



# FOSTERING CHILD-FOCUSED SPENDING IN LOCAL MUNICIPALITIES

A Child Focused Budget Study in Peja Municipality



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## GENERAL OVERVIEW

This report is a presentation of the main findings with regards to the extent of the reflection of children needs in the municipal budget of the Municipality of Peja. As such, the report is divided in three parts:

- a) A comprehensive picture on the macroeconomic and social development of the country, which directly impact the decision at the local level;
- b) An expenditure review of the budget of the Municipality of Peja for the period 2010 – 2014;
- c) A qualitative analysis and a representation of the main findings, followed by practical recommendations.

## INTRODUCTION

The year of 2014 marks the 25<sup>th</sup> anniversary of the ratification of the United Nations Convention on the Rights of the Child (UNCRC). While the initial goal of the Convention was to promote children rights on a global scale, the situation in many signatory countries is still unsatisfying. Article 4 of the UNCRC places an obligation on the part of governments to invest in children to the ‘maximum extent of their available resources’ in order to realize the objectives of the Convention.<sup>1</sup> On this note, despite the fact that Kosovo has not signed the UNCRC due to its political status, it has transposed it into its legal framework through the constitution. Given this fact and also considering that Kosovo is a country with the highest number of youth in the region, it has an obligation to create favorable policies in the protection and development of children and youth, and their rights.

In line with the obligations arising from the Convention, the signatory countries are responsible to ensure the minimum standards in the area of healthcare, shelter, nutrition, work, and social welfare, in order to guarantee children an environment that fulfils their needs. Nonetheless, in order to live up to these responsibilities, the states must smartly allocate their budgets and wisely manage the public finances, in order to assure a proper channeling of the financial resources towards the promotion of children’s rights and the reflection of their needs in the budgetary schemes and state programs. As stated in the Strategy and National Action Plan on Children’s Rights in the Republic of Kosovo 2009-2013, “it should certainly be recognized that children’s rights are, even though they constitute an autonomous system of standards, human rights which should be applicable in their entirety for children.”<sup>2</sup>

While Kosovo is still considered to be in a transitory phase of its development, there is an immediate need for switching the policies towards a bottom up, and rather a structural prone approach with regards to the promotion of children’s rights. This, in other words, is attributed to the high effort that the country and the policy makers have put in large capital investments, state building activities in the political context, regional cooperation, and European Union (EU) integration. In doing so, they tend to miss, and hence forget to address and commit towards investing in essential areas such as education, healthcare, social welfare, safety, etc. While there have been measurable, yet slow developments in these sectors, statistics show that the country is still lagging behind in their development as well as in providing conditions compliant with the EU and international standards. The underdevelopment of these sectors directly impacts the development of children and hampers gravely their right to a decent and normal living.

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1 UN Convention on the Rights of the Child, (1989), OHCHR.

2 Strategy and national action plan on children’s rights in the Republic of Kosovo 2009-2013, (2009), Office of the Prime Minister, Government of Republic of Kosovo.

## GOAL OF THE STUDY

In order to grasp an understanding of the conditions in the area of children's rights in Kosovo, this study will conduct a child-focused budget analysis by focusing the analysis in the prevailing budget expenditure trends in one of the municipalities of Kosovo. The Municipality of Peja, the second largest municipality in the country, is the focus of our study. By targeting budget allocation in the selected municipality, this report identifies the problems and lists the recommendations on how investments can be improved to contribute to a better use of society's resources in realizing children's rights in this municipality?

The goal of this financial review and budget allocation is to strengthen policy development with a focus in child oriented spending. Through identifying existing fiscal, management, and capacity constraints, the analysis is oriented towards the identification of relevant policy suggestions to be integrated into budgetary planning, especially with a focus in the area of primary healthcare, pre-university education, as well as the provision of social services, that would ultimately aid the sectors heavily impacting the development of children and their wellbeing in Kosovo.

It is now an established fact that effective and target oriented investment in children results in economic and social progress. Children's wellbeing is ultimately translated in higher productivity gains that ultimately lead to an economic growth. Therefore the need arises for a thorough assessment of the effectiveness of budget spending, the appropriateness of budget allocations, and the reflection of the social and the municipal-specific needs in the municipal's budgetary planning.

## METHODOLOGY

A mixture of qualitative and quantitative methodology techniques have been used to address the problem and collect the data for the study. More specifically, the study report was prepared based on a twofold approach with different techniques of desk and field research applied at different stages of the research and analysis process. The methods used and the research strategy applied is as follows:

Desk research of relevant documents related to the promotion of child rights in Kosovo, which was focused on the identification of the main documents, laws, strategies, action plans, international reports and studies that directly cover the area of children rights.

In order to draw a parallel between the central level planning and how does that planning impact local policy making, collected macroeconomic and country specific data based on the National Budget, the Constitution of the Country, the Kosovo Agency of Statistics, as well as the websites of the respective Ministries, i.e. the Ministry of Finance, the Ministry of Health, the Ministry of Work and Social Welfare, and the Ministry of Education and Science. In addition, collected was extensive information from the World Bank, the EU and the UN reports for the period 2010-2014 that specifically tackle the issues that directly impact the lives of the children, such as poverty rates, corruption, level of literacy and education, level of social inclusion, etc. Additionally our research relied heavily on the findings of different UN reports and the latest Progress Report with a focus on the problems that pertain to our area of study, i.e. health, education, and social well-being, while always trying to draw a parallel line between the policies at the central level and see how they affect the policies at the local level.

To get to the core of the problem and to better understand the budgetary allocations at the local level, we have first analyzed the regulatory framework. Hence, the report represents direct outcomes from the Budget Law, Law on Local Self Governance, Law on Family, Law on Social and Family Services, the Health Law, the Law on Pre-University Education, etc. Based on these laws, we were able to understand what are the policies in place and the legal expectations for each sector, which helped us understand whether the planned policies are coordinated and in proportion with the budgetary lines.

Thereafter, based on the Laws on Budget, we collected specific data for each sector. Based on these data, we were then able to establish trends in budget allocations and identify whether there have been

positive and negative changes and, understand what could have been the possible reasons behind those changes. Moreover, through the Expenditure Report, we were able to understand the efficiency in the budget planning and spending.

Also, to gain sector specific data, we accessed the Kosovo Agency of Statistics regular reports on the conditions and specific numbers in the selected sectors. Based on these data, we were able to understand the number of the children in the municipality, the presence of Roma Ashkali and Egyptian (RAE) communities, the number of doctors, medical visits, number of schools, etc. These data were highly useful towards helping us grasp a general picture of the situation in these sectors in Peja.

