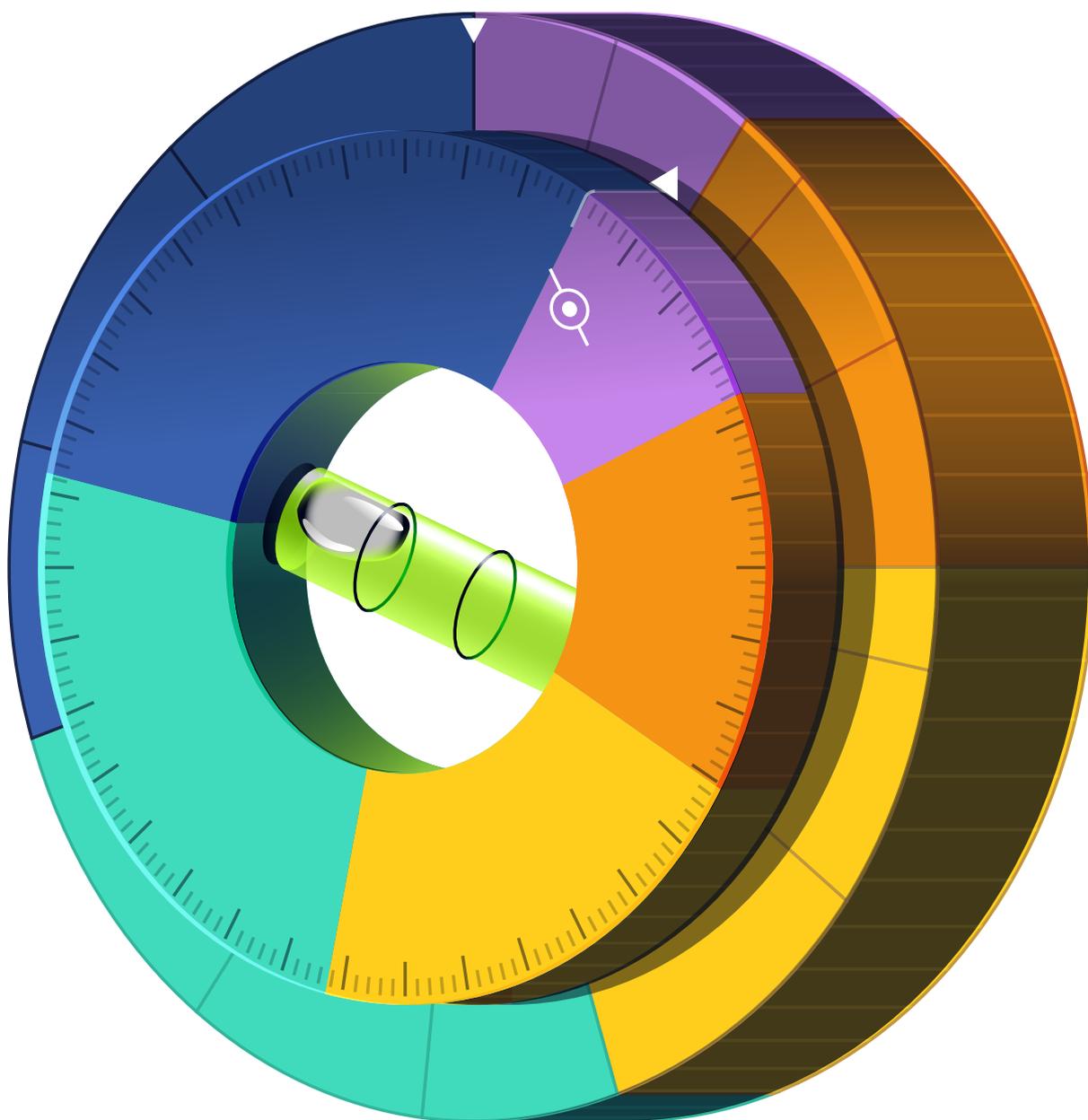


# Draft Budget 2026

## Analysis of Budget Revenues and Expenditures



**Draft Budget 2026**

Analysis of Budget Revenues  
and Expenditures

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February 2026

## Executive Summary

The Government of Kosovo approved the draft budget for 2026 on 12 February 2026. The approved version is the same as the one the caretaker government approved on 31 October 2025 and does not reflect the structure of the new government, which will now have 19 ministries. Additionally, this draft budget was not prepared based on the Medium-Term Expenditure Framework (MTEF), which has not been published for the 2026–2028 period.

Kosovo's budget for 2026 foresees total expenditures of approximately EUR 4 billion, representing a 10% increase compared to 2025. Current expenditures are expected to increase by EUR 279 million (+11%), reaching the amount EUR 2.9 billion and accounting for 73% of the budget, while capital expenditures will increase by EUR 67.1 million (+7%) to the amount EUR 998.4 million, or 25% of the total budget. During the 2019–2025 period, current expenditures have nearly doubled in value, whereas capital investments have increased by only about 35%. This trend limits the capacity to invest in infrastructure projects, even though public investments have a very high multiplier effect on the economy.

The total central level budget, excluding interest payments on public debt, will amount to approximately EUR 3 billion (+9.6% compared to 2025), while the local level budget will reach around EUR 867 million (+10.1% compared to 2025).

The Ministry of Finance, Labor and Transfers will have the highest increase in the central-level budget for 2026, with an increase of EUR 174 million, or 17%. Compared to 2025, within this ministry, the category of pensions is projected to rise by EUR 95 million, or 20% in 2026. The scheme for maternity benefits and child allowance is expected to increase by EUR 75 million, or 52%, reaching the amount of EUR 220 million as a scheme. Budget for the health sector for 2026 is projected to reach approximately EUR 396 million, marking a 10% increase compared to 2025, while budget for the education sector will amount to around EUR 408.7 million, or 6% more than in 2025. Meanwhile, the budget for the justice sector shows an increase of about 2%, mainly for judicial and prosecutorial institutions. In other sectors, the budget does not differ significantly

from the previous year, nor does it adequately address the financial needs required for the effective implementation of key strategies for our economy, such as the Energy Strategy.

For the first time, the draft budget also includes a 13th salary for the public sector. Although the overall increase in the public wage bill remains within the permitted fiscal limits, it is not in line with the Law on Wages and represents an ad-hoc intervention in salaries' policy, similar to last year's changes to the salary coefficients.

Over 81% of the budget for capital investments for 2026 is allocated to projects carried over from previous years, whereas new projects remain limited in both number and scale. Although capital investments' execution improved in 2024 and 2025, unspent funds remain high, despite the economy's substantial need for investment. The under-execution of capital projects has resulted in significant opportunity costs for both the economy and citizens. Between 2021 and 2024, actual spending on capital projects was more than EUR 1 billion below planned levels, reflecting persistent weaknesses in the planning and execution of such projects.

The allocation of capital investments from the central government to municipalities remains disproportionate in relation to population and territory, although it is somewhat more balanced politically, underscoring ongoing inequalities. Currently, 11 municipalities approved their 2026 budgets late, nonetheless, the Assembly of Kosovo retains the legal authority to adjust budget ceilings between the two readings of this draft law. A positive aspect of the draft budget is that the Ministry of Finance has not reduced the budgets of municipalities experiencing population decline, thereby avoiding penalties and acknowledging that investment needs remain high.

The information booklet for citizens on the draft budget has not been published on time this year as well, despite best practices recommending a clear summary of budgetary changes and policies. Additionally, the draft budget continues to neglect the gender perspective, with no impact analysis or measures included to promote gender equality.

This report was originally written in Albanian.

