

COMPATIBILITY OF PRIORITIES OF THE CENTRAL GOVERNMENT WITH THOSE OF THE MUNICIPALITIES IN REGION CENTRE



An EU funded project managed
by the European Union
Office in Kosovo

Implemented by:



**FRIEDRICH
EBERT**

STIFTUNG



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OF PRIORITIES**
OF THE CENTRAL
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OF THE MUNICIPALITIES IN
REGION CENTRE

Financed by:

The European Union Office in Kosovo

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Published by:

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EXECUTIVE SUMMARY

The aim of this study is to identify and assess the compatibility of regional development priorities (namely economic region center) and national priorities addressed by the central government.

The methodology used in conducting the study has addressed the prospect of representatives from local government, namely assessing compliance of municipal development planning at national and local level. To achieve this evaluation, municipal officials have analyzed the coherence of municipal priorities in addition to government in four development categories: development of human capital, the development of competitive industries, development of infrastructure and agricultural development.

This evaluation shows that generally, there is a not so high compliance among municipal priorities and the priorities of the regional center and the Central Government priorities. In particular, there is lack of consistency in the categories of infrastructure development and agricultural development. In these two categories, the compatibility was assessed as very low in all municipalities (excluding infrastructure development in Gracanica). Consistency is the highest (average or above average) in the categories of human capital development and the development of competitive industries in the municipalities of Prishtina, Podujeva, and Gracanica. Moreover, there is a minimal coherence between local government priorities and those of the central government in the municipality of Fushe Kosova and Drenas, where compliance priorities are estimated as minimal in all categories of development.

Surely, finding lack of consistency of priorities in both levels of government in itself is not full proof of lack of a joint contribution of municipalities and the Government towards national development. But, the lack of compliance is a clear indicator that the strategic planning of different levels of government lacks coordination which would promote a synergy of national development.

Generally, the correlation of the central priorities in relation to municipal priorities has space for coordination, because data from interviews suggest that cooperation between the central and municipal level in most cases is satisfactory, but that this cooperation can be increased. Thus, it coincides with the purpose specified in the NDS of creating a common axis orientation based on existing policies and strategies, to select 'country's highest priorities'.

Therefore, the main recommendation is to establish a mode of cooperation between the Government and municipalities to identify areas for joint development planning which will assist in economic growth and accelerated development. This can be achieved through more frequent meetings and cooperation during the drafting of strategic documents.

INTRODUCTION

The aim of this study is to identify and assess the compatibility of regional development priorities (namely economic region center) and national priorities addressed by the central government.¹

Identifying of the municipalities' priorities in the region Center is made possible through strategic documents developed by municipalities, as well as priority information was collected mainly from interviews with officials of the departments of Economic Development, Education, and Agriculture.

Identification of the central priorities is done through consultation of the National Development Strategy (NDS) 2016-2021, a strategy which has been adopted by the Government in January 2016. NDS priorities are classified into the four thematic pillars: the development of human capital, the development of competitive industries, infrastructure development, and the rule of law and good governance. While this study covers three of the NDS pillars which are considered comparable to local priorities and that should be reflected at the local level, i.e. human capital, the development of competitive industries and infrastructure development. Within NDS's priorities for this study are derived priorities that fall within the development of agriculture and the importance and consistency is valued alongside their local priorities.

The study also analyzed the short and medium term plans and local level development activities related to those of the center, including budgetary allocations, grants and projects.

Drafting of the report is based on quantitative and qualitative data collected through interviews with municipal officials in the region Center, as well as through strategic documents available in the official websites of public institutions.

This study is organized in this way: the first section presents the research methodology. Here, the research process is described in detail, including the process of identifying priorities within the aforementioned sectors. The second part is divided into two sub-sections for each municipality in the region Center; where the first sub-section presents an analysis of secondary data from these municipal development strategies, and the second sub-section presents findings from interviews conducted with municipal officials of municipalities. The third section presents, in a synthesized way, the conclusions drawn from the study.

¹ Economic region Centre includes these municipalities of Kosovo: Prishtinë/Priština, Podujevë/Podujevo, Fushë Kosovë/Kosovo Polje, Obiliq/Obilić, Graçanicë/Gračanica, Lipjan/Lipljan, Drenas/Glogovac dhe Shtime/Štimlje.

1. METHODOLOGY

The aim of this study is to identify and assess the compatibility of regional development priorities and national priorities addressed by the central government. The study analyzed the short and medium term plans and local level development activities related to those of the center, including budgetary allocations, grants and projects. Drafting of the report is based on quantitative and qualitative data collected through interviews with municipal officials in the region Center, as well as through strategic documents available in the official websites of public institutions.

Identification of the central priorities is done through consultation of the National Development Strategy 2016–2021, a strategy which has been adopted by the Government in January 2016.

This strategy is focused on creating a common axis orientation based on existing strategies and policies by selecting highest country's priorities. National Development Strategy (NDS) (2016–2021) is this list of high priorities. NDS's priorities fall into four thematic pillars: the development of human capital, the development of competitive industries, infrastructure development, and the rule of law and good governance. While the study covers three NDS's pillars which are considered comparable to local priorities and should be reflected at the local level, i.e. human capital, competitive industries and infrastructure development. Moreover, the compliance of agricultural priorities between central and local level was specifically measured. Thus, within the NDS's priorities for this study we derived targets that fall within the agricultural development and their importance was evaluated alongside local priorities.

On the other hand, the identification of the municipalities' priorities in the region Center is made possible through strategic documents developed by municipalities, priority information was also collected mainly from interviews with officials of the departments of Economic Development, Education, and Agriculture. The same, assessed the relevance and consistency of the central priorities in addition to assessing local scale of one to nine (where one represents the lowest importance, while nine highest importance). This measure of importance is done through direct interviews, guided by a questionnaire

which included three sections: 1) Municipal strategy for sectoral development, 2) Assessment of sectoral priorities, and 3) Cooperation of central and municipal government. Besides qualitative questions within the questionnaire, sector matrices are also included 1) the development of human capital, 2) the development of competitive industries, 3) infrastructure development, and 4) the development of agriculture, which represents the quantitative component of the survey.

Besides interviews, secondary data were used for the purpose of study. Secondary data include official publications of the following institutions: Kosovo Statistics Agency, relevant Ministries, Municipalities of region Center and NGOs such as GAP and other organizations that have conducted relevant studies.

After data collection, an analysis of logical flow of conformity assessment of priorities was also conducted to ensure the understanding of assessment priorities by municipal officials as well as the reader. Then, it was prepared a detailed report on the compliance of central and local priorities, budget allocation across defined sectors, and the level of cooperation of central and local government. As a result, the findings of the study reveal important recommendations which can be used to create synergies between governmental and municipal activities.

Finally, it should be mentioned that although the drafting of this study is done carefully and has passed several stages of editing, there are still shortcomings and areas for improving in future. A characteristic element of the methodology of the study is the fact that the analysis of compliance of central and local priorities is done by evaluating the data from municipal officials in the region Center. So, when interpreting the results of the compatibility of the region's priorities in relation to those of Central Government study shows the perspective of interviewed municipal officials.





2. MUNICIPALITY OF PRISHTINA

Municipality of Prishtina priorities for the period of 2016-2018 are:

1. **Establishment of urban order**, which includes spatial planning, which according to the interview results with the municipality of Prishtina officials contributes to the creation of public spaces and also the function of the building as a very important sector for development. This priority also enables the creation of a Municipal urban mobility plan, a plan which includes public transport, cycling, and other.
2. **Development of sustainable agriculture** by changing the form of supporting the agricultural sector, thus crossing the subsidy of farmers in the form of direct awarding grants through rural development fund.
3. **Sub - contracting of services**, or the conversion of Prishtina in the center of export services through contracting local employees capital from companies abroad ("outsourcing "), through subsidizing the company rents, and assistance with training through staff career development.

From interviews conducted with officials of the municipality of Prishtina, it turned out that these priorities are determined based on the plan of the Mayor's election, therefore 12 pillars of governance, which among other things include: Placement of order in urban planning, regulation of traffic in Prishtina, creating the country's product market, the opening of the Municipality for citizens and other. These 12 pillars part of the electoral plan from which municipal priorities derive, emerged based on the needs of the citizens of the Municipality of Prishtina.

The above priorities are anchored in the Municipal Development Plan adopted in 2013. According to officials from the Municipality of Prishtina, Local Economic Development Strategy is not updated; therefore the local government refers to the electoral development plan, which includes 12 pillars mentioned.

An officer from the Municipality of Prishtina stated that considering the achievement in the Municipality of Prishtina and meeting of a large part of electoral promises, the strategy is feasible, and they are optimistic that the strategy will be implemented within a given time period, with the available financial resources.

2.1 Human capital

In the following section, the municipality of Prishtina officials have listed the most important priorities for the development of human capital, and then assessed how these priorities match the priorities of the central level on a scale of one to nine.

Regarding the development of human capacity in the Municipality of Prishtina “Opening of the community nurseries” was placed as the first priority.

In relation to this municipal priority, “Increasing the involvement of children in preschool institutions” was considered of great importance and in full compliance with government priority, which was rated with nine points. While six of the next government priorities such as “Improving the quality of teaching in primary and secondary education”, “Improving communications between the skills acquired in the education and labor market requirements”, “Strengthening the examination function, in-

spection and accreditation in the education system”, “Improving the planning of expenditures in the education system” and “Reduction of informal employment”, were evaluated with the lowest degree of compliance.

‘Linking vocational schools with the labor market’ is ranked as the municipalities’ second priority on the development of human capital. Regarding compatibility of the second municipal priority and government priority, “Increasing involvement of children in preschool institutions”, this priority is evaluated of a low importance. While both government priorities such as “Improving the quality of teaching in primary and secondary education” and “Improving communications between the skills acquired in the education and labor market requirements”, have been rated as of great importance. Of relatively large importance are also considered other government priorities (as can be seen in Matrix 1).

MATRIX 1: HUMAN CAPITAL-MUNICIPALITY OF PRISHTINA

| | Government | Increasing the involvement of children in preschools | Improving the quality of teaching in primary and secondary education | Improving communications between the skills acquired in the education and labor market requirements | Strengthening the examination function, inspection and accreditation in education system | Improving the planning of expenditures in the education system | Reduction of informal employment | Short-term engagement of experts and students from Diaspora |
|--|------------|--|--|---|--|--|----------------------------------|---|
| Municipality | | | | | | | | |
| Opening kindergartens in the community | | 9 | 1 | 1 | 1 | 1 | 1 | 7 |
| Linking vocational schools with the labor market | | 1 | 8 | 9 | 6 | 7 | 8 | 7 |
| Departization of educational institutions | | 1 | 8 | 8 | 8 | 7 | 2 | 2 |
| Capacity building for teaching (laboratories, libraries) | | 2 | 8 | 8 | 6 | 5 | 4 | 5 |



RATING SCALE OF COMPATIBILITY OF CENTRAL AND MUNICIPAL PRIORITIES FROM 1 TO 9 (1 REPRESENTING THE LOWEST COMPATIBILITY, 9 THE HIGHEST COMPATIBILITY)



2.2 Competitive industries

Such assessments were made with competitive industries as well. The first Municipal priority is listed "sub- contracting of services (outsourcing)". The Governments' first priority associated with competitive industries is "Facilitating access to finance for Kosovar companies", which is evaluated of average importance. Three other government priorities such as "Networking and development of grouped enterprises", "Transfer of SMEs in activities with higher value added" and "Increased

levels of Foreign Direct Investment (FDI) and those of the Diaspora" were considered with greater weight and higher compliance. While the government's priorities such as "Resolving the issue of fragmented agricultural land", "unlocking the privatization fund and use of funds for development" and "Good governance and satisfactory performance of the state-owned corporate shares", were evaluated with low degree of compliance.

MATRIX 2: COMPETITIVE INDUSTRIES - MUNICIPALITY OF PRISHTINA

| | Facilitating access to finance for Kosovo enterprises | Networking and development of grouped enterprises | Transfer of SMEs in activities with higher value added | Increased levels of Foreign Direct Investment (FDI) and those of the Diaspora | Resolving the issue of fragmented agricultural land | Unlocking the privatization fund and use of funds for development | Good governance and satisfactory performance of state-owned corporate shares |
|--|---|---|--|---|---|---|--|
| Government | | | | | | | |
| Municipality | | | | | | | |
| Outsourcing services (outsourcing) BPO | 6 | 7 | 8 | 9 | 1 | 1 | 1 |

* RATING SCALE OF COMPATIBILITY OF CENTRAL AND MUNICIPAL PRIORITIES FROM 1 TO 9 (1 REPRESENTING THE LOWEST COMPATIBILITY, 9 THE HIGHEST COMPATIBILITY)

1 2 3 4 5 6 7 8 9

2.3 Infrastructure

Whereas concerning evaluation related to infrastructure as a municipal priority, it is set as “Finalizing the rural and urban network”. This municipal priority, as can be seen in Matrix 3 has low compliance with the first four government priorities related to infrastructure; i.e. “Enhancing the capacity of local electricity generation from coal and renewable resources”, “Investment in energy efficiency measures for energy consumption”, “Completion of the main axes of international and regional roads and international railway lines” and “Increasing the use of information technology in business operations, schools and public institutions”. Meanwhile, government priorities such as

“Improving the support infrastructure for agricultural production” and “Sustainable Management of Waste” are considered of great importance for the municipality of Prishtina.

The second Municipality’s’ priority in terms of infrastructure is “Finalization of the sewage network”. This municipal priority is rated of low compliance with six of the seven government priorities. Besides government priority “Sustainable Management of Waste”, which was deemed of paramount importance.

MATRIX 3: INFRASTRUCTURE - MUNICIPALITY OF PRISHTINA

| | Government | Increased domestic production capacity of electricity from coal and renewable resources | Investing in energy efficiency measures for energy consumption | Completion of the main axes of international and regional international road and railway lines | Increased use of information technology in the operations of businesses, schools and public institutions | Improving infrastructure to support agricultural production | Rationalization of water use and increase production capacity and distribution | Ensuring sustainable use of forests in Kosovo | Sustainable Management of Waste |
|--|------------|---|--|--|--|---|--|---|---------------------------------|
| Municipality | | | | | | | | | |
| Finalization of rural and urban network | | 1 | 1 | 1 | 1 | 9 | 9 | 3 | 9 |
| Finalization of the sewage network | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 7 |
| Finalization of public lighting in rural and urban areas | | 1 | 9 | 1 | 1 | 1 | 1 | 1 | 1 |
| Waste Management | | 1 | 7 | 1 | 1 | 1 | 1 | 1 | 9 |



RATING SCALE OF COMPATIBILITY OF CENTRAL AND MUNICIPAL PRIORITIES FROM 1 TO 9 (1 REPRESENTING THE LOWEST COMPATIBILITY, 9 THE HIGHEST COMPATIBILITY)



2.3 Agriculture

Finally, assessments of compliance with municipal central priorities are also made in the field of agriculture. Municipality's first priority in agriculture is estimated to be "Rural Development Fund". This municipal priority, as can be seen in Matrix 4 is estimated to be of below average importance in relation to all the government's priorities in the field of agriculture. Of all the government's priorities, with the highest degree of relative compliance is estimated "Preparation and financing of the project land consolidation and integration in rural development projects", with five points respectively.