The second and the most important phase of the research was the gathering of the primary data. This has been achieved through two main activities: 1) interviews were conducted with both, public officials as well as with representatives from the independent and civil society organizations; 2) a focus group session was held with a group of 10 people carefully selected to fit the needs of our study.

At this point the aim was to identify personal experiences of the relevant stakeholders with projects implemented, to see the level of autonomy in terms of budget allocation at the municipal level, to identify problems pertaining to the implementation of child focused programs, to understand the level of cooperation of local representatives with international donors and citizens, to evaluate performance of relevant stakeholders and their awareness of the budget spending implications, among others.

In order to understand what developments have been taking place that are outside of the scope of the central or local planning, we also contacted the currently active NGOs working in the area of children's rights. Based on their experience and knowledge of the areas of study, we managed to obtain information that cannot be accessed online or through desk research.

In addition, we have organized a focus group with the sole purpose of gaining insightful information from a list of 10 directly involved stakeholders with each being responsible for different areas within the selected sectors of study. The aim of the focus group was to see how these institutions, represented by their representatives, cooperate with each other, to what extent are they involved in budget planning, whether and how do they translate the needs of the children and their interests into policies, etc. The focus was to obtain qualitative data that are reflected in the last part of the report and which have helped us draft municipal specific recommendations.

It is worth noting, that the report is drafted in such a way that it offers a combination of the municipal specific findings and an overview of the macroeconomic indicators, which jointly provide a clear picture of the situation in the field. The report is wrapped with the listing of the main findings and the provision of the recommendations which are exclusively based on the information we have gathered through the field and desk research activities.

## KOSOVO COUNTRY PROFILE

The Republic of Kosovo, the newest country in Europe, is a country of 1.824 million inhabitants<sup>3</sup> and covers 10 908 km<sup>2</sup> in the southeast region of Europe. Labeled as lower middle income by World Bank, the country is characterized by a very young population, with a general population average age of 26 years, whereby 53% of population is under the age of 15 and less than one-tenth are over 65 years old.<sup>4</sup>

Since after the war, and especially from the proclamation of the independence and onwards, the country has been engaged in the implementation of serious measures to successfully move towards a market based economy. On this path, the challenges were many, given the pervasiveness of the high unemployment rates and the poverty levels. Real GDP in 2013 amounted to 5.2 billion EUR, whereby the standard of living

3 Demographic Data per Municipality, (2011), REKOS, Kosovo Agency of Statistics.

4 Kosovo Country Profile, (2014), The World Bank.

has increased to some extent with the GDP per capita now reaching 2,935 EUR; yet it is still far less than compared to the GDP levels in the countries of the region.<sup>5</sup> The high unemployment rate of 35.1%<sup>6</sup> and the low employment rate of 25.5% directly contribute to the headcount poverty rate, which has indeed decreased from 45.1% in 2006 to 29.7% in 2011, but is still staggering and rampant.<sup>7</sup> This problem has progressed mainly due to the war in 1999 and the split from Yugoslavia, which led to poor educational system, limited employment opportunities and difficult labor conditions, resulting in a high number of unemployment which is affecting youth and women disproportionately. This, in turn, is representing serious obstacles to the social wellbeing and the smooth economic development.

The country's fiscal policies are constrained by the tight fiscal frameworks in place, which has limited the public debt rate at 9% of GDP.<sup>8</sup> As reported by the World Bank, in 2013 the inflation rate reached 1.8%, whereby the fiscal outlook framework altogether reflects at the first glance the tendency of the government to keep the country within acceptable limits of the fiscal policy management.<sup>9</sup> Despite Kosovo having experienced a constant economic growth since 2008, averaging at 4.5% on yearly basis, Kosovo remains one of the poorest countries in Europe. However, according to World Bank Report, Kosovo is thought to be one of the four countries in Europe that experienced economic growth every year post 2009 crisis period, averaging 3.5% during the years of 2009-2013.<sup>10</sup>

These indicators combined, only help us understand that the situation in the country doesn't in fact offer a sound basis for an acceptable level of social welfare. The poor performance in terms of increasing employment opportunities and reducing poverty, are the constant drivers of uncontrolled emigration.

	2010	2011	2012	2013	2014
REAL GDP	4,204,300,000.00	4,594,600,000.00	4,949,900,000.00	5,232,800,000.00	
NOMINAL GDP	4,402,000,000.00	4,814,500,000.00	5,058,700,000.00	5,326,600,000.00	
GDP PER CAPITA	2,480.00	2,672.00	2,799.00	2,935.00	
KOSOVO BUDGET	1,129,509,680.00	1,414,927,737.00	1,512,647,064.00	1,591,512,602.00	1,589,324,952.00

■ Fig. 1 – Kosovo Country Macroeconomic Accounts

On this note, children are the ones who are struck the most by poverty. Based on a recent study commissioned by UNICEF in Kosovo, 48.6% of children aged 0-19 years old are in poverty,<sup>11</sup> with the children of marginalized categories, i.e. households receiving assistance, children with unemployed parents, minority communities etc. being the ones who are more exposed to risk. On the other hand, children of wage earning households, where at least one family member works, make up for 36% of children living in poverty in the country.<sup>12</sup> Low levels of employment have triggered the rise of informal economy and have directly increased the importance of the remittances, which amount to 15% of GDP<sup>13</sup> and count for one of the main sources of income for families in Kosovo.

The country is characterized by the persistence of inequality at different levels. While poverty rates are higher in the rural areas, compared to the urban ones, the presence of inequality is almost seen in every sector. In terms of employment and education, women and minorities experience serious disadvantages. Unemployment among female is 40.0%, male 28.1%, while unemployment among youth is the highest at 55.3%.<sup>14</sup> All this leads to Kosovo still remaining one of the poorest countries in the region with poverty

5 National Accounts, Kosovo Agency of Statistics.

6 *Ibid.*

7 World Bank Report No. 82682-XK, (2014), The World Bank.

8 Department of State: 2014 Investment Climate Statement, (2014), U.S. Department of State.

9 Kosovo Public Finance Review, (2014), The World Bank.

10 Country Snapshot - The World Bank Group in Kosovo, (2014), The World Bank.

11 Child Poverty in Kosovo, (2014), UNICEF.

12 *Ibid.*

13 Study on Remittance in Kosovo 2013, (2013), Kosovo Agency of Statistics.

14 Results of the Kosovo Labour Force Survey. (2013), Kosovo Agency of Statistics.

rate at 29.7% and the extreme poverty at 10.2%, as estimated for the year 2011.<sup>15</sup> Also, today we have a vivid difference in terms of illiteracy rates, whereby 12.5% of the women population is illiterate compared to three times less, or 4% of the male population.<sup>16</sup>

Kosovo is also ranked as one of the countries belonging to the upper scale level of corruption index. Based on the Corruption Perceptions Index 2014,<sup>17</sup> the country ranked 33 out of 100, with a score of 0 indicating the highest rate of corruption in one country.