**An increase of around 10% in budget expenditures is planned for 2026, reaching approximately EUR 4 billion, with low dependence on public debt.** From the total planned expenditures, EUR 3.64 billion, or about 92%, will be financed from regular budget revenues, while EUR 330.3 million, or 8%, will be covered through additional financing. Budget revenues for 2026 are projected at around EUR 3.6 billion, which is EUR 331.6 million more, or 10% higher compared to 2025. This increase is mainly related to expectations for better fiscal performance, particularly in the collection of tax revenues from indirect taxes. The main contribution to revenue growth is expected to come from value-added tax (VAT), with an overall increase of EUR 176.3 million. Most of this increase comes from border VAT, while revenues from excise duties and personal income tax also contribute.

**Figure 2.** Increase in current and capital expenditures



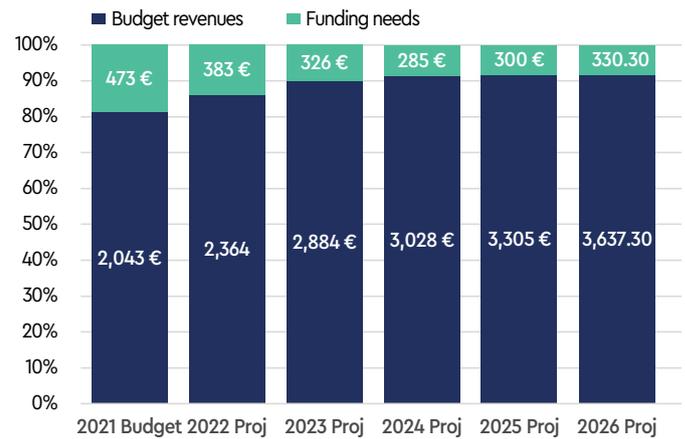
Source: GAP Institute, based on data from the Assembly of Kosovo, Official Gazette, MFLT.

On the other hand, financing needs for 2026 have increased to EUR 330.3 million (+10%), from EUR 300 million in 2025. However, over 90% of expenditures are planned to be financed from budget revenues, and public debt remains at a low level, around 16.4% of Gross Domestic Product (GDP).

Regarding the structure of expenditures, the largest portion consists of current expenditures, which amount to EUR 2.9 billion, or about 73% of total expenditures (subsidies and transfers 34%, salaries and allowances 25%, goods and services 13%, and municipal expenditures 1%). Capital expenditures, which play an important role in stimulating economic development, are planned at EUR 998.4 million, representing about 25% of total budget expenditures.

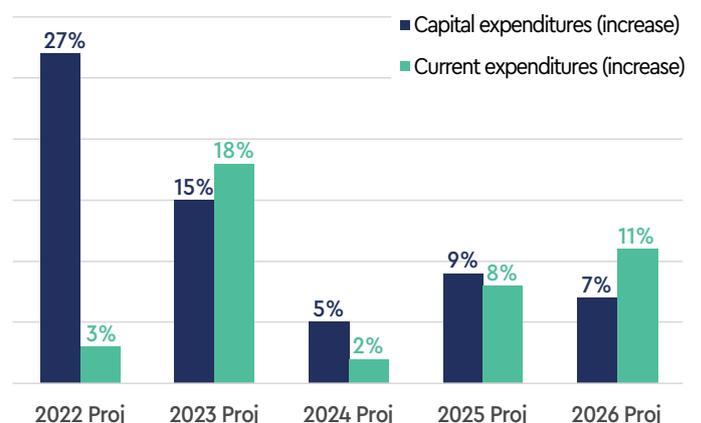
**In 2026, current expenditures are projected to grow faster than capital expenditures.** Compared to 2025, current expenditures are expected to increase by EUR 279 million, or 11%, while capital expenditures are projected to increase by EUR 67.1 million, or 7%.

**Figure 1.** Funding structure of the Kosovo budget (EUR million)



Source: GAP Institute, based on data from the Assembly of Kosovo, Official Gazette, and Ministry of Finance, Labor and Transfers (MFLT)

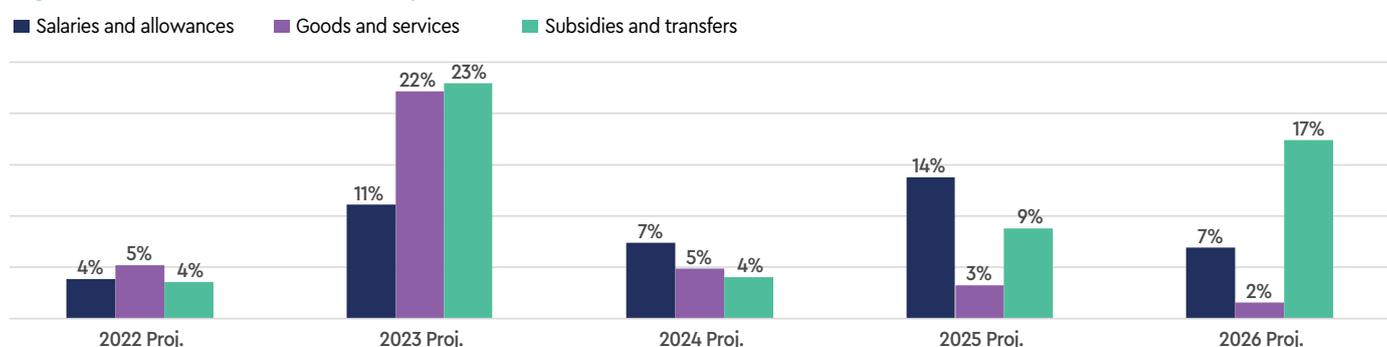
**Figure 3.** Increase in capital and current expenditures 2021–2026



Source: GAP Institute, based on data from the Assembly of Kosovo, Official Gazette, MFLT.

Focusing further on current expenditures, the largest increase is expected in subsidies and transfers, which are projected to reach around EUR 1.4 billion (an increase of EUR 201.4 million, or 17% compared to 2025). Salaries and allowances are planned to increase to EUR 980.4 million (an increase of EUR 63.5 million, or 7%), while spending on goods and services is expected to reach EUR 545.4 million (an increase of EUR 8.4 million, or 2%).

**Figure 4.** Increase in current expenditures 2021–2026



Source: GAP Institute, based on data from the Assembly of Kosovo, Official Gazette, MFLT.

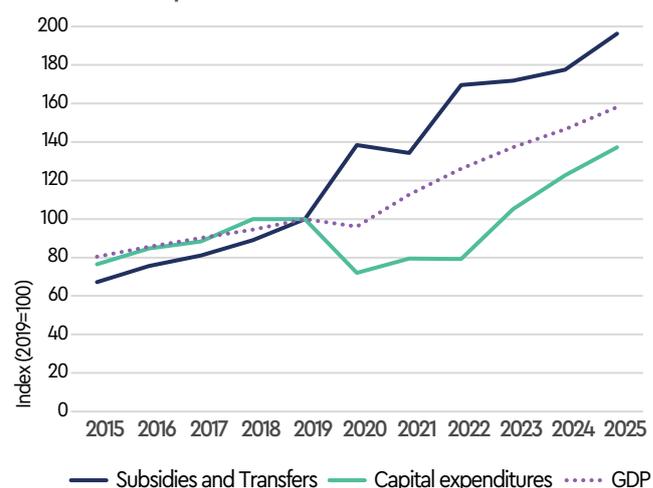
In the period 2019–2025, spending on subsidies and transfers has grown rapidly, almost double its amount. This was mainly due to payments for social policies, including new allowances and increases in payments for existing schemes, such as higher allowances for maternity benefits and child allowances (EUR 75 million, or +52% vs. 2025), pension increases (EUR 91 million, or +16% vs. 2025), and others. In contrast, during the same period, capital expenditures increased by only 35%.

