

# Budget Plannings of the Municipalities for 2025



July 2024



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## Executive Summary

The annual municipal budget is a crucial tool for funding infrastructure projects and promoting economic development at the local level. It ensures the effective and quality delivery of services to citizens and provides responsible financial planning and equitable resource distribution for the overall growth and development of municipalities. Clear planning supports long-term development, helping municipalities meet future needs. Detailed budgets provide accountability and transparency, allowing citizens to see how their money is spent, thus fostering trust in local government. Through investments, subsidies, and employment, municipalities can influence social equality. The 2025 budget plans of the 15 municipalities analyzed show an increase of 2–11% in their annual budgets. However, there is still a lack of clear linkage between medium-term priorities and the annual budget. Most municipalities have not analyzed the budget risks for 2025, including inherited contingent liabilities and potential legal obligations.

Most municipalities included in this report allocate around 50% of their budget to salaries and per diems. The highest expenditures in this category are observed in the municipalities of Junik and Kamenicë/Kamenica, with 66% and 59%, respectively. Capital investments represent the second most significant category for most municipalities. All 15 municipalities analyzed in this report have planned to implement 670 capital projects, with a total budget allocation of €88 million. Of this, only €17 million will go towards new projects, while €71 million will be used for ongoing projects from 2024. Positively, most projects are planned outside city centers, including localities inhabited by minorities. Regarding subsidy planning, Rahovec/Orahovac and Podujevë/Podujeva will spend the majority on agriculture (44% and 41%), whereas Dragash/Dragaš on culture, youth, and sports (35%). Meanwhile, the budget for subsidies in Prizren and Viti/Vitina has been allocated to the offices of the mayors, which is then distributed based on the needs and priorities set by the mayors.

Except for Gračanica/Graçanicë, the other 14 municipalities have conducted budget hearings on the Medium-Term Budget Framework (MTBF). Overall, citizen participation in these hearings remains very low. Some municipalities, like Suharekë/Suva Reka, have organized more budget hearings with citizens and presented more detailed minutes. Other municipalities, despite having large populations, like Pejë/Peć and Prizren, have held fewer budget hearings. The findings of this report, from the analysis of budget hearings and approved MTBFs, indicate a positive step by municipalities in budgeting, addressing some of the citizens' requests during the hearings. However, many of these requests remain outside the budget draft, with no explanation or reason provided by the municipalities for their exclusion. In 12 out of the 15 analyzed municipalities, a number of citizens' requests have been included in the approved MTBF 2025–2027. Specifically, the Municipality of Podujevë/Podujeva included 15.3% of citizens' requests (11 out of 72 proposals), Suharekë/Suva Reka 13% (24 out of 180 proposals), Prizren 9% (9 out of 95 proposals), etc. The gender representation gap in these consultations remains high, with the majority of participants being men.

The way the budget is spent, and the policies implemented can promote gender equality or reinforce existing inequalities. In the initial budget planning for 2025, only six out of the 15 analyzed municipalities, including Prizren, Podujevë/Podujeva, Rahovec/Orahovac, Viti/Vitina, Obiliq/Obilić, and Gračanica/Graçanicë, have included a section on Gender-Responsive Budgeting in the MTBF 2025–2027, with basic data on the number of municipal employees or subsidy beneficiaries.

# 1. Introduction

The Medium-Term Budget Framework (MTBF) is the initial document prepared by each municipality in the annual budget cycle, which must be approved by the municipal assembly by June 30th of each year.<sup>1</sup> The municipal budget is the primary document and instrument through which the municipality envisions the realization of its plans. Through the budget, the municipality indicates and reflects its support for key sectors and demonstrates its orientation regarding what support it will provide to areas that may include infrastructure, health, education, youth, agriculture, social issues, environmental concerns, or the development of human resource capacities.

Moreover, built according to the budget limits set for municipal revenues from government and self-generated grants in the first budget circular<sup>2</sup> issued by the Ministry of Finance, Labor, and Transfers (MFLT) by May 15th<sup>3</sup> of each year, and which is in line with the Medium-Term Expenditure Framework (MTEF) approved by April 30th<sup>4</sup> of each year by the Government of Kosovo<sup>5</sup>, the MTBF also often includes the municipality's plans for capital investments to be made in the following year. The MTBF also serves as the initial document for constructing the annual draft budget, which must be submitted to the municipal assembly by September 1st. During this period, if necessary, the MFLT may issue additional budget circulars<sup>6</sup>, which must be considered during the preparation of the municipal annual draft budget. Subsequently, after reviews by the municipal assembly in September, it must be approved by September 30th. If the approved budget document in the municipal assembly is drafted according to the criteria presented in the budget circular(s), it cannot undergo changes by the Government and the Minister of MFLT.<sup>7</sup>

In the context of drafting the MTBF, municipalities conduct public consultations, where through budget hearings and written and electronic consultations, citizens' suggestions and requests are accepted. Based on the Administrative Instruction of the Ministry of Local Government Administration (MLGA) for open administration in municipalities, after drafting the MTBF, municipalities are obligated to organize public consultations about it, including as a consultation tool, the organization of budget hearings.<sup>8</sup> Then, in the phase of preparing the draft budget, the municipality and the municipal assembly are also obligated to hold budget hearings with citizens, based on the Law on Public Financial Management and Accountability, and in some cases, as a requirement from the budget circular(s).

In this report, GAP Institute analyzes the main developments related to the budget planning of 15 municipalities of Kosovo for the year 2025, analyzing the approved MTBF 2025–2027, including the analysis of the distribution of capital investments across different localities, the extent to which marginalized groups

1 Ministry of Finance, Labor, and Transfers. [Budget Circular 2025/1](#). Accessed on 3 July 2024.

2 It should be noted that the calculation of the level of government grants presented in the first circular 2025/1 was made using data from the 2011 population census. Meanwhile, a population census was conducted in Kosovo during 2024, and it is unknown whether the update of the higher limits by MFLT for the 2025 budget will occur. At the time of preparing this analysis, no such changes have occurred.

3 Official gazette. [Law no.03/L-221 amending the Law no.03/L-048 on Public Finance Management and Accountability](#). Article 6

4 Ibid, Article 19.

5 This means the central government.

6 Typically, the second budget circulars are issued to obtain more up-to-date data for certain categories, such as the exact number of employees in the municipalities, to reflect changes after receiving inputs from the approved MTBFs, organized forums with municipal authorities, etc.

7 [Law no.03/L-048 on Public Finance Management and Accountability](#). Article 20.5

8 Ministry of Local Government Administration. [Administrative Instruction \(MLGA\) No. 04/2023 for Open Administration in Municipalities](#). Articles 17 and 22.

are included in the budget, such as women and minorities, and how inclusive the municipalities are during the budget preparation process, by organizing public consultations. The municipalities analyzed in this report are Drenas/Glogovac, Kaçanik/Kaçanik, Pejë/Peć, Kamenica, Obiliq/Obilić, Gračanica/Gračanicë, Suharekë/Suva Reka, Rahovec/Orahovac, Klinë/Klina, Viti/Vitina, Dragash/Dragaš, Junik, Ferizaj/Uroševac, Podujevë/Podujeva, and Prizren. These municipalities are also beneficiaries of additional support in various activities from Helvetas (Demos) during 2025. Moreover, the selection of these municipalities is due to the cooperation between DEMOS and the municipalities regarding the 'social contract';<sup>9</sup> the size of the municipalities according to demographic and geographic dimensions; and the number of settlements where a considerable number or percentage of the non-majority community lives.

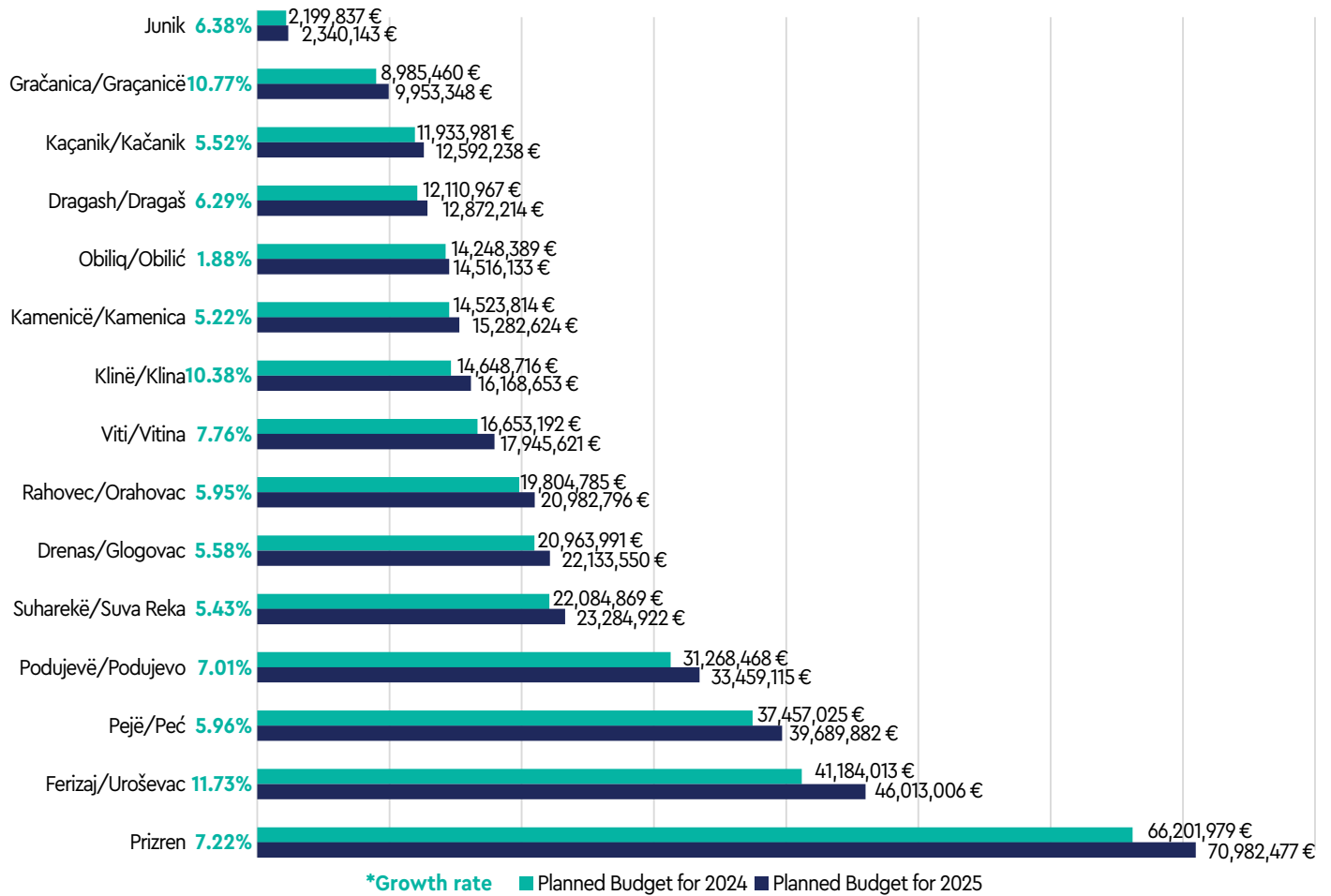
## 2. Budget 2025: Municipal Revenues and Expenditures