Ultimately, despite the fact that the country has still managed to move forward since the conflict period and since its establishment as an independent country, the institutional capacity to tackle the prevailing problems is weak and so is the will to do so. Therefore, the need for bottom up initiatives is seen as the best policy solution considering the current circumstances.

## PROTECTION OF CHILDREN RIGHTS IN KOSOVO

The legislation in Kosovo covering children's rights, defines a 'child' as a human being under the age of 18, which is in compliance with the definition of the child as provided in the UNCRC. At this age, the person is considered to have reached maturity, is given the right to vote, can enter a marriage arrangement and is entitled to all the rights equal to adults.

Protection and promotion of children's rights is a right established through the constitutional framework in Kosovo. Moreover, with the UNCRC being embedded through the Constitution, the country has taken serious measures on the legislative side to draft and promulgate laws that work to the best interest of children's rights, but at the same time, there is a number of various strategies that the policy makers at the central level have drafted in order to assure the protection of child rights in the country.

In addition to the rich legal framework that will be elaborated later in the report, the promotion and protection of children's rights in Kosovo is the focal point of the Strategy and National Action Plan on the Rights of the Child in Kosovo 2009-2013, Strategy and Action Plan for Prevention and Elimination of Child Labor in Kosovo 2011 – 2016, Strategy Plan for Organizing Inclusive Education of Children with Special Educational Needs in Pre-University Education in Kosovo 2010-2015, Strategy of Mother, Child, Adolescent and Reproductive Health with Action Plan 2011-2015, and many other strategies in different sectors that also tackle the rights of children within those sectors.

Despite the fact that Kosovo has now established a satisfactory legal framework, drafted and approved strategies encompassing the protection of children's rights, as well as, established institutions with a special focus in this area, the crucial problem is that the actions of the Government do not convey the same idea. For the implementation of these strategies and laws, and the empowerment of the institutions for doing so, there is a need for attribution of funds and appropriate financial support. Nonetheless, thus far, serious commitments of policy makers were lacking and hence there are low or barely any significant results proving progress in this area. To address issues of such macroeconomic and large social scale relevance, the best method to be used is to start tackling the problem in a rather decentralized approach.

## SPENDING IN CHILDREN LEADS TO POSITIVE SOCIAL AND ECONOMIC OUTCOMES

Spending on child-centered policies is equal to investing in our common future. Investing financial resources to help children survive and develop their potential is first and foremost an ethical duty of everyone. But, investing on children by creating child-focused policies is beneficial for the whole society as well. The growth of a nation depends on the education, health and well-being of children. Investment in

15 Results of the Kosovo 2012 Labour Force Survey, (2012), Kosovo Agency of Statistics.

16 Republic of Kosovo Study for Poverty Profile in European Region, (2010), Japan International Cooperation Agency.

17 "How Corrupt Is Your Country?" 2014 Corruption Perceptions Index, (2014), Transparency International.

children brings a lot of positive outcomes to the society, politics and the economy. Considering, that a child gets its foundation on health, education and his/her wellbeing in early childhood, it is considered most beneficial to invest during that period of life. On the other hand, considering that lack of investments in children leads to many negative effects to society, we realize that benefits prevail over costs. Thus, in order to avoid long term costs we should start contributing today towards the protection and the promotion of children's rights.

First of all, the article 4 of the UNCRC states that "States Parties have the obligation of undertaking measures to the maximum extent of their available resources and, where needed, within the framework of international cooperation". This article legally bounds all of the signatories to use their resources in the maximum extent in order to realize children's economic, social and political rights.<sup>18</sup>

Second, for the countries that tend to become members of the EU, they have to work on children's inclusion, since it is one of the main requirements that the EU has asked for the membership process.<sup>19</sup> Dealing with child poverty and breaking the transferring of poverty and child exclusion from one generation to the other, is one of the primary goals of the EU political agenda. Child poverty is considered as a multi-dimensional problem which requires an urgent intervention.<sup>20</sup> Thus, addressing the issue of child poverty is a key element on achieving social stability as well as economic development. Therefore, for a country that is in the process of integration, it needs to have policies that represent, protect and guarantee children's rights.

Moreover, considering the importance of a healthy and decent childhood, UNICEF on its study "Investing in Children" states that "interventions and policy choices made today will determine whether millions of children and youth are able to reach their full potential, or are left to face a future of worsening inequity and marginalization."<sup>21</sup>

This particular statement shows the importance of investing in children and the potential negative effects in a society, in case of lack of such investment. Moreover, this investment will not benefit the well-being of children only, as due to its high spillover potential effects, it will also affect others indirectly. If children are growing up in a friendly environment, other citizens' well-being will improve as well. Therefore, children's needs should be represented in the country policies and they should be given equal access to education, health, and social assistance.

On the other hand, health is a vital factor that affects the well-being of children. Therefore, investing resources towards improving the health conditions of children, brings several benefits to the society. Healthy children are more efficient on collecting knowledge, have strong mental and physical capabilities, and thus have higher productivity and bring better end results. Healthier children are more productive, whereby they create a healthy environment which is attractive for investment and contributes to better economic performance at the country level.<sup>22</sup>

Spending on child-sensitive policies and programs that channel investments towards health, education and well-being of children, develops their capacities and in turn, their potential, which leads to higher productivity in a society and thus economic growth. Experiencing economic growth would lead to more investment, job opportunities, and ultimately, to the reduction of poverty levels.

Furthermore, when a country invests in the education of the children, it invests on its human capital, hence on its future. Investing in education is the best way to create strong productive individuals that would lead to the creation of a strong nation. Education adds skills to labor, which translate into an equipped workforce that leads to higher outputs and economic growth. All this contributes to economic returns and social returns, which reduce social cost caused by unemployment and thus the country's poverty.

18 Child –focused public expenditure review, (2009), UNICEF Country Office Skopje.

19 Article 24 of the [Charter of Fundamental Rights of the European Union](#) specified that children have the right to such protection and care as is necessary for their well-being and the child's best interest must be a primary consideration in any action taken relating to them.

20 Child –focused public expenditure review, (2009), UNICEF Country Office Skopje

21 Rees, Nicholas, Jingqing Chai, and David Anthony., (2012), Right in principle and in practice: a review of the social and economic returns to investing in children, UNICEF.