From a budgetary perspective, **the significant growth in current expenditures, particularly for subsidies and transfers, limits the capacity to invest in infrastructure projects.** This challenge is further compounded by the lack of professional capacity for project implementation<sup>1</sup>, as public institutions are neither efficient nor show serious commitment in executing capital investments financed by international financial institutions. Regarding current expenditures, especially the category with the largest share, subsidies and transfers, there is currently no fiscal rule in the legal framework that sets a limit on annual growth. For the countries of the Western Balkans, public investments, particularly given the significant infrastructure needs, play an important role in stimulating private investment. Specifically, a World Bank study<sup>2</sup> finds that for every 1 euro invested by the public sector, approximately 0.7 euros of additional investment are triggered from the private sector.

<sup>1</sup> European Commission, [Country Report 2025](#) (p. 53), and National Audit Office, [Annual Report 2024](#) (p. 83).

<sup>2</sup> World Bank Group. (2025). [Western Balkans Regular Economic Report](#) No. 28 (p. 21). World Bank.

**Figure 5.** Growth in subsidies and capital expenditures 2015–2025



Source: GAP Institute using data from MFLT and KAS. Note: Expenditures for December 2025 are calculated based on the trend of previous years and estimates presented by international financial institutions.

## Higher public sector wage expenditures due to the 13th salary – not in line with the Law on Wages.

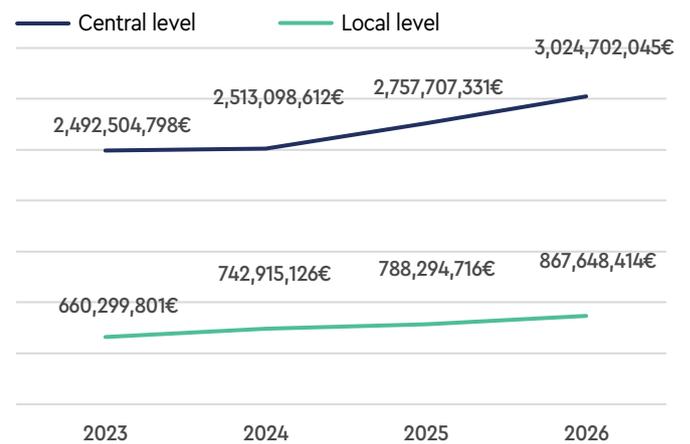
In 2026, for the first time, public sector employees with at least 12 months of service will receive a 13th salary. Additionally, wages in this sector will increase further through experience indexing, from 0.25% to 0.5% per year of service. Although the overall increase in the wage bill is consistent with the allowed limit under the Law on Public Financial Management and Responsibilities, not exceeding the nominal growth rate of the economy, the 13th salary is not included under the allowances or compensations categories in the Law on Wages, which governs it.<sup>3</sup> This is the second time that the budget law regulates wage matters not in accordance with the framework established by the Law on Wages.

**Increase in the central and local level budgets by around 10%.** The total central level budget, excluding interest payments on public debt, will be around EUR 3 billion (+9.6% compared to 2025), while the local level budget will be around EUR 867 million (+10.1% compared to 2025). In terms of expenditures by economic category, while subsidies and transfers dominate at the central level, at the local level wages dominate. Therefore, at both levels, the highest expenditures are for current expenditure categories.

**Over 81% of the capital projects budget for 2026 is allocated to existing projects from previous years.** Specifically, EUR 801.6 million, or 81%, are dedicated to the continuation of existing projects, while around EUR 185 million, or 19%, are planned for new capital investments. Approximately 76% of total capital investments, or about EUR 751 million, are budgeted for the central level, while 24%, or around EUR 236 million, are allocated to the local level.

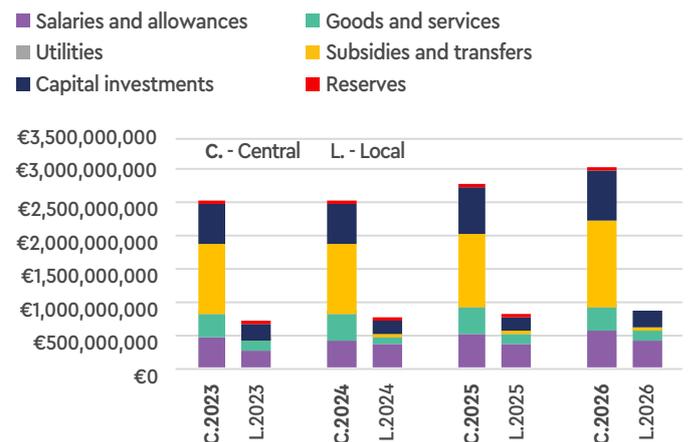
From the total EUR 801.6 million allocated for ongoing projects, 79%, or EUR 629.4 million, are designated for the central level, while 21%, or EUR 172.2 million, are allocated to municipalities. Meanwhile, of the approximately EUR 185.1 million planned for new capital projects, 66%, or around EUR 121.5 million, are allocated to the central level, with the remaining 34%, or EUR 63.6 million allocated to the local level.

**Figure 6.** Central and local budget, 2023–2026



Source: AP Institute, with data from the Assembly of Kosovo, Official Gazette, MFLT.

**Figure 7.** Central and local budget by economic categories, 2023–2026



<sup>3</sup> Official Gazette. [Law No. 08/L-196 on Public Sector Salaries.](#)

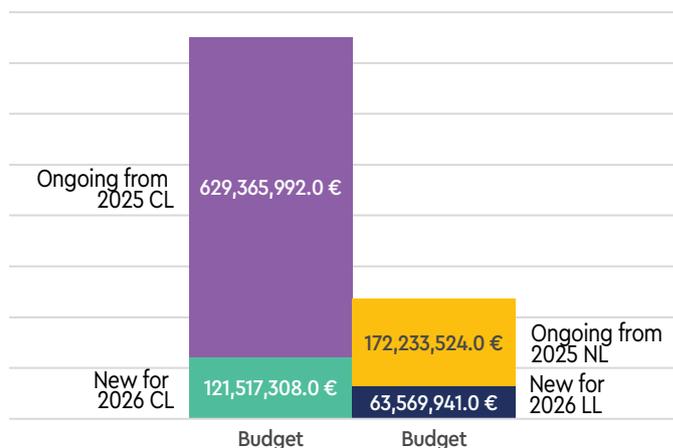
Regarding capital investments at the local level, it should be emphasized that GAP Institute has identified in an analysis<sup>4</sup> that a significant portion of the budget in this category – particularly in larger municipalities, is being used to pay court obligations arising from collective and other contracts. Despite this, these expenditures continue to be reported as capital expenditures, thereby failing to accurately reflect the actual implementation of capital investments.

**Capital investments are characterized by relatively small projects.** In the draft budget for 2026, there are no large infrastructure projects planned, out of which significant infrastructure expansion or major improvements are expected. Mostly, projects with a value of around 1 million euros dominate. Furthermore, for the larger projects which started in previous years, budget allocation for them in 2026 remains low, with an exception for the highway sections toward Peja and Gjilan exceeding the value of EUR 18 million; the rest are medium-sized projects averaging around EUR 2 million.

Large infrastructure investments, planned to be financed through loans and the investment clause, consistently show a low execution rate each year, around 14% (2023 and 2024). This is mainly because local institutions lack professional capacities to meet the technical and reporting requirements and criteria set by the donors supporting these projects.