Municipal budgets are sourced from three main areas: government grants (general grant, education grant, and health grant), own-source revenues, and other revenues. Government grants are provided annually for education and health, and based on the population size and geographical area of each municipality. Own-source revenues are collected by municipalities through their activities, based on municipal competencies and regulations for taxes, fines, and fees. Other revenues are not annual and may come from projects supported by ministries, government agencies, public enterprises, or international donors.

### 2.1 Local economic development

With economic growth in the country and increased budget revenues, the annual budget of municipalities also grows each year. This budgetary change can reflect the priorities and development strategies of each municipality. The analysis of the planned budget for 15 municipalities for 2025 shows a trend of budget increase in each municipality. For 2025, the Municipality of Ferizaj/Uroševac has the highest budget increase at approximately 11.7%, followed by Gračanica/Gračanicë at around 10.8% and Klinë/Klina at about 10.4%. On the other hand, the Municipality of Obiliq/Obilić has the lowest budget increase with an annual growth of 1.88%.

<sup>9</sup> The social contract is an agreement between the municipality and a community or locality to address the needs of that community expressed during public consultations. The municipality includes its commitment in the budget and other important documents, which can then be monitored for the progress of the implementation of that commitment.

**Figure 1. Planned Municipal Budgets and Their Annual Changes**

Source: Medium-Term Budget Frameworks 2025–2027 of the included municipalities

In the approved MTBF 2025–2027, municipalities have generally presented their medium-term priorities. However, these priorities are often numerous and significantly exceed the capabilities of an annual municipal budget, making it difficult to understand the connection between the annual budget and specific medium-term priorities. This issue is also observed in the central government's annual budget.<sup>10</sup> Additionally, most municipalities have not analyzed the budgetary risks for 2025, such as how these risks might affect the implementation of their work plans, including inherited contingent liabilities and those that may arise during the year due to court decisions. This situation can have several implications: Without linking the budget to the municipality's or country's medium- and long-term plans and strategies, the achievement of the targeted objectives of these strategies is at risk. These documents may include local economic development strategies, local environmental action plans, or community integration strategies. Ignoring contingent liabilities, both inherited and those that may arise during the year due to court decisions, can create unexpected financial burdens for municipalities. These liabilities may force municipalities to cut budgets for important projects or prevent the initiation or completion of certain projects. This also indicates a lack of efficient financial resource management, which can affect the audit opinion, reflecting on the municipality's performance or image.

To meet their objectives in 2025, municipalities will utilize revenues from annual transfers from the central government, local taxes, and contributions from various

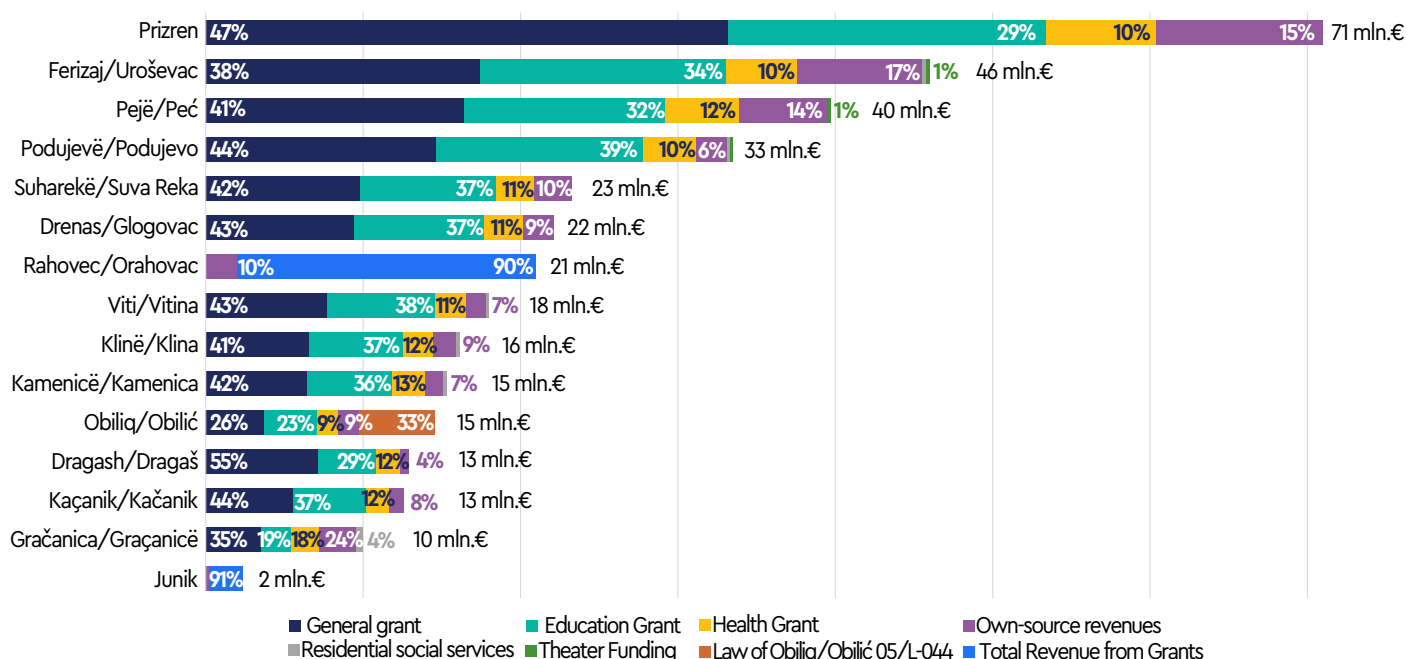
<sup>10</sup> Gap Institute. [The Need for Establishing an Independent Fiscal Institution in Kosovo](#)

projects and grants. As shown in Figure 2, the General Grant<sup>11</sup> constitutes a significant portion of revenues, ranging from 26% in Obiliq/Obilić to over 50% of the budget, specifically 55% in Dragash/Dragaš. Additionally, the education grant<sup>12</sup> and health grant<sup>13</sup> significantly contribute to municipal revenues, with percentages ranging from 19% in Gračanica/Gračanicë to 39% in Podujevë/Podujeva for education, and from 9% in Obiliq/Obilić to 18% in Gračanica/Gračanicë for health. The main difference between municipal revenues lies in the share of own-source revenues in the annual budget. Some municipalities continue to make little progress in increasing their own-source revenue base, with this category's share in the annual budget being as low as 4% in Dragash/Dragaš. In contrast, in other municipalities, this category's share goes up to 24%, as seen in Gračanica/Gračanicë.

## 2.2 Own-source revenues

In the presentation of revenue sources in the MTBF 2025–2027, unlike other municipalities, the Municipality of Rahovec/Orahovac and the Municipality of Junik have not categorized grants but have presented them in a single category. This method of presenting grants by Rahovec/Orahovac and Junik is inappropriate and disregards the recommendations of the Ministry of Finance provided in the first budget circular issued to municipalities.<sup>14</sup> These circulars specify each municipality's budget based on grants and also require municipalities to follow rules that provide complete clarity for third parties during budget preparation.

**Figure 2.** Sources of Municipal Funding for 2025



Source: Medium-Term Budget Frameworks 2025–2027 of the included municipalities

Own-source revenues are financial resources that municipalities collect from internal sources, which include local taxes, service fees, and income from municipal properties. These revenues are important because they provide

<sup>11</sup> According to the Law on Local Government Finance (LLGF), Article 24, 10% of the total revenues of the central government are allocated to municipalities based on formulas specified in the law.

<sup>12</sup> Ibid. Based on an open financing system, the criteria of the Ministry of Science, Technology, and Education are used in the formula for pre-university education.