22 Investing in Children: A brief overview of the social and economic returns to investing in children, (2014), UNICEF.

In addition, investing in children brings benefits to the society in social terms as well. Governments can contribute socially by creating policies that do not allow keeping our children and young people deprived of equal opportunities to schooling, employment and trainings, since this can lead to inequality and discrimination in the society, which later on brings problems, i.e. corruption and failed democracy. According to the report commissioned by Save the Children 'Investment in Children,' "a society that takes care after children and is committed to create laws and regulations that benefit children, is more likely to have a social stability and promote equality that benefit all citizens."<sup>23</sup>

Ultimately, insufficient social investment, uneducated youth, high level of inequality and poverty, altogether interrupt the development of a democracy. As a result, if a government's aim is to develop the country, investing in children is the best way a government can chose to spend its resources.

## THE BUDGETING CYCLE AT THE CENTRAL AND THE LOCAL LEVEL IN KOSOVO

The budget drafting and preparation at the central and the local level in Kosovo, is regulated by the Law on Public Financial Management and Accountability. Based on this law, no later than April 30 of the selected financial year, the Government is obliged to submit to the Assembly a Medium Term Expenditure Framework, which, except for the macroeconomic and fiscal indicators, should also contain estimated grant levels for each municipality calculated in accordance with the formulae as established in the Law on Local Government Finance. Also, the Minister shall issue the budget circulars to any and/or all budget organizations providing instructions on the development of the Kosovo Consolidated Budget no later than April 30 of the fiscal year, which specifies the grant levels and provides the instructions to be used when preparing the budget. The Municipalities have to submit the proposed budget and appropriations requests by September 30 of that year. The Minister has no right to alter the budget, unless the Municipalities have not complied with the instructed procedures. Once the Kosovo Consolidated Budget has been approved by the Government, it has to be submitted to the Assembly no later than October 31 of the then fiscal year. Ultimately, the Assembly approves the budget by end of December, which marks the end of the fiscal year.<sup>24</sup>

While, regarding the preparation of the budget at the local level, which is also rather more relevant to the area of our study, the process is regulated by the same Law as well as the Law on Local Government Finance. Upon receiving the budget circular from the Ministry, the Chief Financial Officers (CFO) at the Municipal Level shall issue a budget circular to the head of each department of the municipality, before or on July 1 of the fiscal year. After the expiration of the date in the circular and after receiving the budget proposals by the Departments, CFO is obliged to review the budgets. After consulting with the departments and drafting a final form of the budget, the CFO shall deliver to the mayor the Municipal Budget. Thereafter, the Municipal Mayor has to submit the budget to the Assembly by September 1. The Municipalities are then obliged to hold public hearings and to submit a final Budget by September 30.<sup>25</sup>

## PEJA MUNICIPALITY BUDGET ANALYSIS

The next section of this report presents a financial analysis of the budgeting trends in the Municipality of Peja. The analysis is focused in three separate, yet interrelated sectors, which directly impact the well-being of children in this municipality. With a focus on healthcare, education and social services, this section provides an overview of the expenditure patterns in the last five years, an analysis of the profile of the budgetary lines, while listing main issues and areas that need intervention.

23 Perezniето, Paola, Anamaria Golemac Powell, and Merima Avdagic.. Investment in Children., (2011), Overseas Development Institute.

24 Law No. 03/L-048 on Public Financial Management and Accountability, Official Gazette of the Republic of Kosovo.

25 Law No. 03/L-049 on Local Government Finance, Assembly of Kosovo.

## A PROFILE OF THE MUNICIPALITY OF PEJA

The Municipality of Peja is the second largest municipality in Kosovo and covers a territory of 602 km<sup>2</sup> with 95 villages.<sup>26</sup> Located in the Western Part of the Republic Kosovo, Peja is home to 96,450 citizens with an almost equal distribution of the population between the urban and the rural part of its territory.<sup>27</sup> It is estimated that 58 % of inhabitants live in urban areas and 42 % live in rural areas. The population age structure is as follows: 1,568 or 1.6% are infants, 30,165 or 31.3% are 1-18 years old, 57,223 or 59.3% are 19-64 years old, while 7,494 are above 64 years old.<sup>28</sup> While the estimation of ethnic structures indicates that 87,975 are Kosovo Albanians, hence comprising the majority of the population, 332 are Kosovo Serbs, 3,786 are Bosniaks, 3,836 are of the RAE communities and the rest belong to other minor communities.<sup>29</sup>

The municipality of Peja has been allocated a total local budget of 19.2 million EUR for the fiscal year January 1 –December 31, 2014, while the predicted budget for 2015 is expected to increase by a margin of 9.8%, amounting to a total of 21.1 million EUR.<sup>30</sup> In terms of distribution, 54.92% are allocated for Salaries and Wages, 12.69% are allocated for Goods and Services, 3.19% Utilities, 1.82% Subsidies and Transfers, and the remaining 27.38% are allocated for Capital Expenditures.<sup>31</sup> The major focus of the budget for the category of Salaries and Wages is a country wide phenomenon, whereby the usual increase in the amount of the allocated budget for a particular municipality, in this case Peja, is attributed to precisely the higher budgeting in this budgetary line.

Focusing on the budget allocated for the relevant sectors falling within the area of our study, the Municipality of Peja allocated an amount of 2.5 million EUR or 13% of the municipal budget for Health and Social Welfare Services, out of which 97% are reserved for the health sector while the remaining amount is dedicated to the sector of social services. While in general, the social welfare statistics indicate a highly unsatisfying condition, the budget allocated for the provision of social services and assistances has barely marked any progress in terms of higher budgeting for this category. This is the same and holds true at a national level as that at a municipal level. Approximately 44% of the budget is allocated for the development of the education sector, or more specifically 8.4 million EUR, while no more than 3.2% of the budget, or 187,800 EUR are allocated for the development of the culture and sports sector.

In terms of the economic activity, the city relies and is historically known for its agricultural tradition and craftworks masterfully prepared by local craftsmen. Agriculture is a major factor that affects its economy, considering the rich agriculture land which cover 51.74%, out of which 67.5% of the land is being cultivated. Furthermore, an advantage of the city of Peja is its enrichment with attractive tourism places such as Rugova canyon, Bjeshket e Nemuna Mountains and Peja Spa.<sup>32</sup> Peja has great potential for the development of the mountain tourism; hence it has been and remains a great attraction for investors.

In April 2008, there were 4,137 small private businesses registered, 80% of them were concentrated in the trade sector.<sup>33</sup> Nonetheless, the level of unemployment in the municipality is drastically high. In 2011, based on the a prepared report by the Ministry of Labour and Social Welfare, it is reported that 34,708 citizens are registered as unemployed, which in percentage terms amounts to 35,9 % of the population being unemployed.<sup>34</sup>

Given the high level of unemployment in the municipality, the concerns of the citizens are precisely focused in this direction and so are the policies of the policy makers. While indeed the improvement of employment levels and the performance on all economic indicators also benefit the well-being of children, the promotion of children's rights in the municipality is almost invisible in the local policy-making agen-

26 Municipality of Peja. Profile, Municipality of Peja (Web..)

27 Based on the 2011 census, 48,962 of the Peja citizens lived in the urban part of the Municipality, while 47,488 citizens lived in the rural areas.