The only government priority that is considered of high compliance with the municipality's third priority "Building an irrigation network" and in fact with all municipal priorities agriculture is 'Expanding the coverage of irrigation system in at least 40 percent of arable land by 2021', represented in the matrix 4.

MATRIX 4: AGRICULTURE - MUNICIPALITY OF PRISHTINA

| | Expanding the coverage of irrigation system in at least 40% of arable land by 2021 | Creation of a platform of Agricultural Integrated Information System for increasing competitiveness | Resolving the issue of fragmented agricultural land | Increasing the number of storage facilities through Public- Private Partnerships | Increasing the number of laboratory testing units for quality of private seed production | Financing of land consolidation and integration in rural development projects | Undertaking structural reforms to create better conditions for raising agricultural productivity | Creating plots in regular geometric form as well as realizing the Parcel Identification System (LPIS) | Formation of field roads network and the elimination of seasonal servitude |
|------------------------------------|--|---|---|--|--|---|--|---|--|
| Government | | | | | | | | | |
| Municipality | | | | | | | | | |
| Rural development fund | 3 | 1 | 3 | 2 | 1 | 5 | 1 | 3 | 3 |
| Mobile farmers markets | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Construction of irrigation network | 9 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |



RATING SCALE OF COMPATIBILITY OF CENTRAL AND MUNICIPAL PRIORITIES FROM 1 TO 9 (1 REPRESENTING THE LOWEST COMPATIBILITY, 9 THE HIGHEST COMPATIBILITY)





In the end, municipal officials were declared for cooperation between central and local government. According to officials from the Municipality of Prishtina, they have consulted with the central government regarding the drafting of municipal priorities. Again, according to him, communication with the central government it is totally politicized and thus almost impossible due to political differences. Cooperation with the central government, in normal circumstances would be of extreme importance for the municipality, since there is room for improvement of cooperation in all sectors.



3. MUNICIPALITY OF PODUJEVA

The priorities of the municipality of Podujeva, called also as the strategic goals are:

1. Sustainable development, which further includes

- 1.1. Sustainable economic development through stimulating the private sector and creating an enabling environment for business development and investment growth and employment;
- 1.2. Development of sustainable agriculture by providing suitable conditions and infrastructure, capacity building of farmers for the cultivation of crops for the purpose of creation of new jobs;
- 1.4. Promoting cultural and sports activities for the development of tourism;
- 1.5. Continuous improvement of infrastructure and environmental protection and agricultural lands; and

2. Citizens Welfare, such as

- 2.1. Improving and efficient delivery of health and social services for the citizens of the municipality and
- 2.2. Improving and efficient provision of administrative utilities for the needs of citizens.

From interviews conducted with the officials from Podujeva Municipality it turned out that these priorities are largely determined based on negotiations and consultations with experts in the fields of economy, agriculture, education; Local business officials; municipal and village farmers and other interested parties. Also relevant documents were consulted such as the Law on Local Government, Municipal Statute, the Mid-term Budget Framework of Municipal of Podujeva 2015-2017, previous strategies for municipal development.

These priorities are anchored in the Local Economic Development Strategy (LEDS) developed by Podujeva Municipality for the years 2016 to 2018 and according to the municipal officials, this strategy serves as a strategic document and guide for everyday work in the municipality by all departments.

Municipal officials have considered that this strategy is completely feasible, because it is very concrete and takes into account the specific needs and problems of the municipality. However, given the available tools that the municipality possesses for the projected period they think that about 80 percent of the strategy and its priorities and projects will be implemented and achieved. This is based on the funds allocated by the government grant as part of the Mid-Term Expenditure Framework. But with the calculation of revenues and donations, municipal officials have stated that there can be full budgeting for these priorities.

3.1 Human Capital

In the interview conducted, municipal officials have rated municipal priorities for development of human capital in order of importance and assessed the compliance of the central priorities with the municipal priorities on a scale of 1 to 9. The first priority for the municipality of Podujeva in this area is "Improvement of physical educational and non-educational infrastructure in rural areas". In relation to this municipal priority, the government priority "Increasing the involvement of children in preschools", was rated of a relatively great importance of compliance. On the contrary, the next three government priorities,

"Improving the quality of teaching in primary and secondary education"; and "Strengthening the examination functions, inspection and accreditation in the education system" were evaluated with below-average degree, in relation to the municipality's first priority. While priorities such as "Reduction of informal employment" and "short-term engagement of diaspora experts and students", received the lowest evaluation of compliance, respectively with one point (as can be seen in the Matrix 5).

MATRIX 5: HUMAN CAPITAL – MUNICIPALITY OF PODUJEVA

| | Municipality | Government | Increasing the involvement of children in preschools | Improving the quality of teaching in primary and secondary education | Improving communications between the skills acquired in the education and labor market requirements | Strengthening the examination function, inspection and accreditation in education system | Improving the planning of expenditures in the education system | Reduction of informal employment | Short-term engagement of experts and students from Diaspora |
|---|--------------|------------|--|--|---|--|--|----------------------------------|---|
| Improvement of physical educational and non-educational infrastructure in rural areas | 7 | 5 | 4 | 4 | 6 | 1 | 1 | | |
| Cabinets for lower and upper secondary schools with a high number of pupils | 6 | 7 | 6 | 4 | 5 | 1 | 1 | | |
| Raising the role of local community and business in school decision-making, mainly in adapting professional programs to market needs" | 7 | 7 | 1 | 7 | 4 | 5 | 6 | | |
| Continuous professional development for low level and secondary teachers in pedagogical and methodological areas and application of IT in teaching | 5 | 9 | 7 | 7 | 5 | 6 | 6 | | |
| Providing transportation for all the obligatory school level students who live 4 km away from school | 4 | 4 | 5 | 4 | 7 | 6 | 5 | | |
| Creating conditions for active inclusion of children with special needs in the education system | 8 | 7 | 6 | 4 | 5 | 4 | 3 | | |
| Skills training for the unemployed individuals for preparation to enter the labor market | 8 | 7 | 8 | 6 | 7 | 5 | 5 | | |
| New programs based on the analysis of market needs in vocational schools | 8 | 8 | 8 | 7 | 7 | 6 | 5 | | |
| The employment of two raspberry and small fruits experts to provide assistance to the municipality farmers in planting, treatment, protection, cultivation and harvesting | 2 | 2 | 3 | 3 | 3 | 4 | 7 | | |



RATING SCALE OF COMPATIBILITY OF CENTRAL AND MUNICIPAL PRIORITIES FROM 1 TO 9 (1 REPRESENTING THE LOWEST COMPATIBILITY, 9 THE HIGHEST COMPATIBILITY)



3.2 Competitive Industries

Evaluations of this type are made regarding competitive industries. Here, the first priority in the order is “Improving the business climate and their support (providing professional advice for businesses; Amenities in municipal taxes and fees for businesses that generate employment; Aid and assistance for businesses in applying for funding), with which were evaluated seven government priorities for competitive industries. “Easier access to finance for Kosovar enterprises”, as the first priority of the center level, it wasn’t evaluated as being of great importance in relation to the municipal priority, because it is estimated that the municipality has limited competences in this area. Central priorities two, three and five “Networking and development of grouped enterprises”, “Transfer of SMEs in activities with higher value

added” and “Addressing the issue of fragmented agricultural land”, were also evaluated of average importance alongside municipality’s first priority. These three governmental priorities are considered very important for the further development of the municipality of Podujeva, but progress in these areas is still in the initial steps. While the government priority with higher consistency alongside municipality’s first priority “Increasing the level of Foreign Direct Investments (FDI) and those of the Diaspora”, since the municipality of Podujeva considers it as one of the key factors for the economic development of the municipality and for this reason it has identified as a priority the establishment and functioning of the office for the promotion and attraction of investments in 2016.

MATRIX 6: COMPETITIVE INDUSTRIES-MUNICIPALITY OF PODUJEVA

| |  Municipality |  Government | Easy access to finance for Kosovo Enterprises | Networking and development of grouped enterprises | Transfer of SMEs in activities with higher added value | Increased levels of Foreign Direct Investment (FDI) and those of the Diaspora | Resolving the issue of fragmented agricultural land | Unblocking the privatization fund and use of funds for development | Good governance and satisfactory performance of state-owned corporate |
|---|--|--|---|---|--|--|---|--|---|
| Improving the business climate and their support | 5 | 6 | 6 | 6 | 9 | 6 | 2 | 2 | |
| The inventory of municipal property that can be given to economic needs | 4 | 7 | 6 | 6 | 9 | 9 | 2 | 4 | |
| The establishment and functioning of the business incubator | 5 | 7 | 5 | 7 | 7 | 2 | 4 | 6 | |
| Municipal capacity building and completion of the feasibility study for PPP projects | 7 | 4 | 7 | 7 | 7 | 5 | 7 | 6 | |
| Establishment of the Office for the promotion and attraction of investments | 2 | 3 | 6 | 6 | 9 | 5 | 3 | 5 | |
| Establishment of the Office for Diaspora | 3 | 3 | 5 | 5 | 9 | 7 | 2 | 5 | |
| Functionality of the industrial zone | 4 | 8 | 7 | 7 | 9 | 8 | 4 | 8 | |
| The employment of two raspberry and small fruits experts to provide assistance to the municipality farmers in planting, treatment, protection, cultivation and harvesting | 2 | 2 | 3 | 3 | 4 | 3 | 2 | 2 | |



RATING SCALE OF COMPATIBILITY OF CENTRAL AND MUNICIPAL PRIORITIES FROM 1 TO 9 (1 REPRESENTING THE LOWEST COMPATIBILITY, 9 THE HIGHEST COMPATIBILITY)



3.3 Infrastructure

Within the estimates related to municipal infrastructure, the higher ranking priority in the municipality of Podujeva is "Draft zoning maps for the entire territory of the municipality, until 2018. The first central priority related to infrastructure is "Enhancing local capacity of electricity generation from coal and renewable resources", which is estimated irrelevant, same as the fourth priority "Increasing the use of information technology in the operations of businesses, schools and public institutions", alongside the municipal priority. "Investing in energy efficiency measures for energy consumption" as the govern-

ment's second priority is also not considered as relevant in relation to the concerned municipal priority. Priority "The completion of the main axes of international and regional international road and railway lines" is rated only moderately important. Contrary, the central priorities five, six and eight, "Improving supporting infrastructure for agricultural production", "The rationalization of water use and increase of production capacity and distribution" and "Sustainable Management of Waste" have been evaluated very relevant to municipality's first priority.

MATRIX 7: INFRASTRUCTURE-MUNICIPALITY OF PODUJEVA

| | Government | Municipality | Increasing domestic production capacity of electricity from coal and renewable resources | Investing in energy efficiency measures for energy consumption | Completion of the main axes of international and regional international road and railway lines | Increased use of information technology in the operations of businesses, schools and public institutions | Improving infrastructure to support agricultural production | Rationalization of water use and increase production capacity and distribution | Ensuring sustainable use of forests in Kosovo | Sustainable waste management |
|--|------------|--------------|--|--|--|--|---|--|---|------------------------------|
| Draft zoning maps for the entire territory of the municipality | 2 | 5 | 6 | 2 | 8 | 8 | 7 | 8 | | |
| Detailed regulatory plans for urban area | 2 | 1 | 6 | 2 | 5 | 6 | 4 | 7 | | |
| Personnel capacity development of technical/professional use of IT systems | 2 | 2 | 3 | 9 | 6 | 2 | 2 | 2 | | |
| The total elimination of illegal landfills | 2 | 2 | 3 | 2 | 5 | 5 | 4 | 9 | | |
| Creation of system and database management infrastructure projects | 4 | 5 | 3 | 8 | 5 | 3 | 3 | 3 | | |
| Regulation of rivers in protecting agricultural land from floods | 4 | 1 | 5 | 6 | 7 | 5 | 4 | 5 | | |
| Reconstruction of roads along with underground infrastructure, and the establishment of the center square | 2 | 2 | 5 | 4 | 2 | 2 | 2 | 3 | | |
| Reconstruction of 10 cadastral zones and transfer of property to citizens | 2 | 2 | 3 | 5 | 4 | 2 | 2 | 2 | | |
| Construction of sports recreation center in Batllavë and maintenance and increase of green areas in the city | 2 | 2 | 3 | 4 | 1 | 2 | 2 | 2 | | |
| Functionality of water in areas where water network exists but it is not connected | 2 | 2 | 2 | 2 | 2 | 7 | 4 | 4 | | |



RATING SCALE OF COMPATIBILITY OF CENTRAL AND MUNICIPAL PRIORITIES FROM 1 TO 9 (1 REPRESENTING THE LOWEST COMPATIBILITY, 9 THE HIGHEST COMPATIBILITY)



3.4 Agriculture

Lately, there is a request for assessments of compliance with municipal central priorities in the field of agriculture. Here, a priority with greater importance in the municipality of Podujeva is 'Promotion of Podujeva as a leader of berries, announcement of raspberry as a strategic product and organization of the yearly day of raspberry. Government priorities evaluated with high priority in relation to this municipal priority are "Creation

of an informative platform of the Integrated Agricultural Information System to increase competitiveness in the agricultural sector" and "Increasing the number of warehouse buildings and storages in the major regions of Kosovo through Public- Private Partnerships", both rated with eight points.