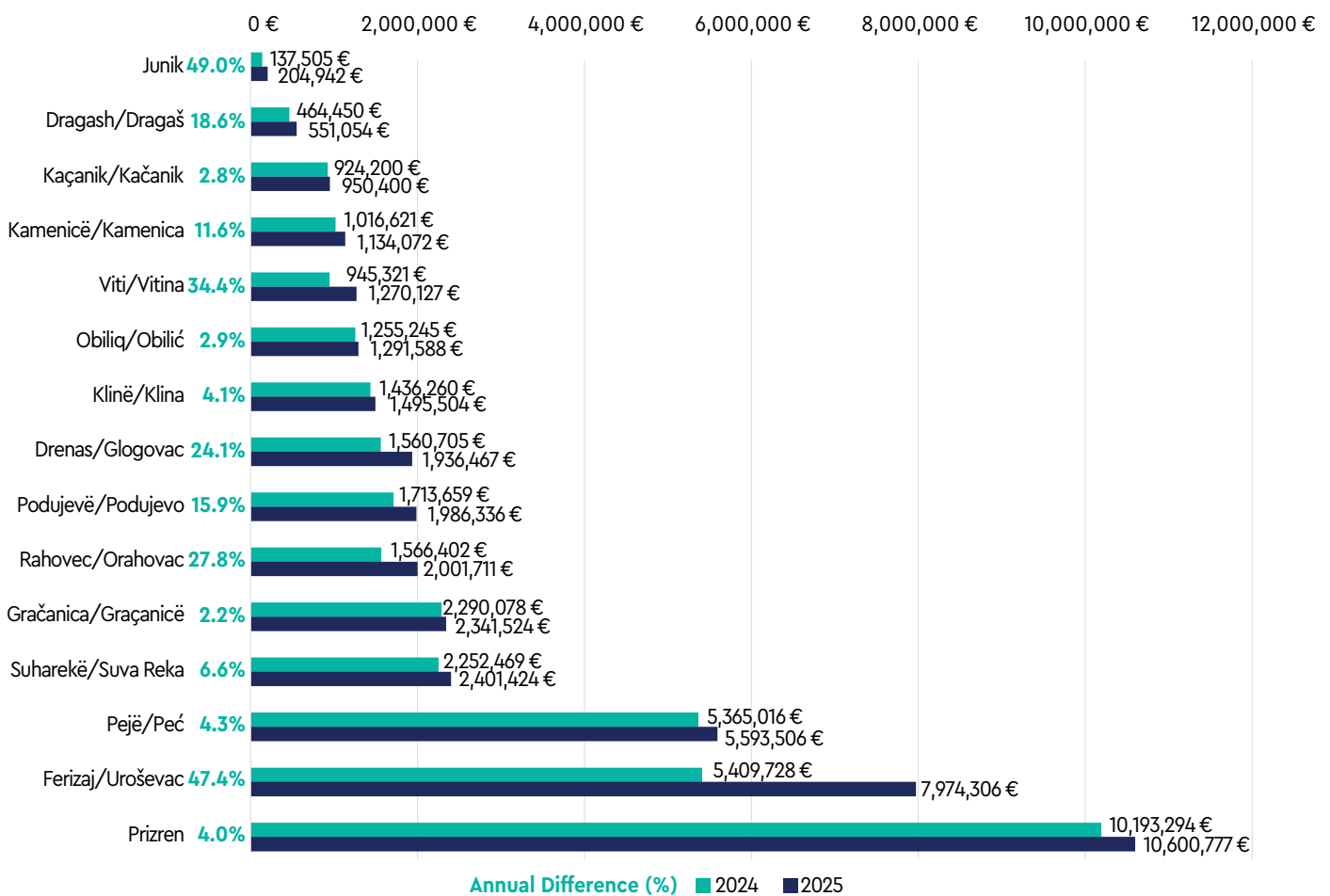
<sup>13</sup> Ibid. Similarly, the criteria of the Ministry of Health are used in the formula for primary healthcare.

<sup>14</sup> Ministry of Finance, Labor, and Transfers. [Budget Circular to Local Level](#) Page 16.



a certain level of financial independence for municipalities, enabling them to make autonomous decisions regarding public investments and expenditures. Unlike other revenues such as the general grant and specific grants, which are often earmarked for specific uses and have conditions set by the central level, own-source revenues can be used more flexibly to meet the specific needs of the local community within municipal competencies, excluding the salary category. The municipalities with the highest planned increase in own-source revenues for 2025 are Junik with 49%, Ferizaj/Uroševac with 47.4%, Viti/Vitina with 34.4%, and Rahovec/Orahovac with 27.8%. Conversely, the municipalities with the lowest planned increase in own-source revenues for the same year are Gračanica/Gračanice with 2.2%, Kaçanik/Kaçanik with 2.8%, and Obiliq/Obilić with 2.9%.

**Figure 3.** The municipalities' own revenues and their annual change



Source: Medium-Term Budget Frameworks 2025–2027 of the included municipalities

## 2.3 Expenditure Planning for 2025

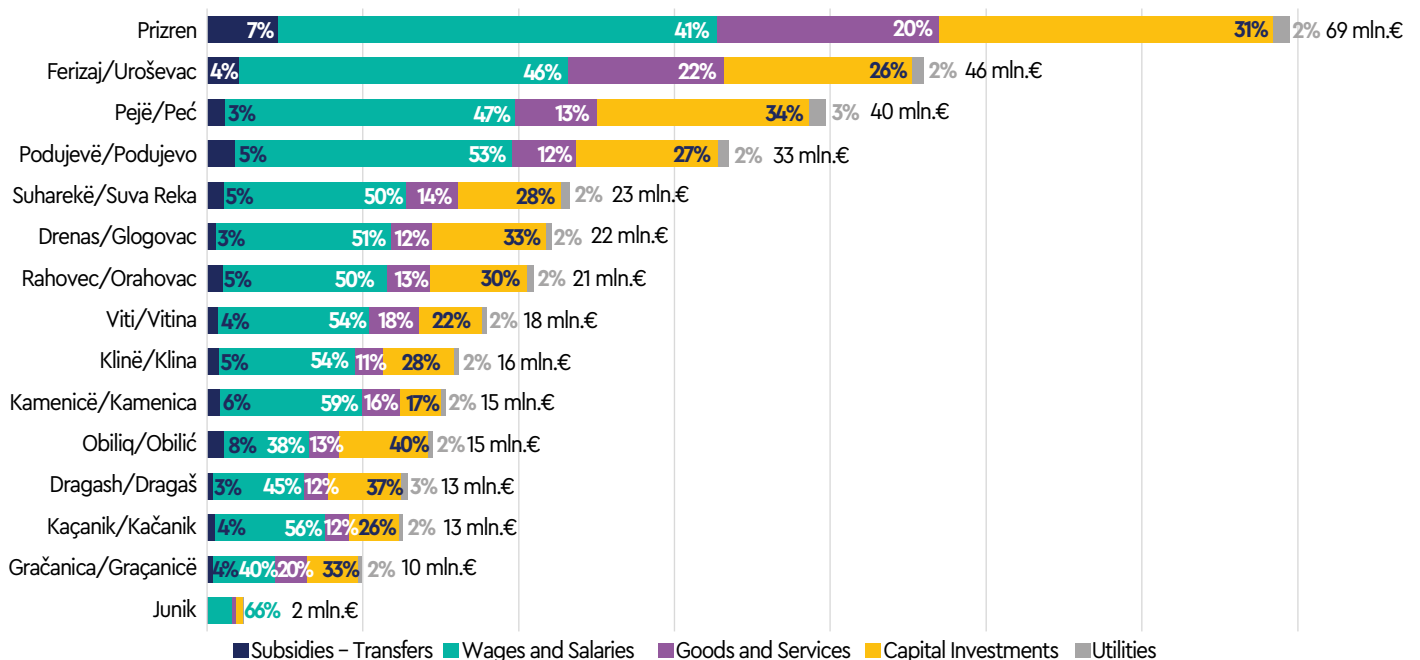
Municipalities allocate their budgets to meet various community needs and support local development. These expenditures include subsidies and transfers to assist specific sectors, salaries and per diems for municipal employees, goods and services necessary for the daily functioning of the municipality, capital investments for the development of major infrastructure projects, and municipal expenses to cover operational costs. Expenditures vary from municipality to municipality, based on their specific priorities and needs.



The category of salaries and per diems accounts for the highest percentage of the budget in most municipalities. The majority of municipalities spend more than half of their budget on salaries and per diems, with the highest expenditures in this category observed in the Municipality of Junik and the Municipality of Kamenicë/Kamenica, at 66% and 59%, respectively. On the other hand, capital investments represent the second most significant category for most municipalities, with percentages ranging from 40% in the Municipality of Obiliq/Obilić (also the most important category for this municipality) to 17% in the Municipality of Kamenicë/Kamenica.

Municipalities with the highest expenditures in the category of goods and services are Ferizaj/Uroševac with 22% of the budget, followed by Gračanica/Gračanicë and Prizren with 20% each. Meanwhile, the categories of subsidies and transfers, as well as municipal expenses, account for a small percentage of the budget in all municipalities.

**Figure 4. Categories of Municipal Expenditures for 2025**



Source: Medium-Term Budget Frameworks 2025–2027 of the included municipalities

Public investments by municipalities have increased year by year, but the issues that distinguish these investments remain the same and continue to recur. One of the biggest problems in this regard is the municipalities' inability to complete investments within the planned timeframe, resulting in projects being carried over from year to year. According to assessments by the National Audit Office, the reasons for projects being carried over at the local level include improper planning of the investment project, incomplete financial commitment in the budget for the investment project, property disputes on the ground, and the lack of technical and professional capacities of private companies to carry out public works.<sup>15</sup>

Out of the 15 municipalities analyzed in this report, during the initial phase of budget planning for the upcoming year 2025, 670 capital projects are planned. Of these, 500 projects will be carried over from 2024, while 170 projects are planned as new projects by these municipalities. In percentage terms, only 25% of the projects planned by the 15 municipalities will be new, while 75% will be carried over.

