THE PROGRAM OF THE GOVERNMENT OF THE REPUBLIC OF KOSOVO
2011-2014
ITEMS OF THE GOVERNMENT PROGRAM 2011-2014 .................................................................3

1. ECONOMIC DEVELOPMENT .................................................................................................................7
   1.1 INVESTMENTS, INVESTING CLIMATE AND PRIVAT SECTOR SUPPORT.................................10
   1.2 ENERGY ...........................................................................................................................................13
   1.3 MINERALS SECTOR .........................................................................................................................14
   1.4 TRANSPORT AND TELECOMMUNICATION............................................................15
   1.5 AGRICULTURE AND RURAL DEVELOPMENT ..........................................................................17
   1.6 EDUCATION ..............................................................................................................................18
   1.7 FOREIGN POLICY AND ECONOMIC COOPERATION........................................................20
   1.8 FINANCIAL SECTOR DEVELOPMENT .........................................................................................21

2. GOOD GOVERNANCE ...........................................................................................................................22
   2.1 RULE OF LAW ...............................................................................................................................22
   2.2 PROTECTION AND SECURITY .......................................................................................................24
   2.3 PUBLIC ADMINISTRATION REFORM .......................................................................................27
   2.4 RIGHTS AND FREEDOMS OF CITIZENS AND COMMUNITIES .................................................27

3. HUMAN CAPITAL DEVELOPMENT ......................................................................................................29
   3.1 EDUCATION ...................................................................................................................................29
   3.2 CULTURE, YOUTH AND SPORTS ..................................................................................................31
   3.3 DIASPORA AND POLICIES ON THE MIGRATED .......................................................................32

4. SOCIAL WELFARE ................................................................................................................................34
   4.1 POLICIES AND SOCIAL PROGRAMS .........................................................................................34
   4.2 HEALTH ........................................................................................................................................35
   4.3 LIVING ENVIRONMENT IMPROVEMENT ....................................................................................38
ITEMS OF THE GOVERNMENT PROGRAM 2011-2014

The Government coalition partners have agreed on the government program which sets out the objectives and the strategic framework for the work of the Government during the next four year mandate of the Government of the Republic of Kosovo which are aimed at attaining high results in increasing efficiency and the democratic functioning of Kosovo institutions.

The Government coalition partners are committed to implement the joint Government program which was drafted taking into account the country’s needs and the interests of its citizens. This Government program represents a harmonization of the priorities and programs of the political parties which constitute this coalition.

The Government is committed to complete the full constitutional mandate given to elected institutions of Kosovo in achieving its goals towards sustainable economic development, strengthening the rule of law and integration into Euro-Atlantic structures.

The future of Kosovo lies in the European Union and among the free, integrated and developed nations, where the principles of market economy, open society and democratic institutions are valued and respected. Kosovo has a clear perspective of joining the EU and this remains the highest priority of the Government. Obtaining EU membership is a shortest possible time period is the conviction and orientation of the citizens of Kosovo.

During the last three years the Government of the Republic of Kosovo has worked with maximum commitment to fulfill the Copenhagen criteria of consolidating democratic institutions, the rule of law, meeting the economical criteria and harmonizing legislation with that of European Union.

The economic program of the Government is based on the principles of a market economy with free competition. This vision shall be implemented through various trade mechanisms whereas state institutions will aid in regulating certain sectors and in guaranteeing the social welfare of citizens.

The identification and utilization of the comparative advantages of Kosovo, of economical entities and human resources as well as optimizing the utilization of these resources are essential elements for ensuring welfare and economical prosperity.

A system of values based on clear and transparent rules will be established. Properties and property rights will take an important place in our policies.

Market economy stimuli shall be utilized at a maximum and free circulation of ideas, knowledge and capital will be ensured.

During this mandate, the Government shall preserve the overall macro-economic stability of the country, will ensure sustainable economic growth, decrease of the trade deficit, decrease the level of unemployment and ensure an adequate distribution of economic resources.
The Government of the Republic of Kosovo has established the legal basis for reforming the judicial system and the functioning of the public administration. The further advancement and the implementation of this legislation and the increase of the performance of the courts and the administration in serving citizen interests and the economic development of the country is an ongoing goal and serves the speedy fulfillment of European Integration criteria.

In order to implement the mandatory reforms that are aimed at ensuring the fastest possible integration of the Republic of Kosovo into the European Union and in NATO, the program of the Government of the Republic of Kosovo will be based on four main pillars:

1. **Sustainable economic development**;
2. **Good governance and strengthening the Rule of Law**;
3. **Human capital development**;
4. **Social welfare**;

The Government of the Republic of Kosovo formed by the coalition partners and open for cooperation with the opposition, the civil society and the international partners will work towards making the necessary changes in the society and advancing the governance of the state by focusing on the development of policies for:

- Advancing Kosovo’s Euro-Atlantic integration and promoting better relations with neighboring countries;
- Developing the democratic institutions of the Republic of Kosovo which is based on the role of the Assembly of Kosovo to ensure the lawfulness and accountability of all institutions and carriers of public functions.
- Strengthening the independence of the judicial system and significantly increasing its effectiveness, reducing case backlog in courts, improving access to justice for all citizens and developing alternative mechanisms for a quick resolution of civil cases;
- Implementing the Ahtisaari plan and concluding the supervised independence of Kosovo;
- Strengthening the rule of law including the strict implementation of the policy of zero tolerance against corruption and zero tolerance for abuse of official duties for purposes of personal gain;
- Responsible use of public money and assets;
- Supporting a level of economic growth sufficient enough to generate new jobs, reduce unemployment and poverty levels;
- Changing the structure of the economy and promoting accelerated economic growth through better tax policies and in combination with other economical policies;
- Completing the legislation on securities market and creating the necessary conditions for the issuance of securities;
- Creating a business environment which promotes free economic initiative and investments which enables creating new jobs and reducing poverty;
- Special project will be implemented for supporting the private sector aiming to increase exports as well as a program for encouraging entrepreneurship.
- Increasing the quality of administrative services and eliminating administrative obstacles in order to promote an unhindered business development as well as creating the best
preconditions for attracting direct foreign investments;

- Applying international standards for ensuring the quality education in all levels and a full inclusion of generations in the elementary, secondary and university education.
- Increasing the quality of health services in a way that public and private health institutions may provide services that are as close as possible to international standards and therefore reducing the need for treatment abroad;
- Increasing the level of social care by ensuring that the designated funds are directed to meet the needs of families in extreme poverty and people with special needs;
- Stimulating cultural creativity, increasing the role and participation of the youth in governance and decision-making and developing and promoting Kosovar sports both within country and abroad;
- Increasing institutional care and services for the diaspora and regenerate liaisons with them in effort toward the overall country development;
- Increasing citizen safety, equality, rights and freedoms of the citizens and communities, the freedom of expression and of the media.

As a governing coalition we deem that collaboration with our strategic partners as well as their technical assistance, either in support of public investments or as direct budgetary aid, will be important in this period in supporting the engagement of the Government during the European integration process.

During its next four-year mandate, the Government is committed to work in strengthening its capacities to meet the criteria required by the European agenda, in order to ensure that:

- The European agenda is placed as the highest priority of the institutions, involving and utilizing the contribution of the civil society and of citizens in general.
- The process of visa liberalization is conclude successfully and in the shortest time possible after receiving the visa strategy from the European Commission;
- Kosovo meets the conditions for signing the Trade Relations Agreement with the European Union;
- Kosovo enters into contractual relations with the European Union, namely the signing of the Stabilization-Association Agreement and consequently obtaining the status of a candidate country;
- Kosovo participates actively as an equal member in regional cooperation initiatives;
- Reforms necessary in establishing institutions for a decentralized system on EU funds
- Kosovo continues to remain a constructive factor in the region in relation to the foundational prerequisite of the integration process – regional cooperation and good neighboring.

**Items of the Government Program which the Government aims to address within the shortest time possible are as follows:**

- Drafting a coordinated action program for improving the image of Kosovo and strengthening its position in international relations, membership in international institutions and organizations, increasing the number of recognitions of the Republic of Kosovo and establishing diplomatic relations with UN member states;
- Furthering the consolidation of the macro-economical and fiscal stability including the
management of the Kosovo budget, in accordance with these goals;

- Continuing the cooperation with international financial institutions in ensuring the sustainability of public finances;
- Initiating activities for drafting the strategy for Kosovo's economical development;
- Privatization remains a key process in materializing structural reforms as well as strengthening the private sector as the main carrier of the economic development;
- Privatization of the remaining socially owned enterprises and the conclusion of the liquidation process thereof
- Continuing the privatization process of socially and publicly owned enterprises in accordance with the laws in force, advanced international practices, transparency, accountability and public interest.
- The expedited development and adoption of the legislative and administrative reforms package towards improving the business environment;
- Successfully commencing and implementing the population census
- Reformation of the elections legislation;
- Receiving the visa liberalization strategy;
- Adoption of the curriculum framework of Kosovo which will strengthen the quality of education in schools, in accordance with European practices and standards;
- Drafting and commencing the implementation of a program of measures for the speedy improvement of the situation in the health system;
- Further improving the quality of analysis and information on which the Government bases its polices and decision-making, including the further advancement of the capacities of the Statistics Office of Kosovo;
- Continuously reporting on the achievement of program objectives which implies the ongoing performance evaluation and increase of efficiency;
- Completing the necessary legal framework on the work of the Government which shall ensure consistency and a harmonization of policies between the main pillars of its work.
1. ECONOMIC DEVELOPMENT

Sustainable economic development shall be one of the primary objectives of the Government of the Republic of Kosovo. This increase shall be enabled by determining the sustainable strategic developments priorities for the following governance mandate. In this context, during the mandate of 2011-2014 as well, the Government of Kosovo aims to materialize an average annual growth of over 7-8% therefore increasing Kosovo’s GDP realistically around € 6 billion and over € 2,800 per capita until the year 2014. Such an economic growth shall be achieved by increasing investments, exports and consumption which in turn would enable the reduction of unemployment and creating new jobs which are primarily planned to be created in the private sector.