28 Demographic Data per Municipality. (2011), Kosovo Agency of Statistics. .

29 *Ibid.*

30 Municipality of Peja Budget 2014, Municipality of Peja, Department of Finance.

31 *Ibid.*

32 About Peja, Rotary Club Peja.

33 Ekonomia, Municipality of Peja (Web.)

34 Puna dhe Punesimi- Annual Report 2011., (2011), Ministry of Labour and Social Welfare.

da. Moreover, there is lack of awareness with regards to the understanding of the importance of investing in the well-being of children. While a thorough analysis of each of the selected sectors of our interest will follow in the next section, it is worth mentioning that the Municipality of Peja, in terms of the promotion and the protection of children's rights, has been largely assisted by Save the Children, United Nations Development Program, UNICEF, while many programs have been carried by a couple of local organizations, such as the NGO Syri i Vizionit as well as Iniciativa 6.

## OVERVIEW OF THE LOCAL GOVERNMENT FINANCING

The Constitution, jointly with the Law of Local Self Government, has delegated a certain number of competencies from the Central to the Local level, hence increasing the number of the delegated responsibilities for the Kosovo Municipalities. In addition to a wide range of new tasks and obligations, the Municipalities are responsible for the implementation and the management of the policies in the area of primary health care, pre-university education, as well as, the provision of the social services.<sup>35</sup>

The idea of delegated power and a decentralized system in providing many social services is seen as a good opportunity for offering the citizens a better chance for involvement in policy making, and hence increasing the accountability of policy makers towards its citizens.

In order to understand the implications of the decentralization, its roots, and the implementation in practice in the area of the three selected sectors, we will, in parallel, explain the legislative background and the provisions which clearly define the obligations of the municipalities with regards to the management of their finances.

On this note, there is a specifically tailored arrangement for the drafting of municipal budgets, as well as the way how the central level supports the local level in terms of financial back up. The financial support for the implementation and successful carriage of these delegated competencies is handled through the issuance of three main grants: the general grant, and the specific grants for education and health.<sup>36</sup> The Municipalities, however, have their share of contribution in this regard. The municipal budget shall consist of own source revenues, the grants from the Government, as well as donations and other sources of revenues. Generally, the major share of the municipal budget in each budgetary line is consisted of government grants, where municipalities try to contribute mainly through their own source revenues, which tend to be really small.

With regards to the general and the two specific grants, it is important to note the way how these grants are calculated and allocated horizontally amongst different municipalities. For the calculation of the general grant, Article 24 of the Law on Local Government Finance clearly states for the strict criteria to be respected in the calculation when deciding for the distribution of grants amongst the Municipalities, which is based on the number of the population, the size of the minority population, the size of the physical area, etc. On the other hand, the specific grants are designed to assure the minimum standard level of services in the pre-university education and the primary health care at the local level, and are calculated by a strict formula as provided by the Grants Commission.<sup>37</sup>

The idea for having a specific grant for education and health is highly supported and is lastly seen as a great alternative to tackle the social protection sector in the country. According to Mentor Morina, Head of the Department for Social Planning and Inclusion within the Ministry of Labour and Social Welfare, the Ministry has in the first half of this year submitted the request to the Ministry of Finance to reconsider the designation of a specific grant for the social services. In his words, the specific grant would assure the minimum standard for the provided services in this category at the municipal level. The request for this

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35 Law Nr. 03/L-040 on Local Self Government, Assembly of Kosova.

36 Law Nr. 03/-L040 on Local Self Government, Assembly of Kosova.

37 *Ibid.*

specific grant has also been one of the major emphasis and findings of a recent publication by KOMF,<sup>38</sup> which has gained wide public support. The reason why a specific grant would be necessary at this point of the country's development will be later elaborated in this report.

While the amount of grants from the Government is clearly defined, it is important to see the opportunities for the expansion of the financial base and possible combinations to increase the municipal funds that would be allocated to the financing of projects and programs that promote children rights and respond to their needs.

As provided in the law on Local Government Finance, except for taxes on immovable property, municipalities are not entitled to levy any other taxes. Own resource revenues are consisted of municipal taxes and payments for public services, rents on immovable property, sale of municipal assets, co-payments in education and health, interest on municipal deposits, and grants from foreign governments. Any other source of revenue beyond this list can only be regulated and specified in other laws. Additionally, municipalities may regulate and levy charges on other activities, including the following: vehicle parking on municipal property, the use of municipal property for recreation, hunting or fishing within the municipal boundaries, etc.

In order to understand the implications of the current municipal management of the public funds, the following sections provide an analysis of each of the selected sectors in the Municipality of Peja, by drawing conclusions and identifying problems based on the provided data.

## OVERVIEW OF THE HEALTHCARE SECTOR IN KOSOVO

The wellbeing of children is heavily dependent on their health condition. Nonetheless, the healthcare system in Kosovo is widely criticized for its failure to meet the needs of its citizens. Ever since after the war, the Kosovo healthcare system has been struggling with many difficulties, which have ultimately impacted its citizens. The mission of the government for the period 2010-2014 was to “to develop a sustainable health system that provides quality services for all residents with the aim of achieving European Standards, with Family Medicine as a cornerstone to the primary health care.”<sup>39</sup>

Despite the Government's commitments to assure higher quality health services as well as more equitable system for everyone, the statistics in the country show no major progress whatsoever. According to the UNICEF in Kosovo, it is stated that the infant mortality rate in the country is the highest in Europe, while 1 in 3 children under the age of 5 suffer from vitamin A deficiency and 5% of children in Kosovo considered to be malnourished. Findings suggest that the main causes of mortality are the respiratory diseases, diarrhea, perinatal conditions, etc.,<sup>40</sup> while, there is also a great presence of maternal mortality. In 2011 it was evidenced that the rate of perinatal mortality was 8.7%, the fetal mortality rate was 11%, while neonatal mortality rate was 7.5%. The infant mortality rate in Kosovo in 2011 was registered at 20.5%.<sup>41</sup>

These statistics indicate that there is a need for immediate social action and coordination between policy makers to address these issues and problems, which are of a very serious nature and directly impair the well-being of the society. While the infant mortality remains high, Kosovo continues to be one of the most fertile countries, with an average of 35,000 children born each year.<sup>42</sup> Nonetheless, on a general scale, the country has improved in terms of increased access to immunization, which still represents a problem for the RAE communities, as the immunization in these communities remains low.