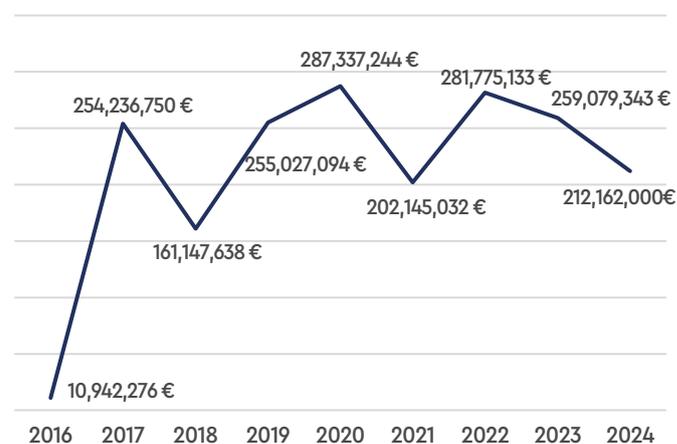
**Over EUR 1 billion of unexecuted capital investments in four years.** Budget funds allocated for capital investments in Kosovo have not been implemented according to plan, and have reached relatively high values. Non-execution of investments carries an opportunity cost: citizens cannot benefit from better services and improved infrastructure, businesses cannot expand their activities, etc. During the period of 2021–2024, the implementation of capital investments was over EUR 1 billion lower than planned.

**Figure 8.** New capital investments compared to ongoing ones (central level and local level)



Source: GAP Institute, based on data from the Assembly of Kosovo, Official Gazette, MFLT

**Figure 9.** Unspent budget funds for capital investments, 2016–2024



Source: GAP Institute, with data from the Assembly of Kosovo, Official Gazette, MFLT

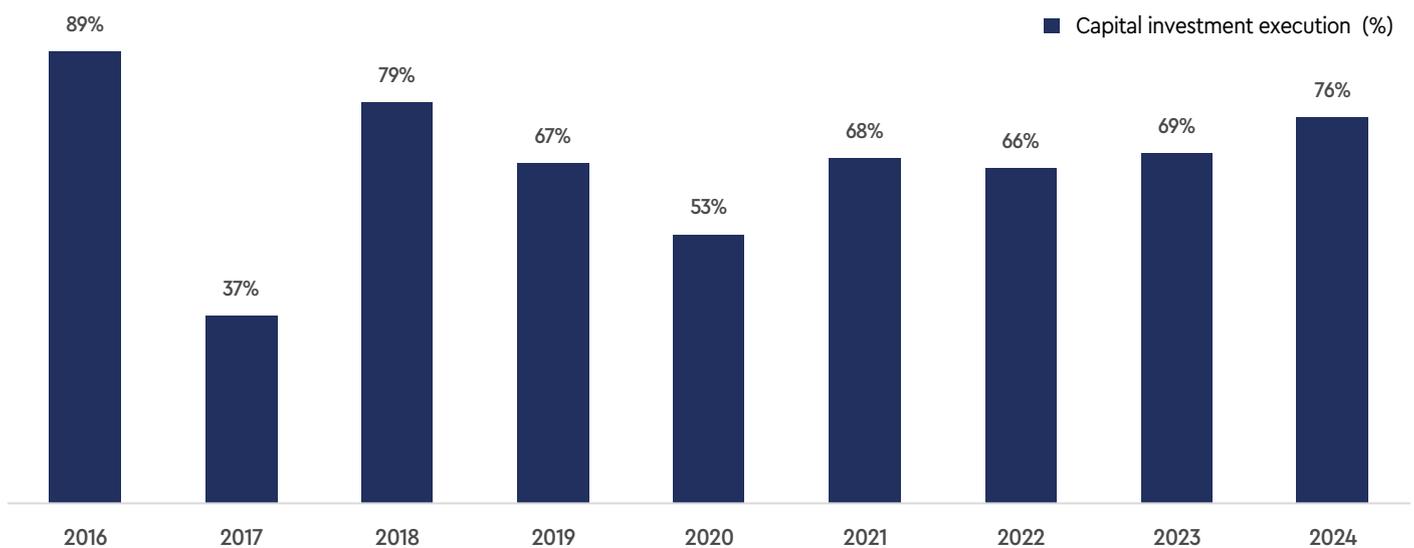
<sup>4</sup> GAP Institute. [Inaccurate reporting of municipal capital investment execution: Implications for transparency and monitoring](#). National Audit Office. (2024). [Annual report 2024](#) (p. 83).

### Improvement in the dynamics of capital investment execution in 2024 and 2025.

Capital investments play a key role and have high potential to support economic growth. In 2024, the execution rate of the budget for capital investments reached 76%, marking an increase of seven percentage points compared to the previous year. A similar execution trend is also observed in the 2025 data.<sup>5</sup>

For our economy, it is very important to implement as many projects as possible during the year. The European Commission Annual Report for 2025 confirms that one of the main challenges remains careful planning and effective implementation of capital projects.<sup>6</sup>

**Figure 10.** Trend of capital investment execution in Kosovo, 2016–2024



Source: GAP Institute, based on data from the Assembly of Kosovo, Official Gazette, MFLT

### The draft budget does not reflect the new structure of the Government.

Although the new Government approved by the Assembly of Kosovo on 11 February 2026 has 19 ministries, four more than last year, this change is not reflected in the draft budget. This does not reflect good practice in the process of adopting the Budget Law. Out of the 15 ministries presented in the draft budget for 2026, the Ministry of Finance, Labour and Transfers manages 46% of the total ministerial budget. This ministry will also have the largest increase, accounting for about 63% of the total increase in ministerial budgets combined. Compared to 2025, pension costs are planned to increase by EUR 95 million (20%), while payments for child allowances and maternity benefits will rise by EUR 75 million (52%). Among key economic institutions under this ministry, the Employment Agency will see a budget increase of EUR 8 million (28%), including programs such as Superpuna. Meanwhile, the Labour Inspectorate will have a 4.9% (EUR 800,000) higher budget than in 2025, but without an increase in the approved number of staff.

<sup>5</sup> European Commission. (2025). *Commission Staff Working Document: Kosovo 2025 Report*. accessed on January 30, 2026.

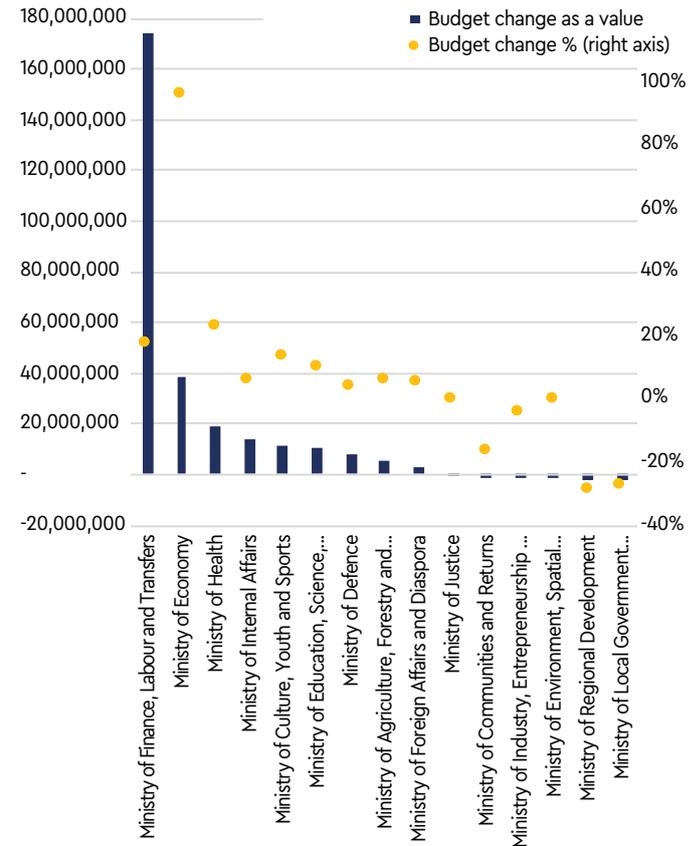
<sup>6</sup> European Commission. Commission Staff Working Document. Kosovo\* 2025 Report. Last accessed on January 30, 2026.