The principal generator of this growth will be private investments which during this period are expected to grow with an annual average over 24% as well as the continued development of entrepreneurship which is expected to result in the increase of exports of goods and services with an annual average of about 10%.

Another important contributor of this economical growth will be the increase of consumption levels during these years of governance reaching an annual average increase of around 5% and in year 2014 it is expected to reach the value of over € 6.4 billion as compared to € 4.7 billion during 2010 marking an increase of over 35%.

The public sector will continue to play its own important role towards providing pre-conditions for the development of the private sector as well as in contributing to the economic growth during this time period. Public investments participation in Kosovo’s BVP during the years of 2011-2014 will be around 12% marking a slight decrease after year 2013 as a result of the completion of major infrastructure projects up until the end of 2013 and as a result of a faster growth in private investments.

Join public-private investments will take an important place in the materialization of development projects. The Government of Kosovo remains committed in enabling the involvement of the private capital in infrastructural projects in order to narrow the gap between the available public resources and the cost of infrastructure and the services needed as well as to ensure that the infrastructure and services be provided in the most efficient and cost-effective way as possible. This commitment is a continuation of the work done so far on private-public partnership, and at the same time, the Government aims the structuring of the economy with inclusion of the private capital in infrastructure and public services.

More specifically, the Government aims to create public-private partnerships in:

- Pristina International Airport “Adem Jashari” as a continuation of the already signed agreement with the private partner. During the mandate of this Government over 150 million Euro of
investments are expected as well as the beginning of operations by the private partner;
- Highway A6 which will be constructed and operated in the form of a concession with a value of over € 600 million. Studies have already begun on the modalities of this project.
- The concession of the operation of Highway A7. Once construction activities are completed, the aim is to concession the operation of the highway in order to ensure the provision of high quality services and ensure ongoing maintenance.
- Central and municipal level of waste sector where investments are anticipated from the private sector as well as the operational works and maintenance of waste collection sites, the provision of collection services and the processing of waste.
- Construction and management of work spaces for the public administration using the most advanced European and world practices.
- Meeting the requirements for public services from municipal authorities in:
  - Urban transportation;
  - Public parking lots;
  - Sport, recreation and culture
  - Waste collection

The Government’s policies will enable the effective utilization of country's development resources. Structural reforms will continue in economy, attracting private investments in strategic sectors. The state administration will be reformed in order to meet the needs of the time. Furthermore, the Government will intensify its efforts to ensure Kosovo obtains membership in additional International Financial Institutions as well as increase the cooperation with the International Financial Institutions in which the Republic of Kosovo is already a member.

Preserving fiscal sustainability and advancing the management of public finances

In addition to creating the necessary preconditions for continuous economic growth, the Government of Kosovo will continually endeavor to increase the efficiency of public spending as well as the continued increase of budgetary revenues.

During its mandate, the Government of Republic of Kosovo aims to increase the level of budget revenues to 1.6 billion Euros by 2014 which will represent an increase of 40% compared to year 2010, while simultaneously will work towards developing policies that do not inhibit the expansion of businesses in Kosovo.

For the purpose of implementing these fiscal objectives, the Government of Kosovo remains committed to implement a series of measures aimed to increase budgetary revenues and reduce fiscal evasion, such as:

- Full fiscal registration of all operational businesses by the end of the governing mandate;
- Full implementation of the strategy for fighting the informal economy;
- Restoring control in border gate points 1 and 31;
- Installing new information systems at the Tax Administration of Kosovo and Kosovo Customs which will enable an accurate control of the flow of goods and financial transactions;
• Introducing the usage of electronic declaring of goods;
• Establishing customs cooperation with the majority of states with whom Kosovo has trade relations for the purpose of accurately assessing the value of imported goods;

Alongside the continual increase of the budgetary revenues, the Government of Kosovo is committed to improve the efficiency of public spending. In this context, the Government guarantees the further strengthening of the role of the Medium Term Expenditure Framework (MTEF) as the main budget planning document and ensure that each year's budget is aimed at increasing economic growth and improving the social welfare of the citizens of Kosovo. In this regard, the annual budgets for the years 2012-2014 will ensure:

• High level of capital investments which will account for approximately 40% of overall budget spending during the years 2011-2013, which will eventually decrease in 2014 as a result of the completion of the “Ibrahim Rugova” highway;
• Sufficient investments in the education sector;
• Increasing funds for subsidizing agriculture;
• Reducing funds for subsidies for the energy sector, as a result of the improved collection by KEK and directing these funds towards addressing other needs of the citizens of Kosovo;
• Increasing funds for the health sector aiming to expand the list of essential medicinal products;
• Increasing pensions in accordance with the new law on pensions;
• Indexing social schemes in accordance with the rate of inflation.

The Government of the Republic of Kosovo remains committed to maintain the general budget deficit level at approximately 2% of the GDP during the years of 2011-2014. Such fiscal position will guarantee the development role of the budget.

Through such a process the Government of Kosovo ensures: a) Preservation of fiscal sustainability, b) allocation of public funds in accordance with the Government's priorities as well as a more efficient expenditure of public funds.

The Government of Kosovo remains committed in materializing the Action Plan on Public Finance Management Reform (PEFA's Action Plan) aiming to address weaknesses identified in the report. In this regard, the main objective of the Government remains the improvement of PEFA indicators including grade A and B over 75% of PEFA indicators by the end of year 2014.
1.1 INVESTMENTS, INVESTING ENVIRONMENT AND SUPPORTING THE PRIVATE SECTOR

Through this Government program, the Government of the Republic of Kosovo is committed to develop policies which enable the continued increase of the participation of investments in the GDP. Until 2014 it is expected that the overall participation of general investments in the GDP will reach approximately 35%, or when expressed in monetary value over €2.0 billion, compared to €1.2 billion estimated in 2010, which represents and increase of over 80%.

Alongside of the general increase of investments in the economy, the balance between private and public investments is expected to shift in favor of private investments. In this context the share of private investments in the overall investments until the end of 2014 will increase at around 76% from what was 60% in year 2010 whereas the share of public investments in the overall investments until the end of the year 2014 will drop to around 26% from 38% in 2010. This essential structural change will be effected through the improvement of the business and the investment environment which incorporates the capital trade including the securities market. Furthermore, this aim will be achieved by increasing investor security, the efficient processing of applications for construction licenses and access to construction locations within reasonable legal timeframes, avoiding corruption from both the part of the offer and demand, and correcting custom fees for production equipment. Depending on the budget situation, the possibility of temporary tax breaks will be considered, particularly in regard to initial investments.

The Government of the Republic of Kosovo aims to achieve the position of top 40 reformatories in the WEB country ranking in regards to the doing business environment. During 2011 the government aims to achieve considerable progress, while in 2012 and 2013 aims to achieve the status of top reformer. This process will start with changing trade and industry policies as well as the legal framework pertaining to business, aiming to reduce 50% of licenses and permits.

In accordance with the principles of free trade and competition, we will explore the possibility of establishing free economical zones in regions with low economic development within the Republic of Kosovo. These zones are meant to stimulate economical development focused in one particular area by establishing favorable investment, production, employment and export policies.

- **Improving the trade balance: increasing exports and replacing imports is essential to balance macro-economical disproportions.** As a result of the continuous strengthening of the private sector and the resulting increase of competitiveness, until 2014 the level of the trade deficit will drop to around 36% of the GDP compared with approximately 41% during 2010.

- **Increased employment opportunities:** is an important sphere for social stability and reducing poverty and above all it should result from greater investments and with the growth of the private sector and especially of small and medium businesses and an integrated rural development. During the coming period, particular focus will be places
on services with high added value: ICT, tourism and financial services. Temporary employment abroad enables as a result of bilateral and multilateral agreements with the EU and other regions in the world will contribute to the reduction of poverty.

- **Industry and Small and Medium Enterprises:** The Government of the Republic of Kosovo will pay strategic importance to the industry sector and small and medium enterprises as the engines of economic growth and employment.

The Government of Kosovo considers that in the long term, the participation of the industry sector in the GDP will increase. This implies that the service sector which dominates all modern economies will also remain very important to Kosovo's development. The development of industry will create a broader harmony in structural development alongside services, the greatest employment generator.

