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SUSTAINABLE DEVELOPMENT GOALS

Aligning Kosovo's budget with the Sustainable Development Goals (2021 – 2025)



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November 2026

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Executive Summary

Kosovo has voluntarily committed to the Sustainable Development Goals (SDG) framework through the 2018 Resolution on the SDGs and the Kosovo Development Strategy 2030, which integrates SDGs across key sectors. This policy brief analysis provides the first comprehensive overview of Kosovo's public expenditures' alignment with the 17 Sustainable Development Goals for the period 2021–2025. It classifies Kosovo's budget expenditures to the most-relevant SDGs to understand how public financing contributes to sustainable development priorities. Due to the generalized nature of the available budget data, expenditures were classified at the SDG level instead of the level of specific SDG targets. SDG-related financing was then estimated both as a cumulative total for the five-year period and on an annual basis for each SDG.

This analysis shows that Kosovo allocated a total of EUR 13.4 billion to SDG-related expenditures during the five-year period 2021–2025, representing an average of EUR 2.7 billion per year. On average, around 87% of total budget expenditures were allocated to activities that contribute to the financing of the SDGs. Annual allocations show a gradual increase, rising from EUR 2.2 billion in 2021 to EUR 3.1 billion in 2025. Overall, the total budget allocated to SDGs represented approximately 28% of Kosovo's GDP on average during the analysed period.

The analysis also shows that SDG financing is highly concentrated in a small number of SDGs. Approximately 82% of total SDG-related expenditures were allocated to five SDGs: SDG 1 (No Poverty), SDG 16 (Peace, Justice and Strong Institutions), SDG 4 (Quality Education), SDG 9 (Industry, Innovation and Infrastructure), and SDG 3 (Good Health and Well-being). Among these, SDG 1 received the largest share, with a cumulative allocation of EUR 3.8 billion, mainly related to pensions, social assistance schemes, and other social transfers that support vulnerable groups. SDG 16 follows with EUR 2 billion, reflecting expenditures on public administration, justice institutions, and governance systems. Education, infrastructure, and health also represent major spending areas, each receiving between EUR 1.6 and 1.9 billion, respectively, during the five-year period. In contrast, several SDGs receive limited funding. These include SDG 5 (Gender Equality), SDG 10 (Reduced Inequalities), SDG 12 (Responsible Consumption and Production), SDG 13 (Climate Action), SDG 15 (Life on Land), and SDG 17 (Partnerships for the Goals), each accounting for less than 1% of total SDG-related expenditures.

The findings highlight the importance of integrating an SDG perspective within Kosovo's budgeting and policy planning processes to ensure the optimal levels and allocations of resources to achieve the SDGs. In addition, the results demonstrate the importance of understanding the distribution of SDG-related expenditures and comparing them against objective diagnostics of individual SDG financing needs. In particular, given the concentration of expenditures in a small number of SDGs, researchers and policymakers should assess the financing needs of the SDGs that appear under-resourced in this report, especially those related to environmental sustainability, gender equality, and inequality reduction. At the same time, given that expenditures under SDG 1 (No Poverty) represent the largest share of SDG-related spending, it is important to ensure that this spending is targeted as efficiently and effectively as possible, for example by targeting social transfers to the most vulnerable groups. Greater efficiencies in poverty expenditures would free up fiscal space for Kosovo to reallocate budgets toward less-funded SDGs. Finally, strengthening coordination between public financing and other sources of development funding, including international partners and the private sector, could also help mobilize additional resources to support the achievement of sustainable development objectives.

1. Introduction: Sustainable Development Goals (SDGs) and Kosovo's economy overview

In 2015, the participatory United Nations Member States signed an agreement on new global Sustainable Development Goals (SDGs). Through this agreement, they set an Agenda with 17 sustainable development goals, 169 targets and 247 indicators to be implemented by the year 2030. These SDGs have been grouped in five main categories (the "5 Ps"): People, Planet, Prosperity, Peace, and Partnerships. The main topics to be targeted by the 2030 Agenda were: to end poverty and hunger, build peaceful, just and inclusive societies, combat inequalities within and among countries, promote human rights and gender equality, protect the planet and its natural resources, and achieve sustainable and inclusive economic growth, shared prosperity and decent work for everyone.[1] Based on this Agenda, countries have integrated SDG targets in their national strategic documents and budgeting processes, in order to facilitate implementation of SDGs.

Kosovo showed voluntary efforts to commit to SDGs. In 2018, Assembly of Kosovo adopted a Resolution[2] on the adoption of Sustainable Development Goals, which had the purpose to engage the parliamentary committees and the government in implementing SDGs through the adoption of relevant legislation, strategic documents, and necessary budget. In addition, in 2023 Kosovo approved Kosovo Development Strategy and Plan for 2030, which is focused on four main pillars: sustainable economic development, equal human development, security and rule of law, and good governance. Each of these fields have development objectives which are then categorized by sector and specific objectives. In addition, this strategy provides the alignment of each of the objectives with the SDGs, which shows Kosovo's commitment to the SDGs.[3] However, even though the government reports on the implementation of the objectives of this Strategy on an annual basis, there is no specific progress measuring progress towards SDGs.

During the period 2021–2025, Kosovo's economy has shown a steady growth, with a high real GDP growth recorded after the pandemic in 2021 (10.7%), and an average of 4%[4] real growth for the next four years.[5] The unemployment rate in Kosovo has shown a continuous decline during the period 2021–2024. From 22.5% in 2021, unemployment fell to 12.3% in 2022, continuing its downward trend to 10.9% in 2023 and 10.8% in 2024. Inflation has experienced significant fluctuations during the last five years. From 3.3% in 2021, it rose sharply to 11.6% in 2022, reflecting global inflationary pressures caused by the war in Ukraine and rising energy and food prices. This inflation shock urged the government to introduce additional support measures for households and businesses, which contributed to higher expenditures, especially in social protection and subsidies. In the following years, inflation gradually declined to 4.9% in 2023 and further to 3.9% in 2025. Public expenditures during this period were largely influenced by the country's post-pandemic economic recovery, inflationary pressures, and

1 United Nations. Transforming our world: The 2030 Agenda for Sustainable Development. Last accessed 6 March 2026
2 Assembly of the Republic of Kosovo. Resolution on the adoption of Sustainable Development Goals. Last accessed 6 March 2026
3 Government of the Republic of Kosovo. National Strategy and Plan for Development 2030. Last accessed 6 March 2026
4 For 2025, real GDP has been calculated by deflating the Nominal GDP projection using the inflation rate (Real GDP = Nominal GDP / (1 + inflation)).
5 Kosovo Agency of Statistics. National Accounts. Last accessed 6 March 2026

increasing government spending. Following the COVID-19 pandemic, economic activity recovered strongly, driven mainly by private consumption, remittances, and public spending. Higher economic activity led to increased tax revenues, particularly from Value Added Tax (VAT) and customs, allowing the government to expand budget allocations across several sectors. Budget expenditures grew consistently from 2021 to 2025, increasing from EUR 2.3 billion to EUR 3.6 billion. Current expenditures are the largest component, accounting for approximately 77% on average of total expenditures during this period. Capital expenditures have shown significant growth, increasing from EUR 424 million in 2021 to EUR 931 million in 2025, representing 24% of total expenditures on average.[6] Actual budget expenditures amounted EUR 2.3 billion in 2021 and achieved EUR 3.1 billion in 2024.[7] Similarly, budget revenues have shown consistent growth from 2021 to 2025, increasing from EUR 2.2 billion to EUR 3.3 billion, respectively.[8] Tax revenues constitute the largest share, accounting for approximately 89% of total revenues across all years, while non-tax revenues contribute around 10%, and grants and aid represent the smallest portion at less than 3% in most years.[9] Actual revenues have been slightly lower during this period, leading to a budget deficit of an average of 0.4% up to 2024.