<sup>15</sup> National Audit Office. [Value for money in the construction of local and regional roads](#). p. 10 and p. 21.

Four municipalities (Drenas/Glogovac, Prizren, Ferizaj/Uroševac, and Obiliq/Obilić) have not planned any new projects for 2025. High percentages of project carryovers are also found in Dragash/Dragaš, Gračanica/Gračanicë, Kamenicë/Kamenica, and Podujevë/Podujeva. The municipality with the fewest capital projects to be carried over for the next year is Pejë/Peć. In this municipality, out of 89 planned projects, only 13 are carryovers.

For the 670 projects planned in the initial phase of budget planning for 2025 by these 15 municipalities, the allocated budget amount is approximately €88 million. Only €17 million (19%) of these funds will go to new projects, while €71 million (81%) will remain available for projects carried over from 2024.

**Table 1.** Planned Capital Investments for 2025 in 15 Municipalities of Kosovo According to the Approved MTBFs in Municipal Assemblies During June 2024

Municipalities	Number of Capital Projects	Number of New Capital Projects	Percentage of New Capital Projects	Number of Projects Carried Over from 2024	Percentage of Carried Over Capital Projects	Financial Amount for New Projects (Euro)	Financial Amount for Carried Over Projects (Euro)	Number of Projects Promised During the Election Campaign
Dragash/Dragaš	57	22	39%	35	61%	1,407,673	2,908,630	5
Drenas/Glogovac	39	0	0%	39	100%		6,225,103	4
Ferizaj/Uroševac	59	0	0%	59	100%		4,925,951	6
Gračanica/Gračanicë	21	6	29%	15	71%	500.000	1,816,082	
Junik	38	12	32%	26	68%	1,340,000	3,616,326	6
Kaçanik/Kaçanik	28	14	50%	14	50%	1,187,000	1,382,000	11
Kamenicë/Kamenica	17	2	12%	15	88%		7,618,000	4
Klinë/Klina	29	4	14%	25	86%	1,020,000	2,063,653	7
Obiliq/Obilić	25	0	0%	25	100%	-	5,157,826	7
Pejë/Peć	89	76	85%	13	15%	9,367,595	2,202,956	9
Podujevë/Podujevo	62	13	21%	49	79%	€ 922.000	6,573,530	12
Prizren	129	0	0%	129	100%	-	20,179,741	16
Rahovec/Orahovac	6	2	33%	4	67%	-	2,701,576	3
Suharekë/Suva Reka	71	19	27%	52	73%	1,438,048	3,139,000	6
Viti/Vitina	/	/	/	/	/	/	/	/

The Municipality of Viti has not reflected the list of capital projects in the MTBF. Source: Medium-Term Budget Frameworks 2025–2027 of the included municipalities, Municipality ID – GAP, Kosovo Budget 2023, and the electoral programs of the mayors.

From the analyzed data, nearly half of the localities will not benefit from the capital investment budget for 2025. The 15 analyzed municipalities comprise 565 localities, of which 285 localities are included in the capital projects planned in the first phase for 2025, while 280 localities are not included. Positively, a considerable number of municipalities have planned the highest financial amount for projects outside the city center. In cases like the Municipality of Pejë/Peć, the largest infrastructure project in 2025 is planned to be implemented in a locality inhabited by minorities. Most of the capital projects planned to be

implemented or finalized next year were not promised by the mayors during the 2021 local election campaign. Out of the 670 projects planned in the 15 municipalities, only 96 projects, or 14.3%, were promised during the campaign.

**Table 2.** Number of Localities Included in the 2025 Budget for Capital Projects, Evaluated in 15 Municipalities

Municipalities	Number of Localities	Number of Localities Included in Capital Investments	Number of Localities Not Included in Capital Investments	Locality with the Most Expensive Planned Capital Project
Dragash/Dragaš	35	25	10	Brezne
Drenas/Glogovac	36	28	8	Center
Ferizaj/Uroševac	43	15	28	Jezerc
Gračanica/Gračanicë	15	12	3	Center
Junik	2	2	0	Center
Kaçanik/Kaçanik	28	11	17	Center
Kamenicë/Kamenica	53	12	41	Zhujë
Klinë/Klina	42	15	27	Dollc
Obiliq/Obilić	19	11	8	Center
Pejë/Peć	69	39	30	Vitomirica (inhabited by minorities)
Podujevë/Podujevo	77	42	35	Center
Prizren	74	42	32	Center
Rahovec/Orahovac	33	4	29	Opterushë
Suharekë/Suva Reka	39	27	12	Center
Viti/Vitina	/	/	/	/

The Municipality of Vitia has not reflected the list of capital projects in the MTBF.

Source: Medium-Term Budget Frameworks 2025–2027 of the included municipalities

Although the category of subsidies and transfers constitutes a relatively small percentage of the total municipal budget, they are very important as they help financially support projects and initiatives that contribute to the economic and social development of local communities. Through subsidies, municipalities can support various fields such as agriculture, education, culture, sports, and health, thereby improving the quality of life for citizens.

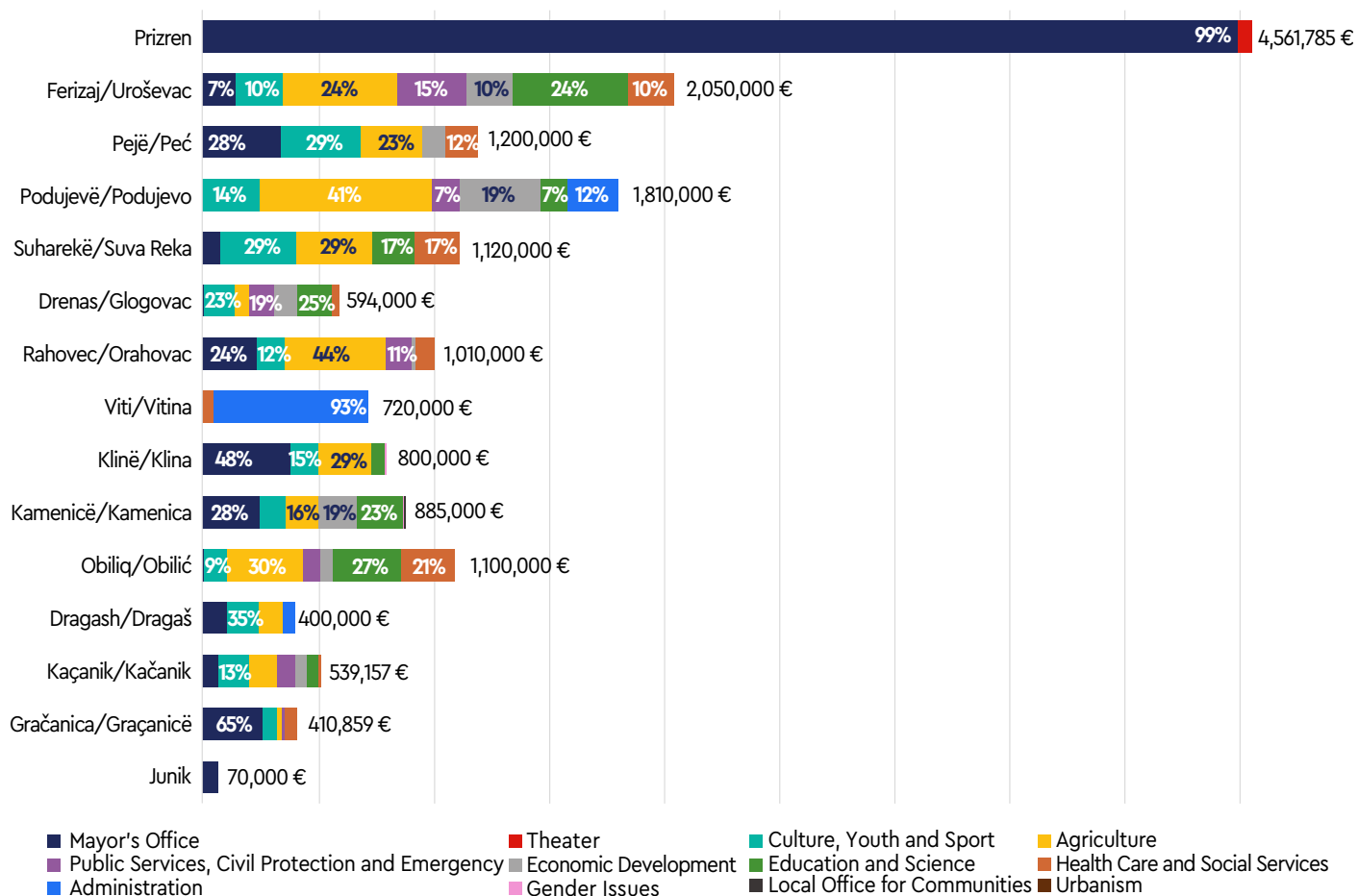
Analyzing the MTBFs of municipalities, it is observed that municipalities have different priorities in their subsidy expenditures. In the Municipality of Rahovec/Orahovac and the Municipality of Podujevë/Podujevo, a significant percentage is spent on agriculture (44% and 41%, respectively). Meanwhile, the Municipality of Dragash/Dragaš allocates around 35% of subsidies to culture, youth, and sports. In the case of the Municipality of Prizren, most subsidies are budgeted in the mayor's office (99%), while in the Municipality of Viti/Vitina, 93% of subsidies are budgeted in the administration. These offices or directorates then distribute these subsidies based on the needs and orientations set by the mayors or directors of the directorates.