The Government of the Republic of Kosovo has already established its strategic objectives for improving the environment for the development of the industry sector and small and medium enterprises. Sector strategies for these areas will provide the medium and long term framework for the development of these sectors. For this purpose, during the finalization of the Industry Strategy and the Strategy for Small and Medium Enterprises, concrete objectives and measures will be determined for the further development of this sector.

Even in the future, some industry sectors, mostly based in small and medium businesses, and foremost of all, the food processing industry, construction materials, metallurgy, wood processing, plastics, tire processing, etc., will be the main ones to steer these changes. Furthermore, it is important not to leave aside the importance of the graphic industry which in the long run could be well developed and more export oriented. The only sector where a more special and preferential treatment is advised is that of Information Technology in terms of infrastructure and human resources development.

The state’s trade policies should continue to be based on the principles of open trade. However in mutual relations with other countries it is important to ensure the implementation of the principles of fair competition and reciprocity. Kosovo producers should be entitled to equal support and status as other enterprises of the region and beyond. More specifically, this includes:

- In collaboration with the local authorities and the Agency for the support of SME-s to attain a coordination of activities for improving the environment for the establishment and development of SME by facilitating access to business locations, advancing public services, public infrastructure and urbanization;
- Designing training programs for employees and various categories of potential entrepreneurs both beginners and existing entrepreneurs in order to increase the performance of Kosovo SME-s which will result in increased work productivity;
- Working at the institutional level for changing the approach and entrepreneurial culture of Kosovar entrepreneurs as well as promoting learning of entrepreneurship both in formal and informal education in Kosovo
- Sponsoring the issuance of certificates of quality and standards of quality;
• Securing specific loan guidelines for exporters and sectors of production in cooperation with international financial organizations, donors and banks;
• Coordinating support for innovation leaders and players of the new sectors;
• Establishing a database, websites, exports’ information system and information system about the exports;
• It is recommended that MTI establish cooperation with regional and international organizations oriented in the promotion of exports (such as the International Trade Center – Geneva, World Trade Organization, and UNCTAD)
• Membership of the Standardization Agency in International Mechanisms in order to ensure that certificates issued in Kosovo are recognized internationally.
• Active participation in regional initiative such as CEFTA aiming to create facilities for local businesses
• Re-negotiations of the Autonomous Trade Agreements with the EU and
• Restarting the General System of Trade Preferences with the USA.

Special measures for supporting the sector of Small and Medium Enterprises and private businesses shall include, inter alia:

• The implementation of the SME policy index within the frame of the ten principles of the European Act for Small Businesses and business environment, according to the World Bank’s “Doing Business”, these will be the basis of our policies for transforming Kosovo in a more business-friendly country in the Balkans and beyond;
• Continuing the establishment of the municipal business’ centers all Kosovo municipalities in order to provide business registration services which are closer to citizens based on the British model of putting into action of the rules of the principle “one-in, one-out” where no new regulation will be introduced before the other regulation has been reduced by a large proportion.
• Continuing to review and replace small business taxes with simple measures which avoid applying taxes without placing unnecessary administrative burdens;
• Simplifying procedures for creating new enterprises by reducing the time for starting up a new business. Our goal is to turn Kosovo into one of the world’s fastest countries for starting a new business by applying the “One Click” registration model;
• Continuing to develop schemes and sustainable modalities for access to financing by SME-s and funding SME programs with favorable conditions;
• Establishing adequate mechanisms in accordance with the best experiences of EU countries for reducing the time in resolving cases and commercial disputes between parties;
• Developing scheme which support the pre, during and after incubating periods as proven factors to increase competitiveness increase, SME innovations and a fast transfer of knowledge and technology;
• Developing geographical or sector cluster programs in increasing sector capacities;
• Monitoring and implementing the recently adopted law on labor as well as its ongoing review and ensuring that this law provides maximum flexibility for the employers and employees by safeguarding justice and providing a competitive working environment necessary for business development in Kosovo.
Careful privatization is a key process in materializing structural reforms and the development of the private sector. The privatization of the remaining socially owned enterprises and attracting private investments in public enterprises will remain as priorities of the next Government. In this direction our focus shall be:

- The continuation of a transparent and fair process for the privatization of socially and publicly owned enterprises
- Continuing to attract private investments and privatization of some public enterprises;
- Ensuring a fair distribution of funds from the privatization of public enterprises
- Continuing and concluding the process of privatization of socially owned enterprises;
- Intensifying the distribution of the 20% of the funds for the employees of socially owned enterprises
- Completing to a large degree the process of liquidation and termination of socially owned enterprises

For the purpose of establishing the best possible conditions for the development of the private sector and the economy in general, the Government of the Republic of Kosovo has determined the sectors that will be the carriers of this development and has designed internal sector policies through which this development will be achieved. These policies are a part of a broader macro-economical policy the primary purpose of which is the preservation of macro-fiscal stability in the Republic of Kosovo. Sustainable economical development, employment and the improvement of the social welfare is based on sound policies and actions in the areas of energy, the rule of law, transport and telecommunications, education, health, agriculture and food production.

### 1.2 ENERGY

Stabilization of power supply for all citizens of Kosovo remains one of the top priorities of the Government of the Republic of Kosovo. The achievements of the Government during the last term were significant, with particular emphasis on: increase of electrical energy production by 25%, lignite production has also increased making it possible to keep all generating capacities operational, energy transmission losses have been decreased by about 10%, collection of billed energy has increased by about 13%, and collection of distributed energy has increased by about 16%. The Government of Kosovo has continued to provide assistance for poor customers during the 2008 - 2010 period, funding was provided in an amount of 13.5 million Euro for the payment of approximately 400 kWh of electricity for around 28 thousand poor families.

In order to guarantee the safe and reliable supply of electricity, the Government of the Republic of Kosovo during the current governing mandate intends to continue with reforms in the energy sector as follows:

- The construction of the Kosova e re (New Kosovo) Project will be conducted in an accelerated manner, to facilitate adherence to the envisaged time objectives, in order to commence the production of initial kilowatts of electrical energy from New Kosovo PP - 2 x 300 MW within 2016;
• The process of construction of the Hydropower plant Zhur will continue based on the objectives set out in the Energy Strategy.
• The overall support for the sector of supply and distribution of electrical energy will continue with the aim to reduce technical losses, further improve the performance of complete collection of debts as well as to prevent the misuse of electrical energy.
• Investments in the increase of electrical energy transmission capacities will continue and will be supplemented by investments in the construction of a 400kV line to Albania with the support of the German government, this line that will improve the exchange of energy with the Republic of Albania, whose system is very much complementary to the Kosovo system.
• Private investment in developing small hydropower plants and wind power will be encouraged through tariff incentives and other policy incentives and measures that will promote investment. Along with the increase of reliability in energy supply, with improved environmental conditions, we will join countries that contribute toward meeting EU targets on renewable energy.
• As a contracting party to the Energy Community Treaty, Kosovo is successfully carrying out the obligations that arise from the Treaty. Among others, it has prepared and submitted to the Secretariat the National Plan on energy efficiency with the objective of saving 9% of energy by 2018 and 3% by 2012. Energy production from co-generation will be promoted with the aim of ensuring the supply of heating energy and consequently reducing the demand for electrical energy, thus creating the opportunity to increase the reliability of supply. This will also have an impact on the increase of energy production efficiency.
• The central heating system will be promoted in cities with a high population density. The Kosovo central heating strategy will be promoted very soon by the Ministry responsible for energy.

1.3 MINING SECTOR

The objective of the Government of the Republic of Kosovo is to develop the mining sector in an accelerated and resilient manner through private investment in the form of public-private partnerships (PPP) and concessions, in order to maximize benefits from mineral resources. The government will finalize plans for restructuring the mining sector in a form that it is attractive to domestic and foreign investors.

The Government of Kosovo intends to reactivate Trepca, transforming it from a Kosovo budget spender into a significant contributor. The foundations have been set for a Kosovo geological institution that will be engaged in the process of precise research of our mineral resources using contemporary methods. This will assist the Government and respective institutions of Kosovo to be better prepared to negotiate with foreign investors.

The Government of Kosovo, together with other institutions, will remain committed to ensuring that future mineral resources are not granted for utilization without maximizing the benefits for Kosovo in terms of a free, open and transparent market. Therefore, we intend not only to aim at employment in the mineral sector, but also to valorise our mineral resources, meaning that we will provide serious investors with such a regulatory and fiscal environment that would enable Kosovo to ensure funds that in various forms are also realized from the mineral sectors of the most developed countries.
1.4 TRANSPORTATION AND TELECOMMUNICATIONS

The Government of the Republic of Kosovo in the previous term presented as priority the development of the road infrastructure in accordance with European standards, which would serve economic development and the connection of Kosovo with significant international axis and in becoming part of regional and European integration. On this occasion, the budget for the Ministry of Transport and Telecommunications has been increased significantly and in 2010 was at around 275 million €, 350 undertaken projects made it possible to construct 1260 km of asphalted roads. Special significance will also be given to transportation and telecommunications by the Government during the current mandate.

■ Road infrastructure: The Government of the Republic of Kosovo during this governing mandate will continue to develop the road infrastructure, which will facilitate a more accelerated and sustainable economic development.