Figure 1. Kosovo's fiscal deficit 2021–2024

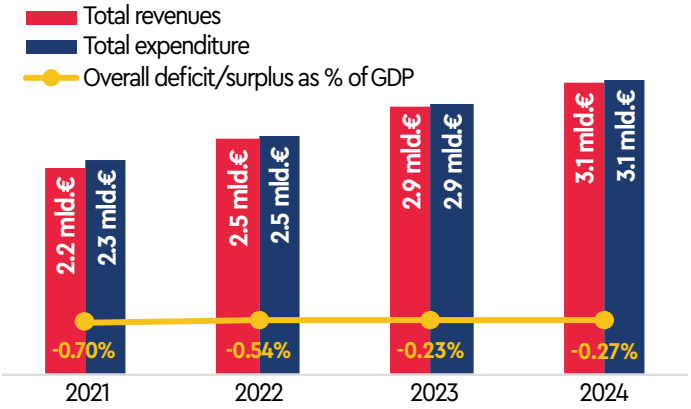
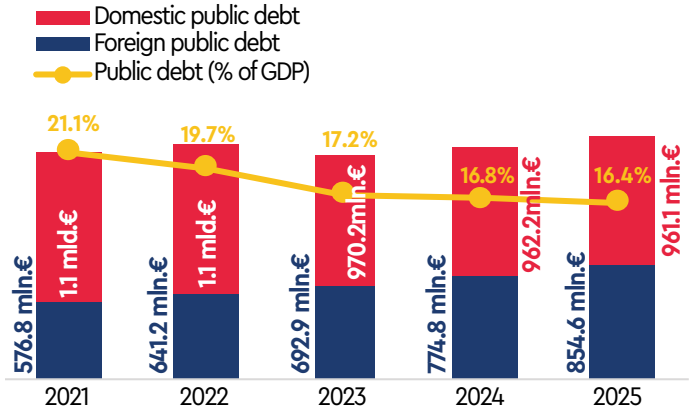


Figure 2. Kosovo's public debt 2021–2025



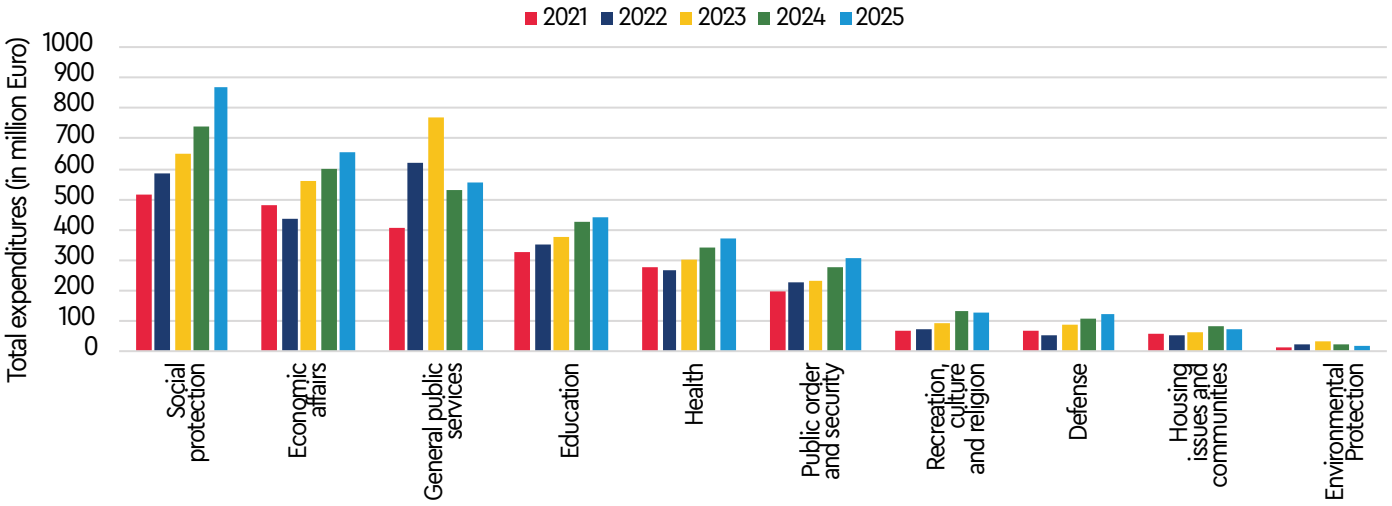
Source: GAP Institute calculations, using data from the Ministry of Finance, Labour and Transfers

Budgeted revenues do not cover the overall level of budgeted expenditures, and the average financing needs per year are around EUR 350 million. These financing needs are covered by public debt, domestic and foreign, which amounts at an average value of EUR 1.7 billion during the last five years. As a percentage of GDP, public debt in Kosovo is considered low at an average of 18% of GDP during 2021–2025, with the highest percentage in 2021 (21.1%) as a result of the unexpected expenditures of managing the pandemic, and the lowest percentage in 2025 (16.4%). In addition, migrant remittances play an important role in supporting Kosovo's economy, and have shown an increasing trend during 2021–2025, with an annual average amount of EUR 1.30 billion which is around 13% of GDP[10]. These transfers support the economy by boosting household income and consumption, and contribute to financial stability by increasing liquidity.

6 Ministry of Finance, Labor and Transfers. Law on Budget Appropriations of the Republic of Kosovo for 2021, 2022, 2023, 2024, 2025. Last accessed 6 March 2026
7 Ministry of Finance, Labor and Transfers. Treasury of Kosovo. Annual Financial Reports. Last accessed 6 March 2026
8 Ministry of Finance, Labor and Transfers. Law on Budget Appropriations of the Republic of Kosovo for 2021, 2022, 2023, 2024, 2025. Last accessed 6 March 2026
9 Ibid.
10 Central Bank of the Republic of Kosovo. Time Series statistics. Last accessed 6 March 2026

When analysing budget expenditures according to functional classification, we notice that the highest expenditures are allocated to social protection (which includes subsidies and transfers), at an amount of EUR 867 million in 2025. The second category with the highest expenditures is economic affairs (which includes capital expenditures, subsidies, wages, goods and services), at an amount of EUR 655 million in 2025. General public services also comprise a high amount of budget expenditures, at EUR 554 million, while education and health remain at an average of EUR 380 million and EUR 311 million, respectively, for a five-year period.