In lack of an established health insurance system, the Parliament approved the Law on Health Insurance in April 2014. The health insurance system is expected to become fully functionalized in the beginning of next year, and it is believed to assure universal access for Kosovo citizens to basic healthcare services

38 “A po arrijnë tek fëmijët në nevojë paratë e taksapagueseve?,” (2014), Coalition of NGOs for Child Protection in Kosovo (KOMF).

39 Health Sector Strategy 2010-2014, (2014), Ministry of Health of the Republic of Kosovo.

40 The children, Early Years, UNICEF Kosovo.

41 Azemi, M., Gashi, S., Berisha, M., Kolgeci, S., & Ismaili-Jaha, V., Rate and Time Trend of Perinatal, Infant, Maternal Mortality, Natality and Natural Population Growth in Kosovo, (2012), US National Library of Medicine

42 The children, Early Years, UNICEF Kosovo.

through the reduction of healthcare costs, which are expected to specifically improve access for the most impoverished categories in the country. With a regulated health insurance system, also the provision of primary healthcare services in the country is expected to move up in quality. Moreover, Article 7.1.2 of the Law stipulates that primary health care services from the list of basic health services shall be provided to children under the age of 18, regardless of their health insurance statute.<sup>43</sup> This is expected to directly contribute to the wellbeing of children in the country.

Ultimately, in the area of healthcare, a particular matter of concern is the lack of the statistical data, which would help measure the trends within the health sector, understand the progress/regress made, and as such make possible the drafting of suitable policies which are responsive to the needs of the citizens. While the Kosovo Statistics Agency produces regular reports on the health status of the citizens of the country, there are no detailed categories that provide specific information on the health condition of children, let alone statistics at the municipal level, which would aid the local authorities to draft the budget based on the needs of their citizens.

## HEALTHCARE LEGAL BASE

The right of children to quality, non-discriminatory, and effective healthcare in Kosovo is guaranteed through the following laws: Law on Health, the Law on Pregnancy Termination, the Law on the Rights and Responsibilities of the Citizens in Health Care, the Law on Infant's Breastfeeding and Protection, the Law on Reproductive Health, the Law on Narcotic Medicaments, Psycho-Tropes and Precursors, and the Law on Health Inspectorate.

Based on the content of these laws, the aim is to offer children healthcare services by meeting international standards of quality and equal access, with respect for their dignity and in response to their specific needs.

In general terms, as provided in the Health Law, the health system in Kosovo is organized in three sectors: the primary, secondary and tertiary health care.<sup>44</sup> While the tertiary healthcare facilities and services are focused in the capital city, the primary and secondary healthcare sectors are organized in a decentralized manner, whereby as such the services are provided through the family centers, ambulatory units, and the regional hospitals respectively.

As far as the financing of the health budget is concerned, based on Article 3 of the Law on Health, the resources for the health sector should be provided as a combination of the following: the budget of Kosovo, the municipal budget, co-payments from users of healthcare services who are not exempted and are in compliance with this law, gifts and legacies from individual citizens, donations in cash or similar, incomes from authorized activities, health insurance institutions (local, foreign, private and public), and direct payments by users and by health insurance institutions (local, foreign, private and public).<sup>45</sup> As such, the basic health care services in the country are envisaged to be provided at no fee for the citizens. In that respect, the Ministry of Health, through a special committee, prepares a service list responsive to the needs of the population and the available financial resources. Additional health services are to be covered by paying the health insurance premium or direct payments, which is now regulated by the Law on Health Insurance. The Ministry, upon the proposal by the Municipal Assembly, approves the operational plan for the development of primary healthcare, in compliance with the mid-term plan approved by the Government.

The primary healthcare is of most importance to our study, as it plans to offer a wide range of health and preventive services to all communities equally, at affordable costs. The costs of services are partially covered by the Government through the health grants allocated to Municipalities, with a co-financing from the community itself. Currently, the family centers are suffering from lack of family doctors. While there are 500 family

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43 Law No. 04/L-249 on Health Insurance, Assembly of Kosovo.

44 Law No.04/L-125 on Health, Assembly of Kosovo.

45 *Ibid.*

doctor practitioners in the country as per latest statistics, the pilot assessments indicate that based on the current needs of the citizens in the country, there is a need for at least twice as many family doctors in order to offer equal and professional preventive (primary) health care services to the citizens in the country.<sup>46</sup>

With regards to secondary health system, there are currently seven regional hospitals in Kosovo, whereby one of them is situated in the Municipality of Peja.<sup>47</sup> The regional hospitals are supposed to be equipped with specialists and more advanced facilities in order to treat the patients, which have been referred for more specialized treatment from the elementary healthcare system.

## HEALTHCARE SPENDING ON A COUNTRY LEVEL

In the recent years, there have been increasing trends in the area of health expenditure, meaning that greater amounts of money have been allocated to the health sector. This increased financial support is supposed to lead to better and higher quality preventive health actions, yet, the changes should be accompanied by better planning and monitoring actions towards more effective allocation and efficient use of these resources. This is specifically vivid at the local level, whereby the allocation of the budget is not need based, and moreover, the monitoring and control mechanisms are not in place.

With the Ministry of Health being the highest authority in the health sector in the country, Kosovo allocates an amount of 114 million EUR from its consolidated budget for the health sector, which consists 7.22% of the total budget in 2014. In GDP % terms, Kosovo's health budget amounted to 2.05% of GDP in 2013. The budget allocation to the health sector marks an increasing trend from our base year in 2010, when the budget allocated for the health sector was 70 million EUR. Compared to 2010, the current budget allocation for the health sector is 62% higher.