- The conclusion of the Vërmicë-Merdarë highway – which brings a three-fold benefit: it increases the current capacities of the road infrastructure, connects Kosovo to international axis - such as the Adriatic and Corridor X, and will have an impact on the economic growth of Kosovo by at least 2%;
- Construction of road R6 (Prishtina – Skopje);
- Construction of other regional roads;
- Expansion, rehabilitation and maintenance of existing roads;
- Co-financing with the municipalities;
- Re-categorization of roads;
- Regulation of the road cadastre;
- Increase of traffic safety.

■ Railways: The railway has its advantages in the economic, ecologic and safety aspects. Apart from this, the railways facilitate easier, cheaper, faster and greater traffic of people and goods. In order for the railway transportation system of the Republic of Kosovo to be functional and connect to the main European networks, we will focus on the realization of the following objectives within this period:

- Investment in the improvement and revitalisation of the railway infrastructure and construction of new infrastructure;
- Finalization of the railways separation process;
- Investment in the development of railway transport services;
- Increase of safety in the railway infrastructure;

■ Aviation: The Government is committed towards the development of high quality air transportation services. During the previous mandate, air transport has marked a considerable increase because of the increase of the number of passengers and the increase of the number of flights at the International Airport “Adem Jashari”. Moreover, concessioning of the Prishtina International Airport for a period of 20 years represents the largest foreign investment to date (100 mil. Euro). During the next 20 years, the budget will benefit 40% of
the contract. Concessioning will continue to develop the capacities of the Prishtina Airport in order to accommodate more than 2 million passengers per year.

In order to continue the development of air transport during the current governing mandate, it is envisaged to continue to support this sector, in particular:

- Complete implementation of the Law on Civil Aviation;
- Increase of efficiency of air operations and air navigation;
- Development of the capabilities of the Gjakova Airport for commercial purposes and in order to serve as an alternate airport of the International Airport "Adem Jashari";
- Establishment of the Helicopter Unit.

■ Telecommunications: The telecommunications infrastructure comprises one of the most beneficial infrastructures for the macroeconomic indicators, and serves as a catalyst of a so-called “knowledge economy”. Concurrently, this industry also serves as a “window” for businesses and individuals, by enabling accelerated and global access.

The Government of the Republic of Kosovo aims to further develop this sector. The objectives provided below comprise the core of the strategy for this period, and enable the long-term development of the sector:

- Privatisation of the mobile telephony operator;
- Reform of legislation in the field of telecommunications;
- Obtaining the state code for telephony services, and the national domain for internet services;
- Consolidation of the public telephony operator;
- Establishment of order in the management of the frequency spectrum and enumeration as well as transfer from analogous to digital transmission technology;
- Growth, expansion and improvement of the broadband telecommunications infrastructure, telephony, postal and internet services;
- Realization of universal services;

In order to realize the abovementioned objectives, the Government of the Republic of Kosovo will be engaged in:

- Identifying and utilizing special or combined forms of public and private financing;
- Harmonization of legislation with EU standards;
- Cooperation with international organisations and membership into relevant international organisations, and
- Bilateral and multilateral agreements with neighbouring and European countries in the respective fields of Transport and Telecommunications.
1.5 AGRICULTURE AND RURAL DEVELOPMENT

In the preceding mandate, the Government of the Republic of Kosovo increased the support for the sector of agriculture. This support was effected in the form of subsidies for agricultural production and other facilitating measures for Kosovo farmers and the development of support infrastructure for agriculture through capital investments such as e.g. in the irrigation sector. During the previous governing mandate, the budget for this sector has been increased by 93.6% compared to the preceding period.

Further development of the agricultural sector is one of the strategic and program priorities of governance. This sector has a particular relevance, based on the opportunity for accelerated employment that is provided by agriculture, as well as natural and human resources that create suitable preconditions for operation within the sector. In Kosovo, about 60% of the population lives in rural zones, most of which consider agriculture as a primary activity. Therefore, with the increase of support for the development of agriculture, we aim to have a direct impact in the economic development of the country and social welfare of inhabitants in the rural areas. Implementation of the governing programme in the field of agriculture will be realized through the utilization and joint interaction of all production, agro-environmental as well as socio-economic factors.

The platform of future governance on agricultural policies will be focused on the restructuring of sustainability of the sector; improvement of livelihood in rural areas and development of necessary institutional capacities for integration in the European Union.

In this regard, the key future strategic governance objectives in the agricultural sector are:

- Increase of the budget for the agricultural sector up to 3% of state budget;
- More effective cross-sectoral coordination;
- Increase of advisory services;
- Support and promotion of agricultural products for export;
- Further institutional development as a precondition for support and approximation with the European Union;
- Improving access to affordable loans for agriculture;
- Improvement and development of infrastructure capacities;
- Construction of markets and warehouses for collection, preservation, classification and sale;

Below are listed some of the more specific strategic objectives for the agricultural sector:

- **Increase of budget for the agriculture sector**: The Government of Kosovo will work on the increase of investments and efficient coordination with external donors. As an immediate result, we will have a substantial increase of the budget, which will assist farmers directly for improving the competitiveness of their products, increasing production, decreasing the cost of production, increasing arable land, increasing income as well as ensuring a balanced rural development.
The increase of the budget will serve the consolidation, sustainability and growth of agro-businesses. Investments will support all links of the production chain, in order for the final products to be competitive in terms of price and meet the quality and safety criteria in line with the European Standards. Planned measures during this governance mandate include:

- Subsidization through direct payments, investment grants and capital investments;
- Customs and tax facilities for the sector of primary production;
- Protection of the market from dumping and other forms that lead to distortion of market competition;
- Establishment of a development fund, in order to subsidize interest rates for agricultural loans, as well as in order to facilitate access to financial markets;
- Campaigns organized in order to support the consumption of local products, as well as to support products with a high potential for export;

The Government of the Republic of Kosovo will be engaged in the implementation of an inclusive programme for the activation of resources in the sector of agriculture and its relation to the sectors of: farming production with its sub-sectors, orchard production with the related sub-sectors. The key elements of this programme are inter-relations in the value chain that begin with the preparation, primary production, processing and marketing. This sector has a multifaceted impact in the creation of a considerable number of new jobs that will strengthen local production, import substitution and increase of exports. This includes the establishment of agro-economic platforms with approximately 100 ha, agricultural schools, activation of farmer associations and institutional support that includes: Crediting policies, support in the increase of quality, design and packaging standards. For this purpose, a feasibility study will be conducted on the possibility to establish a private-public bank in order to support capital investments, increase the competitive ability of production businesses with accelerated growth performance, employment generation, export, and import substitution.

Construction of markets and warehouses for collection, preservation, classification and sale:

- The agro-processing sector represents the best market for primary production and is a very significant resource for the creation of new jobs. Moreover, it creates opportunities for the development of other economic activities, such as development of enterprises that deal with the production of various packaging.

Development of the infrastructure of rural markets, with cooling warehouses and support of agricultural enterprises – agro-processing that have the objective of collection, classification, grading, cleaning, packaging, labelling, extension of product life and marketing of agricultural products, will create a favourable environment for local production in order to efficiently compete with imported products that are sold in our markets.

The general objective for the support of this chain will be the improvement of public health, welfare of animals, and sustainable agro-rural development through the improvement of market supply structures. It is envisaged to implement concrete projects for the development of contemporary wholesale markets for animals and horticulture in rural zones, which will create a favourable environment for all stakeholders (producers, wholesale and retail vendors, as well as consumers) in the supply chain. Direct beneficiaries are producers and agricultural
traders, whereas indirect beneficiaries are consumers.

- **Support and promotion of agricultural products for export:** One of the problems facing agricultural products in Kosovo is the access and representation in the local and international market. One of the priorities of this governing mandate is the regulation by law of promotion of agricultural products and drafting of a concrete plan that would directly assist farmers and agro-processing enterprises for the protection and branding of products based on regional characteristics. In this regard, concrete measures and actions in the sector include:

- Drafting of special models for fiscal facilities for enterprises or products with a high export potential. Support of participation in international fairs and fairs of enterprises that produce quality products that are certified by ISO 9000, ISO 9001, HACCP standards, as well as other standards required for export.
- Within the framework of the export unit, we will establish a production, marketing and export process programme at all stages, which includes technical expertise in the identification of process flaws, with the aim of cost reduction and meeting consumer requirements. Moreover, these programmes aim at ensuring information on the technical procedures and meeting technical requirements that are necessary for certain markets, establishment of a database on exporters and their export products;
- Marketing programme and promotional activities for each municipality, with a focus on comparative advantages and regional agricultural characteristics;
- Development of an authentic Kosovo brand and organisation of seminars, trainings and meetings for exports that would like to embrace this brand.

- **Tourism:** will become a generator of employment and income. A program will be initiated for attracting strategic investors for investment in the development of ski centres in particular in Brezovica (through privatisation) and in the area of the Albanian Alps (Bjeshkët e Rugovës). Health tourism and rural tourism will also be supported.