Figure 3. **Budget expenditures by functional categories (2021–2025)**



Source: GAP Institute Budget Platform, using data from the Ministry of Finance, Labour and Transfers

This policy brief aims to classify Kosovo's budget expenditures allocated to the SDGs relevant to Kosovo, by analysing and sorting them based on main institutional, functional and economic classification. Its purpose is to provide for the first time a general overview of how much Kosovo's budget expenditures contribute to SDGs, and what SDGs are prioritized. The analysis is done for a five-year period, starting from the year 2021 to 2025, and provides expenditure amounts calculated for a consolidated five-year period and also on an annual basis for each year. In addition, based on the results, GAP Institute provides a number of recommendations.

2. Methodology

The data analysed in this policy brief are budget data collected from the Ministry of Finance, Labour and Transfers in Kosovo, and are publicly available in the Law on Kosovo Budget Appropriations for each respective year. More specifically, the data collected include all budgeted expenditures for each year for a five-year period (2021–2025) in Kosovo. For consistency with previous years, several adjustments were applied to the budgeted expenditures to account for variations in budget code classifications across different fiscal years. As the government's budget structure evolves, program codes and institutional classifications are periodically revised, which can affect how expenditures are categorized from one year to the next. To ensure comparability across the five-year period analysed, expenditures were reallocated based on their substantive purpose rather than their code classification in each year's budget law. The primary criterion used for classifying expenditures was the institutional classification. Accordingly, all expenditures of institutions (e.g., ministries, agencies, and other public institutions) primarily operating within a specific sector such as education,

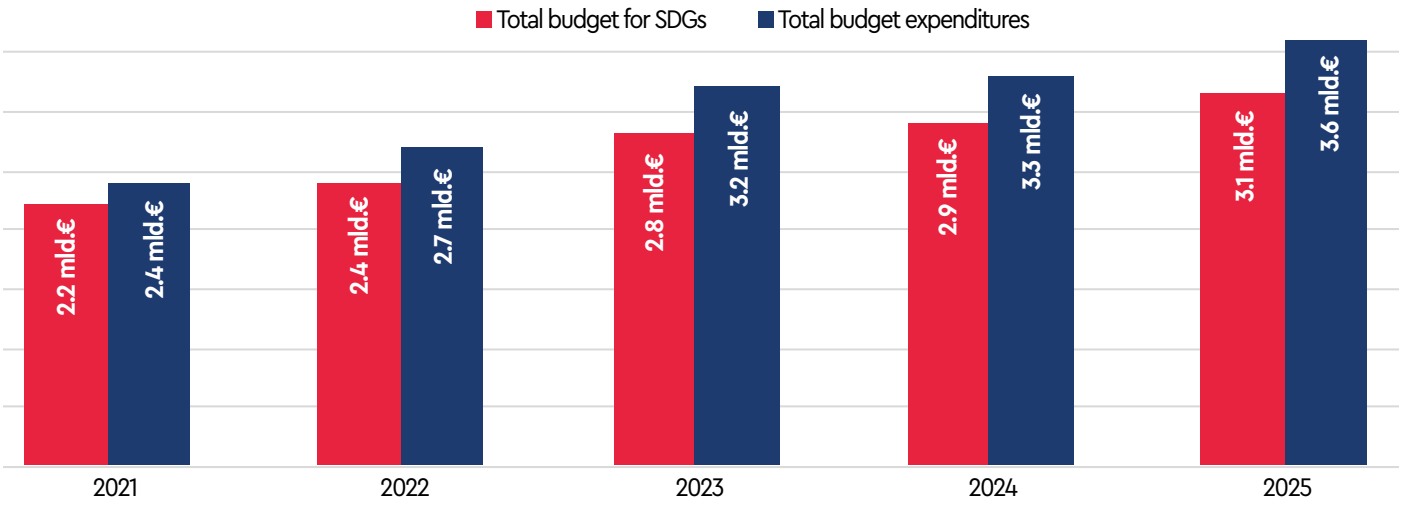
health, or environment, were assigned to the Sustainable Development Goal (SDG) most closely related to that sector. In cases where an institution operates across multiple sectors, only the expenditures of the relevant departments or units were allocated to the corresponding SDG. Each expenditure classification was assigned to a single SDG which was considered the most associated to that expenditure, although some expenditures could potentially contribute to multiple SDGs. Budget categories that were not directly related to any SDG were excluded from the scope of this analysis. Non-SDG related expenditures included military and intelligence services, foreign affairs services, administration and finance departments, procurement services, and political cabinet expenditures. These non-SDG related expenditures generally account for between 10% to 11% of annual expenditures over the five-year span.

Due to the generalized nature of the available budget data, expenditures were classified at the SDG level instead of the level of specific SDG targets. SDG-related financing was then estimated both as a cumulative total for the five-year period and on an annual basis for each SDG.

3. Results

The results show that Kosovo allocated a total of EUR 13.4 billion to SDG-related financing during the five-year period 2021–2025. On average, approximately EUR 2.7 billion per year was allocated to SDG financing.

Figure 4. **Total budget expenditures vs total budget for SDGs (2021–2025)**

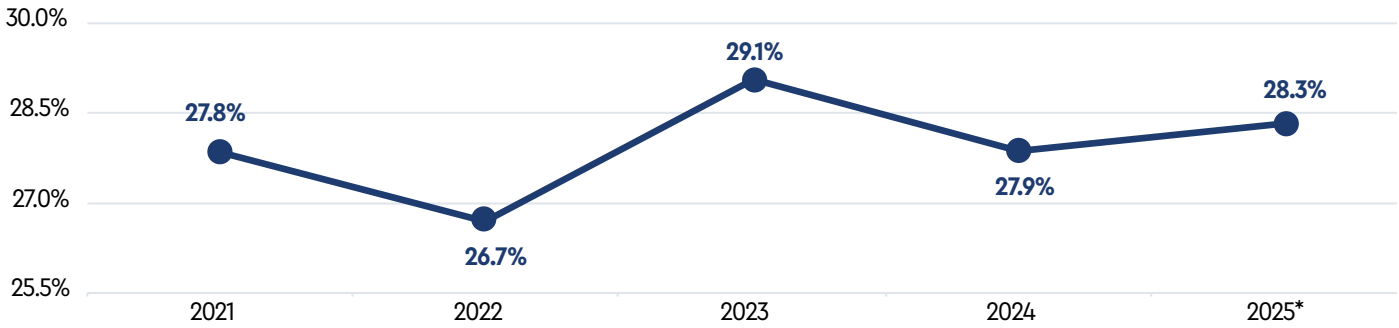


Source: GAP Institute calculations using Ministry of Finance, Labour and Transfers data

Annual allocations show an increasing trend, with the lowest level recorded in 2021 at EUR 2.2 billion and the highest in 2025 at EUR 3.1 billion. Kosovo's total budget expenditures have endured a similar increasing trend, starting from EUR 2.4 billion in 2021, and increasing to EUR 3.6 billion in 2025. When comparing SDG-classified expenditures with total budget spending, the findings suggest that around 87% of overall budget expenditures were allocated to activities contributing to the financing of the SDGs.