Similarly, the Ministry of Economy is planned to receive a budget increase of over EUR 38 million, mainly due to higher capital investments under the investment clause (construction of five plants across municipalities). Budget increases are also planned for the Ministry of Health by 23% (EUR 19 million), the Ministry of Culture by 13% (EUR 11.6 million), the Ministry of Education by 10% (EUR 10 million), and the Ministry of Defense by 3% (EUR 8 million), among others. On the other hand, the largest budget decreases are seen in the Ministry of Regional Development with 29% (EUR 2.1 million less than in 2025), and the Ministry of Local Government Administration, with 28% (EUR 2.5 million less), among others.

**Figure 11.** Budget of 15 Ministries, 2025–2026



**Figure 12.** Change in Ministries' budgets in 2026

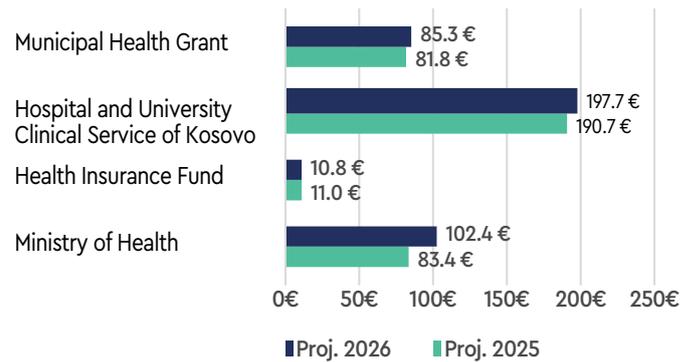


**The Ministry of Economy does not have sufficient budget for the implementation of the Energy Strategy.** The Ministry's budget is largely dominated by projects allocated under the Investment Clause and subsidies for public enterprises. Although the Ministry has set clear targets in the Energy Strategy that require substantial mobilization of public funds, particularly to reduce energy consumption through investments in energy efficiency, this is not reflected in the spending dynamics of the annual budget. As a result, achieving the target of 283 ktoe in energy savings, as foreseen under the energy efficiency objective of the Energy Strategy 2022–2031, remains highly challenging. This is especially concerning given that, according to a GAP<sup>7</sup> study, meeting this target requires mobilizing annual investments of over EUR 30 million from all market actors each year.

7 GAP Institute. (2024). [Mbështetja e qeverive për përmirësimin e eficiencës së energjisë si një përgjigje ndaj zbutjes së goditjeve \(të ardhshme\) energjetike: Gjashtëshja e Ballkanit Perëndimor \(Raport\).](#)

The budget for the health sector for 2026 is planned to reach around EUR 396 million, an increase of EUR 37.4 million, or 10% compared to 2025. The budget of the Ministry of Health is expected to increase by 23%, or EUR 19 million compared to 2025. The budget for the Health Insurance Fund remains almost unchanged, with a slight decrease of only 1%. The budget for hospital services increases by 4%, which shows only a small improvement in hospital services or in meeting regular operational needs. The municipal grant also records a modest increase of around 4%.

**Figure 13.** Budget for health sector (in million euros), 2025–2026

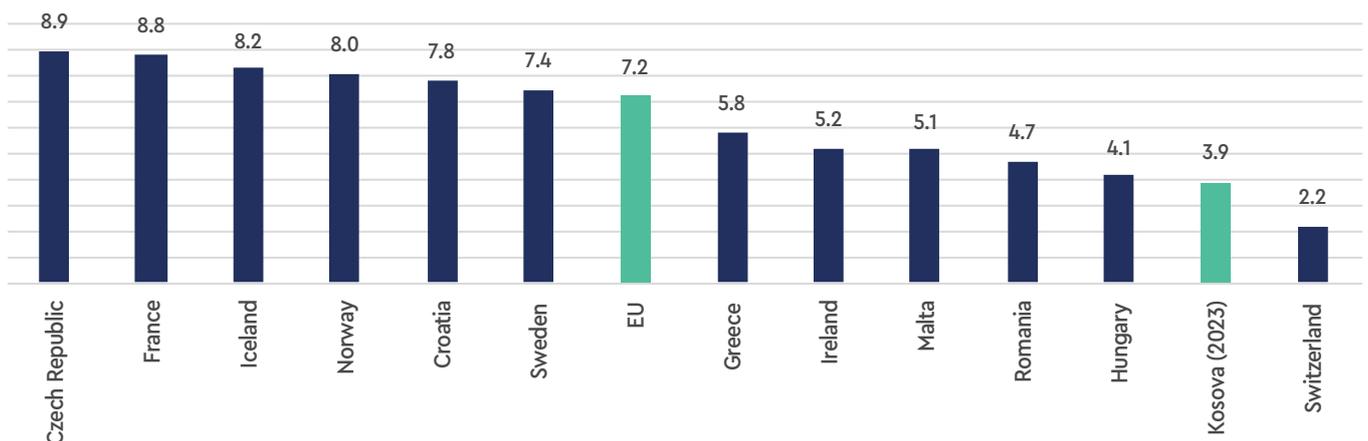


Source: GAP Institute, with data from the Assembly of Kosovo, Official Gazette, MFLT

During 2025, Kosovo took several concrete steps in the health sector, including the adoption of the 2025–2030 Strategy and the National Health Security Plan.<sup>8</sup> However, health spending remains low. The analysis of planned spending for the health sector for 2026 shows that health expenditures account for only 3.9% of Gross Domestic Product (GDP). Compared to other European countries, Kosovo falls behind most of them. The Czech Republic and France lead the list (8.9% and 8.8%), followed by Iceland (8.2%), Croatia (7.8%), and Sweden (7.4%). Greece, Ireland, Malta, Romania, and Hungary also allocate a higher share of GDP to health. On the other hand, only Switzerland invests less than Kosovo, at around 2.2% of GDP, reflecting a lower level of health financing.

Progress has been made in disease prevention, digitalization, and some other areas. However, key challenges remain, including slow implementation, low quality of care, unequal access, limited coverage of non-communicable diseases, and inefficient use of funds.<sup>9</sup>

**Figure 14.** Health expenditures as a % of GDP in Kosovo compared to European countries, 2022



Source: GAP Institute using Eurostat, ASK and MFLT data

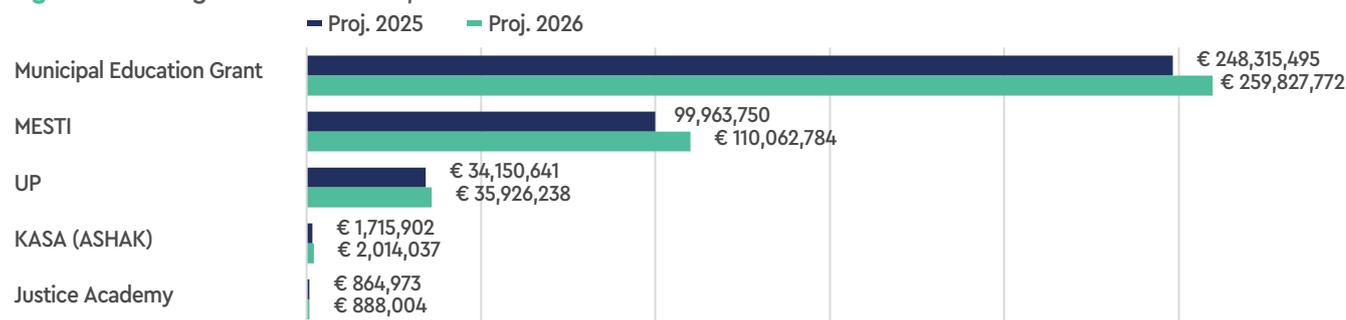
<sup>8</sup> European Commission. (2025). *Commission Staff Working Document: Kosovo 2025 Report*. Last accessed on February 15, 2026