Thus, municipalities do not present a clear orientation of their priority areas, increasing the discretion of the municipality and mayors in allocations, which can also be ad-hoc. Another important category remains education and science, where the Municipality of Obiliq/Obilić leads with 27% of the subsidy budget concentrated in this category, followed by the municipalities of Drenas/Glogovac, Ferizaj/Uroševac, and Kamenicë/Kamenica.

The two categories with the lowest concentration of subsidies and transfers are gender issues and communities. The distribution of subsidies for the gender issues category is only planned by the Municipality of Klinë/Klina and the Municipality of Kamenicë/Kamenica, with 1% of the total budget. Meanwhile, for the Municipal Office for Communities and Return, only the Municipality of Kamenicë/Kamenica has planned subsidies, with a monetary value of €5,000, or 1% of the total budget. This implies a lack of prioritization or attention to these issues by the municipalities. It may also result in the specific needs of these categories not being addressed, potentially worsening existing inequalities. For gender issues, such a small percentage of subsidies may not be sufficient to support important programs for gender equality and addressing needs in this area.

## 2.4 Subsidy Category in 15 Municipalities of Kosovo

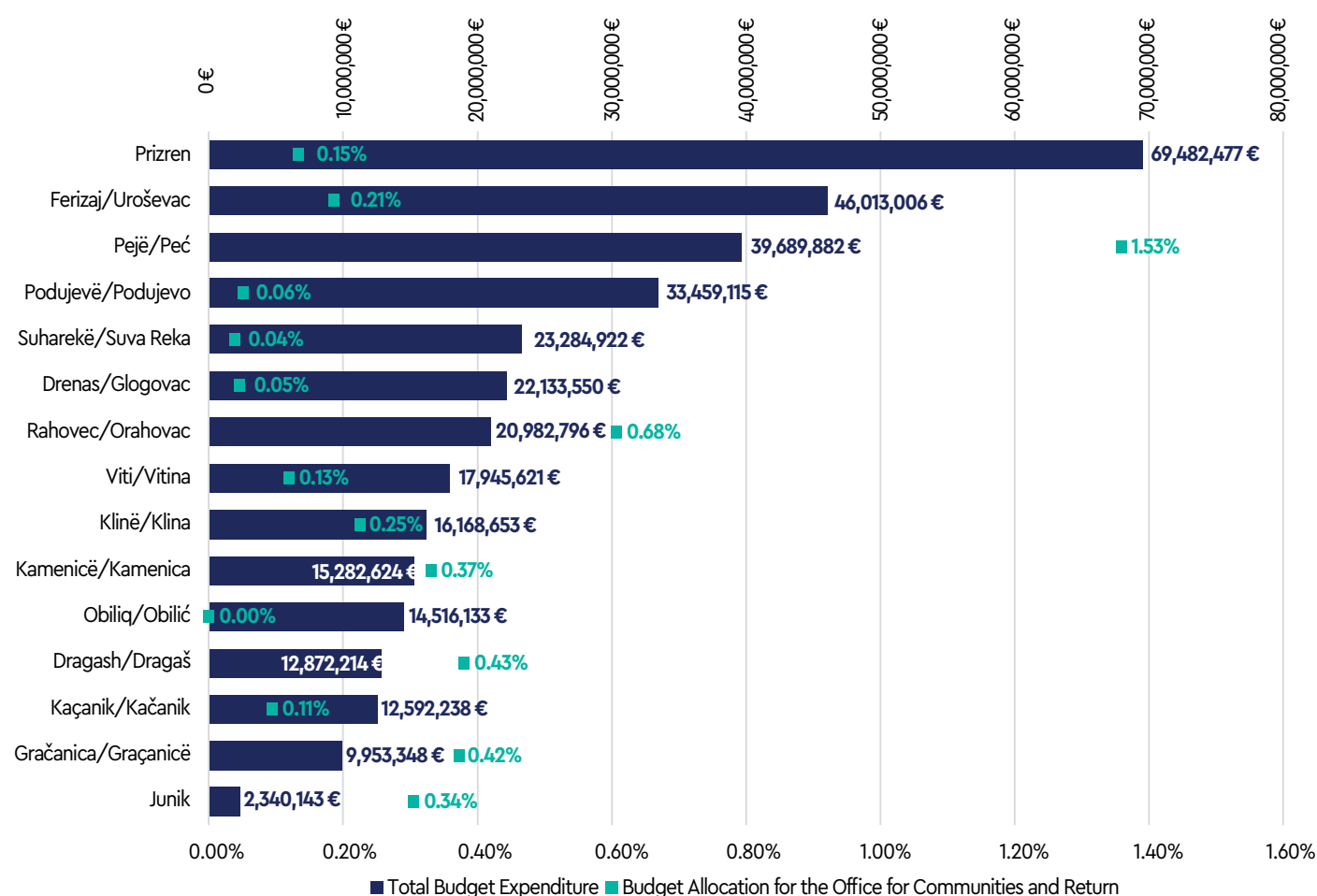
Figure 5. Distribution of Subsidies by Municipalities in 2025



Source: Medium-Term Budget Frameworks 2025-2027 of the included municipalities

Regarding overall expenditures for these two categories, the Municipality of Pejë/Peć has the highest percentage of budget allocation for the Municipal Office for Communities and Return with 1.53% of the total amount (most of which is allocated for capital investments), followed by Rahovec/Orahovac with 0.68% and Kamenicë/Kamenica with 0.37%.<sup>16</sup> Meanwhile, some municipalities like Obiliq/Obilić and Suharekë/Suva Reka have very low budget allocations for this office. Compared by economic categories, the salary and per diem category accounts for the largest share, followed by goods and services. These offices do not have a legally defined role in budget drafting. In practice, these offices have good coordination with community committees in municipal assemblies, and these committees then push forward the requests and needs of the communities during the budget drafting (discussion) process. This is because the community committee, along with the policy and finance committee, are the only mandatory committees in local government.

**Figure 6.** Total Municipal Budget and the Share Earmarked for the Municipal Office for Communities and Return



Source: Medium-Term Budget Frameworks 2025–2027 of the included municipalities

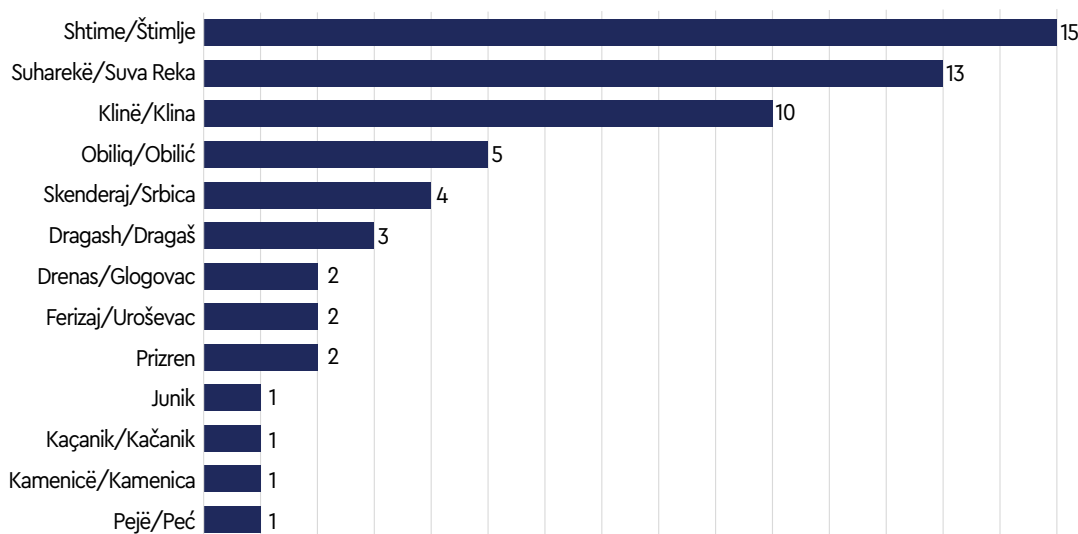
<sup>16</sup> In some municipalities, there are no communities living at all, as shown in Figure 12 in the Annex.

### 3. Municipal Budget Hearings for the Medium-Term Budget Framework 2025-2027

Although the current legal framework does not specify the number of budget hearings that should be organized around the MTBF, findings show that for the MTBF 2025–2027, several municipalities included in this analysis have conducted numerous budget hearings. Based on the Administrative Instruction of the Ministry of Local Government Administration (MLGA) for open administration in municipalities, in the case of organizing budget hearings, the municipality is obliged to publish the minutes of those hearings.<sup>17</sup> Out of the 15 municipalities analyzed in this report, except for Gračanica/Gračanicë, all other 14 municipalities have conducted budget hearings around the MTBF.

The approach among municipalities differs regarding the realization of budget hearings with citizens around the MTBF 2025–2027. Some have conducted a larger number of hearings and presented more details about the hearings, while others have not. Municipalities like Shtime/Štimlje, Suharekë/Suva Reka, and Klinë/Klina have held a higher number of budget hearings, whereas some larger municipalities by population, such as Pejë/Peć and Prizren, have held fewer budget hearings.

**Figure 7.** Number of Budget Hearings by Municipalities for the MTBF 2025–2027



Source: Minutes submitted by municipalities on their official websites regarding requests made during budget consultations for the MTBF 2025–2027

In the budget hearings held by municipalities, the number of participants varies. In some cases, such as in the Municipality of Kamenicë/Kamenica, there was a smaller number of participants, with only five attendees at one budget hearing. Meanwhile, in other cases, such as in Pejë/Peć, although only one budget hearing was held, there were 66 participants, or in Drenas/Glogovac, there were 106 participants across two budget hearings. In the case of Kaçanik/Kaçanik and Obiliq/Obilić, the minutes do not indicate the number of participants.