MATRIX 8: AGRICULTURE-MUNICIPALITY OF PODUJEVA

| | Expanding the coverage of irrigation system in at least 40% of arable land by 2021 | Creation of a platform of Agricultural Integrated Information System for increasing competitiveness | Resolving the issue of fragmented agricultural land | Increasing the number of storage facilities through Public-Private Partnerships | Increasing the number of laboratory testing units for quality of private seed production | Financing of land consolidation and integration in rural development projects | Undertaking structural reforms to create better conditions for raising agricultural productivity | Creating plots in regular geometric form as well as realizing the Parcel Identification System (LPIS) | Formation of field roads network and the elimination of seasonal servitude |
|---|--|---|---|---|--|---|--|---|--|
| Promotion of Podujeva as a leader of berries, announcement of raspberry as a strategic product | 7 | 8 | 6 | 8 | 8 | 8 | 6 | 7 | 7 |
| Categorization and classification of agricultural land fertility | 5 | 8 | 6 | 5 | 5 | 5 | 7 | 6 | 6 |
| Functionality of collection points for fruit and vegetables | 2 | 4 | 2 | 8 | 5 | 4 | 6 | 3 | 6 |
| Establishment of milk collection point | 2 | 3 | 3 | 8 | 7 | 2 | 8 | 2 | 6 |
| Increasing the number of greenhouses to 30 % by 2018 | 7 | 4 | 2 | 7 | 4 | 4 | 4 | 4 | 4 |
| Supporting farmers in setting up irrigation system | 8 | 2 | 6 | 5 | 7 | 6 | 5 | 5 | 4 |
| Assistance in professional beekeepers and subsidizing of beehives | 2 | 6 | 2 | 2 | 5 | 2 | 3 | 2 | 2 |
| Supporting farmers to increase cattle fund up to 10 % of the actual number, support in equipment for milking and feeder concentrate | 6 | 6 | 5 | 5 | 7 | 7 | 6 | 5 | 3 |
| Supporting farmers to increase the area of orchards at 10 % | 8 | 6 | 6 | 8 | 7 | 6 | 7 | 7 | 6 |
| Creating an electronic surveillance system of the issuance process and execution of forest harvesting | 2 | 2 | 2 | 2 | 2 | 4 | 2 | 2 | 5 |



RATING SCALE OF COMPATIBILITY OF CENTRAL AND MUNICIPAL PRIORITIES FROM 1 TO 9 (1 REPRESENTING THE LOWEST COMPATIBILITY, 9 THE HIGHEST COMPATIBILITY)





In the end, the Podujeva municipal officials spoke regarding the cooperation between the local and central level governments during the drafting of municipal priorities. Therefore, officials said they were consulting with officials at the central level to some extent, and also reviewed the Law on Local Self-Government and Law on Local Government Finance; however drafting priorities have become largely based on consultation within the municipality and stakeholders. On issues related to budgeting and setting budget limits, cooperation is seen as fruitful. Also, cooperation with central level is generally considered regular; specific municipal departments are in regular contact with the relevant ministries, but it is considered that cooperation should be more effective in terms of advice - giving and execution of common issues. Moreover, it is considered very important by municipal officials to hold regular and effective meetings of Minister of Agriculture, Forestry and Rural Development, with directors of agriculture of all municipalities to coordinate priorities, similar to the ones held by the Minister of Education, Science and Technology, once a month.



4. MUNICIPALITY OF FUSHE KOSOVA

Fushe Kosova municipality has five overall priorities, as follows:

1. **Development of infrastructure needed for businesses and citizens,**
2. **Modernization of the administration,**
3. **Development of education infrastructure**
4. **Capacity building of agricultural and**
5. **Improving and protecting the environment.**

These municipal goals are incorporated in the Municipal Economic Development Strategy 2016-2020, which was developed by Municipal Working Group appointed by the Mayor. Feasibility of this strategic document for a five –year period reaches a total cost of implementation of approximately 27 million euro.

Priorities of Fushe Kosova municipality were determined based on negotiations and consultations with experts in fields such as economy, agriculture and education. These priorities are incorporated in the Municipal Economic Development Strategy 2016-2020. Municipal Economic Development Strategy 2016-2020 was drafted by the Municipal Working Group appointed by the Mayor. This document foresees the implementation of capital projects, administration and modernization of local infrastructure, protection of environment, energy, education, health, social welfare and housing, culture and sport.

4.1 Human Capital

In Fushe Kosova municipality, in the human capital sector, the following priorities are listed 1) Improvement of infrastructure in educational institutions for 25 percent, until 2019, 2) Inclusion of a number of children in pre-primary education institutions for 30 percent until 2019, 4) Increasing of the capacity and quality of services in education, health and other public services / utilities, 5) Construction of new buildings and facilities of social infrastructure and improvement of the existing ones.

Government Priorities 1) Increasing involvement of children in preschool institutions, 2) Improving the quality of teaching in primary and secondary education, and 5) Improving the planning of expenditures in the education system, have been rated as the most important compared with the other government priorities within human capital for municipal priorities

one, two and four. 1) Improvement of educational institutions with accompanying infrastructure for 25 percent by 2019, 2) the inclusion of the number of children in preschool institutions to 30 percent by 2019, and 4) Construction of buildings and new social infrastructure spaces and improving existing ones.

While government priorities with the least importance of set priorities by Fushe Kosova municipality are priorities six and seven, otherwise, 6) Reduction of informal employment, and 7) short-term engagement of diaspora experts and students. Meanwhile, the sixth central priority is estimated to be quite relevant alongside each municipal priority in Fushe Kosova municipality; this is because of the interconnection of each project with the budget appropriations within the municipality.

MATRIX 9: HUMAN CAPITAL - FUSHE KOSOVA MUNICIPALITY

| | Municipality | Government | Increasing the involvement of children in preschools | Improving the quality of teaching in primary and secondary education | Improving communications between the skills acquired in the education and labor market requirements | Strengthening the examination function, inspection and accreditation in education system | Improving the planning of expenditures in the education system | Reduction of informal employment | Short-term engagement of experts and students from Diaspora |
|---|--------------|------------|--|--|---|--|--|----------------------------------|---|
| Improving conditions in educational institutions with accompanying infrastructure for 25 percent, until 2019 | 6 | 8 | 3 | 4 | 6 | 1 | 1 | | |
| Inclusion of a number of children in preschool institutions to 30 percent in 2019 | 6 | 7 | 3 | 4 | 6 | 1 | 1 | | |
| Capacity building and quality of services in education, health and other public services / utility | 5 | 5 | 4 | 4 | 6 | 1 | 2 | | |
| Construction of new buildings and facilities of social infrastructure as well as improvement of existing ones | 6 | 8 | 5 | 3 | 8 | 2 | 1 | | |



RATING SCALE OF COMPATIBILITY OF CENTRAL AND MUNICIPAL PRIORITIES FROM 1 TO 9 (1 REPRESENTING THE LOWEST COMPATIBILITY, 9 THE HIGHEST COMPATIBILITY)



4.2 Competitive Industries

In the competitive industries sector, Fushe Kosova municipality priorities are: Increased levels of administrative services for businesses (reduction in procedures), increase the number of businesses to 15 percent by 2018, 2) development of SMEs, 3) Functionality of business generation, 4) Functioning of points and areas with tourism potential, and 5) Protection and cultivation of agricultural land.

The conducted interview show that there is a relative good relation among the central and local priorities in the competitive industries sector. According to the Fushe Kosova municipality officials' evaluations, "Easy access in finance for Kosovo enterprises" as a central priority does not show high consistency in relation to municipal priorities listed in the matrix of priorities, as the central priority in question does not fall into municipal competences. However, this central priority is estimated to be important because it affects the development of competitive industries in the country as well as locally.

For the second priority of the municipality of Fushe Kosova in competitive industries sector, namely the development of SMEs, governmental priorities that are more in line are: Networking and development of grouped enterprises, transfer of SMEs in activities with higher added value, and increasing the level of Foreign Direct Investments (FDI) and those of the Diaspora. Similar assessment was made for municipal's next priorities, Functionality of business generation: Networking and development of grouped enterprises, transfer of SMEs in activities with higher added value, and increasing the level of Foreign Direct Investment (FDI) and those of the Diaspora.

'Protection and cultivation of agricultural land' is estimated to have the highest correlation with government priorities anchored in NDS. Besides government priorities 'Unlocking the privatization fund and use of funds for development' and 'Good Governance and satisfactory performance in state-owned corporates', which are almost of no relevance to the municipality's priority, all other government priorities listed in the matrix have a relatively high compliance.

MATRIX 10: COMPETITIVE INDUSTRIES-FUSHE KOSOVA MUNICIPALITY

| | Government | Easy access to finance for Kosovo Enterprises | Networking and development of grouped enterprises | Transfer of SMEs in activities with higher added value | Increased levels of Foreign Direct Investment (FDI) and those of the Diaspora | Resolving the issue of fragmented agricultural land | Unlocking the privatization fund and use of funds for development | Good governance and satisfactory performance of state-owned corporate |
|---|------------|---|---|--|---|---|---|---|
| Increase the level of administrative services for businesses (reduction in procedures), increasing the number of businesses up 15 percent in 2018 | | 1 | 4 | 5 | 6 | 5 | 5 | 2 |
| Development of SMEs | | 2 | 7 | 6 | 7 | 5 | 4 | 2 |
| Functionality of business generation | | 3 | 5 | 6 | 5 | 4 | 4 | 1 |
| Functionizing points and areas with tourism potential | | 2 | 1 | 2 | 3 | 2 | 1 | 2 |
| Protection and cultivation of agricultural land | | 4 | 5 | 5 | 1 | 7 | 2 | 1 |



RATING SCALE OF COMPATIBILITY OF CENTRAL AND MUNICIPAL PRIORITIES FROM 1 TO 9 (1 REPRESENTING THE LOWEST COMPATIBILITY, 9 THE HIGHEST COMPATIBILITY)



4.3 Infrastructure

Fushe Kosova infrastructure priorities listed in the evaluation matrix are: 1) Construction of new roads and improving existing municipal network of automobile and railway traffic, 2) Improving public transport connections throughout the municipality 3) Increasing water production capacity in all villages and improvement of outdated water supply network to 50 per cent for 2016-2020, 4) Replacement of treatment plant for sewage / wastewater expansion of up to 40 percent by 2019, 5) Improvement of water supply and increasing water production capacity, and 6) Improving the energy supply network and internet telephony network.

Government priorities which are considered and rated as the most relevant to the majority of Fushe Kosova municipality priorities are: 'Infrastructure improvement to support agricultural production' and 'rationalization of water usage and increasing production capacity and distribution'.

Priority 'Rationalization of water use and increase of production capacity and distribution' has been rated as relatively important in relation to the municipality's second priority, namely 'Improvement of public transport connections within the entire municipality'. Then, the same government priority is evaluated with great importance in relation to the priority 'Increasing the production capacity of water in all villages and improvement of outdated water supply network by 50 percent for 2016-2020', but further this priority has been rated with six and seven points is correlation of this priority, the government in relation to municipal priorities ' Replacement of the plant for treatment of sewage / expansion of sewerage to 40 percent by 2019 ', and ' Improving Network water and increased water production capacity.

MATRIX 11: INFRASTRUCTURE-FUSHE KOSOVA MUNICIPALITY

| | Government | Municipality | Increasing domestic production capacity of electricity from coal and renewable resources | Investing in energy efficiency measures for energy consumption | Completion of the main axes of international and regional international road and railway lines | Increased use of information technology in the operations of businesses, schools and public institutions | Improving infrastructure to support agricultural production | Rationalization of water use and increase production capacity and distribution | Ensuring sustainable use of forests in Kosovo | Sustainable waste management |
|---|------------|--------------|--|--|--|--|---|--|---|------------------------------|
| Construction of new roads and improvement of existing municipal network of automobile and railway traffic | 1 | 1 | 3 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Improving public transport connections throughout the municipality . | 1 | 1 | 2 | 1 | 4 | 6 | 1 | 1 | 1 | 1 |
| Incresement of water production capacity in villages and improvement of the outdated water supply network to 50 percent | 1 | 1 | 1 | 1 | 5 | 8 | 1 | 5 | 1 | 5 |
| Construction of the plant for wastewater treatment and improvement of sewerage / sewage network expansion by 40 percent | 1 | 1 | 1 | 1 | 3 | 6 | 1 | 6 | 1 | 6 |
| Improvement of water supply and increase of water production capacity | 1 | 1 | 1 | 1 | 6 | 7 | 1 | 7 | 1 | 1 |
| Improvement of electricity supply and internet telephony network | 6 | 7 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |



RATING SCALE OF COMPATIBILITY OF CENTRAL AND MUNICIPAL PRIORITIES FROM 1 TO 9 (1 REPRESENTING THE LOWEST COMPATIBILITY, 9 THE HIGHEST COMPATIBILITY)



4.4 Agriculture

The municipality of Fushe Kosova have listed the following priorities in the agricultural sector: 1) Improvement of agricultural production capacity (growth of cattle fund for 30 percent by 2020, increasing orchard production to 20 percent by 2020, and increasing vegetable production for 20 percent by 2020), 2) protection and cultivation of agricultural land, 3) Increasing of agricultural production and agribusiness establishment, and 4) raising of plants for processing agricultural products.

The importance of government priorities alongside the municipal ones was estimated to have been of average level for most of the priorities listed in the matrix. Thus, the importance of

government's priority 'Expanding coverage irrigation system at least 40 percent of arable land by 2021' for municipal priorities one, two and three, is valued at slightly above average degree.

Of all the government's priorities for the agriculture sector, the priorities 'Creation of an informative platform of Agricultural Integrated Information System for increasing competitiveness in the agricultural sector' and priority 'Creating plots in a very regular geometric form, suitable for easy use of agricultural machines, as well as the Parcel Identification System (LPIS)' are priorities that have been evaluated with less importance than their municipal priorities.

MATRIX 12: AGRICULTURE -FUSHE KOSOVA MUNICIPALITY

| | Government | Expanding the coverage of irrigation system in at least 40% of arable land by 2021 | Creation of a platform of Agricultural Integrated Information System for increasing competitiveness | Resolving the issue of fragmented agricultural land | Increasing the number of storage facilities through Public- Private Partnerships | Increasing the number of laboratory testing units for quality of private seed production | Financing of land consolidation and integration in rural development projects | Undertaking structural reforms to create better conditions for raising agricultural productivity | Creating plots in regular geometric form as well as realizing the Parcel Identification System (LPIS) | Formation of field roads network and the elimination of seasonal servitude |
|--|------------|--|---|---|--|--|---|--|---|--|
| Municipality | | | | | | | | | | |
| Improvement of production capacities in agriculture | | 5 | 2 | 4 | 3 | 3 | 2 | 5 | 3 | 5 |
| Protection and cultivation of agricultural land | | 6 | 1 | 3 | 3 | 3 | 2 | 4 | 3 | 4 |
| Increased agricultural production and the rise of agribusiness | | 7 | 2 | 5 | 4 | 3 | 4 | 3 | 2 | 1 |
| Establishment of plants for processing agricultural products | | 3 | 1 | 4 | 2 | 3 | 4 | 1 | 2 | 2 |

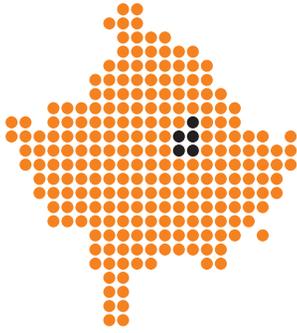


RATING SCALE OF COMPATIBILITY OF CENTRAL AND MUNICIPAL PRIORITIES FROM 1 TO 9 (1 REPRESENTING THE LOWEST COMPATIBILITY, 9 THE HIGHEST COMPATIBILITY)





In the end, the officials of the municipality of Fushe Kosova reported on the level of cooperation between local and central level during the drafting of municipal priorities. Fushe Kosova officials declared that there is cooperation with the central government, but there is room for improvement of this cooperation, for example through frequent meetings with both sides.