The total budget allocated on SDGs was on average 28% of Kosovo's GDP for the period 2021–2025, with the lowest percentage in 2022 (around 27%) and the highest in 2023 (around 29%).

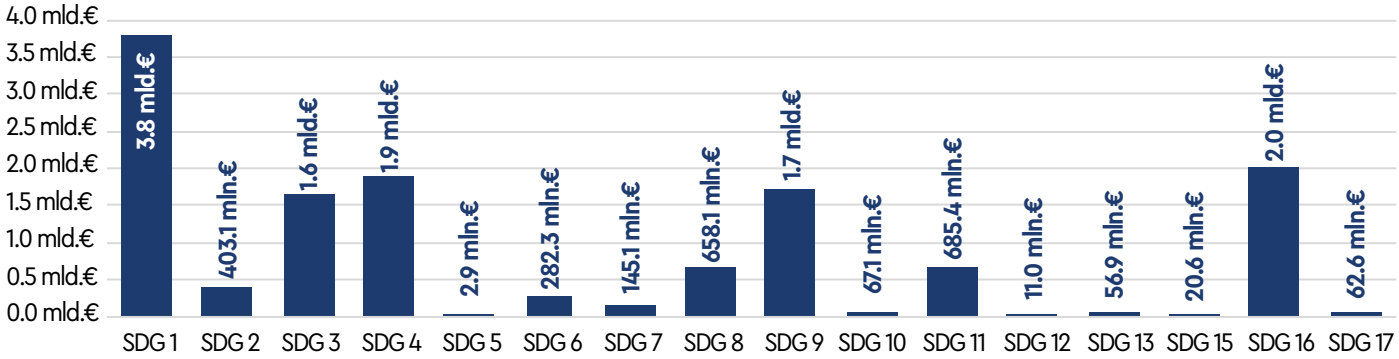
Figure 5. Total budget for SDGs as a % of GDP (2021–2025



Source: GAP Institute calculations using Ministry of Finance, Labour and Transfers and Kosovo Agency of Statistics data

Out of the total budget allocated for SDGs during this five-year period, around 82% was used to finance five SDGs (SDG 1, 16, 4, 9, 3). The SDG with the highest allocated budget is SDG 1 (No poverty), with a cumulative amount of EUR 3.8 billion or 28% of the total allocated budget for SDGs. The second SDG with the highest budget allocated is SDG 16 (Peace, justice and strong institutions), which had a budget of EUR 2 billion during the five-year period, comprising 15% of the total allocated budget for SDGs. The three other SDGs comprising on average 13% of the total budget for SDGS are: SDG 4 (Quality education), SDG 9 (Industry, innovation and infrastructure), and SDG 3 (Good health and well-being). In contrast, six SDGs (SDG 10, 17, 13, 15, 12, 5) have an allocated budget of less than 1% of the total budget for SDGs.

Figure 6. Total budget expenditures classified in SDGs (cumulative)

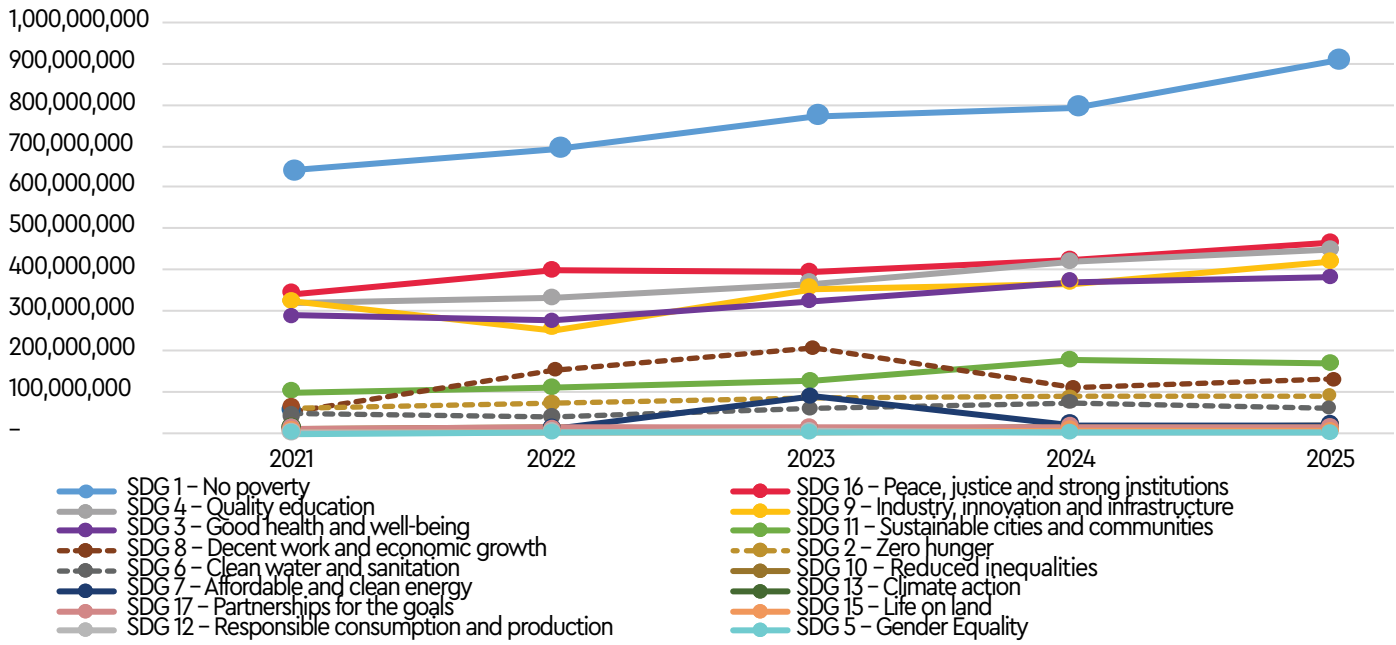


Source: GAP Institute calculations using Ministry of Finance, Labour and Transfers data

Analysing expenditures for each SDG annually, the data show that SDG 1 (No poverty) remains the largest spending category throughout 2021–2025. Budget allocation to SDG 1 increased gradually from EUR 642 million in 2021 to EUR 906 million in 2025, with a higher growth in 2023 (+11.4%) and particularly in 2025 (+14.4%), indicating a continuous prioritization of social protection and poverty-related measures. The growth in 2023 occurred as a result of an increase in pensions and Economic Revival package which aimed to mitigate the impact of inflation.[11] In 2025, despite the increase in budget for social transfers, there was an increase in budget for an employment scheme ("Superpuna")[12]. SDG 16 saw strong growth in 2022 (+16.9%) which was caused by an increase in expropriation expenses (+EUR 57 million), a slight contraction in 2023 (-1.4%), and resumed increases in 2024–2025. Education spending (SDG 4) followed a clear upward trend, with particularly strong growth in 2024 (+14.8%), outpacing most other large sectors that year.