The highest number of proposals and requests submitted by citizens is in municipalities that have organized more budget hearings, such as the Municipality of Shtime/Štimlje with 186 accepted proposals, and the Municipality of Suharekë/Suva Reka with 180, among others. Conversely, Pejë/Peć received the fewest proposals in

<sup>17</sup> MLGA. [Administrative Instruction \(MLGA\) No. 04/2023 for Open Administration in Municipalities](#). Article 12

its budget hearing. In the case of Kamenicë/Kamenica, no requests were recorded. The minutes submitted by municipalities do not provide explanations or comments in cases where citizens' proposals were rejected. This implies that municipalities continue to follow the approach of rejecting requests without providing explanations or justifications for the rejections.

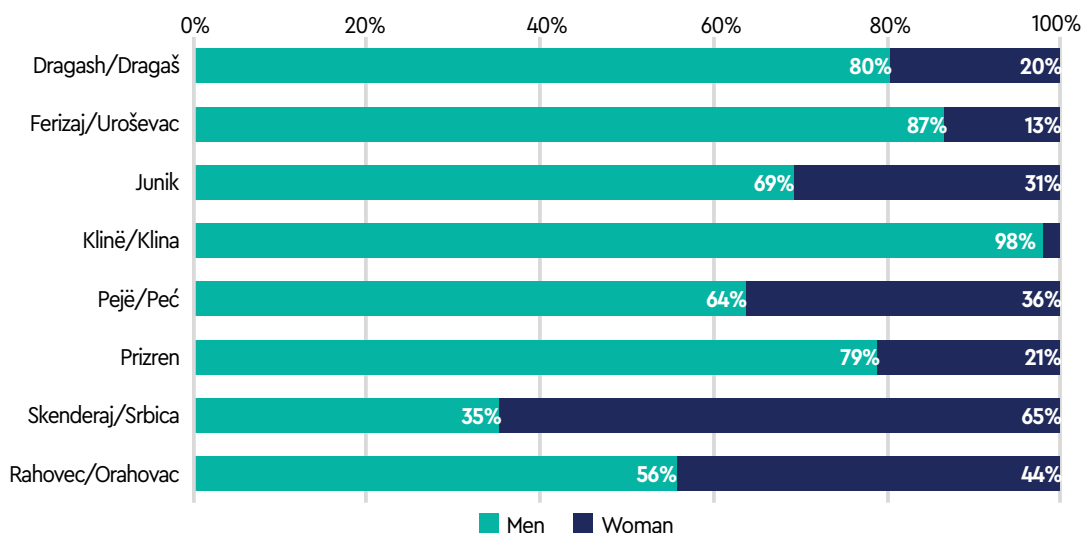
**Table 3.** Number of Budget Hearings, Participants, and Proposals from Citizens Regarding the MTBF

	Dragash/Dragaš	Drenas/Glogovac	Ferizaj/Uroševac	Junik	Kaçanik/Kaçanik	Kamenicë/Kamenica	Klinë/Klina	Obiliq/Obilić	Pejë/Peć	Prizren	Shtime/Štimlje	Skenderaj/Srbica	Suharekë/Suva Reka	Podujevë/Podujevo	Rahovec/Orahovac
Number of Budget Hearings	3	2	2	1	1	1	10	5	1	2	15	4	13	4	5
Number of participants	96	106	75	26	/	13	209	/	66	52	185	130	200	44	210
Number of Proposals	14	14	62	18	18	0	79	17	9	95	186	25	180	72	34
Number of requests received from municipalities	1	5	5	2	1	/	5	2	1	9	/	/	24	11	/

Source: Municipal budget minutes for the MTBF 2025–2027  
/ - No data available

For municipalities that have presented sufficient data in the minutes, in most meetings where gender-specific data were presented, the participants were predominantly men, such as in Klinë/Klina (98%), Ferizaj/Uroševac (87%), Dragash/Dragaš (80%), Prizren (79%), etc. Meanwhile, a slightly higher participation of women in budget hearings is observed in Skënderaj/Srbica (65%), Rahovec/Orahovac (44%), and Pejë/Peć (36%).

**Figure 8.** Gender Structure of Participants in Budget Hearings According to Minutes Data



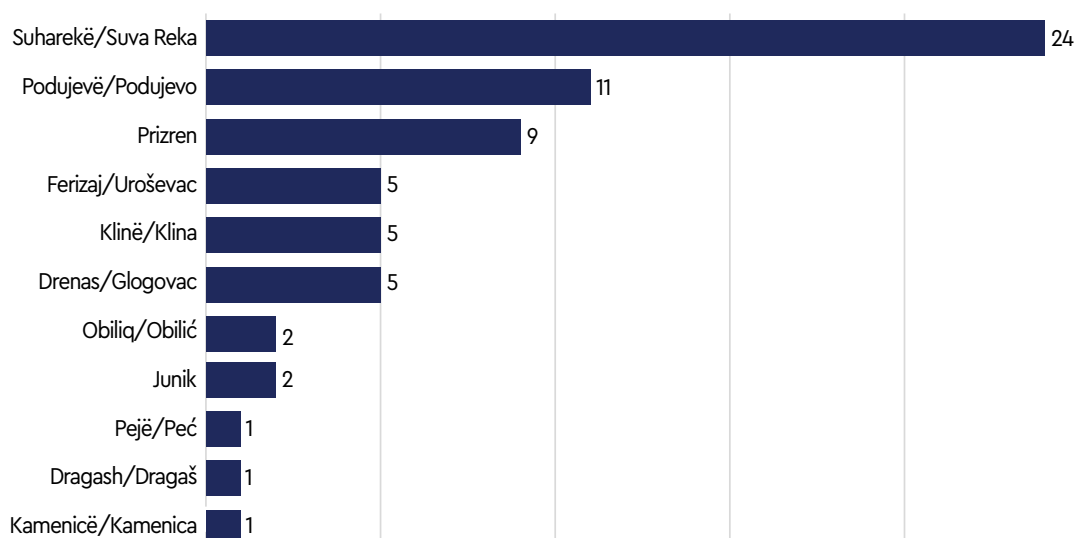
Source: Municipal budget minutes for the MTBF 2025–2027 /



Beyond the formal aspect of organizing budget hearings, it is essential that citizens' proposals are considered by local governments and, within the budgetary space, incorporated into the 2025 draft budget. Based on this, the Municipality of Viti/Vitina, in the approved MTBF, has not included the list of planned capital investments for the following year, arguing that they will be included in the final draft budget after considering all citizens' proposals from the budget hearings during the drafting process. Similarly, the Municipality of Rahovec/Orahovac has included only a few projects without assigning costs to them, while the Municipality of Kamenicë/Kamenica has presented investment priorities in broad terms (creating better infrastructure conditions, parks for children, recreational spaces, etc.).

The findings of this report, from the analysis of budget hearings and approved MTBFs, indicate a positive step by municipalities in budgeting, treating citizens' requests during budget hearings with seriousness. Specifically, in 12 out of the 15 analyzed municipalities, as shown in Figure 9, some of the citizens' requests have been included in the approved MTBF 2025. The highest number of accepted citizen requests was from the Municipality of Podujevë/Podujeva (15.3%), Suharekë/Suva Reka (13%), Prizren (9.4%), etc. Most of the citizens' requests in budget hearings were of a capital investment nature.

**Figure 9.** Number of Citizen Requests Included in Planned Projects for 2025



Source: Municipal budget minutes and approved MTBF 2025-2027

## 4. Gender-Responsive Budgeting in the 2025 Budget

Gender-responsive budgeting (GRB) is an important tool that ensures public resources address the needs of different genders, promoting equality and representation for all. GRB increases effectiveness, resource allocation, transparency, and accountability in municipal budgets. It supports inclusive growth, addresses social inequalities, and encourages participation by considering different gender perspectives. In this regard, municipalities should consider the needs and priorities of men, women, boys, and girls in their budget expenditures. Initiatives and policies undertaken can either promote gender equality or reinforce existing inequalities. According to the Law on Gender Equality in Kosovo, gender budgeting is a legal obligation for all institutions. Among other things, according to the Supplementary Framework for Assessing Gender-Responsive Public Financial Management (PEFA GRPFM) conducted for Kosovo, this means there should be an analysis of the gender impact of proposed budget policies; public investments that consider gender impact; inclusion of gender-responsive budgeting (GRB) in budget circulars; inclusion of GRB in the draft budget; gender-disaggregated data for public service beneficiaries; record-keeping of gender-disaggregated budget expenditures; reporting based on gender impact information; gender impact assessment for services; and inclusion of gender impact in the legislative oversight process. However, according to the PEFA report, none of these categories are fully included in Kosovo.<sup>18</sup> The institutional culture, which generally has not promoted and is not based on gender principles, and the lack or delay in applying procedures requiring gender budgeting, may be among the reasons for the non-inclusion of the above categories.