<sup>9</sup> *Ibid.*

**The total budget for education and educational institutions in Kosovo amounts to EUR 408.7 million in 2026, marking an increase of 6%, or EUR 23.7 million, compared to 2025.** The municipal education grant increases by EUR 11.5 million (5%), indicating continued support for local-level education. The Ministry of Education, Science and Technology has a 10% increase in budget, or around EUR 10 million, aimed at improving education services and ongoing projects. The University of Pristina receives an additional EUR 1.78 million (5%), mainly to support academic activities and infrastructure. The Academy of Sciences and Arts of Kosovo records a 17% increase (EUR 298,000), while the Academy of Justice has a smaller rise of EUR 23,000 (3%).

Overall, this shows a sustained commitment to education funding, with higher increases for institutions such as MEST and KASA.

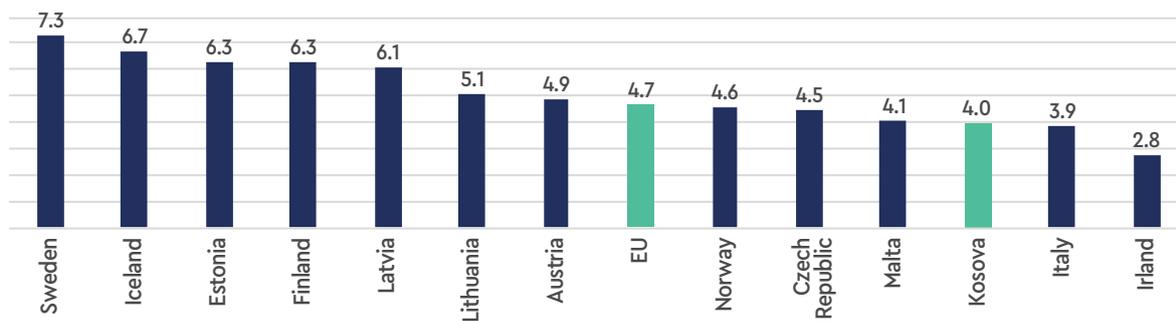
**Figure 15.** Budget for education, 2025–2026



Source: GAP Institute, with data from the Assembly of Kosovo, Official Gazette, MFLT

In 2023, education spending in Kosovo was 4% of Gross Domestic Product (GDP), placing the country below the European Union average of 4.7% and below most other countries that show stronger financial commitment to education. Nordic and Baltic countries lead the list, with Sweden spending 7.3%, Iceland 6.7%, Estonia and Finland 6.3%, and Latvia 6.1% of GDP on education. These countries invest significantly above the EU average and well above Kosovo. At a moderate level, countries such as Lithuania (5.1%) and Austria (4.9%) also invest more than Kosovo. Among the countries that invest less are the Czech Republic (4.5%), Malta (4.1%), Italy (3.9%), and Ireland (2.8%). While some EU countries spend below the average, Kosovo remains near the lower end of the scale in education investment.

**Figure 16.** Education expenditures as a % of GDP in Kosovo compared to European countries, 2022



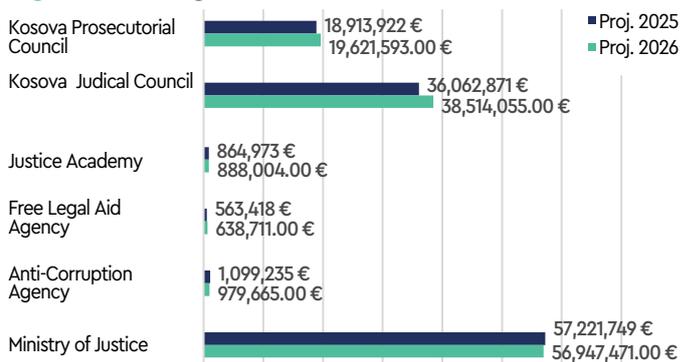
Burimi: Instituti GAP duke përdorur të dhënat e Eurostat, ASK dhe MFPT

**The budget for the justice sector in Kosovo for 2026 shows an increase of EUR 2.87 million, or 2% compared to the previous year.** Among the institutions in this sector, the Kosovo Judicial Council records an increase of about EUR 2.5 million (7%), while the Kosovo Prosecutorial Council receives EUR 707.7 thousand more (4%). The Free Legal Aid Agency sees an increase of EUR 75.3 thousand (13%), and the Academy of Justice has a smaller increase of EUR 23 thousand. In contrast, the Ministry of Justice has EUR 274.3 thousand less in its budget (-0.5%), and the Anti-Corruption Agency records a decrease of about EUR 119.6 thousand (-11%).

**The budget for municipalities in 2026 shows increases across all spending categories compared to 2025.** Wages increase by EUR 48.8 million (13%), goods and services by EUR 6.78 million (5%), and municipal expenses by EUR 1.6 million (10%). Subsidies and transfers rise by EUR 6.02 million (17%), while capital investments by EUR 16.6 million (7%).

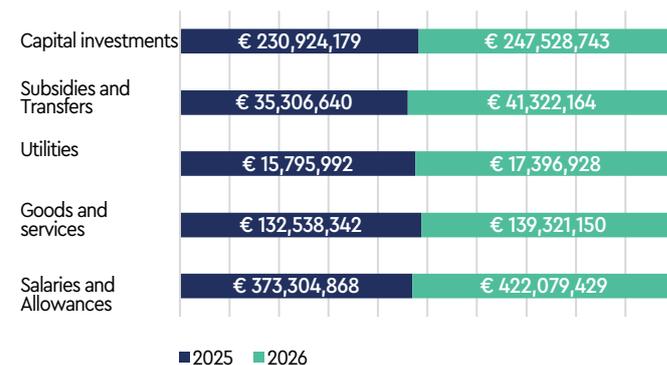
**The budgets of 11 municipalities need to be revised between the two readings of the budget.** Due to municipal elections and insufficient information provided to many assembly members about the consequences of not approving the annual budget on time, 11 municipalities (Vushtrri, Suhareka, Vitia, Lipjani, Malisheva, Shtime, Junik, Zubin Potok, Gjilan, Prizren, and Prishtina) had not approved their annual budgets by 30 September 2025. As a result, these municipalities risk having the same budget in 2026 as in 2025, with no increase, as reflected in the current draft budget. However, since the draft budget is still between the two readings, members of the Assembly of

**Figure 17.** Budget for selected rule of law Institutions



Source: GAP Institute, with data from the Assembly of Kosovo, Official Gazette, MFLT

**Figure 18.** Total municipal budget by category, 2025 and 2026



Source: GAP Institute, based on data from the Assembly of Kosovo, Official Gazette, MFLT

Kosovo can, under Article 62.3 of the Law on Public Financial Management and Responsibilities<sup>10</sup>, easily amend it. This would allow municipalities that have already approved and submitted their 2026 budgets to the Ministry of Finance to adjust their budgets. Through this process, these municipalities would receive increased budgets like the other municipalities, according to the established budget calculation methodology.