5. OBILIQ MUNICIPALITY

Obiliq municipality has concentrated its activities for the next two years in the general priorities as follows:

1. **Development of infrastructure,**
2. **Economic Development and**
3. **Improved environmental sustainability**

These priorities are set during the drafting of the Municipal Development Plan in 2009 and the subsequent adjustments to the plan. Changes in the plan are manifested in drafting the Working Plan of the President and the planning of the Mid-term Budget Framework. Obiliq municipality was obliged to create a new kind of municipal development planning since 2009, when the area was declared as Special Economic Interest by the Government. This organizational change has had a high impact

in the municipal government and the delegation of powers in decision-making between central and local level. Moreover, although in the context of this reorganization the government was committed to dealing with the municipality as a strategic area for national development, making capital investments in energy, transport and environment, progress has been minimal. At the same time, the jurisdictions of municipal activities remain limited.

Furthermore, the municipality officials declare that the municipal budget is not sufficient to realize the projects envisaged in the Municipal Development Plan. Therefore, the Mid-term Budget Framework in 2011 has been more reserved in budget appropriations and preplanned activities.

5.1 Human Capital

To evaluate cohesion between local and central government, following the methodology explained in the beginning, a number of interviews with officials from various directorates from this municipality were made. Initially, after consulting municipality's strategic documents, municipality priorities for two next years have been listed into four categories: 'Human Capital Development', 'Development of Competitive Industries', 'Infrastructure Development' and 'Development of Agriculture'.

In the first category - 'Human Capital Development' Obiliq Municipality has set three priorities. As can be seen in the Matrix 12, these priorities are:

1.1. Construction of schools, 1.2. Scholarships for high and middle school students, and 1.3. Training of workers for employment in KEK. Compliance assessment of these priorities with those of the government in the same category, show that Obiliq priorities have a high compliance with government priorities. In relation to the first municipal priority in this category (1.1.), the government's priority importance estimated average. This same priority has shown high compliance with three

municipal priorities 'Increasing the involvement of children in preschool institutions', 'Improving the quality of teaching in primary and secondary education', 'Improving the intercommunication between skills acquired in the education and labor market requirements'. This priority 'Reduction of informal employment', and 'short-term engagement of experts and students of the Diaspora was evaluated with lower compliance in comparison to government priorities. Connectivity between these two government priorities and the first municipal priority is estimated at three levels.

Achievement of municipal priorities aimed through the implementation of various municipality projects, for which an implementation procedure has been put in place applicable on a regular basis. Procedural steps involved are: the initiation of procurement procedures, the commitment of funds, economic operator selection and project realization based on the contract and dynamic plan, and control of the final technical acceptance committee. While the evaluation of priorities is made based on the criteria from which the project is assessed and reported.

MATRIX 13: HUMAN CAPITAL-OBILIQ MUNICIPALITY

| | Government | Increasing the involvement of children in preschools | Improving the quality of teaching in primary and secondary education | Improving communications between the skills acquired in the education and labor market requirements | Strengthening the examination function, inspection and accreditation in education system | Improving the planning of expenditures in the education system | Reduction of informal employment | Short-term engagement of experts and students from Diaspora |
|--|------------|--|--|---|--|--|----------------------------------|---|
| Construction of schools | | 9 | 9 | 9 | 9 | 7 | 3 | 3 |
| Scholarships for high and middle school students | | 9 | 8 | 7 | 7 | 7 | 9 | 8 |
| Training of workers for employment in KEK | | 7 | 7 | 7 | 6 | 6 | 3 | 3 |

* RATING SCALE OF COMPATIBILITY OF CENTRAL AND MUNICIPAL PRIORITIES FROM 1 TO 9 (1 REPRESENTING THE LOWEST COMPATIBILITY, 9 THE HIGHEST COMPATIBILITY)

1 2 3 4 5 6 7 8 9

5.2 Competitive Industries

In the second category- 'Development of Competitive Industries', Obiliq municipality has set only one priority which is 'Construction of infrastructure in the Industrial Zone (Donor / Community / Line Minister)' (Matrix 14). This priority's compatibility has been assessed to be above the average with three government priorities, in relation to the municipal priority 'Easy access to finance for Kosovo enterprises', 'Networking and development of grouped enterprises', 'Transfer of SMEs into higher added value activities'.

The same municipal priority is estimated aligned with the government's priority 'Increasing the level of Foreign Direct Investments (FDI) and those of the Diaspora'. Finally, government priorities 'Unlocking the privatization fund and use of funds for development' and 'good governance and satisfactory performance of state-owned corporates' have been assessed as irrelevant alongside the municipal priority in the category of the development of competitive industries. .

MATRIX 14: COMPETITIVE INDUSTRIES-OBILIQ MUNICIPALITY

| | Government | Easy access to finance for Kosovo Enterprises | Networking and development of grouped enterprises | Transfer of SMEs in activities with higher added value | Increased levels of Foreign Direct Investment (FDI) and those of the Diaspora | Resolving the issue of fragmented agricultural land | Unlocking the privatization fund and use of funds for development | Good governance and satisfactory performance of state-owned corporate |
|--|------------|---|---|--|--|---|---|---|
| Municipality | | | | | | | | |
| Construction of infrastructure in the industrial zones | | 6 | 6 | 6 | 9 | 4 | 3 | 3 |

* RATING SCALE OF COMPATIBILITY OF CENTRAL AND MUNICIPAL PRIORITIES FROM 1 TO 9 (1 REPRESENTING THE LOWEST COMPATIBILITY, 9 THE HIGHEST COMPATIBILITY)

1 2 3 4 5 6 7 8 9

5.3 Infrastructure

In the third category – 'Infrastructure Development', the municipality has set five priorities: 'Renovation of heating', 'Construction and renovation of roads in the municipality, and their signaling', 'River treatment: Sitnica, Drenica and Llapi', 'Construction of the secondary sewage network' and 'Renovation and expansion of water supply' (Matrix 15). Evaluation of the priorities in relation to the government's priorities in the same category resulted in an average or low rating. Municipal first priority, 'Renovation of heating' is estimated to be the most relevant in relation to governmental priority 'Ensuring sustainable use of forests in Kosovo', with seven degrees. Meanwhile, two other government priorities 'Improving supporting infrastruc-

ture for agricultural production' and 'rationalization of water use and increase production capacity and distribution' are assessed irrelevant in relation to the municipality's first priority.

Municipality's priority one compliance Matrix 15 is rated as average with government priorities 'Enhancing local capacity of electricity generation from coal and renewable resources', 'increased use of information technology in the operations of businesses, schools and public institutions', and 'more sustainable waste management'.

MATRIX 15: INFRASTRUCTURE-OBILIQ MUNICIPALITY

| | Government | Municipality | Increasing domestic production capacity of electricity from coal and renewable resources | Investing in energy efficiency measures for energy consumption | Completion of the main axes of international and regional international road and railway lines | Increased use of information technology in the operations of businesses, schools and public institutions | Improving infrastructure to support agricultural production | Rationalization of water use and increase production capacity and distribution | Ensuring sustainable use of forests in Kosovo | Sustainable waste management |
|--|------------|--------------|--|--|--|--|---|--|---|------------------------------|
| Renovation of central heating | 5 | 4 | 4 | 5 | 2 | 3 | 7 | 5 | | |
| Construction and renovation of roads in the municipality and their signaling | 3 | 4 | 7 | 7 | 5 | 2 | 2 | 2 | | |
| Treatment of rivers, Sitnica, Drenica and Llapi | 6 | 4 | 3 | 6 | 6 | 6 | 6 | 6 | | |
| Construction of the secondary sewage network | 3 | 2 | 2 | 5 | 5 | 5 | 4 | 5 | | |
| Renovation and expansion of water supply | 3 | 3 | 3 | 4 | 4 | 6 | 4 | 7 | | |



RATING SCALE OF COMPATIBILITY OF CENTRAL AND MUNICIPAL PRIORITIES FROM 1 TO 9 (1 REPRESENTING THE LOWEST COMPATIBILITY, 9 THE HIGHEST COMPATIBILITY)



5.4 Agriculture

In comparison to the last priorities category of both government levels, 'Development of Agriculture', municipality of Obiliq has added only a priority –'Subsidies for Agriculture'-Matrix 16. In relation to government priorities, municipality's priority in this category is evaluated higher than in other categories of development discussed above. On average, ' subsidies for agriculture', as a municipal priority is given a rating of seven degrees. This priority is regarded as very important in relation to the central government's priorities. 'Creating plots in a very regular geometric form, suitable for easy use of agri-

cultural machines, as well as the Parcel Identification System (LPIS)' and 'Establishment of a network of field roads, which allows direct access to the plot, and the elimination of seasonal servitude - access to property through property that belongs to another', both evaluated with nine degrees. On the other hand, the lowest rating was given to the compliance with the central priority 'Increasing the number of warehousing and storage facilities in major regions of Kosovo through Public-Private Partnerships'.

MATRIX 16: AGRICULTURE-OBILIQ MUNICIPALITY

| | Expanding the coverage of irrigation system in at least 40% of arable land by 2021 | Creation of a platform of Agricultural Integrated Information System for increasing competitiveness | Resolving the issue of fragmented agricultural land | Increasing the number of storage facilities through Public- Private Partnerships | Increasing the number of laboratory testing units for quality of private seed production | Financing of land consolidation and integration in rural development projects | Undertaking structural reforms to create better conditions for raising agricultural productivity | Creating plots in regular geometric form as well as realizing the Parcel Identification System (LPIS) | Formation of field roads network and the elimination of seasonal servitude |
|---------------------------|--|---|---|--|--|---|--|---|--|
| Subsidies for agriculture | 7 | 7 | 7 | 4 | 7 | 7 | 7 | 9 | 9 |

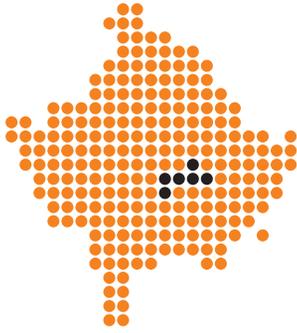
* RATING SCALE OF COMPATIBILITY OF CENTRAL AND MUNICIPAL PRIORITIES FROM 1 TO 9 (1 REPRESENTING THE LOWEST COMPATIBILITY, 9 THE HIGHEST COMPATIBILITY)

1 2 3 4 5 6 7 8 9



In general, at the Obiliq municipality, there is a variety of compliance with government priorities, depending on the category development. In 'Human Capital Development', municipality officials have considered a higher consistency of central and local priorities. The category of 'Competitive Industries Development' has an average rating of compliance, while the category of 'Infrastructure Development' has a rating of average to low.

Meetings and cooperation between ministries or central government and the municipality of Obilic similar to other municipalities are not formalized through an agreement. Meetings take place as needed and very rare. The need for coordination at the level of project implementation at Obiliq is more expressed mainly because it is an Area of Special Economic Interest. The specific focus is required in need of government intervention to improve environmental conditions in the municipality, and the social and economic effects caused by pollution from the plant. Municipality's most common approach is through their project financing requests.



6. MUNICIPALITY OF GRACANICA

Strategic priorities set by the municipality of Gracanica are:

1. **Social Infrastructure, Housing and Demography;**
2. **Promoting economic development through economic development, agriculture and tourism;**
3. **Public Services, Infrastructure and Transport; and**
4. **Environment, Natural Resources and Cultural Heritage.**

Just like other municipal priorities, these priorities are determined through an inclusive consultative process, by holding informal meetings and discussions with experts, entrepreneurs and farmers. Detailed reviews have issued four key priorities for better functioning and further development of Gracanica, located in a strategic document under the Municipal Development Plan thematic groups.

Although the Development Plan is used as a reference document for the work in the municipality, because it is very concrete and feasible, municipal officials have stated that there is a lack of funds for the smooth implementation of the plan. For example, the plan targets for this year will not be realized, but the municipality plans to re-allocate all those funds to the system infrastructure of irrigation in several villages around the municipality. The municipality of Gracanica sees agriculture as an area for economic development sees and according to them, the municipality owns a very qualitative land for cultivation, as well as experts in the field to realize this plan, but they point out that they are not receiving enough financial support from the other structures, whether national or international institutions.

6.1 Human Capital

When comparing priorities of the municipality in terms of human capital, it can be noticed that there are quite consistent with some of the government's priorities for the development of human capital. Municipal's first priority, considered of great importance, is 'Capacity building in the field of education. Besides the latter, the government priority 'Increasing the involvement of children in preschools', is estimated to be above average importance on a scale of seven points from nine maximum points. Two next central priorities 'Improving the quality of teaching in primary and secondary education' and 'Improving the interface between skills acquired in the education and labor market requirements' are estimated in full compliance with the concerned municipal priority. While four other central priorities are evaluated with below-average degree of relevance and compliance; such as 'Strengthening the functions of examination, inspection and accreditation in the education system', 'Improving the planning of expenditures in the education system', 'Reduction of informal employment', and 'short-term engagement of experts and students of the Diaspora'. Generally, the Gracanica municipality officials have stressed that the development of human capital is crucial for

the further economic development of the municipality. They consider the specific qualifications, such as those in manufacturing and agro - technologies are more relevant, more necessary and applicable in this municipality as well as in Kosovo, than some other common areas in the past two decades.

Another municipality's priority, 'Provision of adequate and quality services', has also been assessed to match with government's priorities for the development of human capital. Central priorities two and three 'Improving the quality of teaching in primary and secondary education' and 'Improving the interface between skills acquired in education and the requirements of the labor market are also evaluated with the highest degree of compatibility in this comparison.

While central priority 'Increasing the involvement of children in preschools', is estimated to be of only average importance. Other central priorities are estimated to be of below-average importance in addition to the municipal priority in question, which are presented in more detail in Matrix 17.