11 GAP Institute. 2022. Draft Budget 2023: Analysis of Budget Revenues and Expenditures. Last accessed 6 March 2026
12 GAP Institute. 2024. Draft Budget 2025: Analysis of Budget Revenues and Expenditures. Last accessed 6 March 2026

Figure 7. Budget expenditures classified in SDGS (annually)



Source: GAP Institute calculations using Ministry of Finance, Labour and Transfers data

Spending on SDG 9 experienced fluctuations during this period: after a sharp decline in 2022 (-21.9%), it rebounded strongly in 2023 (+40.6%) led mainly by investments in road infrastructure, recording one of the highest increases among the major expenditure categories that year, and continued growing through 2025. Similarly, SDG 3 (Health) declined in 2022 (-4.1%) but then had a stable growth in 2023 and 2024 (around +15% each year), stabilizing in 2025. Among smaller budget SDGs, SDG 11 (Sustainable Cities) experienced a particularly strong rise in 2024 (+37.2%), exceeding growth in most other sectors that year, before declining in 2025. SDG 8 (Decent Work) has shown to be volatile during this period, starting with an outstanding increase in 2022 (+186.9%) and continued growth in 2023 (+35.9%) and then followed by a sharp cut in 2024 (-47.5%), partially reversed in 2025.

The total allocated budget for expenditures classified under **SDG 1 (No Poverty)** during 2021–2025 was EUR 3.8 billion. A significant share of these expenditures is allocated to pension schemes and social assistance programs (including Economic Recovery and Economic Revival packages during the pandemic period), which provide transfers to support elderly citizens and vulnerable households, and other categories such as children and mothers on maternity leave, helping reduce poverty and ensure a basic level of financial security. The budget also supports social services and residential care for the elderly, as well as the social housing program, which aims to improve housing conditions for low-income families and other vulnerable groups. These expenditures contribute to SDG targets 1.1 and 1.2, which aim to eradicate extreme poverty and reduce the proportion of people living in poverty in all its dimensions.

Regarding **SDG 2 (Zero Hunger)**, Kosovo allocated a budget of EUR 403.1 million to finance these activities. These expenditures are mainly implemented by the Ministry of Agriculture and related institutions, including the Agriculture Institute of Kosovo, and focus on strengthening agricultural production and supporting rural development. Budget allocations include subsidies and grants for farmers, investments in agricultural infrastructure such as irrigation channels in municipalities and villages, and support for agricultural research and development. These expenditures contribute to SDG targets 2.3 and 2.4 by improving agricultural

productivity and promoting sustainable farming practices, while investments in rural infrastructure and agricultural institutions also support target 2.a, aimed at strengthening productive capacity in the agricultural sector.

Budget allocations for **SDG 3 (Good Health and Well-being)** achieved the amount of EUR 1.6 billion during 2021–2025. These expenditures are mainly implemented through the Ministry of Health, the University Clinical Service of Kosovo, the Health Insurance Fund, and municipal health directorates. Budget allocations focus on construction and upgrading of hospital infrastructure, purchase of medical equipment and vehicles, and financing of health services. These investments aim to improve access to healthcare and strengthen system capacity, contributing to SDG target 3.8 on universal health coverage, target 3.c on strengthening health financing and workforce, and target 3.d on improving national capacity to manage health risks.

Expenditures under **SDG 4 (Quality Education)** amounted to EUR 1.9 billion during this period, making education the third largest SDG expenditure category in Kosovo's budget. Funding is mainly implemented through the Ministry of Education, Science and Technology, the University of Pristina, the Academy of Arts and Sciences, and municipal education directorates. Budget allocations include construction and renovation of school and day-care facilities, investments in university infrastructure, and financing of educational institutions. These investments contribute to improving access to quality education and learning environments, supporting SDG targets 4.1, 4.2 and 4.3 related to access to primary, secondary and tertiary education, as well as target 4.a, which focuses on safe and inclusive educational facilities.

Kosovo allocated EUR 2.8 billion to **SDG 5 (Gender Equality)** during 2021–2025, representing one of the smallest shares of SDG-related expenditures. These funds are mainly implemented through the Agency for Gender Equality and municipal gender equality offices. Expenditures focus on initiatives aimed at promoting gender equality policies, strengthening institutional mechanisms that address discrimination and violence against women, and supporting women's participation in public life. These activities contribute to achieving SDG targets 5.1, 5.2 and 5.5, which focus on eliminating discrimination and violence against women and promoting equal participation in decision-making processes.

Regarding **SDG 6 (Clean Water and Sanitation)**, Kosovo allocated EUR 282 million. These expenditures are implemented mainly through institutions such as the Regional River Basin Authority, the Water Services Regulatory Authority, and municipal infrastructure programs. Investments focus on construction and improvement of water supply infrastructure, sewage systems, riverbed management, and projects related to water security and ecosystem protection. These activities support SDG targets 6.1 and 6.2, which aim to ensure access to safe drinking water and sanitation, as well as targets 6.4 and 6.6, which focus on sustainable water management and protection of water-related ecosystems.

Kosovo allocated EUR 145 million to **SDG 7 (Affordable and Clean Energy)** during this five-year period. These expenditures are mainly implemented through the Ministry of Economy (energy department) and the Agency for Energy Efficiency, reflecting efforts to improve energy sustainability. Budget allocations focus on energy efficiency measures, including building insulation, installation of efficient public lighting, and heating system improvements, as well as support for renewable energy projects. These investments contribute to SDG targets 7.1, 7.2 and 7.3, which aim to ensure reliable energy access, increase the share of renewable energy, and improve energy efficiency.

During 2021–2025, Kosovo allocated EUR 658 million to **SDG 8 (Decent Work and**

Economic Growth). Expenditures are implemented through institutions such as the Ministry of Finance, the Employment Agency, the Ministry of Industry, Entrepreneurship and Trade, and municipal economic development directorates. Expenditures are mainly related to programs on economic development, employment promotion, business registration, innovation, and tourism development. These initiatives aim to stimulate entrepreneurship and job creation, contributing particularly to SDG targets 8.2, 8.3 and 8.5, which focus on increasing productivity, supporting businesses and expanding employment opportunities.

Expenditures related to **SDG 9 (Industry, Innovation and Infrastructure)** reached EUR 1.7 billion during 2021–2025, representing one of the largest investment categories within Kosovo's SDG-related budget. The budget is mainly directed toward road infrastructure development, transport systems, and construction of public buildings and public spaces, which improve connectivity and support economic activity. These investments contribute primarily to SDG target 9.1, which focuses on developing reliable and resilient infrastructure that supports economic development and improves access to services.