When municipalities begin preparing the annual draft budget, based on budget circulars issued by the Ministry of Finance, Labor, and Transfers (MFLT), they are obliged<sup>19</sup> to provide data on gender-responsive budgeting. This result is believed to stem from the fact that the MFLT has not made this process mandatory, although the Kosovo Program for Gender Equality 2020–2024 requires the MFLT to make this process mandatory through the amendment of the Law on Public Financial Management and Accountability.<sup>20</sup> The same recommendation was given by women deputies in the Kosovo Assembly in November 2020. However, gender-responsive budgeting is still not included in the Law on Public Financial Management and Accountability.<sup>21</sup>

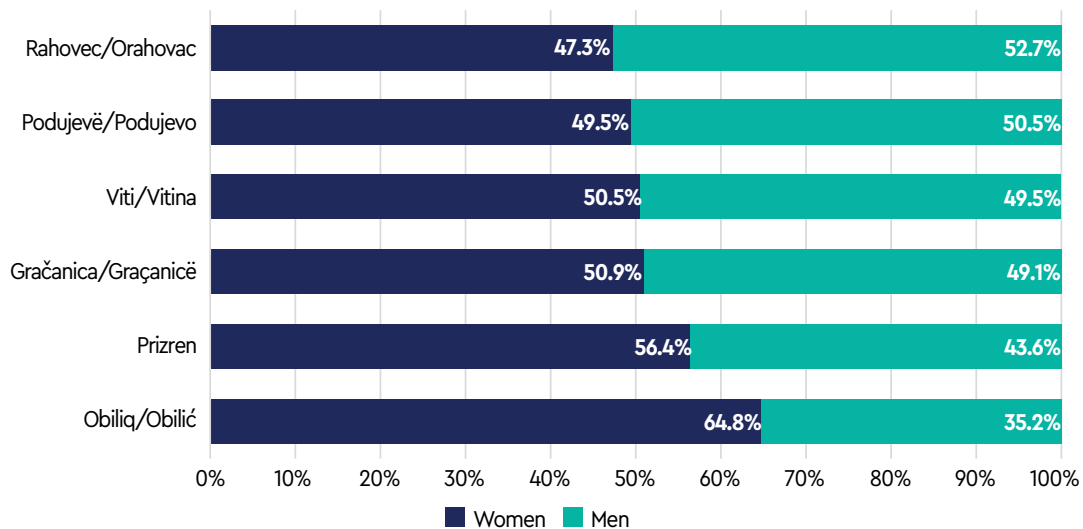
Some municipalities have presented GRB data in the MTBF, including data as required by the budget circular for the municipal draft budget, but not for other details such as the impact of different planned policies. Specifically, only six out of the 15 municipalities included in the analysis—Prizren, Podujevë/Podujeva, Rahovec/Orahovac, Viti/Vitina, Obiliq/Obilić, and Gračanica/Graçanicë—have included the section on Gender-Responsive Budgeting (GRB) in the MTBF 2025–2027. The number of women and men employed in these municipalities in 2025 will be almost equal. In four of them, as shown in the figure below, the majority of municipal employees are women.

<sup>18</sup> PEFA. [Public Expenditure and Financial Accountability \(PEFA\) Performance Assessment Report – Supplementary Framework for Assessing Gender Responsive Public Financial Management \(Annex VI\)](#).

<sup>19</sup> [Law on Gender Equality](#), Article 5, Paragraph 1.5

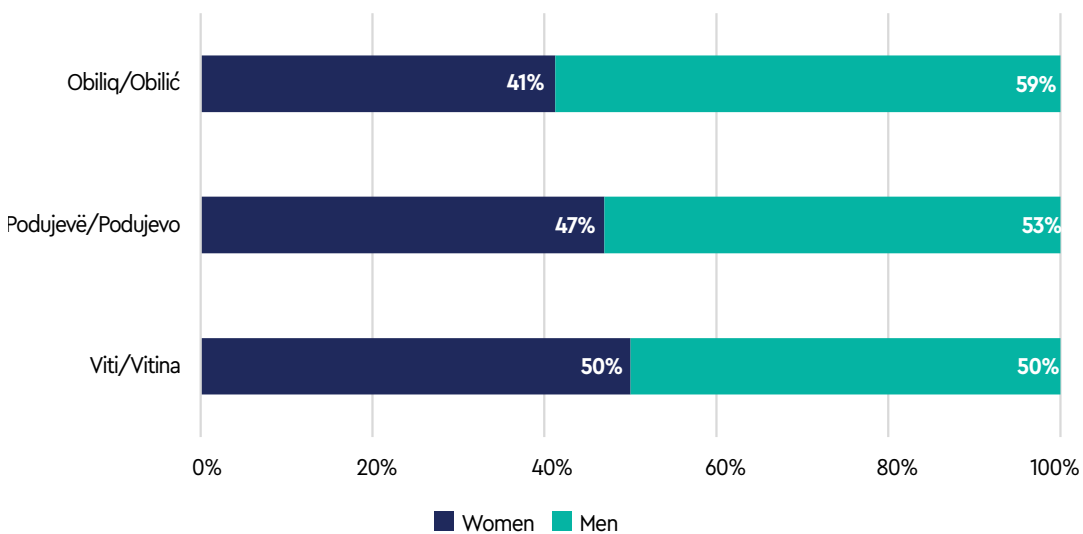
<sup>20</sup> Agency for Gender Equality [Kosovo Program for Gender Equality 2020–2024](#), June 2020. Pages 23–24

<sup>21</sup> Kosovo Assembly – Group of Women Deputies. [Gender Impact Analysis of the Draft Budget of the Republic of Kosovo for 2021](#). November 2020.

**Figure 10. Number of Municipal Employees by Gender, 2025**

Source: Medium-Term Budget Frameworks 2025–2027 of the included municipalities

However, even in these municipalities, not all have published data for all sectors. Only the municipalities of Obiliq/Obilić, Podujevë/Podujevo, and Viti/Vitina have presented data on the planning of subsidy allocations by gender. The Municipality of Viti/Vitina plans to make completely equal allocations, while a higher number of male beneficiaries is planned in the Municipality of Obiliq/Obilić.

**Figure 11. Subsidy Beneficiaries by Gender, 2025**

Source: Medium-Term Budget Frameworks 2025–2027 of the included municipalities

## Conclusion

The analysis of the planned municipal budgets for 2025 shows a trend of budget increases in each municipality. For 2025, the Municipality of Ferizaj/Uroševac has the highest budget increase, followed by Gračanica/Gračanice and Klinë/Klina. Meanwhile, the Municipality of Obiliq/Obilić has the lowest budget increase. However, in the approved MTBFs, a clear link between the annual budget and specific medium-term priorities cannot be distinguished. Additionally, only a few of the 15 municipalities have analyzed budgetary risks for 2025, such as how they might affect the implementation of their work plans, including inherited contingent liabilities and those that may arise during the year due to enforcement or judicial decisions.

In most municipalities, the category of salaries and per diems accounts for the highest percentage of the budget, followed by capital investments. Among the latter, of the 670 total capital projects planned for 2025, the majority (81%) are carried over from 2024.

In the budget hearings held by municipalities around the MTBF 2025–2027, the number of participants varies, but overall this number remains very small, and the gender representation gap in these consultations remains high.

Municipalities should focus on increasing their own revenues to ensure greater financial independence, which then allows for more space for capital investments. Additionally, municipalities' medium-term priorities should be clearer and closely linked to budgetary possibilities. This way, they can prioritize capital investments that have a significant impact on improving infrastructure and the quality of life for citizens, thereby increasing the possibility of more pronounced economic development.

Municipalities should improve gender budgeting by including detailed analyses of the gender impact of policies and public investments. Including gender budgeting in all phases of the budget process, starting from the drafting of the MTBF, public consultations, and up to the final draft of the budget, is believed to improve the poor state of gender budgeting in the country. Furthermore, increasing transparency in the budget process and involving citizens in consultations is essential. Municipalities should organize more budget hearings and effectively consider citizens' suggestions.

# Annex 1

**Table 4.** Some of the Citizen Requests from Budget Hearings Included in the 2025 Budget

Municipality	Budget Hearings:	Projects Planned for 2025 in the Approved MTBF:
Dragash/Dragaš	The 1 km zone from Plavë to Viva Fresh to have sidewalks and improved infrastructure.	Paving of roads in Plavë village and public lighting.
Drenas/Glogovac	Waste cleanup, completion of the sewer network extension, and completion of roads and sidewalks in Upper Korroticë.	Asphalt paving of the road in Lower and Upper Zabel village, Lower and Upper Korretic.
	Fencing of cemeteries, construction of sidewalks, and sewer infrastructure in Komoran I & II.	Expansion and repair of sidewalks and parking lots in Drenas and Komoran.
		Maintenance and fencing of cemeteries in Drenas/Glogovac Municipality and Komoran.
	Also, public lighting, water supply, and road construction. (Villages: Old Poklek, New Poklek, Vasilevë).	Asphalt paving of the road in Old Poklek, New Poklek, Vasilevë.
	Request for the main road Arllat-Negroc.	Asphalt paving of the road in Arllat, Negroc, Gjergjicë, and Bytyq villages.
Junik	Sewage system in Krasniqi neighborhood, Shafrane road.	Maintenance of the sewage network in "Moronicë" and "Krasniqi" neighborhoods.
	Construction of irrigation canal.	Construction of irrigation canals.
Kaçanik/Kaçanik	Modification of the project for the construction of kiosks.	Construction of kiosks for businesses in the square.
Obiliq/Obilić	Road opening, gravel treatment, and sewage in "Hysen Hajdari" street.	Asphalt paving of "Hysen Hajdari" street in Breznicë.
	Construction of sewage and sidewalk on "Dita e Flamurit" street.	Asphalt paving of "Dita e Flamurit" street in Mazgit.
Pejë/Peć	Sejnov-Gjorë road.	Asphalt paving of Sejnov-Gjorë road.
Klinë/Klina	Asphalt paving of "Bekim Fehmiu" road.	Construction of road segments "Mal Bashota", "Dositej Obradoviq", "Bekim Fehmiu" and underground infrastructure in Klinë-Dersnik-Dollc.
	Pothole maintenance on roads in Zllakuqan, Ranoc, and Leskoc and investment in power transmission cables.	Asphalt paving of Ranoc-Leskoc roads.
	Construction of the sidewalk on Budisalc-Rudicë road.	Construction of roads and bridge in Budisalcë-Rudicë.
	Maintenance of the riverbed of "Drini i Bardhë" river.	Maintenance of the riverbed of "Drini i Bardhë" river.
	Improvement of Jelloc-Resnik road.	Construction of roads and ground infrastructure in Jashanicë-Jelloc-Resnik.