MATRIX 17: HUMAN CAPITAL-GRACANICA MUNICIPALITY

| | Government | Increasing the involvement of children in preschools | Improving the quality of teaching in primary and secondary education | Improving communications between the skills acquired in the education and labor market requirements | Strengthening the examination function, inspection and accreditation in education system | Improving the planning of expenditures in the education system | Reduction of informal employment | Short-term engagement of experts and students from Diaspora |
|---|------------|--|--|---|--|--|----------------------------------|---|
| Municipality | | | | | | | | |
| Short-term engagement of experts and students of the Diaspora | | 7 | 9 | 9 | 2 | 3 | 5 | 2 |
| Provision of adequate and quality services | | 6 | 9 | 9 | 4 | 4 | 5 | 4 |

* RATING SCALE OF COMPATIBILITY OF CENTRAL AND MUNICIPAL PRIORITIES FROM 1 TO 9 (1 REPRESENTING THE LOWEST COMPATIBILITY, 9 THE HIGHEST COMPATIBILITY)

1 2 3 4 5 6 7 8 9

6.2 Competitive Industries

Evaluations of related competitive industries were also made and here as Gracanica's first priority was ranked 'providing access to market and product placement'. In relation to government's first priority 'Easy access to Kosovo enterprises' was evaluated to being of less importance. On the other hand, the government's priorities two and three, 'Networking and development of grouped enterprises', and 'Transfer of SMEs in activities with higher added value', are estimated to be in full compliance alongside the municipal's priority, both were rated with nine points. These two issues are regarded as particularly important for Gracanica, Kosovo and for all, especially given the small market with which the city as well as the state itself is characterized. It was emphasized that it is necessary to include farmer's cooperatives and processors to increase sales and profits. Average rating has taken the central priority 'Increasing the level of Foreign Direct Investments (FDI) and those of the Diaspora'. One issue which according to officials

of the municipality of Gracanica, has no solution, is 'Resolving the issue of fragmented agricultural land', a central priority, evaluated as being non-relevant. The same rating also received two other government priorities 'Unlocking the privatization fund and use of funds for development' and 'good governance and satisfactory performance of state-owned corporates', as illustrated in the matrix 18.

Likewise, the second municipal priority 'Promoting and opening family businesses', is estimated along central priorities and the highest compliance here again showed priorities 'Networking and development of grouped enterprises' and 'Transfer of the SMEs into higher added value activities', both rated very highly. Central priority, 'Increasing the level of Foreign Direct Investments (FDI) and those of the Diaspora', is estimated to be of an average importance, while other government priorities were rated again with low importance (see Matrix 18).

MATRIX 18: COMPETITIVE INDUSTRIES-GRACANICA MUNICIPALITY

| | Government | Easy access to finance for Kosovo Enterprises | Networking and development of grouped enterprises | Transfer of SMEs in activities with higher added value | Increased levels of Foreign Direct Investment (FDI) and those of the Diaspora | Resolving the issue of fragmented agricultural land | Unlocking the privatization fund and use of funds for development | Good governance and satisfactory performance of state-owned corporate |
|---|------------|---|---|--|---|---|---|---|
| Municipality | | | | | | | | |
| Providing market access to markets for production | | 3 | 9 | 9 | 6 | 1 | 1 | 1 |
| Promoting the opening of family-owned businesses | | 3 | 9 | 9 | 7 | 1 | 1 | 1 |
| Development and promotion of local tourism | | 1 | 6 | 6 | 7 | 1 | 1 | 1 |
| Promotion and development of business | | 4 | 9 | 9 | 7 | 1 | 1 | 1 |

* RATING SCALE OF COMPATIBILITY OF CENTRAL AND MUNICIPAL PRIORITIES FROM 1 TO 9 (1 REPRESENTING THE LOWEST COMPATIBILITY, 9 THE HIGHEST COMPATIBILITY)

1 2 3 4 5 6 7 8 9

6.3 Infrastructure

It is still very important for the municipality of Gracanica to improve municipal infrastructure. Matrix 19 estimates are presented to municipal officials about the priorities compliance with local government on this issue. The first ranked priority 'coverage of sewage and water in the entire territory of the municipality', along which relevant government priorities are ranked quite relevant 'Improving supporting infrastructure for agricultural production' and 'rationalization of water use and increase production capacity and distribution'. Whereas other government priorities in relation to this municipal priority were evaluated with not such a great importance. 'Ensuring sustainable use of forests in Kosovo' and 'Sustainable Waste

Management', are estimated, for example, by three points. Regarding the use of forest insurance, municipal officials have said that this is priority is challenging since forests have already been cut illegally. No matter how adequate is the law on forest protection, it is not as worth it I not implemented. Priorities 'Enhancing the capacity of local electricity generation from coal and renewable resources', 'Investing in efficiency measures for energy consumption', 'increased use of information technology in the operations of businesses, schools and public institutions' and 'completion of the main axes of international and regional international road and railway lines' are considered entirely irrelevant.

MATRIX 19: INFRASTRUCTURE-GRACANICA MUNICIPALITY

|  | Increasing domestic production capacity of electricity from coal and renewable resources | Investing in energy efficiency measures for energy consumption | Completion of the main axes of international and regional international road and railway lines | Increased use of information technology in the operations of businesses, schools and public institutions | Improving infrastructure to support agricultural production | Rationalization of water use and increase production capacity and distribution | Ensuring sustainable use of forests in Kosovo | Sustainable waste management |
|---|--|--|--|--|---|--|---|------------------------------|
| Coverage of water supply and sewage network in the entire territory of the municipality | 2 | 2 | 1 | 2 | 8 | 8 | 3 | 3 |
| Improving the power grid and power supply | 1 | 9 | 1 | 7 | 7 | 7 | 3 | 3 |
| Telecommunication network coverage | 2 | 1 | 1 | 7 | 3 | 1 | 1 | 1 |
| Improvement in solid waste management | 3 | 3 | 1 | 1 | 3 | 1 | 1 | 9 |
| Afforestation and prevention of illegal forest cutting | 3 | 3 | 1 | 1 | 2 | 2 | 9 | 1 |
| The use of renewable energy sources | 9 | 9 | 1 | 1 | 3 | 3 | 3 | 1 |
| Improving the quality of water, air and soil by solving the problem of mining waste | 3 | 5 | 2 | 1 | 6 | 7 | 3 | 9 |



RATING SCALE OF COMPATIBILITY OF CENTRAL AND MUNICIPAL PRIORITIES FROM 1 TO 9 (1 REPRESENTING THE LOWEST COMPATIBILITY, 9 THE HIGHEST COMPATIBILITY)



6.4 Agriculture

In the end, central agricultural priorities were estimated against those of municipal. Here, the most important priority for Gracanica municipality is considered 'Achieving sustainable agricultural production'. In relation to this municipal priority, the first government priority in the field of agriculture 'Expanding the coverage of irrigation system in at least 40 percent of arable land by 2021', is estimated to be of the highest importance, with eight-point scale. However, municipal officials, think that the irrigation system coverage to 40 percent of arable land is very ambitious goal, but not as feasible. Further, the government's priority 'Increasing the number of buildings, warehousing and storage across Kosovo through Public-Private Partnerships', is estimated to coincide closely with the municipal's first priority this because the municipality still does not have a collection center for collection and storage of crops. Two other priorities central, 'Creation of an informative platform of Agricultural Integrated Information System for increasing competitiveness

in the agricultural sector' and 'Undertaking structural reforms (with emphasis on legal and institutional measures) in order to create better conditions for raising agricultural productivity', have been evaluated as not very important along with municipal priority. While completely irrelevant were evaluated the remaining five government priorities 'Resolving the issue of agricultural fragmented land', 'Increasing the number of units of laboratory testing for quality of private production of seeds and improving phytosanitary standards', 'preparation and financing of the project of land consolidation and integration in rural development projects', 'Creating plots in a very regular geometric form, suitable for easy use of agricultural machines, as well as the Parcel Identification System (LPIS)' and 'Establishment of field road network, enabling direct access to the plot and the elimination of seasonal servitude - access to property through someone else's property.

MATRIX 20: AGRICULTURE- GRACANICA MUNICIPALITY

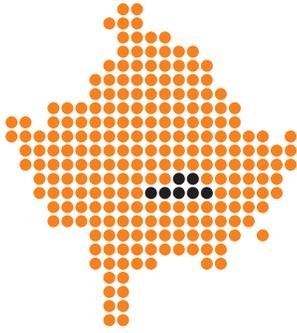
| | Government | Expanding the coverage of irrigation system in at least 40% of arable land by 2021 | Creation of a platform of Agricultural Integrated Information System for increasing competitiveness | Resolving the issue of fragmented agricultural land | Increasing the number of storage facilities through Public- Private Partnerships | Increasing the number of laboratory testing units for quality of private seed production | Financing of land consolidation and integration in rural development projects | Undertaking structural reforms to create better conditions for raising agricultural productivity | Creating plots in regular geometric form as well as realizing the Parcel Identification System (LPIS) | Formation of field roads network and the elimination of seasonal servitude |
|--|--------------|--|---|---|--|--|---|--|---|--|
| Achieving sustainable agricultural production | Municipality | 8 | 5 | 1 | 9 | 1 | 1 | 3 | 1 | 1 |
| Raising awareness about sustainable agriculture | | 7 | 5 | 7 | 7 | 1 | 1 | 1 | 1 | 1 |
| Prevention of illegal use of agricultural land and social exploitation | | 2 | 5 | 2 | 1 | 1 | 2 | 3 | 3 | 3 |
| Protecting agricultural land from chemical impacts (agrotechnical means) | | 2 | 1 | 1 | 1 | 1 | 1 | 3 | 1 | 1 |

* RATING SCALE OF COMPATIBILITY OF CENTRAL AND MUNICIPAL PRIORITIES FROM 1 TO 9 (1 REPRESENTING THE LOWEST COMPATIBILITY, 9 THE HIGHEST COMPATIBILITY)

1 2 3 4 5 6 7 8 9



Regarding the cooperation with the central authorities, just like other municipal officials, the municipality of Gracanica ones have stated that they set municipal priorities themselves based on the requirements and municipality needs. Communication is generally good and fair, although many believe that there is room for improvement. Cooperation and consultation regarding administrative issues, budgeting and training, which is offered repeatedly by government officials is more productive.



7. LIPJAN MUNICIPALITY

Lipjan municipality has concentrated its activity for the next two years on three main priorities. These priorities are:

1. **Improving the conditions for economic development structure for small and medium enterprises (SMEs)**
2. **Creation of a sustainable development system for agriculture and rural areas, and**
3. **Capacity building of cheap labor.**

Serving as a basis for guiding the development of the municipality, three main priorities remain in cohesion with the central government priorities defined in the National Development Strategy 2016-2021. Identification of the main priorities was made along with identifying areas with the most potential for development in the municipality of Lipjan. This process occurred during the preparation of the Local Economic Development Strategy for 2012-2017 (LEDS) by a team composed of municipal officials and experts contracted for consulting services. In an interview conducted in the municipality of Lipjan, officials indicated that LEDS has served as a key document for the anchoring of the Municipal Development Plan (MDP) and other activities aimed for economic development. Furthermore, they consider that LEDS is also used as a guide for the preparation of the Medium Term Budget Framework for 2017-2019, thus creating the proper consistency between municipal financial capacities and priorities defined in strategic planning. Consequently, municipality estimates that spending is provided for projects that are intended to be covered by adequate resources from its own revenues, government grants, and donations. As a result, expectations are that the MDP is realized within a given period.

There are cases that specific projects within MDP are replaced with new projects, and such adaptations are considered as inevitable due to developments in central government planning and new requirements that appear in the local community. For instance, according to the municipality of Lipjan officials, agricultural activities have not been very intensive in cultivation of berries in this municipality in the past however, with strategic change of central government and national agricultural orientation in cultivating berries, it was made a reorientation of municipal support.

Overall, however, the changes made within the MDP are based on the municipal support strategic priorities thereby ensuring consistency in local governance.

7.1 Human Capital

In the human capital sector, it was assessed the consistency between the priorities of central and local scale of one to nine, where one is the lowest (indicating that there is no consistency between the two priorities) and nine is the highest rate (showing that there are many compatibilities between both priorities). municipal priorities are listed by conducting interviews with municipal officials and local strategy analysis of the municipality of Lipjan; Thus, municipality of Lipjan priorities in the area of human capital are 1) Management quality and efficient education system, 2) Professional training of teachers at all levels, 3) Quality of learning based on standards from developed countries, 4) professional training of teachers at all levels, 5) inclusiveness, reconciliation and respect for learning in education, 6) education of sustainable social and economic development, and 7) Improvement of education conditions.

In relation to priority 1) management and effective quality in the educational system of the municipality of Lipjan, first central priority 'Increasing the involvement of children in preschools' is evaluated with very high degree of compliance with eight points. The second central priority in order, 'Improving the quality of teaching in

primary and secondary education' in relation to the same priority of Lipjan municipality is estimated to average levels. Then, the third government priority, namely 'Improving interface between the skills acquired in the education and labor market requirements' is estimated to be of above average importance in relation to the first municipal priority. Among the central priorities with smaller compliance to the first priority of Lipjan municipality are 'Reduction of informal employment' and 'short-term engagement of experts and Diaspora students'.

In the human capital matrix for the municipality of Lipjan, with greater conformity in terms of government priorities is estimated to be 'Improving the planning of expenditures in the education system', estimated at over seven points for each municipal priority, while governmental priorities with smallest compatibility have shown to be those such as 'Reduction of informal employment' and 'short-term engagement of experts and students of the Diaspora', both mainly valued at under three points. The importance of the above, 'sizing expenditure planning in the education system' is the result of close liaison with each municipal priority appropriations.

MATRIX 21: HUMAN CAPITAL-MUNICIPALITY OF LIPJAN

| | Municipality | Government | Increasing the involvement of children in preschools | Improving the quality of teaching in primary and secondary education | Improving communications between the skills acquired in the education and labor market requirements | Strengthening the examination function, inspection and accreditation in education system | Improving the planning of expenditures in the education system | Reduction of informal employment | Short-term engagement of experts and students from Diaspora |
|---|--------------|------------|--|--|---|--|--|----------------------------------|---|
| Quality and efficient management in the education system | 8 | 6 | 7 | 6 | 7 | 1 | 1 | | |
| Professional training of teaching staff at all levels | 9 | 9 | 6 | 1 | 6 | 1 | 1 | | |
| Quality learning based on standards developed countries' | 7 | 9 | 6 | 1 | 6 | 1 | 1 | | |
| Professional preparation of teachers of all levels | 9 | 9 | 7 | 1 | 7 | 2 | 2 | | |
| Inclusiveness, reconciliation and respect for learning in education | 8 | 8 | 8 | 1 | 8 | 1 | 1 | | |
| Avancim i gjendjes materiale të arsimit' | 9 | 9 | 9 | 1 | 9 | 5 | 1 | | |



RATING SCALE OF COMPATIBILITY OF CENTRAL AND MUNICIPAL PRIORITIES FROM 1 TO 9 (1 REPRESENTING THE LOWEST COMPATIBILITY, 9 THE HIGHEST COMPATIBILITY)



7.2 Competitive Industries

In reviewing second category priorities- The development of competitive industries, interviews with officials of the municipality of Lipjan focused initially on the order of priorities for the development of competitive industries. It turned out the main priorities for the development of SMEs are 1.1. Improving conditions for business development and entrepreneurship, 1.2. Strengthening institutional support for SMEs, 1.3. The creation of favorable conditions for attracting investments from the private sector and foreign investments - Promoting Municipality as a positive business environment, 1.4. The creation of four new economic groups in the cluster principle and 1.5. Development of Tourism.