Regarding **SDG 10 (Reduced Inequalities)**, Kosovo allocated EUR 67.1 million. These expenditures are implemented through the Ministry of Communities and Returns, municipal community offices, and institutions providing social services and free legal assistance. Budget supports programs aimed at social inclusion of minority communities, persons with disabilities, and youth, as well as services such as legal aid and community integration initiatives. These activities contribute to SDG targets 10.2 and 10.4, which promote social inclusion and policies aimed at reducing inequalities.

Expenditures under **SDG 11 (Sustainable Cities and Communities)** amounted to EUR 685 million during 2021–2025. These investments are implemented through departments responsible for urban planning, culture, sports, infrastructure, and cultural heritage at both central and municipal levels. Funding includes road infrastructure improvements, urban development projects, restoration of cultural heritage sites, construction of public spaces and memorial buildings, and elements of the social housing program. These expenditures contribute to several SDG 11 targets, including targets 11.1, 11.2 and 11.3 related to housing, transport and urban planning, as well as target 11.4 on protecting cultural heritage.

Kosovo allocated EUR 11 million to **SDG 12 (Responsible Consumption and Production)** during 2021–2025, representing a relatively small share of total SDG-related expenditures. These funds mainly support waste management activities, including the purchase of waste containers and improvements in waste collection systems. Such investments contribute primarily to SDG target 12.5, which focuses on reducing waste generation through improved waste management, recycling and reuse practices.

In terms **SDG 13 (Climate Action)**, Kosovo allocated EUR 56.8 million. Expenditures are mainly implemented through the environment department in the Ministry of Environment, Spatial Planning and Infrastructure, the Agency for Environmental Protection, and emergency services. The budget supports environmental protection measures, emergency preparedness and environmental management activities, which strengthen national capacity to address environmental risks. These investments contribute to SDG targets 13.1 and 13.2, which focus on strengthening resilience to climate-related hazards and integrating climate action into national policies and planning.

Budget allocations in relation to **SDG 15 (Life on Land**) achieve the amount EUR 20.6 million, which is one of the three lowest budget allocation categories. These

expenditures are implemented mainly through the forestry department (Ministry of Agriculture, Forestry and Rural development), the Kosovo Forestry Agency, and institutions responsible for managing national parks and protected areas. The budget is focused on forest management, ecosystem protection, conservation of biodiversity, and maintenance of protected natural areas, as well as environmental initiatives related to animal protection. These investments contribute to SDG targets 15.1 and 15.2, which focus on conserving ecosystems and promoting sustainable forest management.

With a budget of EUR 2 billion, **SDG 16 (Peace, Justice and Strong Institutions)** represents the second-largest SDG expenditure category in Kosovo's budget during 2021–2025. Funding is distributed across a wide range of institutions including the Assembly, the Office of the Prime Minister, the Ministry of Finance, the Ministry of Internal Affairs (and the police), the Ministry of Justice (and the courts), and municipal assembly offices. Expenditures focus on strengthening public administration, justice institutions, taxation and customs systems, civil registration services, and digital government systems. These investments contribute to improving governance, transparency and the rule of law, supporting several SDG 16 targets, including targets 16.3, 16.5 and 16.6, which focus on justice, anti-corruption efforts and building effective and accountable institutions.

Kosovo allocated EUR 62.6 million to **SDG 17 (Partnerships for the Goals)** during 2021–2025. These expenditures are mainly implemented through the Department for International Cooperation and activities related to international agreements and donor co-financing. Expenditures include co-financing of donor-supported projects, implementation of international agreements, and financial obligations related to international loan agreements. These activities contribute to SDG target 17.3, which focuses on mobilizing financial resources and strengthening international partnerships for development.

4. Considerations/limitations

There are several limitations to be taken into account when interpreting the results of this analysis. First, the SDGs are cross-cutting and interlinked. Many public expenditures can contribute to multiple SDGs simultaneously. For example, investments in infrastructure may support economic growth, improve access to services such as health and education, and contribute to regional development. However, for methodological consistency, each expenditure in the above analysis was assigned to only one SDG. As a result, the classification should be interpreted as an approximation of the primary objective of spending rather than a comprehensive representation of all SDG impacts. We relax this coding decision in the Annex, allowing budget items to address one or two SDGs, and find broadly similar results. This suggests that forcing each budget items to one SDG categorization is analytically useful.

Second, the analysis reflects budget allocations rather than the effectiveness or outcomes of policies. Higher levels of spending do not necessarily translate into better development results. The quality of policies, institutional capacity, and the efficiency of public spending play a crucial role in determining whether financial resources effectively contribute to achieving SDG targets. Therefore, well-designed policies and effective implementation mechanisms are just as important, if not more important, than the level of budget allocations.

Finally, it is important to note that public finance represents only one source of overall SDG financing. Achieving the SDGs also relies on resources from the private sector, international donors, development partners, and households. In Kosovo's

case, external financing sources such as remittances, foreign direct investment, and donor-funded development projects also play a significant role in supporting economic and social development. Consequently, the figures presented in this report should be interpreted as reflecting only the contribution of the government budget to SDG financing, rather than the total resources mobilized in the economy toward sustainable development.

5. Recommendations

Based on this analysis and its results, the following policy recommendations are drawn:

- Further research should be done on the SDGs that currently receive relatively lower levels of public financing. The results show that several goals such as: SDG 5 (Gender Equality), SDG 12 (Responsible Consumption and Production), SDG 13 (Climate Action), SDG 15 (Life on Land), SDG 17 (Partnerships for the Goals), and SDG 10 (Reduced Inequalities), account for less than 1% of total SDG-related expenditures. While some of these sectors may also benefit indirectly from other spending categories, the current allocation levels suggest, on their face, that environmental protection, gender equality policies, and sustainable resource management remain underfunded compared to other policy areas. Further research that assesses the SDG financing needs of these under-resourced SDGs would help determine whether and to what degree increasing investments in these areas would strengthen Kosovo's long-term environmental sustainability, social inclusion, and institutional cooperation with international partners.
- Given that the SDGs are cross-cutting and interlinked, government institutions should integrate SDG targets within the budgeting and policy planning process. More specifically, budget lines should be linked to SDG targets in the budget document. Furthermore, measures and activities listed in the Action Plan for Development (mid-term implementation plan of the Strategy for Development) should be all aligned with the relevant SDGs, since they are currently aligned at 40%. In this way, a monitoring framework that tracks progress toward SDG targets and indicators alongside budget allocations, would ensure that spending decisions are more closely connected to measurable development results.
- Budget expenditures under SDG 1 (No Poverty), which represents the largest share of SDG-related expenditures, should become more targeted and specific. A large portion of these funds is allocated to pensions and social transfers, which play an important role in protecting vulnerable groups and maintaining social stability. However, improving the targeting mechanisms of these transfers could increase their effectiveness in reducing poverty and inequality. Strengthening eligibility verification systems, expanding programs that combine social assistance with employment activation measures, and directing a greater share of resources toward the most vulnerable households would enhance the impact of these expenditures.
- Greater coordination mechanism between the government and donors should be encouraged. Since public finance is only one component of SDG financing, Kosovo could further increase partnerships with international donors, development institutions, and the private sector to support investments in areas such as climate action, energy transition, and sustainable infrastructure. Strengthening these partnerships would help mobilize additional resources and complement the government's budgetary efforts toward achieving sustainable development objectives.

