Stability Initiative (ESI)	2006/09
32	Human Development Report 2002 'Building Bridges to a Better Future'	United Nations Development Programme	2002
33	Human Development Report 2004 'The rise of the Citizen : Challenges and Choices	United Nations Development Programme	2004
34	Human Development Report 2006 'A new generation for a new Kosovo'	United Nations Development Programme	2006
35	Human Development Report 2007 'Energy for Development'	United Nations Development Programme	2007
36	Human Development Report 2008 'Civil Society and development '	United Nations Development Programme	2008
37	Second Millennium Development Goals Report for Kosovo	United Nations Development Programme	2007
38	UNKT Kosovo MDG Factsheets, Draft 1 MDG2	United Nations Kosovo Team	2010/06
39	UNKT Kosovo MDG Factsheets, Draft 1 MDG4	United Nations Kosovo Team	2010/06
40	Human Development Report 2009	United Nations Development Programme	2010
41	UNDP in Kosovo Programme Document (MDGs in the Assembly)	United Nations Development Programme	-