- **Further institutional support for approximation with the European Union:** Restructuring and institutional development harmonized with the Joint Agricultural Policy of the European Union is one of the preconditions for support and approximation with the EU. Bearing in mind that integration into the EU is one of our top priorities, we will continue to strengthen and establish new structures within the sector, which will assist in the drafting, implementation and monitoring of agricultural policies:

  - **Development of Management Authority:** - as a body responsible for drafting general agro-rural development policies, responsible for the drafting of documents on technical measures as well as an operational plan for the implementation of the strategic long-term document on agriculture and rural development.
  - **Functioning of the Payments Agency:** - as a body responsible for the implementation of the development policies developed by the management authority. This body shall operate in complete compliance with the IPARD procedures, and is comprised of its head, the sector of direct payments, sector for rural development projects, information
technology sector, and in the near future, it will also be complemented with the field inspection sector, as well as the financial administration sector.

- **Monitoring Committee**: is responsible for monitoring the efficiency of the implementation of the rural and agricultural development plan, for approving programme changes, activities on each measure (physical and financial indicators), analyzing and approving the criteria for the selection of financed actions, and checking of result.

- **Provision of advisory services to farmers**: through the strategy on advisory services will provide farmers with knowledge, expertise and contemporary techniques in the specific field of farmer interest.

- **Strengthening of the Research Institute**: for the purpose of conducting sectorial analysis, processing and measuring the effects of our agricultural policies and for total quality management.

### 1.6 FOREIGN POLICY AND ECONOMIC COOPERATION

The foreign policy is guided by the principles of national interest, strengthening bilateral and multilateral relations and commitments to peace and global security. In the area of foreign policy and international relations and cooperation, the Government of the Republic of Kosovo during this mandate will be engaged in:

- Continuing the process of international recognition of Kosovo as an independent and sovereign state;
- Strengthening the special ties with the United States of America, EU countries, neighboring countries and other states;
- Continuing the build-up and functional development of the Republic of Kosovo’s Diplomatic and Consular Services;
- Obtaining full membership in the main international political, economic and financial organizations and institutions, foremost in the United Nations; European integration and Euro-Atlantic structures, as a strategic priority of the country;
- Defending the interests of Kosovar citizens abroad;
- Promoting the identity and image of Kosovo abroad.

Regional cooperation and membership in financial and trade institutions will constitute a special goal of the Government in this mandate. In this regard, the Government aims to make Kosovo a member of:

- The European Development and Reconstruction Bank (EDRB);
- European Council Bank for Development;
- World Trade Organization
Goals of special importance in this process are those enabling Kosovo’s membership in mechanisms and institutions of trade and finances which bear a dual role. In one hand they affect the economic development whereas on the other hand it is a confirmation of the statehood of Kosovo. Therefore, the Government aims to make Kosovo a member of:

- International Telecommunication Union (ITU);
- World Health Organization;
- Green Card Buro;
- SWIFT code;
- Functionalizing Kosovo’s involvement in regional agreements and initiatives.

1.7 FINANCE SECTOR DEVELOPMENT

The completion of the legislation on the securities market and the creation of the necessary conditions for the issuance of securities as well as the creation of the necessary conditions for the further development of the banking system. A stable banking and financial system is an essential precondition for the stability of the economy and social welfare.

The Government aims to clarify and identify the development stimulators in the area of monetary policies and of a favorable loan policy for businesses and citizens. The importance of a powerful bank regulator, such as the Central Bank of Kosovo, has also been proved with the recent events in this sector in the most developed world countries. We will continue preserving and developing the banking sector through the application of the highest standards for this sector by preserving the independence and accountability of the Central Bank of Kosovo. This approach will ensure long term institutional stability in this sector:

- Via sound fiscal and macro-economical policies, we aim to reduce systematic risk and therefore enable the provision of cheaper banking services,
- Determining Kosovo’s credit ‘rating’
- We will create a sustainable system which ensures rational utilization of the economy and family funds available.
- We will apply additional mechanisms and instruments for attracting and securing long term investments into sectors and to enable a more rational utilization of pension and privatization funds,
- By issuing securities we will increase the diversity of the financial offer in the market and we will offer the legislation necessary for the advancement of the financial market,
- Drafting polices which stimulate the investment of the capital of our diaspora.
2. GOOD GOVERNANCE

2.1 THE RULE OF LAW

The strengthening and the development of the democratic institutions of the Republic of Kosovo is a starting point for the rule of law. In this regard, the empowerment of the Assembly of Kosovo as the highest institution of authority in Kosovo in order for it to have all the capacities in exercising its constitutional role and authority is vital to the rule of law and accountability of all other institutions and carriers of functions.

The Government has the full political will in fighting corruption and will ensure that the usage of the budget, money and the public wealth will be carried with the highest responsibility and only in the public interest and will provide all necessary conditions and the institutional responsibility for a business environment which stimulates free economical initiative and fair competition.

The Government will focus on the democratic and functional consolidation of the three main pillars: supplementing the legal infrastructure and implementing laws in practice; the reformation and the strengthening of the judicial and prosecutorial system. The process of completing systemic law will also be expedited as well as increasing political readiness and the capacity for implementing laws. Harmonization with the *acquis communautaires* will be ensures during this supplementation of the legal infrastructure.

The genuine reformation and increasing the capacities of the judicial and prosecutorial system is necessary in order to increase the efficiency in handling cases as well as in ensuring a judiciary that is independent from influences and political pressures and protected from corruption. The improvement of the physical infrastructure of the courts and the application of the most recent achievements in the IT field throughout the structure of the judicial structure and especially in improving the work and increasing the efficiency of court administration. The budget for the court system will increase.

The strengthening of the prosecution, making the special prosecutor’s office functional and providing all necessary condition for fighting organized crime is one of our main goals. We will also engage in illuminating the fate of the missing persons during the war in Kosovo.

The Anti-Corruption Agency will be further empowered for fighting this phenomena in Kosovo and we will ensure that it is provided with the means and additional mechanisms to exercise its work in an independent manner and free from political pressure. The criminal legislation will adapt to international best practices in serving to fight corruption and other similar phenomena.

Public administration reform will continue in order to ensure that the administration is more productive and cost rational, competent, stable and avoiding political influence in employment and day to day activities. Employment in the civil service will be conducted based on objective criteria avoiding political criteria, clientelism and nepotism.
The goals of the Government during this governing mandate are:

- Continuing and intensifying activities for fighting and reducing acts of crime
- Supporting the prosecution system, the justice system and the Anti-Corruption Agency in combating corruption and other negative phenomena
- Supporting the judicial system reforms through the implementation of the legislative package adopted for the reformation of the judicial system
- Continuing to increase the professional capacities of the Kosovo Correction Service and the Kosovo's Probation Service in accordance with international standards and rules.
- Meeting the conditions for visa liberalization in the shortest time possible.
- Developing policies and activities aimed at providing higher quality services for the diaspora
- Developing the system and policies in the area of migration and asylum.
- Making the National Emergency Management System functional and establishing the necessary conditions for the provision of adequate services for emergency management.
- Advancing the system and creating best possible conditions for the provision of services to citizens in the area of civil status.

### Combating and reducing the level of crime:

- Practical application of the concept of intelligence lead policing and community policing. This will increase the efficiency of crime prevention and the fighting of all type of crime.
- Applying for Kosovo's membership in INTERPOL and EUROPOL.
- Strengthening the capacities of the Kosovo Police, especially in the areas pertaining to investigations and uncovering organized crime and corruption is highly necessary. This will require investments in staff, expertise, training and equipment which will result in professionalism and results in investigations and combating these phenomena.
- Strengthening cross-institutional cooperation for the purpose of preventing and fighting various forms of organized crime such as trafficking in narcotics, trafficking of human beings and terrorism.
- Strengthening police financial investigations oriented towards discovering, temporary detention and the confiscation of the crime profits.
- Increasing the level of supervision and control of the borders of the Republic of Kosovo through the implementation of the Integrated Border Management project.
- Strengthening the utilization of the intelligence information in preventing and fighting criminal activities.
- Engagement in implementing the strategic framework for preventing ordinary crime. Components of social policies with the purpose of crime prevention are of special importance.
- Fully functionalizing the Municipal Councils for Security aiming to implement crime prevention policies.
- Strengthening the cooperation with the neighboring countries aiming to effectively fight organized crime, terrorism, human trafficking and trafficking of narcotics.
- Continuing the transfer of responsibilities from KFOR to the Kosovo Police on the control of the green border zone with all neighboring countries.
Visa liberalization: In order to meet the criteria for visa liberalization, the Government will:

- Draft a detailed dynamic plan for implementing the criteria for liberalization for up to 15 months after receiving the visa strategy from the European Commission.
- Issue biometric passports during 2011.

Asylum and migration policies: In the area of migration and asylum, the Government will focus in:

- Advancing policies aiming to provide quality care and service for the diaspora.
- Making the mechanism for the reintegration of the returned people fully functional in guaranteeing the full accommodation of our citizens who return to Kosovo.
- Improving the existing asylum system in order to expedite applications for asylum seekers.
- Improving accommodation conditions for asylum seekers according to European standards.
- Establishing and applying the visa regime in compliance with European Union requirements.
- Strengthening cooperation with neighboring countries aiming to prevent illegal migration and trafficking with migrants.