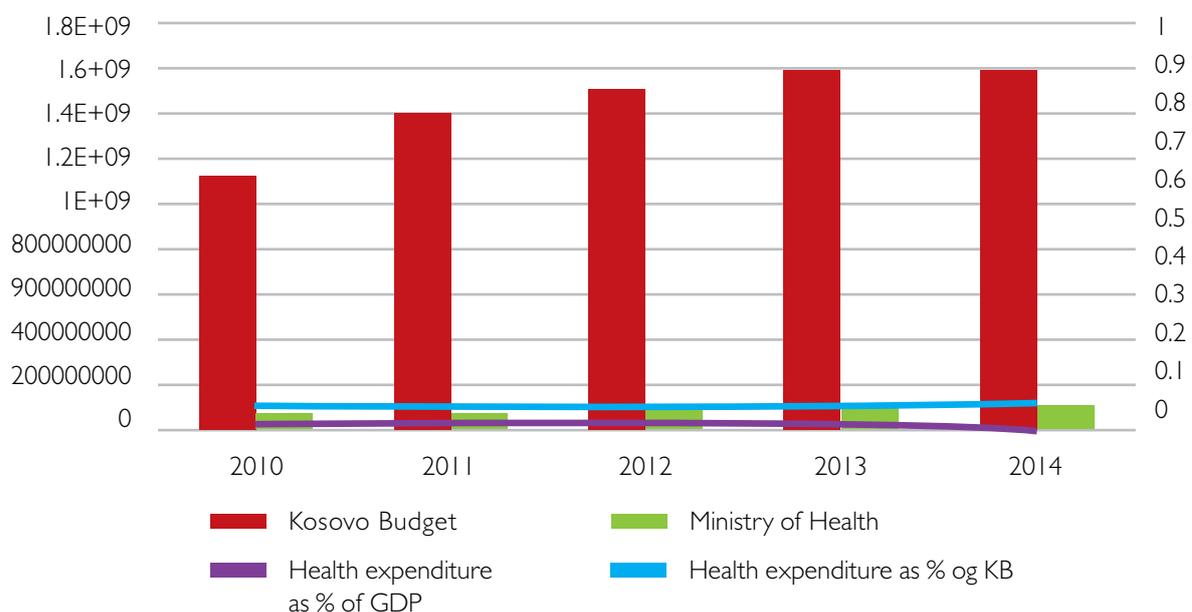


Fig. 2 – Kosovo Budget and Budget for Health for the period 2010-2014<sup>48</sup>

It is worth noting the fact that in terms of the budget allocation for health as a percentage of GDP, the current performance is far from the Organization for Economic Cooperation and Development (OECD) 9.1% average in 2012. Different studies indicate that this figure is also far from the performance of the countries in the region. In 2013, based on the World Bank data, Albania expenditures for health amounted to 6% of

46 Mungesë e specialistëve të mjekësisë familjare, (2013), Radio Evropa e Lire.

47 Health Statistics 2010, (2010), Kosovo Agency of Statistics.

48 Kosovo Consolidated Budget 2010-2014

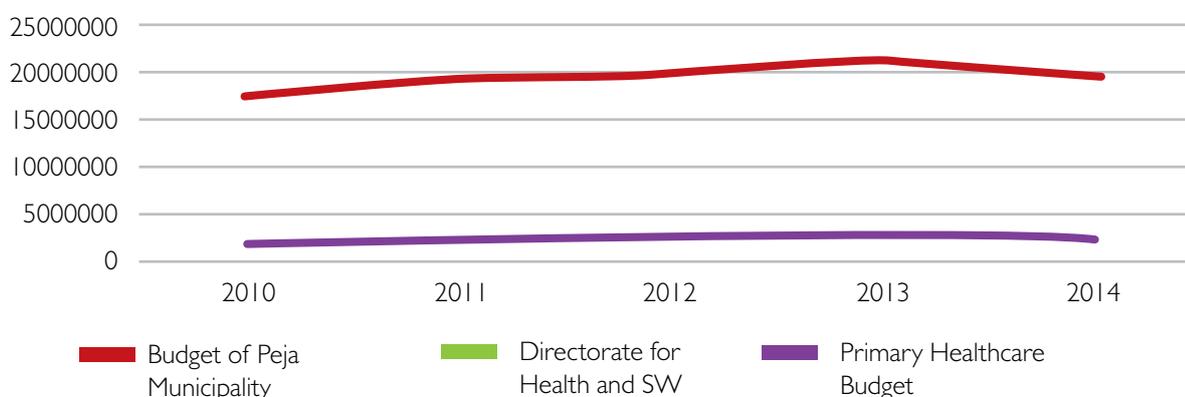
the GDP, 9.9% in Bosnia and Herzegovina, 7.6% in Montenegro, 7.1 % in Macedonia, and 10.5% in Serbia.<sup>49</sup> Despite the fact that the percentage of healthcare contribution to the GDP in Kosovo has increased over the years at a steady rate, the percentage of healthcare expenditure compared to the total consolidated budget has experienced rather decreasing trends, except for this year, where we see that the participation of healthcare in the overall consolidated budget is 7.22%.

On the other hand, the major difference in terms of EUR spending is seen between the year 2012 and 2013, when the budget for the healthcare sector has gone up by as much as 19 million. Although this can be perceived as a positive trend and a serious commitment of the government to support the development of the healthcare sector, the analysis will further elaborate whether the same trend applies with regards to investments in the primary healthcare, which is under the auspices of the local municipal authorities.

Even though the budget allocated for the Ministry of Health has seen increasing trends, there seems to be a higher commitment of the policymakers towards increased quality and better performance of this sector. Nonetheless, the major fallacy of this budget is the lack of incorporated vertical programs. For instance, in line with the strategy for the integration of RAE communities, which is identified as the community with the lowest level of access to immunization and primary healthcare services, the Central Government could design such programs that assure their integration in line with this action plan of the strategy. The financial management of this program could be well incorporated within the budgetary code of the Ministry of Health as a separate budgetary sub code. The designation of vertical programs is seen as an ideal way to directly target the problem. Moreover, it would make possible the tracking and the monitoring of public expenditure, as well as, lift child oriented spending to a higher level of priority.

## HEALTHCARE EXPENDITURES IN THE MUNICIPALITY OF PEJA

At the municipal level, the budget for the healthcare services is allocated to a common budget code that is entitled to be spent by the Directorate for Health and Social Welfare. Currently, the Directorate absorbs as much as 14% of Peja's total budget, out of which 12.3% are allocated for expenditures in the primary healthcare area. At the first glance, we might consider that there are increasing trends in terms of budgetary allocations for primary healthcare, however, we realize that these trends are actually increasing at a decreasing rate. This can first be seen as a matter of concern, yet the following figures suggest that the situation might actually be optimistic. In general terms, the percentage share of primary healthcare expenditures marks an increasing trend, whereby over the last five years, it has reached a peak this year in terms of concentration of funds. On this note, the budget allocated for primary health care expenditures amounted to 11.98% of the total budget in 2010, whereas this share has increased to 12.31% in 2014.