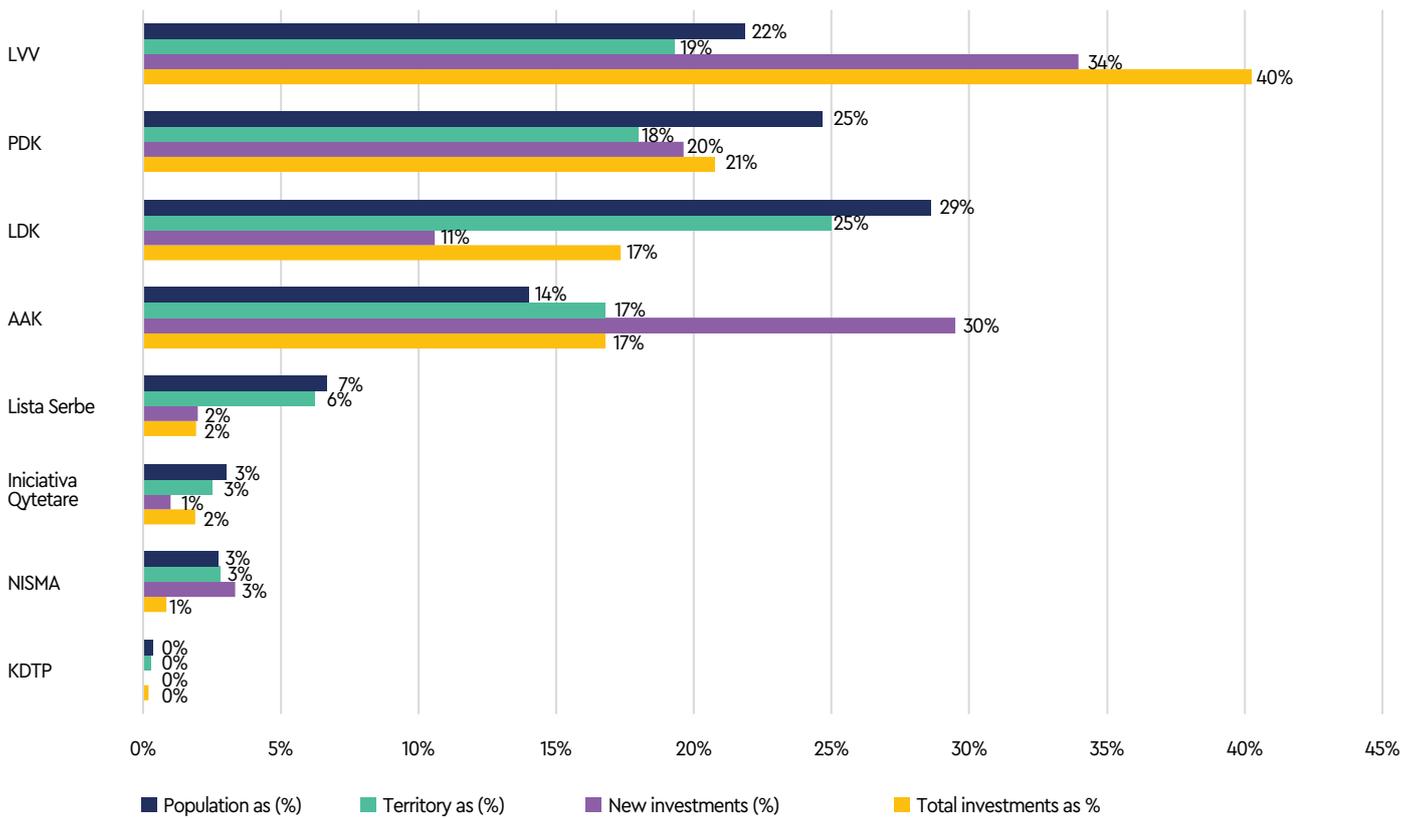
**The Ministry of Finance has not reduced the budgets of municipalities with declining populations.** A positive practice observed in the draft budget is that, although some municipalities were negatively affected by the latest population census, the Ministry did not allocate any of them a lower budget than in the previous year. This approach avoids penalizing municipalities, given that investment needs across municipalities remain very high.

**The Fourth Grant for municipalities has still not been established, and differences in investment allocations from the central level continue.** Although the Fourth Grant was designed to eliminate discrimination among municipalities, it has not yet been implemented. As a result, the distribution of the budget from the central level to municipalities remains largely at the discretion of the respective ministers. In 2026, ministries plan to invest 216.6 EUR million in municipalities, or about 29% of their total investment budget. Out of this amount, only EUR 15 million is allocated for new capital investments, representing a decrease of roughly 32% (about EUR 7 million less) compared to 2025. From these new funds will benefit 23 municipalities, while the remaining municipalities, including some large ones such as Pristina, Ferizaj, and Fushë Kosova, will not receive any new investment.

**The distribution of investments from the central level to municipalities is not fully proportional to population and area, highlighting inequalities in investment allocation.** Lëvizja Vetëvendosje (LVV) receives the largest share of investments, with 40.3% of total investments and 34% of new investments, even though it represents 22% of the population and 19% of the territory. A similar situation, especially regarding new investments, is observed with the Alliance for the Future of Kosovo (AAK), which, with 14.0% of the population and 16.8% of the territory, receives 29.5% of new investments. On the other hand, the Democratic League of Kosovo (LDK), despite having the largest share of the population (29%) and a considerable portion of the territory (25%), receives only 17.3% of total investments and 10.6% of new investments. The Democratic Party of Kosovo (PDK) shows a more balanced distribution, where investment shares are closer to its share of the population and territory. The Serbian List, representing 6.7% of the population and 6.2% of the territory, receives about 2% of investments. Meanwhile, smaller parties such as KDTP, NISMA, and the Civic Initiative have limited influence both in terms of population and territory, as well as in investment allocation.

<sup>10</sup> Official Gazette. [Law No. 03/L-048 on Public Finance Management and Responsibilities.](#)

**Figure 19.** Total investments and new capital investments from the central level to municipalities 2026



Source: GAP Institute, with data from the Assembly of Kosovo, Official Gazette, MFLT

The municipalities receiving the highest investments from the central level are Gjilan with EUR 30.7 million, Ferizaj with EUR 21.4 million, and Mitrovica with EUR 19 million. On the other hand, the municipalities with the lowest investments are Graçanica, Obiliq, and Zveçan.