Document security

- The Specialized Agency for Civil Registration shall become fully functional providing services for all documents on civil status and civil registry.
- Continuing the construction of facilities throughout Kosovo municipalities as “one-stop-shops” which will provide high quality services for Kosovo citizens.
- Upgrading the security in issuing civil documents through the process of scanning and digitalization of all registry books in the central database constitutes an important part of our continued efforts.
- The technical advancement of security features for the commencement of the issuance of biometric documents.

2.2 DEFENSE AND SECURITY

State defense and integrity, the guaranteeing of life and safety and citizens’ property, state property and defending the constitutional order will be one of the main priorities and ongoing commitments of the government of the Republic of Kosovo. The Government of Kosovo is oriented towards building a functional state, safe and secure with internal tranquility and peace with others, a factor of stability in the region. For achieving this goal the Government of Kosovo has laid the following clear objectives.
■ Overall objectives in the area of Defense and Security:

- Developing a comprehensive process for the strategic review of the security sector aiming to increase and build security institutions with capacities which in partnership with NATO and cooperation with the regional states will guarantee:
  - Defending Kosovo's independence and territorial integrity
  - Exercising the sovereignty of the Republic of Kosovo throughout its territory
  - Protecting citizens' life and wealth and state property
  - Transforming Kosovo from being a consumer into a contributor of security

This security system, besides that it needs to meet all of these security requirements it should, at the same time, be feasible for the budget of Kosovo.

All institutions and security structures shall be built and structured in full compliance with the most advances international standards but distinct in its national style and identity and which reflect Kosovo’s cultural and ethnic diversity:

- Kosovo’s membership in Partnership for Peace (PfP) as a first step towards integration in NATO,
- Kosovo’s membership in the US National Guard’s state partnership program.
- Kosovo’s membership or attendance in all regional security structures and projects
- Kosovo’s active participation in peacekeeping or humanitarian operations abroad
- Perfection of the civil supervision of the security sector from the civil supervision chain of state institutions.

■ Special objectives in the area of Defense:

- Fulfilling without any concession of the duties of the KSF constitutional mission
- Reviewing and drafting the legal framework and main documents in the area of security as well as designing the organizational structure and constitutional tasks of the Security Forces.
- Transforming the Ministry and the KSF from a Security Force into military defense force will constitute the main pillar of the reforms in the area of protection aiming to build the force necessary for guaranteeing the sovereignty and territorial integrity of the Republic of Kosovo
- The perfection of the civil control of the KSF will be an important element benefiting the state and our society.

■ Special objectives in the area of public order:

- Strengthening and guaranteeing public, individual and community order and security throughout the territory of the Republic of Kosovo will constitute the primary engagement of our governance,
- Reformation of the police corpus on a more professional and comprehensive basis through the education and qualification of the personnel as well as of modernizing Kosovo Police structures and equipments
- Protection of public order and safety, prevention and fighting organized crime, trafficking,
smuggling, corruption and respecting human rights and liberties, controlling state territory and borders as well as road safety will be among the principal tasks.

- Engagement in the fight against extremism will be another very important element in fulfilling the mission of preserving internal security and the Rule of Law.

**Special objectives of the intelligence services:**

- Consolidation of the intelligence services in accordance with their constitutional mission based on the highly professional training, moral integrity of the personnel and full commitment and dedication for the country.
- The ongoing capacity development of the intelligence services being grounded first of all in modern concepts, in its structural and technological modernization in the interest of the state and of Kosovo's citizens.

**Special objectives in the area of facing civil emergencies:**

- Effectively establishing emergency civil structures in the national and local level will present a challenge and will need to be met in order to increase security for the life and property of our citizens.
- Completing special studies aiming to prevent natural disaster emergencies as well as preparation and perfection of the means of reaction of civil capacities.
- Regional cooperation with the regional states’ civil emergencies will be in consideration throughout the process of transformation and modernization of these structures with the purpose of building operational capacities to collaborate with them.

Main goals in this area are:

- Reviewing main documents in the area of security in accordance with the Constitution of Kosovo (Kosovo Security Strategy, Protection Policy and military doctrine).
- KSF transformation and modernization will form the main pillar of reforms in the area of protection aiming to build a professional force for guaranteeing the sovereignty and integrity of the Republic of Kosovo. This transformation will be based in respecting the country’s best traditions and values, on the best experiences of western countries and in accordance with the highest professional standards.
- The civilian control of the KSF will be an important element of our state and society.
- Strengthening and guaranteeing individual and public order and safety throughout the Republic of Kosovo will comprise the primary engagement of our governance.
- Continuing the professionalization of the police through staff education and qualification and by modernizing police structures and equipments will be our objective.
- Engagement in the war against terrorism will be another very important element in fulfilling the mission of preserving internal security and the Rule of Law.
- Consolidation of the intelligence services in accordance with their Constitutional mission.
- Effectively establishing emergency civil structures in the national and local level represents a challenge that will need to be met in order to increase the security of the life and property of our citizens.
- Regional collaboration in the area of civil emergencies.
2.3 PUBLIC ADMINISTRATION REFORMS

During this mandate of the Government the public administration reform will continue to remain one of the main priorities. Towards the realization of this priority the Government has conducted the analysis of the situation in all segments of the public administration through the Government Functional Review program.

As a result, the Reforms Strategy has been adopted in the Government as well as the Strategic Development Plans of several ministries. For the purpose of implementing this reform, the package of legislation required has already been completed and it contains the legislation on civil service, public financial management, fighting corruption, ensuring transparency, providing efficient services for citizens etc. In order to ensure the implementation of the reforms, the Government has established all responsible structures in all levels of the central Government.

During this mandate the government will continue the development of the public administration in accordance with democratic principles and in the best interest of our citizens. In order to achieve this with regard to the public administration, the Government will be focused on:

- Implementing recommendations of the Government’s Functional Review through the Public Administration Reform Strategy.
- Continuing the strengthening of the measures for fighting corruption and negative phenomena in the administration.
- Increasing transparency and citizen access in the decision-making process
- Reorganizing public administration in Kosovo according to international best practices
- Strengthening administrative capacities for providing services to citizens and fulfilling the criteria for European integration
- Reforming the civil service through the implementation of the legislation of civil service and the salaries of civil servants.
- Providing services near the citizens by continuing the decentralization process, de-concentration and delegation of a series of administrative and executive functions.
- Providing expeditious and efficient services to citizens via e-governance

2.4 RIGHTS AND FREEDOMS OF CITIZENS AND COMMUNITIES

The highest standards of human rights and freedoms should be laid at the foundations of the democratic state of Kosovo, without any discrimination and in full respect of the country’s cultural diversity.

The full equality of members of all ethnic and religious groups needs to be more consistent and must include both majority and minority communities.

Special attention will be given to the integration into society of those stricken by poverty, human trafficking etc.
Phenomena such as suicides, school violence and domestic violence will be addressed through prevention measures and social integration policies. Gender equality will be ensured by integrating its components in all development policies and in the development of the consolidation of the institutions.
3. HUMAN CAPITAL DEVELOPMENT

Kosovo has a population with the youngest average age in Europe, which currently has a high rate of unemployment. The data of the Statistical Office of Kosovo shows that about 55% of Kosovo's workforce is below upper secondary qualification. There are also certain professions shortages and there is a need to increase the skills of persons who have completed formal education, in order to be able for engagement in the labor market and contribute to national development.

For the purpose of further developing the human capital that Kosovo possesses and for this capital to contribute to the overall development of the country, the Government of the Republic of Kosovo will direct its policies towards the improvement of formal education, professional qualification and lifelong learning. Particular support will be given to cultural activities, sports and youth activities and their promotion within Kosovo and abroad.

In this context, the supporting of formal education sector through improvement of quality policies and comprehensiveness, establishment of the sound professional qualification programs and lifelong learning will have a special priority. The development of human resources in the cultural and sport fields and the stimulation of cultural creativity development, growing of the sport performance and quality also the development and the internationalism of sport and culture of Kosovo in the country and in the international area will be supported by the Government. Kosovo has also a wide Diaspora which should be directed (oriented) towards protection and development of cultural and national education values, to its involvement to the developing process of Kosovo.

3.1 EDUCATION

Education has been and continues to remain be one of the main objectives and priorities of the Government of the Republic of Kosovo. During the previous mandate the investments of the Republic of Kosovo have increased 5 fold or over €100 million. Teachers' salaries have also been increased up to 38% and a high all-around inclusion of students was noted in the obligatory education. One of the factors that helped increase the inclusiveness of students was the distribution of free school books, a project in which the Government of Kosovo invested €19 million Euros. These investments have yielded their effects in increasing the quality of participation of students in all of Kosovo's education levels.

For the purpose of further developing and supporting education in Kosovo, during this mandate, the Government will focus its efforts in achieving comprehensive inclusion in education and the development of a model for achievements for all students, as well as the provision of equal opportunities and access for all to quality education. The education system should better adapt and reacts to the demands of the labor market, to live out the main priorities of the Government and materialize the important goals for economic development. A number of strategies are provided herein for fulfilling the Government's priorities and for materializing of the aim of the Millennium Development Goals and of the Education for All initiative (EA) until the year 2015.