Annex 1: SDGs by year

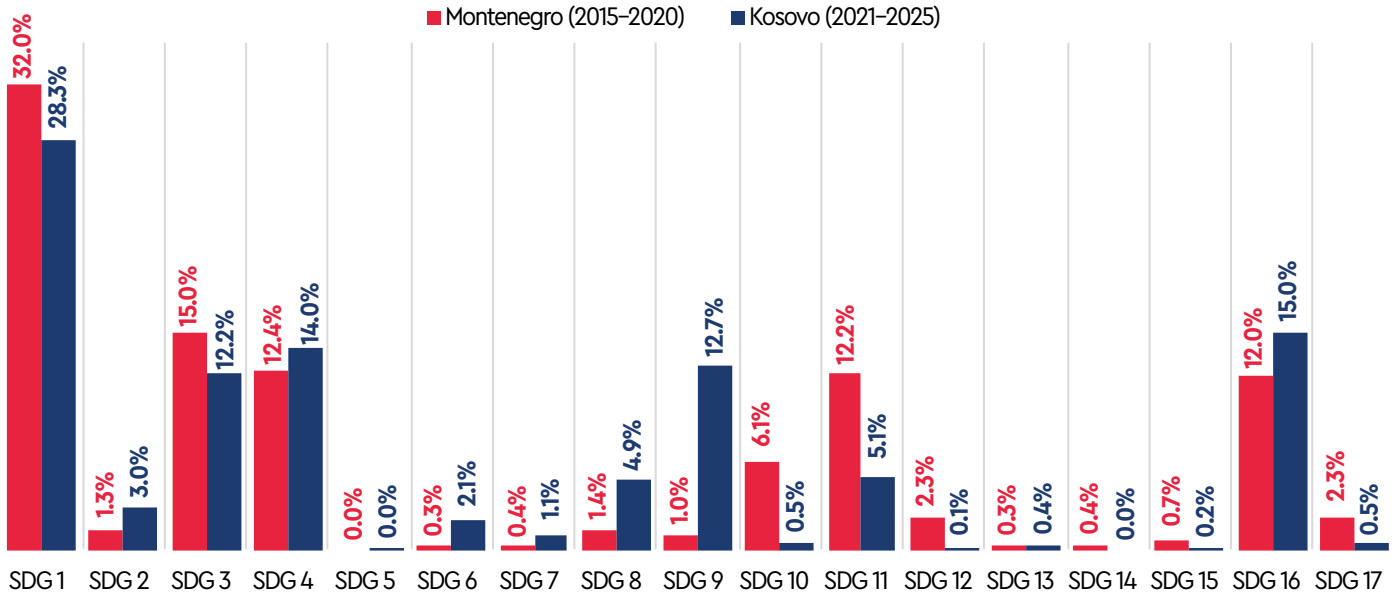
Table 1. Budget for SDGs for Kosovo for the period 2021–2025

	2021		2022		2023		2024		2025	
SDGs	Amount in EUR	%	Amount in EUR	%	Amount in EUR	%	Amount in EUR	%	Amount in EUR	%
SDG 1	641.9 mln euro	**29.0%**	691.3 mln euro	**29.1%**	770.2 mln euro	**27.4%**	791.8 mln euro	**27.5%**	905.9 mln euro	**28.9%**
SDG 2	62.3 mln euro	**2.8%**	73.6 mln euro	**3.1%**	86.9 mln euro	**3.1%**	88.9 mln euro	**3.1%**	91.5 mln euro	**2.9%**
SDG 3	288.9 mln euro	**13.0%**	277.0 mln euro	**11.7%**	320.9 mln euro	**11.4%**	367.4 mln euro	**12.7%**	380.2 mln euro	**12.1%**
SDG 4	319.1 mln euro	**14.4%**	329.2 mln euro	**13.9%**	364.2 mln euro	**12.9%**	418.2 mln euro	**14.5%**	447.8 mln euro	**14.3%**
SDG 5	0.4 mln euro	**0.0%**	0.4 mln euro	**0.0%**	0.6 mln euro	**0.0%**	0.7 mln euro	**0.0%**	0.7 mln euro	**0.0%**
SDG 6	47.2 mln euro	**2.1%**	39.9 mln euro	**1.7%**	59.5 mln euro	**2.1%**	73.8 mln euro	**2.6%**	61.9 mln euro	**2.0%**
SDG 7	8.2 mln euro	**0.4%**	11.0 mln euro	**0.5%**	89.0 mln euro	**3.2%**	19.1 mln euro	**0.7%**	17.8 mln euro	**0.6%**
SDG 8	53.5 mln euro	**2.4%**	153.4 mln euro	**6.5%**	208.5 mln euro	**7.4%**	109.5 mln euro	**3.8%**	133.2 mln euro	**4.2%**
SDG 9	320.5 mln euro	**14.5%**	250.3 mln euro	**10.5%**	351.8 mln euro	**12.5%**	364.1 mln euro	**12.6%**	416.7 mln euro	**13.3%**
SDG 10	10.9 mln euro	**0.5%**	12.2 mln euro	**0.5%**	10.5 mln euro	**0.4%**	14.9 mln euro	**0.5%**	18.6 mln euro	**0.6%**
SDG 11	99.6 mln euro	**4.5%**	109.4 mln euro	**4.6%**	129.8 mln euro	**4.6%**	178.0 mln euro	**6.2%**	168.6 mln euro	**5.4%**
SDG 12	0.8 mln euro	**0.0%**	3.3 mln euro	**0.1%**	4.2 mln euro	**0.2%**	1.4 mln euro	**0.0%**	1.3 mln euro	**0.0%**
SDG 13	10.0 mln euro	**0.5%**	9.2 mln euro	**0.4%**	9.9 mln euro	**0.4%**	14.3 mln euro	**0.5%**	13.6 mln euro	**0.4%**
SDG 15	3.3 mln euro	**0.1%**	3.4 mln euro	**0.1%**	2.7 mln euro	**0.1%**	6.0 mln euro	**0.2%**	5.3 mln euro	**0.2%**
SDG 16	339.6 mln euro	**15.3%**	396.9 mln euro	**16.7%**	391.2 mln euro	**13.9%**	422.4 mln euro	**14.6%**	463.1 mln euro	**14.8%**
SDG 17	10.0 mln euro	**0.5%**	14.8 mln euro	**0.6%**	12.6 mln euro	**0.4%**	13.1 mln euro	**0.5%**	12.0 mln euro	**0.4%**
Total budget for SDGs	**2216.1 mln euro**		**2375.2 mln euro**		**2812.5 mln euro**		**2883.6 mln euro**		**3138.3 mln euro**	