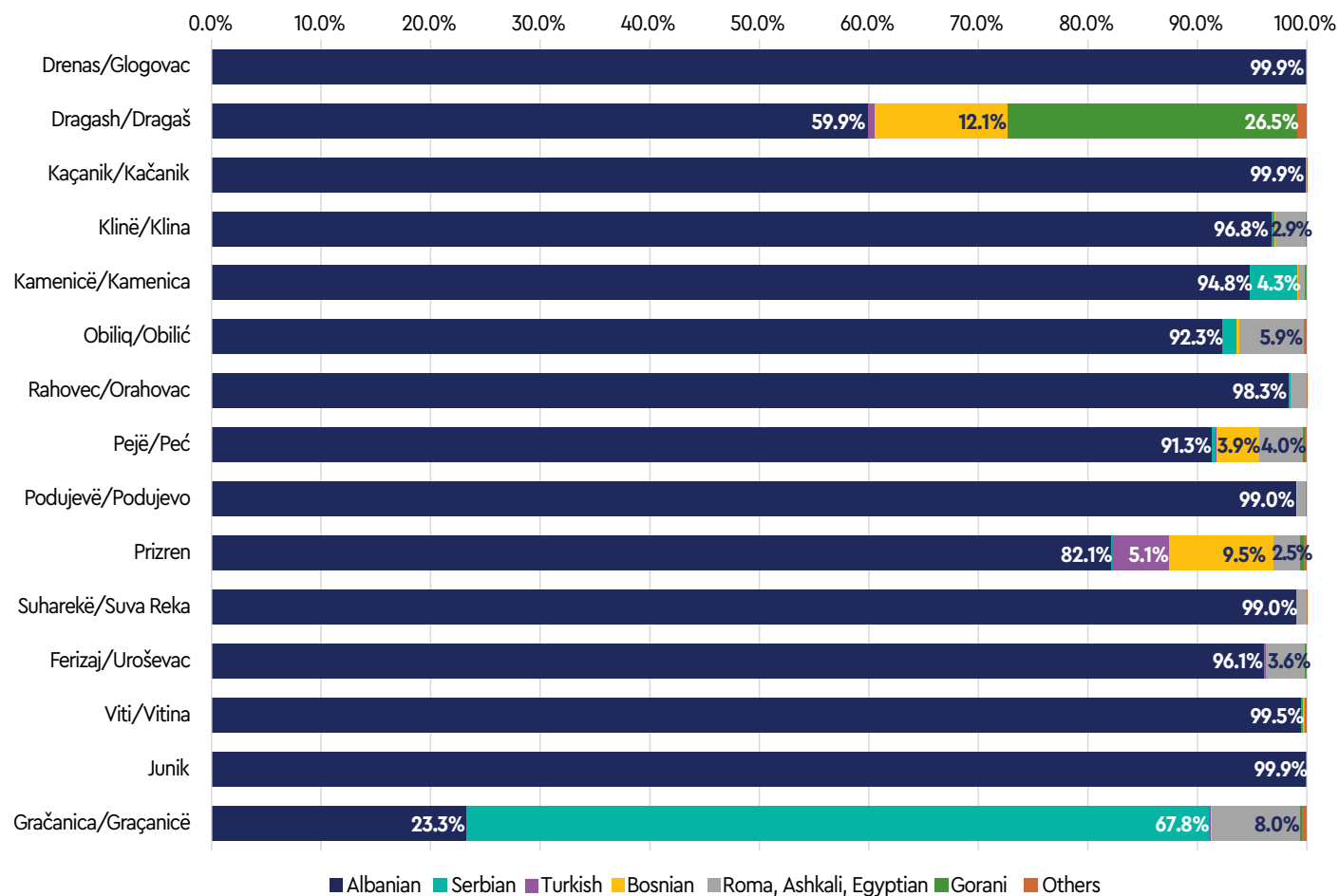
Ferizaj/Uroševac	Installation of bus stops.	Construction of bus stops and shelters.
	Asphalt paving of roads connecting to the village.	Asphalt paving of roads connecting to the village.
	Completion of road asphalt paving in Mirash village.	Asphalt paving of roads in Mirash village
	Planting of decorative trees.	Construction of new parks and creation of green spaces (planting of decorative trees).
	River cleaning from "Ujëvara" to "Islam Bridge" to "Dud Bridge".	Maintenance of the promenade around the riverbed from Dud Bridge to Islam Bridge.
Prizren	Sewage and sidewalk from Krajk village to Bregdrini village.	Construction of roads, sewage, and public lighting in Krajk.
	Drinking water problem (villages: Zym, Bregdrini, Karashëngjergj).	Rehabilitation and maintenance of the sewer and water supply system in Prizren city and villages.
	Local roads, sidewalks from Mazrek to Kojushe village, public lighting, road cleaning, construction of the clinic.	Maintenance of public lighting in Mazrek.
	Sewage in Nashec, Grazhdanik villages.	Construction of roads and sewage in Grazhdanik.
	Sewage in Kushnin, Kabash i Hasit villages.	Construction of infrastructure in Kushnin Has, roads, and sewage.
	Maintenance and inspections of four buildings opposite Loyola High School.	Maintenance of infrastructure for the fourth building – Petrovë
	Maintenance of road infrastructure, sewage, public lighting in new neighborhoods in Vlashnje village.	Installation of water meters and pits for consumers on public property in Zhur Dobrushtë, Vërmicë, Shkozë, Vlashnje, Muradem, Kobajë, and Nashec.
	Maintenance of sewage in Dobrushtë village.	Installation of water meters and pits for consumers on public property in Zhur Dobrushtë, Vërmicë, Shkozë, Vlashnje, Muradem, Kobajë, and Nashec.
	Maintenance of infrastructure in Zym, Karashëngjergj, Bregdrini	Maintenance of infrastructure in Zym (sewage and roads).
	Suharekë/Suva Reka	Investments in "Bllacione" road.
Road to Breshanc and maintenance of "Djemt e Lirisë" road.		Construction of local roads in Breshanc.
Construction of the road from Palushë to the river in Buzhalë.		Construction of local roads in Budakovë.
Opening of the field road connecting to Bukosh village.		Construction of local roads in Bukosh.
UÇK road – Dubravë – Savrovë.		Construction of local roads in Dubravë.
Construction of sidewalks in Dvoran village.		Construction of local roads in Dvoran.
Secondary roads in Kasterrc village.		Construction of local roads in Kasterc.
Continuation of "Shaban Kryeziu" road.		Construction of local roads in Leshan.

	"Sadri Shala" and "Bafti Shala" roads.	Construction of local roads in Mushtisht.
	Maintenance of Tërnje-Nëpërbisht road.	Construction of local roads in Neperebisht.
	Maintenance of roads in Peqan village.	Construction of local roads in Peqan.
	Public Lighting	Public lighting installation and maintenance in villages and town.
	Sewer and water supply in Suharekë/Suva Reka.	Construction and reconstruction of sewage systems in the city.
	Opening of "Mirushë" riverbed.	Construction and reconstruction of riverbeds.
	Sidewalks in the neighborhood.	Construction of sidewalks and parking lots in Suharekë/Suva Reka.
	Maintenance and expansion of the bridge on the main road in Greikoc village.	Construction of bridges in villages and municipality.
	Sewer and water supply in Suharekë/Suva Reka.	Construction of the water supply network in villages and municipality.
	Maintenance of roads, gardens, and memorials.	Construction of local roads in Sallagrazhde.
	Opening and maintenance of the road to the cemetery.	Construction of local roads in Samadraxhë.
	UÇK road – Dubravë – Savrovë.	Construction of local roads in Savrovë.
	Construction of roads.	Construction of local roads in Semetisht.
	Gravel paving of "Vesel Jupa" road.	Construction of local roads in Sopijë.
	Maintenance of roads.	Construction of local roads in Studençan.
	Installation of a memorial at "Gurra e Kadisë".	Construction of the memorial at "Gurra e Kadisë" in Budakovë.
Podujevë/Podujevo	Maintenance of Llap river.	Expansion and maintenance of the "Llap" riverbed.
	Asphalt paving of Orllan-Ballaban road.	Asphalt paving of roads in Orllan village.
	Maintenance of sidewalks.	Asphalt paving of roads in Lupç village.
	Maintenance of the main road.	Asphalt paving of roads in Sallabajë village.
	Construction of roads.	Asphalt paving of roads in Lluga village.
	Sewer problems.	Expansion and maintenance of the sewer in Lluzhan, Lupç, and Majac villages (Collector).
	Gravel paving of "Brainë" road.	Road maintenance with gravel.
	Maintenance of the road in Kangjaj neighborhood.	Maintenance of damaged roads in the city and villages.
	Construction of the sidewalk from Orllan bridge to the market road.	Construction of sidewalks in villages: Kerpimeh, Orllan, Lluzhan, Llapashticë, Balloc, Shajkoc, and Bradash.
	Construction of a new school building.	Construction of "Nuhi Gashi" school building in Bragash.
	Construction of the sports field.	Construction of sports grounds.

Source: Municipal budget minutes and approved MTBF 2025–2027



**Figure 12. Population by ethnicity in municipalities**



Source: Kosovo Agency of Statistics

## Budget Plannings of the Municipalities for 2025



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