Priorities and strategic matters handled by ESPK include:
Developing and supporting a comprehensive education system ensuring equal and quality education;
Reducing the number of shifts in schools by eliminating double and triple shifts through the construction of new elementary and high schools
Developing and enhancing higher secondary education;
Improving teaching and learning qualities by better adapting between the learning results and skills in demand for employment
Restructuring secondary education and promoting secondary professional education and training
Developing Competency Centers;
A better adaptation of education and employment including the development of higher professional education and training as a response to the demands of the labor market;
Improving the quality of university level education by securing quality control, application of European standards and reviewing the academic organization structures;
Enhancing the spectrum of university level education services and the further development of the University of Prizren;
The establishment of research institutions in universities in order to provide services for the private sector and other purposes;
Developing the Information and Communication Technology (ICT) in all education levels and segments;
Declaring human resources development as a national priority and creating a life-long learning culture.

**Purposes of the strategic development plan:**

- To support, orientate, coordinate, regulate and promote quality education for all citizens;
- Guiding all sub-sectors in their regular practices of mid-term annual planning and budgeting; and
- Securing a basis for coordination and negotiation between government agencies, development partners and other parties involved in the education sector and determining the extent and utilization of the long term planning and investments in the educating sector incorporated in a sole budget of financing resources.

**Objectives of the strategic development plan:** The Strategic Education Sector Plan is split in seven program areas and results and the respective indicators of attaining these have been developed for each of these. These areas are:

- **Pre-School Education (PSE):** The development of a comprehensive system for all pre-school children within the frames of a quality education, comprehensive and non-discriminatory and the Pre-School Education (PSE) to develop a comprehensive system for all pre-school children in a quality, comprehensive and non-discriminatory education;

- **Pre-University Education (PUE):** The development of a comprehensive and quality education, effectively managed, which would add more access, practicability and life-long learning; reviewing teaching curriculums, developing and applying curriculums
and other documentations based in the curriculum framework of Kosovo; and, applying English language from the first grade.

- **Professional Education and Training (PET):** Improvement of access, quality and importance of PET. Improvement of its coordination and relevance (importance) for the labor market, strengthening the institutional and managing capacities of PET systems and establishing a sound financial basis for its development and long term sustainability. The essence of this approach lies in increasing opportunities for training those who have abandoned basic schooling, for high school students and those who have abandoned this level of education, but also for the adults who have not managed to pass on the next education level with the purpose of advancing in employment (especially for women), and also creating equal opportunities for the PET for employment alongside the development of Competency Centers;

- **Faculty Professional Development (FPD):** Setting up an effective and sustainable system of faculty development which would be appropriate for improving the education quality. This strategic goal aim to carry over the sub-sector of faculty development from the current emergency stage into the development stage in being in harmony with the similar trends in the region and in European countries.

- **University Education** - The development of a quality, academic and professional university education level and performing scientific researches in support of the societal and economic development of Kosovo;

- **Education and Adult Training** – The development of a sustainable, quality system for the further education and training of adults ensuring equal access to quality education based in demands and which meets the individual and societal needs, but also of the Kosovar economy needs by helping in the development of life-long learning.

- **Information and Communication Technology:** - The support and advancement of the learning process for all by effectively integrating the information and communication technology into the education sector with the purpose of improving enrollment and equality purposes and by paying due attention to the development of education curriculums.

### 3.2 CULTURE, YOUTH AND SPORTS

The fundamental objective of the government’s program in the area of Culture, Youth and Sports is stimulating cultural creativity, increasing the role and participation of the youth in governance and creativity as well as developing and promoting Kosovar sports in the country and in the international arena.

The Government of Kosovo aims the strengthen the cultural values and a society which is oriented towards greater care for children and family by increasing the role of the state in some areas such as education, attention to the youth, provision of social and health care for adults with special support for good “parenting”, or protecting families from unlawful behavior and
abuse of power. These objectives aim to increase the perspective for the youth, for more work, opportunities and right to entrepreneurship.

We will consider the possibility of amending the Law on Youth in order to favor the young population. During this mandate of the Government, in cooperation with the business, we’ll analyze the possibility of creating a fund which would be called “The Youth Fund” which would be dedicated for scholarships and supporting specific areas of education where there is low attendance by the youth.

The Government will pay particular attention to sports as one of the main areas that can contribute to promoting Kosovo's image throughout the world. Therefore, during this mandate, the Government will increase budget support for sports arenas and other forms of support for sports. Sport will return to schools with the establishment of school leagues as in this way we can identify new talents and encourage a more massive participation in sports. We will also support Kosovo's international sport agenda and its membership in international mechanisms.

Culture will enjoy a special treatment. In this regards we will review the possibility of changing the legislation on culture and creating possibilities for the private sector to invest in culture.

With the intention of preserving the promoting Kosovo’s cultural heritage, the Government of Kosovo will undertake a new approach for the integrated treatment of the cultural and natural heritage, cultural tourism, urban planning and territorial organization. The strategy for integrated conservation will ensure inter-institutional and inter-sector coordination and cooperation mechanisms both in the central and local level.

The Government of Kosovo intends to create a system for promoting, protecting and managing copyrights and other similar rights, first and foremost by supporting authors and other persons bearing such rights to organize themselves into associations aimed at protecting such rights as well as supporting them to establish bilateral and multilateral agreements with similar organizations and their participation in international organizations. Simultaneously, through educational programs and information campaigns we will aim to raise public awareness on the importance of copyrights by providing a balance system between the authors, users and authorized carriers of rights.

3.3 DIASPORA AND POLICIES CONCERNING THE DIASPORA

The institutions of Kosovo will work towards increasing the level of care for the diaspora and regenerating its links with Kosovo. The Government will financially support the cultivation of the national and cultural identity of members of the diaspora and will consider other forms of support such as supplementary education, protection of rights of Kosovo residents and supplying members of the diaspora with any required documents.

Concrete measures will be implemented for strengthening the contribution of the diaspora to the economic and social development of Kosovo, including:
• Enrolling the diaspora's intellectual capital in universities and public administrations
• Mobilizing remittances into the banking and financial system of Kosovo;
• Encouraging investments in business and public-private partnership
• Creating investment funds as a part of the future financial market;
• Strengthening the partnership between businesses in the diaspora, their partnership with the businesses in Kosovo and strengthening their role in promoting Kosovo as an investment destination and supporting activities for increasing Kosovo's export
4. SOCIAL WELFARE

In its previous mandate, the Government of the Republic of Kosovo supported all social categories with special needs for which over € 641 million Euros were spent. During this mandate of the Government social care and assistance will also be realized by utilizing at the maximum of the economic and budgetary possibilities and by focusing in utilizing in a more rational way the social assistance designated funds and of other categories which benefit from the legislation in force, in a way that beneficiaries will be those who truly need this assistance. The benefits and the support for the retired will be determined by law. The following categories and schemes are the current beneficiaries from the state budget:

- Scheme of War Invalids and families of War Martyrs;
- Scheme of Social Assistance and the scheme for special needs;
- Scheme of the Basic and Contributing Pensions;
- Scheme of Disability Pensions;
- Scheme of Pensions of Treća;
- Scheme for supporting families with children with disabilities;
- Support to UÇK War Veterans

The support for these categories will continue and will increase during this mandate of the Government. All budgetary possibilities will be explored in order to conduct an index of basic pensions and of social assistance in accordance with the rate of inflation. Rights and benefits of war categories will be regulated by the new law which is anticipated to be adopted during the beginning of the new mandate. An easier access of social categories will be enabled to public services provided by the state.

4.1 SOCIAL POLICIES AND PROGRAMS

- **Support for the veterans, martyrs’ families and war invalids:** The veterans, martyrs’ families and war invalids remain a priority for the Government of the Republic of Kosovo. The support for the category of war invalids martyrs’ families will continue during this mandate as well. In this mandate, the Government strategic objectives for these categories are as follows:

One of the objectives of the Government during this mandate will be to provide additional support and benefits for categories that have emerged from the war and particularly war veterans. Upon the entry into force of the new draft law that have been recently drafted by the government for categories that have emerged from the war, the support for this category will be increased by 50%. The specific actions that will be taken to support this category during this mandate are as follows:

- Legal and institutional support for war veterans, war invalids and families of martyrs in accordance with the new law;
- Creating recreational, educational and sport centers for war veterans which shall be used by the war veterans for educational, professional, recreation and sport purposes;
• The creation of a fund for the treatment of PTSD (post traumatic stress), continuing funds for providing prosthetic limbs for war invalids;
• Creating a war veterans’ rehabilitation center with international standards (making prosthetic arms, legs, treating eyesight problems as well as other health and physical problems)
• Providing education subsidies for veterans for all levels, including subsidies for children of martyrs and war invalids;
• Primary, secondary and tertiary health care free of charge in public health institutions;
• Providing opportunities for professional training and employment for war veterans and war invalids.

Pensions: The Government of the Republic of Kosovo during its previous mandate increased its support for all pension schemes in Kosovo. Particular support was provided for contributing pensioners. During the years of 2008-2010 the Government of the Republic of Kosovo allocated €478 million Euro for pensions.