Later, municipal officials have compared each local priority with each central priority in scale from one to nine, following the structure of comparative matrixes. This resulted in a high compliance rating between local and central priorities for the development of competitive industries (Matrix 22); on average, municipal leaders rated compatibility between local priorities with over seven most important in the course of developing local competitive industries (priorities 1.1 , 1.2 , 1.3) in relation to those of the central government. In relation to the first municipal priority in this area, 'Improving conditions for business development and entrepreneur-

ship', government priorities 'Easy access to finance for Kosovo enterprises', 'Transfer of SMEs in activities with higher added value' and 'Increased levels of Foreign Direct Investment (FDI) and those of the Diaspora' was evaluated on a scale of nine points. Making clear that municipal's and governments joint focus is in creating basic conditions that support the development of SMEs. Municipal's priority, 1.5. 'Tourism development' although rated as relevant to government priorities above average, is considered to encounter problems with the central government.

These problems are mainly due to the fact that, in this municipality includes Gadime Cave and Park Blinaja- important national assets, managed by central authority. As a result, the municipality considers tourism as a very important segment and believes that the potential offered by these tourist attractions is cannot be used to its maximum because the government is not very inclined to their development. Whereas, most common barriers to the achievement of municipal priorities in general, are property and legal problems, delays due to repetition, and complaints during the procurement procedures are the most common problems that municipalities face.

MATRIX 22: COMPETITIVE INDUSTRIES-LIPJAN MUNICIPALITY

| | Government | Municipality | Easy access to finance for Kosovo Enterprises | Networking and development of grouped enterprises | Transfer of SMEs in activities with higher added value | Increased levels of Foreign Direct Investment (FDI) and those of the Diaspora | Resolving the issue of fragmented agricultural land | Unlocking the privatization fund and use of funds for development | Good governance and satisfactory performance of state-owned corporate |
|---|------------|--------------|---|---|--|--|---|---|---|
| Improving conditions for business development and entrepreneurship | 9 | 8 | 9 | 9 | 2 | 6 | 7 | | |
| Institutional support for SMEs | 8 | 6 | 6 | 8 | 5 | 9 | 7 | | |
| The creation of favorable conditions for attracting investments from the private sector and foreign investments | 8 | 5 | 7 | 9 | 5 | 8 | 7 | | |
| The creation of four new economic groups in the cluster principle | 8 | 8 | 6 | 7 | 6 | 6 | 8 | | |
| Development of tourism | 8 | 6 | 8 | 8 | 5 | 5 | 6 | | |



RATING SCALE OF COMPATIBILITY OF CENTRAL AND MUNICIPAL PRIORITIES FROM 1 TO 9 (1 REPRESENTING THE LOWEST COMPATIBILITY, 9 THE HIGHEST COMPATIBILITY)



7.3 Infrastructure

In addition, in evaluating priorities within the third category in this study, accept those dealing with infrastructure, municipal officials initially listed the relevant priorities. In this category of development, there is an orientation towards investment in municipal planning and development of sustainable transport, sewage and garbage. As can be seen in the Matrix 23, three main listed priorities are 2.1. 'Improvement and modernization of transport infrastructure and connectivity with state corridors', 2.2. 'Improvement and modernization of transport infrastructure in the principle of sustainable development' and 2.3. 'Expansion and improvement of water supply and sewerage, and drainage canals network and regulation of surface water.

In general, when priorities of the municipality of Lipjan in the category of 'Infrastructure Development' are compared with their compliance with government priorities, they are rated high enough. The first municipal priority in order (2.1), evaluated against eight priorities of the government in Infrastructure Development category is considered as the most important in relation to government priorities 'End of the main axes of international and regional traffic and international railway lines- and 'Increase the use of information technology in the operations of businesses, schools and public institutions. These priorities were evaluated with nine and eight points, respectively. These two priorities remain also rated as most relevant when compared with all municipal priorities.

MATRIX 23: INFRASTRUCTURE-LIPJAN MUNICIPALITY

| | Government | Municipality | Increasing domestic production capacity of electricity from coal and renewable resources | Investing in energy efficiency measures for energy consumption | Completion of the main axes of international and regional international road and railway lines | Increased use of information technology in the operations of businesses, schools and public institutions | Improving infrastructure to support agricultural production | Rationalization of water use and increase production capacity and distribution | Ensuring sustainable use of forests in Kosovo | Sustainable waste management |
|---|------------|--------------|--|--|--|--|---|--|---|------------------------------|
| Improvement and modernization of transport infrastructure (roads, railways) and liaison with state corridors (highways planned) | 1 | 6 | 9 | 8 | 7 | 7 | 6 | 7 | | |
| Improvement and modernization of transport infrastructure in the principle of sustainable development | 7 | 7 | 9 | 8 | 7 | 7 | 7 | 7 | | |
| Expansion and improvement of water supply and sewerage, and drainage network channels and surface water regulation | 6 | 8 | 5 | 8 | 8 | 9 | 7 | 6 | | |
| Improving conditions for environmental protection | 6 | 9 | 5 | 8 | 7 | 7 | 8 | 5 | | |
| The creation of physical and institutional infrastructure in the principle of sustainable development . | 9 | 7 | 9 | 8 | 7 | 8 | 7 | 8 | | |
| Water supply | 6 | 6 | 6 | 2 | 9 | 9 | 7 | 7 | | |
| Management, collection, transport and treatment of wastewater and waste | 5 | 7 | 7 | 5 | 5 | 7 | 6 | 9 | | |
| Increasing the quality and safety of consumers with supply of electricity | 9 | 8 | 7 | 8 | 7 | 7 | 7 | 5 | | |



RATING SCALE OF COMPATIBILITY OF CENTRAL AND MUNICIPAL PRIORITIES FROM 1 TO 9 (1 REPRESENTING THE LOWEST COMPATIBILITY, 9 THE HIGHEST COMPATIBILITY)



7.4 Agriculture

Municipality of Lipjan lists the following priorities in the agriculture sector: 1) Creation of a database for the agricultural economy in the municipality of Lipjan, 2) training of agricultural producers, 3) organization of fair for agricultural producers, 4) Capacity building for processing and storage of agricultural products, 5) Investment in irrigation equipment, 6) development of production in alternative branches of agriculture, 7) Increase of production capacity in arboriculture, 8) Setting up of greenhouses, and 9) capacity utilization for the production of industrial plants.

Compliance of priorities for the agricultural sector in the municipality of Lipjan is estimated to be variable. Thus, the importance of government's priority 'Expanding coverage for irrigation system to at least 40 percent of arable land by 2021' for municipal priorities four, five, six and seven, the assessed importance was rated high for the following priorities 4) capacity building for processing and storage of agricultural products, 5) Investment in irrigation equipment 6) development of production in alternative agricultural branches and 7) capacity building of productive fruit trees.

MATRIX 24: AGRICULTURE-MUNICIPALITY OF LIPJAN

| | Government | Expanding the coverage of irrigation system in at least 40% of arable land by 2021 | Creation of a platform of Agricultural Integrated Information System for increasing competitiveness | Resolving the issue of fragmented agricultural land | Increasing the number of storage facilities through Public- Private Partnerships | Increasing the number of laboratory testing units for quality of private seed production | Financing of land consolidation and integration in rural development projects | Undertaking structural reforms to create better conditions for raising agricultural productivity | Creating plots in regular geometric form as well as realizing the Parcel Identification System (LPIS) | Formation of field roads network and the elimination of seasonal servitude |
|---|--------------|--|---|---|--|--|---|--|---|--|
| Creating the database for the agricultural economy in M | Municipality | 1 | 9 | 1 | 2 | 2 | 1 | 1 | 3 | 1 |
| Training of agricultural producers | | 2 | 1 | 4 | 1 | 3 | 3 | 3 | 1 | 1 |
| Organizing fair for agricultural producers | | 1 | 8 | 1 | 1 | 1 | 1 | 3 | 1 | 1 |
| Capacity building for the processing and storage of agricultural products | | 8 | 1 | 1 | 9 | 2 | 2 | 2 | 3 | 1 |
| investment in irrigation equipment | | 9 | 1 | 1 | 2 | 1 | 2 | 1 | 1 | 1 |
| Development of production in alternative branches | | 8 | 1 | 1 | 1 | 3 | 2 | 1 | 1 | 1 |
| Raising production capacity in arboriculture | | 8 | 1 | 7 | 1 | 1 | 4 | 1 | 1 | 1 |
| Building of greenhouses | | 5 | 1 | 3 | 1 | 1 | 1 | 1 | 1 | 1 |
| Capacity utilization for the production of industrial plants | | 7 | 1 | 8 | 1 | 1 | 9 | 1 | 1 | 1 |



RATING SCALE OF COMPATIBILITY OF CENTRAL AND MUNICIPAL PRIORITIES FROM 1 TO 9 (1 REPRESENTING THE LOWEST COMPATIBILITY, 9 THE HIGHEST COMPATIBILITY)





The cooperation of central and local government is not a formally designated process. The central government is believed to be present in municipal activities dealing with administrative issues and budget preparation. Other meetings between the municipality and the central government mainly occur through the Association of Municipalities and are rare.

An example of official cooperation between the two levels of government is licensing Business Office in Lipjan, through the establishment of which is made the delegation of powers of the Ministry of Trade and Industry towards the Municipality, in order to facilitate the procedure of establishment of businesses.



8. MUNICIPALITY OF DRENAS

Drenas municipal priorities for further local development are:

1. **Promotion of Economic Development through strengthening the private sector;**
2. **Enhancing of Administrative Capacity and Municipal Infrastructure; and**
3. **Advancing Health, Educational, Cultural and Welfare System**

These priorities, according to Drenas officials are defined on the basis of preliminary estimates in the municipality as well as the consultations with businesses, local organizations and experts in various fields. These priorities, along with strategic goals and concrete projects are anchored in the Local Eco-

nomic Development Strategy for the years 2015-2019. The municipality refers to this strategy to achieve the goals and the list of projects under the strategy is forwarded to each department for strict implementation. Municipal officials say that this strategy is concrete and feasible within the prescribed period; however, the available fund presents the problem. Municipality's available funds are insufficient for the implementation of all activities, projects and investments planned for the projected period. Therefore, in the past, often they have been forced to transfer projects from year to year. From the last strategy, for example, 50 per cent of projects have remained unrealized. However, this was also due to the large number of infrastructure projects in which Drenas municipality it has invested at the time. This is why they think that this time they will be able to realize a much greater percentage of projects.

8.1 Human Capital

Drenas municipal officials have outlined the municipality priorities by compliance and have compared with government priorities. In the area of human capital, the importance among concerned priorities was assessed in a scale of one to nine, which shows low to high compliance. The first ranked municipal priority is 'Increasing the knowledge of teachers through programs pursuing advanced teaching and learning'. The first priority of the center level is 'Increasing the involvement of children in preschools', which is estimated to be of a below-average importance, in addition to municipal's first priority; Unlike the next central priority 'Improving the quality of teaching in primary and secondary education', which is estimated to show much greater compliance with the

concerned municipal priority. Municipal's first assessed priority in relation to 'Improving the interface between skills acquired in the education and labor market requirements', a priority which is considered to have great importance as well.

While four other central priorities central 'Strengthening the functions of examination, inspection and accreditation in the education system', 'Improving the planning of expenditures in the education system', 'Reduction of informal employment' and 'Engagement of short-term experts and students of the Diaspora', have shown below - average importance.

MATRIX 25: HUMAN CAPITAL- MUNICIPALITY OF DRENAS

| | Municipality | Government | Increasing the involvement of children in preschools | Improving the quality of teaching in primary and secondary education | Improving communications between the skills acquired in the education and labor market requirements | Strengthening the examination function, inspection and accreditation in education system | Improving the planning of expenditures in the education system | Reduction of informal employment | Short-term engagement of experts and students from Diaspora |
|---|--------------|------------|--|--|---|--|--|----------------------------------|---|
| Increasing the knowledge of teachers by pursuing advanced programs | 5 | 9 | 7 | 3 | 4 | 4 | 4 | 4 | |
| Creating partnerships between the municipality and companies Ferronikel and Business Park to engage young people in internships | 5 | 7 | 9 | 3 | 5 | 6 | 5 | 5 | |
| Reorganization of vocational profiles required by the labor market | 5 | 7 | 9 | 3 | 5 | 5 | 4 | 4 | |
| Creating opportunities for all day stay at schools for pupils | 4 | 5 | 3 | 3 | 6 | 3 | 3 | 3 | |
| Equipping schools with cabinets and other equipment needed | 4 | 5 | 6 | 3 | 6 | 3 | 3 | 3 | |
| Coordination of activities for monitoring and evaluation of the educational process | 5 | 7 | 7 | 7 | 6 | 4 | 4 | 4 | |
| Promoting collaborations and partnerships with the private sector and other institutions and organizations from home and abroad | 4 | 6 | 8 | 4 | 4 | 4 | 3 | 3 | |
| Creating conditions for inclusion of children with special needs in regular educational institutions | 5 | 6 | 7 | 5 | 6 | 3 | 3 | 3 | |
| Infrastructure construction and improvement of school facilities | 4 | 5 | 6 | 4 | 6 | 3 | 3 | 3 | |



RATING SCALE OF COMPATIBILITY OF CENTRAL AND MUNICIPAL PRIORITIES FROM 1 TO 9 (1 REPRESENTING THE LOWEST COMPATIBILITY, 9 THE HIGHEST COMPATIBILITY)



8.2 Competitive Industries

Estimates of central municipal priorities are also provided for competitive industries. Here, the first priority of Drenas is 'Promotion of local and foreign investments'. Two top central priorities which are compared with the municipal priority, 'Facilitating access to finance for Kosovar enterprises' and 'Networking and development of grouped enterprises', have not been assessed as being of great importance, with three and five points respectively. While two next central priorities, 'Transfer of SMEs in activities with higher added value' and 'Increased levels of Foreign Direct Investment (FDI) and those of the Diaspora', are estimated to be of average importance. While the fifth central priority 'Resolving the issue of agricultural fragmented land', is considered of relatively low importance, central priorities six and seven 'Unlocking the privatization fund and use of funds for development' and 'good governance and satisfactory performance of state-owned corporate' are

considered non-relevant priorities in addition to municipal priority in question.

Another priority, which is considered important for the municipality, is 'Creating further incentives for business development and branches (cluster) business'. Regarding the municipal priority, three central priorities have received the highest rating in terms of importance.

'Networking and development of grouped enterprises', is evaluated with the greatest degree of compatibility, nine points, 'Transfer of SMEs in activities with higher added value', is estimated to range from eight points and 'Increased levels of Foreign Direct Investments (FDI) and those of the Diaspora', is valued at seven-point scale (as can be seen in the Matrix 26).