Annex 2: Robustness Check – Comparison with Montenegro Results

To assess the robustness of the coding methodology and for quality control, this report compares the results for Kosovo to a similar SDG financing exercise in neighbouring Montenegro. Montenegro used an independent but approximate methodology to allocate budget expenditures to SDGs for a 6-year period, from 2015–2020. It should be noted that the comparison period of the two countries' budgets is different and it may have impacted expenditure priorities. The analysis on Kosovo's SDG spending for the period 2021–2025 and Montenegro's for 2015–2020[13] reveals significant differences in priority allocation despite Kosovo's higher overall budget of EUR 13.4 billion compared to Montenegro's EUR 9.8 billion. Montenegro dedicated nearly one-third of its budget to SDG 1 (No poverty) at 32.0%, while Kosovo dedicated 28.3% of its budget for this SDG. The biggest difference appears in SDG 9 (Industry, innovation and infrastructure), where Kosovo allocated 12.7% of its budget compared to Montenegro's minimal 1.0%, indicating Kosovo's emphasis on infrastructure development. Similarly, Kosovo increased spending on SDG 8 (Decent work and economic growth) to 4.9% compared to Montenegro's 1.4%.

Figure 8. SDG financing in Montenegro (2015–2020) and Kosovo (2021–2025)



Source: GAP Institute calculations using Ministry of Finance, Labour and Transfers data and United Nations Montenegro

Montenegro showed higher commitment to SDG 11 (Sustainable cities and communities) at 12.2% of its budget versus Kosovo's 5.1%, and SDG 10 (Reduced inequalities) at 6.1% compared to Kosovo's 0.5%. Both countries maintained similar focus on SDG 16 (Peace, justice and strong institutions), SDG 3 (Good health and well-being) and SDG 4 (Quality education) at approximately 12-15%. Notably, both allocated a very small amount of funding to SDG 5 (Gender equality), and minimal resources to climate and environmental goals (SDGs 13, 14, 15), suggesting that these areas remain under prioritized in both economies. The broadly consistent results between the two, independent budget analyses suggest that the methodology adopted in Kosovo was successful.

13 United Nations Montenegro. SDG Policy Brief 1: SDG financing Montenegro. Last accessed 6 March 2026

Annex 3: Robustness Check – Coding for Two SDGs

This table is provided as a robustness check in this report, to see whether classification of budget expenditures in more than one SDGs [14]changes the overall ranking of expenditures' categorization. In comparison to the methodology used in the report, in this table, some budget expenditures are classified in more than one SDGs. The results are similar to the ones shown in Table 1 in Annex 1, showing that even when some expenditures are classified in two SDGs, the pattern with some SDGs having the highest budget expenditures classified to them, still remains.

Table 2. Budget for SDGs for Kosovo for the period 2021–2025

	2021		2022		2023		2024		2025	
SDGs	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
SDG 1	641.9 mln euro	**29.0%**	697.3 mln euro	**23.2%**	633.2 mln euro	**18.4%**	810.8 mln euro	**22.6%**	908.9 mln euro	**24.3%**
SDG 2	62.3 mln euro	**2.8%**	76.6 mln euro	**2.6%**	94.4 mln euro	**2.7%**	99.2 mln euro	**2.8%**	97.1 mln euro	**2.6%**
SDG 3	288.9 mln euro	**13.0%**	290.3 mln euro	**9.7%**	324.9 mln euro	**9.5%**	370.3 mln euro	**10.3%**	382.1 mln euro	**10.2%**
SDG 4	319.1 mln euro	**14.4%**	330.8 mln euro	**11.0%**	364.2 mln euro	**10.6%**	421.4 mln euro	**11.8%**	449. mln euro	**12.0%**
SDG 5	0.4 mln euro	**0.0%**	447,622 €	**0.0%**	.6 mln euro	**0.0%**	.7 mln euro	**0.0%**	.7 mln euro	**0.0%**
SDG 6	47.2 mln euro	**2.1%**	45.6 mln euro	**1.5%**	73. mln euro	**2.1%**	81.8 mln euro	**2.3%**	68.5 mln euro	**1.8%**
SDG 7	8.2 mln euro	**0.4%**	19.1 mln euro	**0.6%**	100.8 mln euro	**2.9%**	29. mln euro	**0.8%**	22.2 mln euro	**0.6%**
SDG 8	53.5 mln euro	**2.4%**	276.4 mln euro	**9.2%**	397.3 mln euro	**11.6%**	199.3 mln euro	**5.6%**	201.4 mln euro	**5.4%**
SDG 9	320.5 mln euro	**14.5%**	443.4 mln euro	**14.8%**	581.1 mln euro	**16.9%**	624.1 mln euro	**17.4%**	662.1 mln euro	**17.7%**
SDG 10	10.9 mln euro	**0.5%**	19.3 mln euro	**0.6%**	21.4 mln euro	**0.6%**	28.3 mln euro	**0.8%**	33.7 mln euro	**0.9%**
SDG 11	99.6 mln euro	**4.5%**	287.2 mln euro	**9.6%**	315.5 mln euro	**9.2%**	359. mln euro	**10.0%**	354.5 mln euro	**9.5%**

14 It should be noted that in this table, some expenditure lines are allocated to more than one SDGs, meaning that those expenditures are counted twice in the total budget. This classification is only done as a robustness check in the Annex, and it is not used in the main methodology of the report.

	2021		2022		2023		2024		2025	
SDGs	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
SDG 12	0.8 mln euro	**0.0%**	7.1 mln euro	**0.2%**	9.4 mln euro	**0.3%**	12.5 mln euro	**0.3%**	6.7 mln euro	**0.2%**
SDG 13	10.0 mln euro	**0.5%**	24.2 mln euro	**0.8%**	30.6 mln euro	**0.9%**	34.3 mln euro	**1.0%**	29.2 mln euro	**0.8%**
SDG 15	3.3 mln euro	**0.1%**	5.9 mln euro	**0.2%**	4.3 mln euro	**0.1%**	6.6 mln euro	**0.2%**	6.3 mln euro	**0.2%**
SDG 16	339.6 mln euro	**15.3%**	431.2 mln euro	**14.4%**	422.8 mln euro	**12.3%**	464.2 mln euro	**13.0%**	500. mln euro	**13.4%**
SDG 17	10.0 mln euro	**0.5%**	46.6 mln euro	**1.6%**	59.6 mln euro	**1.7%**	39.9 mln euro	**1.1%**	19.5 mln euro	**0.5%**
Total budget for SDGs	**2216.1 mln euro**		**3001.5 mln euro**		**3432.9 mln euro**		**3581.5 mln euro**		**3741.7 mln euro**	

GAP INSTITUTE

GAP Institute is a Think Tank established in October 2007 in Kosovo. GAP's main goal is to attract professionals to create an environment of professional development and research, as seen in similar institutions in Western countries. This also provides Kosovars with opportunities to research, develop and implement projects in order to advance the Kosovo society. Priority for this Institute is the mobilization of professionals to address the country's economic, political and social challenges. GAP's main goals are to fill the gaps between government and citizens, and between problems and solutions.

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