During this mandate the position of the pensioners should be resolved in a systematic way by adopting the respective law. They will be given preferential treatment in public services provided by the state (i.e. public transport). Within budgetary limits, pensions will be index numbered according to the rate of inflation.

During this mandate the Government also intends to work in returning the Kosovo Pension Funds which were plundered by the Serbian authorities during the years 1990-1999. Among others, during this mandate the Government of the Republic of Kosovo aims to:

• Adopt the law on pensioners which will regulate the status of pensioners
• The long term aspect of the investing policies of the Pensions Savings Fund of Kosovo (PSFK) and the administrative cost from the scale of PSFK economizing.
• Adapt the existing schemes with actual needs including the index number of the inflation.

Support for Social Categories: Although the support of the government of Kosovo for social categories has grown, social assistance schemes still not able to meet the needs of beneficiaries since there has been no index number to account for inflation. During the mandate of this government there will be increased support for these categories and these concrete actions will be taken to:

• Review the law on social schemes;
• Improve the targeting of beneficiaries of social assistance schemes;
• Continually, at the end of each year there will be an evaluation of the inflation rate of the food basket, and these schemes will be indexed compliant with the results
• The support will grow based on the categories as specified in the law.

4.2 HEALTH

The level of primary, secondary and tertiary health services should increase with a greater budgetary support, increasing the quality of management and by depoliticizing the public health...
sector as well as by finding the way for decentralizing the financing of the health system. One of the strategic objectives for this sector is the reduction of mortality of infants and mothers in accordance with the UN Millennium Targets which were adopted by the Assembly of the Republic of Kosovo. The attainment of these objectives will be materialized through a series of measures, among others:

- Ensuring equal competition between the public and private health sector by reviewing the possibility and finding ways of transforming public health institutions into public enterprises in a way that Kosovar State Health Service is composed of three corporations (the primary, secondary and tertiary level of health care);
- Ensuring equal access to health services by analyzing best ways and budgetary possibilities for the establishment of public and private health insurance system;
- Ensuring the quality of health services through the Health Chamber with four professional ranks (physician, dentist, pharmacist and nurse) established by law;
- Reorganizing the Kosovo University Clinical Center into the City Hospital of Prishtina and the Kosovo University Clinical Center; as well as reviewing the possibility of the full integration of the Medical School in this institution of tertiary health care
- The Oncology Center, the invasive Cardiology, The Rehab Center and the Institute of Pharmacology will be activated through the public funds and public-private partnership
- Increasing the institutional capacities and human resources in the health sector through the promotion of the public-private partnership as well as the foreign investments (donations) as a part of the country’s international collaboration;
- Making the Health Information Management System functional

In order to achieve these activities and improve the level of health services, it is essential to establish the Health Insurance Fund which will be relying on modern organizational and functional principles which involve the utilization of the health insurance card which is tied to the health insurance based on the social status: Services free of charge for card holders who are under social assistance, pensions of the handicapped and other categories of citizens as determined by law. Existing funds of the budget of the Ministry of Health and that of municipal budgets will be used for this purpose. The other tool will be the family insurance card based on the annual health insurance premium payment which is based on the flowing scale depending on the number of family members.

In order to materialize the above mentioned changes, it is necessary to amend the Law on Health and draft a new law on health insurance in accordance with the above paragraphs. The integration of the academic process in the Medical School with the process of education and professional medical training: university level, post graduate residency and post residency (continued medical education) at the Kosovo University Clinical Center (QKUK) and the institutions of primary and secondary health care in Kosovo.

Among others, the improvement of health system services in Kosovo will also focus on:

- **Monitoring and evaluation of the quality of health services**: It is an imperative that protocols of quality monitoring are regulated by law in order to move on with institutional and inter-institutional mechanisms. Assessments mechanisms will be put in place to
periodically determine the mortality and morbidity in health institutions as well as the causes of it and the preventive measures. The Ministry of Health will identify failures of the system as well as failures of the health staff in public and private institutions in relation to health failures putting the patients’ life at risk and will undertake respective measures towards eliminating them.

- **Improving the quality of residency programs:** It is imperative that the selection of physicians for residency program in Kosovo be based on merits and the number of the residents admitted in training will correspond to the state of morbidity and the need of the population. Residencies are to be selected based on the residency training protocols for the respective fields and based on the norms and requirements of the European Union countries.

- **Regulation of private sector activity:** The private health sector in Kosovo should be enabled to exercise its activity unhindered in order that a Kosovo citizen may be able to choose from health services and at the same time have a merit-based system which stimulates competition between the private and the public sector. However, the private sector should be regulated by law and the Government should strictly, continuously and systematically monitor it through the respective agencies regarding the quality of medical procedures and health staff qualifications.

- **Health Education Improvement:** As a mid-term and long-term strategy, the improvement of health education in the general level will be of a priority for the Ministry of Education and the Ministry of Health. This will be performed in a way that the quality of physicians graduating in Kosovo will be compatible with European Union standards and will be recognized as such.

- **Reformation of the financing and payment system:** The system of financing and payments in the health system of Kosovo will be reformed with the purpose of improving the population’s health status. This will contribute to the increase of health service quality, a greater and faster access of patients in institutions, improvement of the infrastructure and the technology as well as stimulating the medical staff for a greater work in public institutions.

- **Drug quality and circulation control:** It is the responsibility of the Government of Kosovo to continually and systematically monitor the quality, origin and authenticity as well as the expiry date of all drugs entering the territory of Kosovo. The Government will pay close attention to the quality control of medical products.

- **Supplying health institutions with drugs and other expendable supplies:** Within the frames of supplying health institutions with drugs and expendable supplies it is essential that there be a decentralization of the process of supplication with drugs and expendable supplies from the central to the local level. Meanwhile, it is the Ministry of Health the one who should monitor and supervise the implementation of health policies as well as of the expenditures. The Government will work toward realizing the supplication of health institutions with drugs and expendable supplies.
4.3 IMPROVING LIVING ENVIRONMENT

Government policies are oriented toward sustainable development and the integration of the environmental strategy with the sector strategies with the intention of improving the quality of life and of the environment for the current generation and future generation. In order to achieve these objectives the Government has drafted a strategic development plan for the period 2011-2015.

The Government intends to implement this program through the following strategic objectives:

- Completion of the legal and institutional framework for the environment sector
- Gradual reduction of pollution, environmental degradation and deterioration as well as minimizing or halting the economical and other activities which pose danger to human health and the environment.
- Preserving bio-diversity, natural heritage and the sustainable utilization of natural resources
- Coordination and active participation in European and international initiatives on the environmental sector
- Raising public awareness, education and participation of the public in the environmental decision-making process.

■ The development of the legal and institutional framework for the environment sector

- Completion of the environmental legislation in accordance with the environmental Aquis of the EU and ensuring its implementation
- The establishment of the Agency for Radiation Protection of Kosovo
- Drafting strategies and action plans as follows:
  - Environmental strategy and action plan
  - Air quality strategy,
  - Bio-diversity strategy,
  - Climate change strategy.

■ Raise of awareness, education and public participation in environmental matters decision-making process

- Citizen information and awareness campaigns,
- Implementing environmental educational curriculum in all education levels

With regard to providing adequate water supply services, where all users will have sufficient amounts of quality water, the Government will focus on:
• Drafting the new law on Waters and completing the law with administrative instructions
• Drafting planning documentation.
  - National Water Strategy,
  - River Basins Management Plans,
  - The plan for regulating water-flows in the country for the period 2011-2015.
  - Dams’ security,
  - Protected aquatic zones
• Establishing the Water Institute.
• Halting the work and expelling all operators from the river banks extracting inerts from it.
• Assessing public and private investment costs which without regard for the law have acted and constructed in the areas within the flood zone and the areas which were of shared aquatic resource
• Mobilizing all state structures (the respective ministry, courts, the inspectorate, municipalities, the police, civil society etc) in stopping the further degradation
  Funding an urgent project to study the feasibility of the river segments where inerts (sand, stones) may be extracted from the rivers.
• Issuing the decision to demolish all private and state facilities (except facilities and equipments in accordance with the law on waters) built within the flood zones and on hydro-technical sites, etc.

■ Protection from waters damaging acts
  • Drini i Bardhë river basin,
  • Ibri river basin,
  • Lepenci river basin,
  • Moravës e Binçës river basin.

■ Regulating streams and anti-erosion measures:
  • Protection of the existing accumulations,
  • Anti-erosion measures in the streams banks,
  • Regulating streams in agricultural areas.

■ Securing of water for use and utilization:
  • Researching under-surface waters,
  • Realizing and utilizing underground waters,
  • Reviewing and verifying surface waters,
  • Participation in the funding of the construction and enlargement of the capacities for supplying settlement with water
  • Participation in constructing and reconstructing of parts of infrastructure and sites for water intake
  • Designs for providing water for usage and utilization
■ **Water resource development:**
  - Detailed processing of the water resource basis
  - Determining the boundaries of protection areas for the protection of springs, surface accumulations and underground waters
  - Processing of the polluters cadastre and the follow up
  - Drafting the water resource balance
  - Drafting the hydro-technical balance cadastre
  - Raising the necessary cadre for the development of water resources