MATRIX 26: COMPETITIVE INDUSTRIES- MUNICIPALITY OF DRENAS

| | Government | Easy access to finance for Kosovo Enterprises | Networking and development of grouped enterprises | Transfer of SMEs in activities with higher added value | Increased levels of Foreign Direct Investment (FDI) and those of the Diaspora | Resolving the issue of fragmented agricultural land | Unlocking the privatization fund and use of funds for development | Good governance and satisfactory performance of state-owned corporate |
|--|------------|---|---|--|---|---|---|---|
| Promoting domestic and foreign investments | | 3 | 5 | 7 | 8 | 3 | 1 | 1 |
| Efficient use of natural resources for the good of the community | | 2 | 4 | 6 | 7 | 3 | 3 | 1 |
| The creation of further incentives for business development and branch (cluster) housing stock | | 5 | 9 | 8 | 7 | 3 | 1 | 1 |
| Encouraging and supporting youth entrepreneurship through organizing training in the field of entrepreneurship | | 3 | 3 | 3 | 4 | 2 | 4 | 4 |
| Efficient use of natural mining resources by long-term strategic goals | | 3 | 2 | 5 | 6 | 5 | 6 | 6 |



RATING SCALE OF COMPATIBILITY OF CENTRAL AND MUNICIPAL PRIORITIES FROM 1 TO 9 (1 REPRESENTING THE LOWEST COMPATIBILITY, 9 THE HIGHEST COMPATIBILITY)



8.3 Infrastructure

At the infrastructure priorities, the first lined priority 'Construction and improvement of road infrastructure, free movement of people, goods and the creation of further incentives for business development. This priority is compared with eight municipal government priorities, but only one of the government priorities is estimated to have the highest compliance, i.e. priority 'Improving supporting infrastructure for agricultural production', with scale eight-point. Two other government priorities 'investment in efficiency measures for energy consumption' and 'Increasing the use of information technology in the operations of businesses, schools and public institutions', are estimated to be of only average importance, in addition to municipal priority concerned. All other government priorities are assessed to be of minor importance, such as 'rationalization of water use and increase of production capacity and distribution', 'Ensuring sustainable use of forests in Kosovo' and 'Sustainable Waste Management'. Finally, the government's priorities 'Increased local capacity of electricity generation

from coal and renewable resources' and 'Completion of the main axes of international and regional road and international railway lines' are considered irrelevant by the municipality of Drenas along their first priority.

'Construction, functioning and maintenance of water supply system, and the use of alternative resources' is another important municipality's priority. Besides this, of great importance have also been assessed the following government's priorities 'Investing in energy efficiency measures for energy consumption' and 'rationalization of water use and increasing of production capacity and distribution', both with eight points. Also, two other central infrastructure priorities 'Increasing of local production capacity of electricity from coal and renewable resources' and 'Improving supporting infrastructure for agricultural production', are considered to be of above-average importance.

MATRIX 27: INFRASTRUCTURE-MUNICIPALITY OF DRENAS

| | Municipality | Government | Increasing domestic production capacity of electricity from coal and renewable resources | Investing in energy efficiency measures for energy consumption | Completion of the main axes of international and regional international road and railway lines | Increased use of information technology in the operations of businesses, schools and public institutions | Improving infrastructure to support agricultural production | Rationalization of water use and increase production capacity and distribution | Ensuring sustainable use of forests in Kosovo | Sustainable waste management |
|---|--------------|------------|--|--|--|--|---|--|---|------------------------------|
| Construction and improvement of road infrastructure | 1 | 6 | 1 | 6 | 8 | 4 | 4 | 4 | | |
| Investments to improve school infrastructure | 1 | 1 | 1 | 7 | 2 | 1 | 2 | 3 | | |
| Construction of new roads, regulation of existing roads, lighting, construction of sidewalk, green spaces and parks | 2 | 2 | 6 | 4 | 3 | 2 | 2 | 2 | | |
| Rise of the sewer systems in the different settlements as well as the existing regulation | 2 | 2 | 3 | 2 | 5 | 5 | 4 | 9 | | |
| Raising plants and collectors to treat wastewater | 3 | 3 | 2 | 4 | 5 | 3 | 3 | 5 | | |
| Construction, functionalism and maintenance of water supply system and the use of alternative sources | 6 | 6 | 1 | 3 | 4 | 7 | 3 | 5 | | |



RATING SCALE OF COMPATIBILITY OF CENTRAL AND MUNICIPAL PRIORITIES FROM 1 TO 9 (1 REPRESENTING THE LOWEST COMPATIBILITY, 9 THE HIGHEST COMPATIBILITY)



8.4 Agriculture

The agricultural sector is considered among the most important sectors in Drenas and the latter works much in the further development of this sector and improving conditions for farmers. The first priority in this area is 'Creating a system intensive agricultural sector and economically sustainable'. Besides this, the government priority 'Expanding the coverage of irrigation system by at least 40 percent of arable land by 2021', is estimated to be of average importance, the same as the next government priority 'Undertaking structural reforms (with emphasis on legal and institutional measures) in order to create better conditions for the growth of agricultural production'. Government priority two, eight and nine 'Creation of an informative platform of Agricultural Integrated Information

System for increasing competitiveness in the agricultural sector', 'Creating plots in a more regular geometric form suitable for easy use of agricultural machines, as well as the realizing of the Parcel Identification System (LPIS)' and 'Establishment of a network of field roads, which allows direct access to the plot, and the elimination of seasonal servitude - access to property through property belonging to another' have been estimated slightly above average importance. In Matrix 28, the highest rating priority in along municipal's priority is 'Increasing the number of warehousing and storage facilities in major regions of Kosovo through Public- Private Partnerships', which is considered to be of great importance.

MATRIX 28: AGRICULTURE-MUNICIPALITY OF DRENAS

| | Government | Expanding the coverage of irrigation system in at least 40% of arable land by 2021 | Creation of a platform of Agricultural Integrated Information System for increasing competitiveness | Resolving the issue of fragmented agricultural land | Increasing the number of storage facilities through Public- Private Partnerships | Increasing the number of laboratory testing units for quality of private seed production | Financing of land consolidation and integration in rural development projects | Undertaking structural reforms to create better conditions for raising agricultural productivity | Creating plots in regular geometric form as well as realizing the Parcel Identification System (LPIS) | Formation of field roads network and the elimination of seasonal servitude |
|---|--------------|--|---|---|--|--|---|--|---|--|
| Creating a system of intensive agricultural sector and economically viable | Municipality | 6 | 7 | 3 | 8 | 1 | 1 | 6 | 7 | 7 |
| Sectors, and application of the criteria in granting subsidies to farmers | | 1 | 4 | 5 | 5 | 6 | 4 | 4 | 5 | 5 |
| Supporting agribusiness development , aiming at promoting the construction of identities and brands | | 1 | 4 | 2 | 2 | 5 | 4 | 5 | 3 | 4 |
| The development of agro - business through the establishment of mini Greenhouse | | 7 | 6 | 5 | 5 | 6 | 5 | 6 | 4 | 4 |
| Farmers support in setting up irrigation system | | 8 | 4 | 4 | 3 | 4 | 4 | 6 | 5 | 4 |
| capacity building of processing and distribution of agricultural products | | 5 | 4 | 5 | 5 | 5 | 6 | 4 | 2 | 2 |
| Improvement of irrigation system of agricultural land | | 9 | 5 | 5 | 4 | 4 | 5 | 4 | 4 | 3 |
| Development and enhancement of training programs for farmers | | 4 | 6 | 3 | 3 | 5 | 3 | 4 | 3 | 3 |

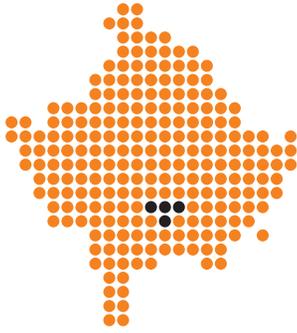


RATING SCALE OF COMPATIBILITY OF CENTRAL AND MUNICIPAL PRIORITIES FROM 1 TO 9 (1 REPRESENTING THE LOWEST COMPATIBILITY, 9 THE HIGHEST COMPATIBILITY)





The officials of Drenas municipality deliberated on the level of cooperation with officials at the central level in the design of the municipal priorities. According to them, there was no consultation about these priorities, they were compiled based on the specifics of the municipality. Discussions and consultations with government officials takes place mostly during the preparation of the municipal budget. Communication with the central level is generally at satisfactory level, but according to them further progress in this direction is essential. Directors of the Economic Development of all municipalities meet three to four times a year, but the Minister of Economic Development does not take part in every meeting. They think it is important that these meetings be more frequent and more effective, so that municipal officials have the opportunity to address observations and problems and find solutions jointly.



9. SHTIME MUNICIPALITY

The Shtime municipality has focused on three main areas with the highest priority for the overall development of the municipality:

1. **Economic development,**
2. **Education and**
3. **Health**

These three areas are set for the municipality during the drafting of the 2009-2020 Development Plan and Sectoral Development Strategies (e.g. Strategy of Economic Development, Tourism, and Education). These strategic documents remain the basis for coordinating of municipal as well as guidance for developing the respective budgets. In cases where there is a need to make changes in municipal activities, create new versions of the budget, with changes that always remain anchored in the Municipal Development Plan.

9.1 Human Capital

Following the methodology of the study, to evaluate cohesion between local and central government, it was conducted an interview with officials from various relevant departments. Initially, after consulting municipal strategic documents, municipal priorities for the next two years were listed in four categories: 'Human capital', 'Developing of Competitive Industries', 'Infrastructure Development' and 'Development of Agriculture'. Four rating categories were assigned in accordance with the National Development Strategy 2016-2021.

In Shtime municipality, we have listed these priorities for the human capital category: 1) Completion of 80 per cent of the conditions for the organization of teaching and learning standards of the century. XXI, 2) pre-university education institutions to provide security, pedagogical views, humane and, 3) Shtime pre university education to have 12 features of effective- qualitative institutions, 4) Establish mechanisms for the advancement of children's rights, 5) Provide mechanisms for monitoring, supervision and evaluation of AP institution work performance and student achievement, and 6) PU institutions to possess renewal programs and the promotion of permanent PU institutions.

According to estimates from the municipality of Shtime, on the importance of government priorities in the area of human capital along municipality priorities in the same sector it turns out that the first government priority 1) Increasing the involvement of children in preschool institutions, is not relevant to the municipality's first priority. 1) Accomplishing the 80 per cent of conditions for the organization of teaching and learning standards of the century XXI. However, the same government priority is estimated to be very relevant in the context of municipal third priority; it features 12 effective - quality institutions, and priority 4) Establish mechanisms for the advancement of children's rights.

For the second municipal priority 2) institutions of pre-university education to provide security, have pedagogical humane and healthy image, except priorities, 6) Reduction of informal employment and 7) Engagement of short-term experts and students of the Diaspora, deemed as not quite relevant, all other government priorities are of paramount importance (see Matrix 29).

Increasing the pre university institutions' efficiency and quality through 12 characteristics (to name a few: the creation of strong leadership and professional educational institutions, control - monitoring, supervision and evaluation of performance, advancement and promotion of the child responsibilities and rights coincides pretty much with every government priority. High compatibility along this priority has second government priority 2) Improving the quality of teaching in primary and secondary education.

Furthermore, all government priorities are estimated of high compliance alongside municipals' fourth priority, respectively,

along 4) Establishing mechanisms for the advancement of children's rights. Similarly, the fifth municipal priority 5) providing mechanisms for monitoring, supervision and evaluation of the PU institutions work performance and student achievement, is estimated to be compatible with almost all government priorities. And finally, municipal's sixth priority 6) PU Institutions to possess programs of innovation and permanent advancement- is estimated to have a lower compatibility with government priorities compared to other municipal priorities. Improved expenditures planning in the education system is rated at the highest rate of importance besides the sixth municipal priority.

MATRIX 29: HUMAN CAPITAL-SHTIME MUNICIPALITY

| | Government | Increasing the involvement of children in preschools | Improving the quality of teaching in primary and secondary education | Improving communications between the skills acquired in the education and labor market requirements | Strengthening the examination function, inspection and accreditation in education system | Improving the planning of expenditures in the education system | Reduction of informal employment | Short-term engagement of experts and students from Diaspora |
|---|------------|--|--|---|--|--|----------------------------------|---|
| Completion of 80 % of the conditions for the organization of teaching and learning standards of XXI century | 1 | 6 | 3 | 6 | 5 | 2 | 1 | |
| Pre- university educational institutions to provide security, pedagogical views, humane and healthy | 6 | 7 | 5 | 6 | 7 | 1 | 1 | |
| Shtimes' Pre - university to have 12 features of effective-quality institution | 8 | 9 | 5 | 6 | 8 | 5 | 4 | |
| Establish mechanisms for the advancement of children's rights | 8 | 8 | 6 | 8 | 9 | 6 | 4 | |
| Provide mechanisms for monitoring, supervision and evaluation of the performance of the work of the institutions of Pre-University Education (PU) and student achievement | 5 | 7 | 8 | 7 | 9 | 4 | 4 | |
| PU institutions to possess programs to advance innovation and permanent institutions AP | 5 | 7 | 6 | 6 | 8 | 4 | 4 | |



RATING SCALE OF COMPATIBILITY OF CENTRAL AND MUNICIPAL PRIORITIES FROM 1 TO 9 (1 REPRESENTING THE LOWEST COMPATIBILITY, 9 THE HIGHEST COMPATIBILITY)



9.2 Competitive Industries

In the second category 'The development of competitive industries', Municipality of Shtime priorities are: 2.1. 'Creation of four business areas with a capacity of 70 businesses in 2018', 2.2. 'Reduction of informality by 50 percent by 2018', 2.3. 'Training / counseling 50 entrepreneurs in drafting business plans and investment plans until 2015', 2.4. 'Design guides for business promotion by 2014', and 2.5. 'Tourism Development' (Matrix 30).

From the assessment of these municipal priorities to indicate the degree of linkage with government priorities, emerged a largely low compliance. It became particularly apparent, a discrepancy with three central priorities. 'Resolving the issue of agricultural fragmented land', 'Unlocking the privatization fund and use of funds for development', and 'Good Governance

and satisfactory performance of the state-owned corporates' are three government priorities evaluated to be of average compliance with municipal priorities. One of the reasons for this discrepancy is the fact that in Shtime municipality, there are no state-owned corporates for which there is a great anticipation of their impact on the local economic climate. Therefore, policies related to the management of public enterprises are of low importance for the Municipality of Shtime. In the meantime, the government priority with the highest compatibility is 'Increasing the level of Foreign Direct Investments (FDI) and those of the Diaspora, the assessment of which has shown to be of high importance, especially in promoting business and development tourism.