**Table 1.** Table 1. Distribution of capital investments (216.6 million euros) from ministries to municipalities

Municipality	Total investments (euro)	Total investments (%)	Investments per capita (euro)	New investments (€)	New investments (%)	Population as a number	Population (%)	Area (%)	Political Entity
Gjilan	30,728,411	14.2%	370	2,005,000	13.3%	82,980	5.2%	3.60%	LVV
Mitrovicë	19,057,782	8.8%	294	500,000	3.3%	64,742	4%	3%	LVV
Ferizaj	21,388,125	9.9%			0.0%	109,255	6.8%	3.20%	PDK
Prishtinë	15,974,926	7.4%	70		0.0%	227,466	14.2%	4.70%	LDK
Gjakovë	15,536,070	7.2%	197	293,000	2.0%	78,699	4.9%	5.40%	AAK
Shtime	14,417,200	6.7%	593	900,000	6.0%	24,308	1.5%	1.20%	LVV
Kamenicë	10,169,551	4.7%	445	100,000	0.7%	22,868	1.4%	3.90%	LVV
Pejë	9,496,357	4.4%	115	581,000	3.9%	82,745	5.2%	5.50%	LDK
Podujevë	8,620,605	4.0%	121	1,600,000	10.6%	70,975	4.4%	5.80%	LVV
Prizren	8,070,300	3.7%	55	1,050,000	7.0%	147,246	9.2%	5.50%	PDK
Kaçanik	8,003,700	3.7%	289	1,100,000	7.3%	27,716	1.7%	1.90%	PDK
Deçan	7,522,000	3.5%	271	1,820,000	12.1%	27,775	1.7%	2.70%	AAK
Lipjan	6,133,000	2.8%	111	50,000	0.3%	55,044	3.4%	3.10%	LDK
Rahovec	6,063,200	2.8%	145	655,000	4.4%	41,799	2.6%	2.60%	AAK
Suharekë	5,153,500	2.4%	113	1,100,000	7.3%	45,749	2.9%	3.30%	AAK
F. Kosovë	4,200,000	1.9%	66		0.0%	63,949	4.0%	0.80%	LVV
Drenas	4,084,715	1.9%	85	150,000	1.0%	48,079	3.0%	2.50%	Iniciativa Qytetare
Skënderaj	3,991,516	1.8%	98	500,000	3.3%	40,664	2.5%	3.40%	PDK
Istog	3,656,430	1.7%	111	210,000	1.4%	33,008	2.1%	4.20%	LDK
Vushtrri	3,029,708	1.4%	49	300,000	2.0%	61,528	3.8%	3.20%	PDK
Shtërpçë	2,156,621	1.0%	200		0.0%	10,771	0.7%	2.30%	Lista Serbe
Klinë	2,095,043	1.0%	69	565,043	3.8%	30,503	1.9%	2.80%	AAK
Malishevë	1,817,000	0.8%	41	500,000	3.3%	43,888	2.7%	2.80%	NISMA
Dragash	1,000,000	0.5%	35	450,000	3.0%	28,896	1.8%	3.90%	LDK
Novobërdë	850,000	0.4%	189	50,000	0.3%	4,493	0.3%	1.90%	Lista Serbe
Viti	720,000	0.3%	20	300,000	2.0%	35,566	2.2%	2.50%	LDK
Hani i Elezit	524,292	0.2%	61		0.0%	8,533	0.5%	0.80%	PDK
Junik	450,000	0.2%	114		0.0%	3,943	0.2%	0.70%	LDK
Mamushë	413,500	0.2%	74		0.0%	5,607	0.3%	0.30%	KDTP
Ranillugut	400,000	0.2%	161		0.0%	2,481	0.2%	0.7%	Lista Serbe
Mitrovicë e V.	310,800	0.1%	39	246,000	1.6%	7,920	0.5%	0.04%	Lista Serbe
Kllokotit	250,000	0.1%	82		0.0%	3,041	0.2%	0.20%	Lista Serbe
Zveçanit	150,000	0.1%	52		0.0%	2,867	0.2%	1.10%	Lista Serbe
Obiliq	118,526	0.1%	5		0.0%	22,815	1.4%	1%	LVV
Graçanicë	50,000	0%	3		0.0%	18,486	1.2%		Lista Serbe

Source: GAP Institute, based on data from the Assembly of Kosovo, Official Gazette, MFLT

**The Ministry of Finance continues to fail to publish a citizen-friendly guide to the draft budget in a timely manner.** According to international good practices<sup>11</sup>, the Ministry should prepare a short document for citizens explaining all changes in the draft budget, the new policies reflected in it, and more. In Kosovo, however, this document is usually released only after the entire budget process has been completed, specifically after the Budget Law has been approved.

**For the first time in many years, the draft budget was not prepared based on the Medium-Term Expenditure Framework (MTEF)**, which outlines the priorities to be supported by the upcoming budget and ensures that public funding aligns with strategic objectives. This, along with several policies that are often designed and implemented within the same year, reflects a weak connection between the budget document and strategic planning, limiting the effectiveness and continuity of policy impacts on the economy. This year, the MTEF 2026–2028 has not been approved or published by the Government.

**The implementation of the amended property tax law for 2027 is being postponed through this budget law.** For the second consecutive year, the budget law delays the application of progressive property tax rates based on the total value of taxpayers' properties. As before, this delay is inconsistent with the Property Tax Law itself.

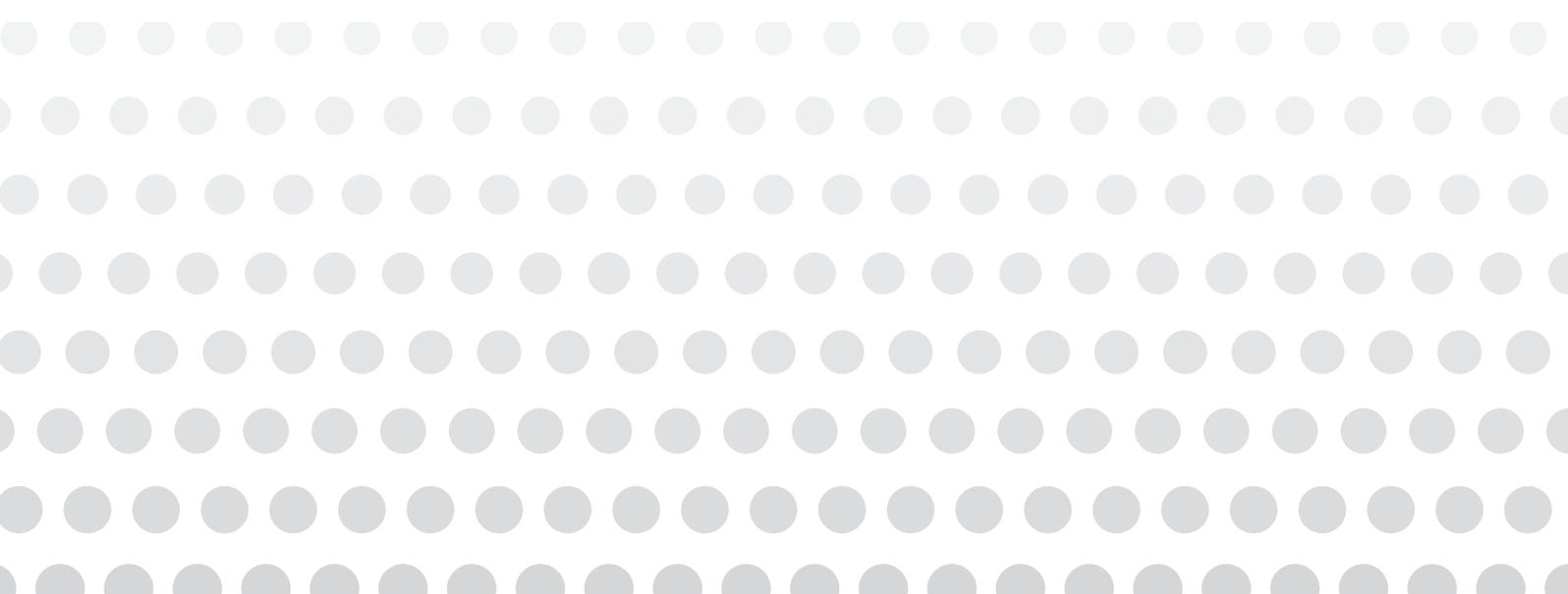
**The lack of a gender perspective in the draft budget remains an ongoing issue.** As in previous years, the 2026 draft budget does not include an analysis of the impact of budget policies on gender equality, information on the government's priorities for advancing gender equality, or budget measures aimed at promoting it.

<sup>11</sup> GAP Institute. (2024). *International Budget Partnership: Open Budget Survey 2023 - Kosovo*.





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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