MATRIX 30: COMPETITIVE INDUSTRIES-SHTIME MUNICIPALITY

| | Government | Easy access to finance for Kosovo Enterprises | Networking and development of grouped enterprises | Transfer of SMEs in activities with higher added value | Increased levels of Foreign Direct Investment (FDI) and those of the Diaspora | Resolving the issue of fragmented agricultural land | Unlocking the privatization fund and use of funds for development | Good governance and satisfactory performance of state-owned corporate |
|--|------------|---|---|--|---|---|---|---|
| Municipality | | | | | | | | |
| The creation of four business areas with a capacity of 70 businesses in 2018 | | 7 | 5 | 6 | 5 | 1 | 1 | 1 |
| Reducing informality by 50 % by 2018 | | 5 | 1 | 2 | 6 | 1 | 1 | 1 |
| Training / consultation of 50 entrepreneurs in drafting business plans and investment plans until 2015 | | 1 | 2 | 3 | 5 | 1 | 1 | 4 |
| Drafting of guides to promote business by 2014 | | 6 | 1 | 1 | 8 | 4 | 1 | 2 |
| Development of tourism | | 6 | 7 | 6 | 8 | 6 | 1 | 1 |



RATING SCALE OF COMPATIBILITY OF CENTRAL AND MUNICIPAL PRIORITIES FROM 1 TO 9 (1 REPRESENTING THE LOWEST COMPATIBILITY, 9 THE HIGHEST COMPATIBILITY)



9.3 Infrastructure

In the category of 'Infrastructure Development, Municipality of Shtime has had 7 priorities (Matrix 31), among which their priorities are of the highest importance: 'Completion of regulatory plans and infrastructure (roads, sidewalks, sewers, street lighting, signage, markets, bus stations, municipal buildings, rivers)', 3.2. 'Functionality of family medicine throughout the municipality of Shtime 2017', 3.3 'Digitalization of all public services in the period of 2014-2018', 3.4. 'The building of 30 hectares of green space in the city and villages by 2018', 3.5. 'Completion of school infrastructure (construction of facilities, equipment, laboratories and other associated assets) until 2018. Within this category fall most of the capital investment, and municipal budget appointed for this year for this category is about 25 percent of the total budget.

Again, even in this category, there is a low rating compliance of municipal priorities and Governments ones compared with other municipalities. The first priority of Shtime municipality in infrastructure development, 'Completion of regulatory plans and infrastructure (roads, sidewalks, sewers, street lighting, signage, markets, bus stations, municipal buildings, rivers)', is estimated at about two possible degree of intensity of one to nine. This municipal priority is relevant only in average relevant to two central priorities which are 'Investing in energy efficiency measures for energy consumption' and 'Increasing the use of information technology in the operations of businesses, schools and public institutions'.

MATRIX 31: INFRASTRUCTURE-SHTIME MUNICIPALITY

| | Municipality | Government | Increasing domestic production capacity of electricity from coal and renewable resources | Investing in energy efficiency measures for energy consumption | Completion of the main axes of international and regional international road and railway lines | Increased use of information technology in the operations of businesses, schools and public institutions | Improving infrastructure to support agricultural production | Rationalization of water use and increase production capacity and distribution | Ensuring sustainable use of forests in Kosovo | Sustainable waste management |
|--|--------------|------------|--|--|--|--|---|--|---|------------------------------|
| Completion of regulatory plans and infrastructure (roads, sidewalks, sewers, street lighting, signage, markets, bus stations, municipal buildings, rivers) | 1 | 5 | 1 | 5 | 1 | 3 | 1 | 2 | | |
| Functionality of family medicine throughout the municipality of Shtime by 2017 | 1 | 3 | 1 | 4 | 1 | 3 | 1 | 1 | | |
| Digitization of all public services within the time period 2014-2018 | 2 | 5 | 1 | 5 | 1 | 3 | 1 | 2 | | |
| The creation of 30 ha of green space in the city and villages by 2018 | 1 | 2 | 1 | 1 | 2 | 3 | 4 | 6 | | |
| Completion of school infrastructure (construction of facilities, equipment, laboratories and other associated tools) 2018 | 1 | 5 | 2 | 5 | 2 | 3 | 1 | 2 | | |
| Professional capacity building of human resources that provide public services through training, study visits and formal education | 3 | 4 | 2 | 6 | 5 | 5 | 5 | 6 | | |
| Functionality of the quality management system in all public institutions in the municipality of Shtime 2018 | 1 | 3 | 1 | 8 | 3 | 2 | 2 | 2 | | |



RATING SCALE OF COMPATIBILITY OF CENTRAL AND MUNICIPAL PRIORITIES FROM 1 TO 9 (1 REPRESENTING THE LOWEST COMPATIBILITY, 9 THE HIGHEST COMPATIBILITY)



9.4 Agriculture

In the last category, that of agricultural development, the main priorities in the municipality of Shtime generally deal with direct support to farmers through various subsidies. More specifically, the priorities of the municipality are: 4.1. 'Expansion of areas under irrigation of 100 into 400 ha, up to 2018', 4.2. 'Subsidizing 20 farmers in the amount of 150,000 euros for the construction or expansion of greenhouses 2018', 4.3. 'Subsidizing 30 farmers (fruit growing, animal husbandry) in an amount of 250,000 euros until 2018', 4.4. 'Coaching and training of 100 farmers to develop intensive agriculture until 2016', 4.5. 'Support and subsidies worth 100,000 euros to increase the processing capacity and distribution of agricultural products by 2016.

Concerning the estimates of matching the priorities of local government and central government, during an interview in Shtime, it turned out that in comparison with three categories of priorities assessed in this study, the priorities set within the category of Agricultural Development in the municipality considered to be more in line with top priorities of central government.

All municipal priorities in this category are considered to have a higher connection with the priority 'Establishing network of field roads, which allows direct access to the plot, and the elimination of seasonal servitude - access to property through property belonging to another' since the case was given a rating of seven degrees. On the other hand, priority from the municipality, which is generally assessed with the highest degree of importance besides the central government priorities, is 4.5. "The support and subsidies worth 100,000 euro capacity building processing and distribution of agricultural products by the year 2016, which is estimated to be nine degrees of compliance to government priority 'Increasing the number of warehousing and storage facilities in major regions of Kosovo through Public- Private Partnerships' and the priority 'Increasing the number of units of laboratory testing for quality of private seed production and improvement of phyto sanitary standards'.

MATRIX 32: AGRICULTURE-MUNICIPALITY OF SHTIME

| | Government | Expanding the coverage of irrigation system in at least 40% of arable land by 2021 | Creation of a platform of Agricultural Integrated Information System for increasing competitiveness | Resolving the issue of fragmented agricultural land | Increasing the number of storage facilities through Public- Private Partnerships | Increasing the number of laboratory testing units for quality of private seed production | Financing of land consolidation and integration in rural development projects | Undertaking structural reforms to create better conditions for raising agricultural productivity | Creating plots in regular geometric form as well as realizing the Parcel Identification System (LPIS) | Formation of field roads network and the elimination of seasonal servitude |
|---|--------------|--|---|---|--|--|---|--|---|--|
| Expansion of areas under irrigation of 100 to 400 ha, up to 2018 | Municipality | 4 | 5 | 5 | 1 | 2 | 5 | 5 | 6 | 6 |
| Subsidy of 20 farmers in the amount of 150,000 euros for the construction or expansion of greenhouses 2018 | | 4 | 3 | 5 | 6 | 6 | 5 | 6 | 5 | 7 |
| Subsidy of 30 farmers (orchards, livestock) at a value of 250,000 euros in 2018 | | 4 | 3 | 5 | 6 | 6 | 5 | 6 | 5 | 7 |
| Counseling and training of 100 farmers for intensive development of agriculture until 2016 | | 5 | 6 | 5 | 7 | 7 | 8 | 6 | 7 | 8 |
| Support and subsidies worth 100,000 euro with a building capacity of the processing and distribution of agricultural products by 2016 | | 5 | 6 | 5 | 9 | 8 | 5 | 5 | 6 | 7 |



RATING SCALE OF COMPATIBILITY OF CENTRAL AND MUNICIPAL PRIORITIES FROM 1 TO 9 (1 REPRESENTING THE LOWEST COMPATIBILITY, 9 THE HIGHEST COMPATIBILITY)





From interviews in Shtime, it was understood that consultations with the central government were largely absent in the design of local government priorities. But to ensure cohesion between the two levels of government, the municipality has made the drafting of municipal strategy and adapted referring to national strategies. Similar to other municipalities, communication and meetings with central government are implemented through the Association of Municipalities, municipal departments and ministries of the same line. These meetings are however rare. The support provided by the municipality on the other hand is regarded as satisfactory and mainly directed at infrastructure, construction of roads and buildings.

CONCLUSION

The aim of this study was to identify and assess the compatibility of regional development priorities (namely economic region center) and national priorities addressed by the central government. Identifying the priorities of municipalities in the region Center is made possible through strategic documents developed by municipalities, as well as priority information was collected mainly from interviews with officials of the departments of Economic Development, Education, and Agriculture.

Economic and sustainable development has been identified as a priority common to all municipalities involved in the study. Other priorities, such as infrastructure development, education and agriculture are found to be a priority for more than half the municipalities in the region Centre. Municipalities that have specifically prioritized infrastructure development are: Prishtina, Fushe Kosova, Obiliq, Gračanica and Lipjan. For further development of education and human resources, municipalities are seriously engaged and have pointed out as a local priority the following municipalities: Fushe Kosova, Drenas, Gračanica, Lipjan, Drenas and Shtime. From the interviews, it was observed an increase of engagement in the development of agriculture, as an important branch of economy in the country, in almost all municipalities in the Centre region, namely, municipalities that have prioritized it are: Prishtina, Podujeva, Fushë Kosova, Gračanica and Lipjan. It is worth mentioning that the improvement and protection of the environment is stated to be a priority for Fushe Kosova and Obilic municipalities. In these two municipalities, extends the energy industrial space, which are also known as the most polluted areas in Kosovo. Consequently, these two municipalities have a reasonable set of priority for increasing the level of environmental protection.

Besides identifying common municipal priorities, government priorities were also identified with the highest compliance to the various municipal priorities. More specifically, the identification is performed by referring to NDS - four pillars, namely human capital, competitive industries, development of infrastructure and agriculture. For the human capital pillar, the central priority estimated with highest compliance along most of the eight municipal priorities, appears to be 'Improving the quality of teaching in primary and secondary education', followed by the central priorities, 'involvement of children in preschool institutions' and '

Improving interface between the skills acquired in the education and labor market requirements'. Similarly, for the competitive industries pillar, the central priorities with the highest compatibility in addition to municipal are: "Increasing levels of Foreign Direct Investments (FDI) and those of the Diaspora"; 'Transfer of SMEs in activities with higher added value'; and 'Networking and development of grouped enterprises'. Identification of priorities for infrastructure has produced the following results: 'Rationalisation of water use and increase of production capacity and distribution'; 'Improving supporting infrastructure for agricultural production'; and 'Increasing the use of information technology in the operations of businesses, schools and public institutions', have proved most relevant along municipal priorities. Last, central priorities in agriculture: 'Increasing the number of warehousing and storage facilities in major regions of Kosovo through Public- Private Partnerships'; 'Expanding the coverage of irrigation system in at least 40 percent of arable land by 2021' and 'Creating plots in a very regular geometric form, suitable for easy use of agricultural

machines, as well as the Parcel Identification System (LPIS)', were evaluated with the highest compatibility with local priorities in relation to eight municipality priorities in question.

Regarding the four pillars included in the study, the budget allocation for the eight municipalities reveals municipal budget allocation for categories such as education and science, infrastructure, economic development and agriculture. Here, it is noted that the largest budgetary allocation in all municipalities goes to education and science, in an interval of 30-49 percent of the total municipal budget of the region Center. The large budget division, is observed in infrastructure development, with an interval of 17-30 percent of the total municipal budget. While a much smaller division compared to education and infrastructure, it was observed in two other sectors relevant to this study, namely, agriculture with a 0.5-3 percent range and economic development or competitive industries with a range of 0.1-1 percent of the total budget of these municipalities. Since education and science have a very high importance for the overall development, budget allocated to the municipalities of the region center has been evaluated to be reasonable. Also, it is noted that the level of investment in infrastructure is high and this indicates the need for further infrastructure development is still present. Nevertheless, expectations are that in the future, after the building of appropriate infrastructure for municipal needs, budgetary allocations for categories of economic development and agriculture will be increased, since these two categories are of high priority for both central and local level.

Generally, the correlation of the central priorities in relation to municipal priorities has space for coordination, because data from interviews suggest that cooperation between the central and municipal level in most cases is satisfactory, but that this cooperation can be increased. Thus, it coincides with the purpose specified in the NDS of creating a common axis orientation based on existing policies and strategies, to select 'country's highest priorities'.

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APPENDIX

Priorities covered in this study fall into four thematic pillars: the development of human capital, the development of competitive industries, development of infrastructure, and the development of agriculture, which are listed in the following way:

In the human capital category, were defined the following priorities:

- involvement of children in preschools
- the quality of teaching in primary and secondary education
- interface between the skills acquired in the education and labor market requirements
- strengthening of accountability mechanisms and certification in educational system
- planning of expenditures in the education system
- Reduction of informal employment
- engagement of experts and students of the Diaspora

Within the development of competitive industries category, the following priorities were defined:

- Facilitating access to finance for enterprises in Kosovo
- Networking and development of grouped enterprises of SMEs in activities with higher added value
- Increased levels of Foreign Direct Investment (FDI) and those of the Diaspora
- Resolving the issue of fragmented agricultural land
- Unlocking privatization fund and use of funds for development
- good governance and satisfactory performance of state-owned corporates

In the context of infrastructure development the following priorities were defined:

- Increasing domestic production capacity of electricity from coal and renewable resources
- Investment in efficiency measures for energy consumption
- Completion of the main axes international and regional international road and railway lines
- The increased use of information technology in the operations of businesses, schools and public institutions
- Improving supporting infrastructure for agricultural production

- rationalization of water use and increase production capacity and distribution
- Securing sustainable use of forests in Kosovo
- Sustainable Waste Management

In the context of agricultural development the following priorities were defined:

- Expanding the coverage of irrigation system in at least 40 percent of arable land by 2021
- Creation of an informative platform of the Integrated Agricultural Information System to increase competitiveness in the agricultural sector
- Resolving the issue of fragmented agricultural land
- Increasing the number of warehousing and storage facilities in major regions of Kosovo through Public-Private Partnerships
- Increasing the number of units of laboratory testing for quality of private seed production and improvement of phytosanitary standards
- project preparation and financing of land adjustment and integration in rural development projects
- Undertake structural reforms (with emphasis on legal and institutional measures) in order to create better conditions for raising agricultural productivity
- Creating plots in a more regular geometric form suitable for easy use of agricultural machines, as well as the realizing of the Parcel Identification System (LPIS)
- Building a field of road network, enabling direct access to the plot, and the elimination of seasonal servitude - access to property through someone else's property



An EU funded project managed
by the European Union
Office in Kosovo

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