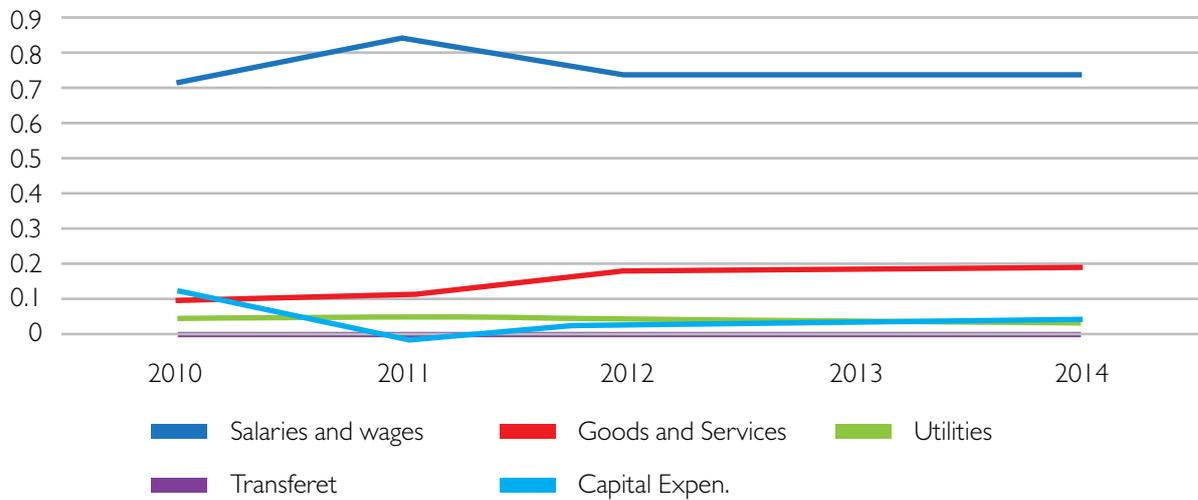


■ Fig. 3 – Peja Municipality Budget, Budget for Department of Health and Social Welfare and the Primary Healthcare Budget for the period 2010-2014<sup>50</sup>

49 Health expenditure, total (% of GDP), (2013), The World Bank.

50 Municipality of Peja Budget 2010-2014. Department of Finance, Municipality of Peja.

To understand the reason behind the increased budgetary line for the provision of the primary healthcare services and for covering the expenditure in this sector, the following table gives a clear overview of the trends over the period 2010-2014, in terms of where and what for has the budget for this sector been used.



■ Fig. 4 – Division of Municipal Budget per Budget Category in the Municipality of Peja

As is the general tendency in all budgetary lines, the major concentration of the budget is on the category of Salaries and Wages. One of the reasons behind this phenomenon is also the decision of the previous government to increase the salaries of the public officials, in March 2014.<sup>51</sup> This policy has indeed impacted many other budgetary lines, and as such, the money spent on Salaries and Wages goes at the expense of fewer budget allocations for capital investments or the provision of various services to improve the performance of primary health care providers. On this note, one can't escape from noticing that the allocation of funds for capital investment has been of an almost indifferent nature. Whilst historically there has been evident underperformance in the utilization of the allocated funds for capital investments in the health sector, the year 2013 marked a full performance rate on this regard, whereby the money was invested in the construction, maintenance and the renovation of new and existent health facilities. On the other hand, the category of Goods and Services is second to the category of Salaries, and it has seen a tremendous increase in the allocation of funds. Despite the fact that training and education services are budgeted precisely in this category due to the general labeling in the budget report, we cannot identify in whether that money has been spent for the trainings and education of health personnel or for other purposes.

On this note, it is interesting to evidence the budget execution performance within this sector in the Municipality of Peja. As can be seen from the table below, the only category marking underperformance is the category of capital investment in the years 2010 and 2012. Nonetheless, the performance has improved significantly in the previous year and has reached a full execution level of 100%. Once more, the capital investment in the municipality have been in the direction of maintaining, renovating and constructing the existing or the new health facilities.

51 Government of Republic of Kosovo approved decision to raise salaries for all categories of public servants, beneficiaries of social schemes and pensioners, (2014), The Republic of Kosovo, The Office of the Prime Minister.

CATEGORY	2010			2011			2012			2013		
	PLANNED	EXECUTED	%									
SALARIES AND WAGES	1,512,990.52	1,512,754.94	99.98%	1,736,639.00	1,729,106.08	99.57%	1,776,033.90	1,775,791.93	99.99%	1,793,256.47	1,778,245.53	99.16%
GOODS AND SERVICES	220,258.92	212,998.31	96.70%	223,178.29	223,037.93	99.94%	434,422.00	434,159.16	99.94%	468,600.00	468,573.74	99.99%
UTILITIES	104,675.00	104,617.63	99.95%	100,000.00	99,991.21	99.99%	99,660.00	99,649.77	99.99%	102,214.00	102,156.89	99.94%
TRANSFERS AND SUB.	-	-	-	-	-	-	-	-	0.00%	-	-	0.00%
CAPITAL EXPEND.	250,000.00	193,117.07	77.25%	-	-	-	80,754.83	69,891.36	86.55%	111,018.24	111,018.24	100.00%
TOTAL	2,087,924.44	2,023,487.95	96.91%	2,059,817.29	2,052,135.22	99.63%	2,390,870.73	2,379,492.22	99.52%	2,475,088.71	2,459,994.40	99.39%

■ Fig. 5 –Difference between planned and executed budget in Peja

This is important to emphasize, mainly because there has not been an allocation of funds, in the first place, towards investment in purchasing new medical special equipment that would in one way or another contribute to presenting new preventive measures towards health problems of the highest incidence in the municipality.

## PREVENTIVE HEALTHCARE IN PEJA – A SITUATIONAL ANALYSIS

According to the World Health Organization, primary health care (PHC) is defined as “essential health care made universally accessible to individuals and families in the community by means acceptable to them, through their full participation, and at a cost that the community and country can afford. It forms an integral part, both of the country’s health system of which it is the nucleus and of the overall social and economic development of the community.”<sup>52</sup>

In Peja, as in all 36 Municipalities, the provision of primary health care services is planned to be handled through the family medicine concept, which is supposed to enhance and develop the idea of preventive measure, by tackling the health problems from the root. Currently, besides the main Family Medicine Center, there are 22 other Family Medicine Puncta, which seems to suffice in covering the territory of the municipality as well as in meeting the healthcare needs of the citizens.

Based on health statistics of the Kosovo Statistics Agency for 2013, there were 289 employees serving in the primary healthcare facilities in Peja. Additionally, there were 70 family doctors, 25 dentists, and 194 nurses. As per our findings, there is enough capacity to meet the demands of the citizens and consecutively, the children, with the current available number of healthcare facilities and engaged personnel.<sup>53</sup> Nonetheless, many other problems, which will be listed throughout the report, are hindering the utilization of the full potential of personnel and the available services of these primary healthcare centers.

	FAMILY DOCTORS	DENTIST	NURSES	PSYCHOLOGIST
2013	70	25	194	0
2012	72	25	200	0
2011	201		236	0
2010	201		236	0

■ Fig. 6 – Primary Health Care Personnel Statistics in Peja

Based on these statistics, the proportion of family doctors to citizens is 1:1,378. The number of family doctors compared to the number of children is 1:430, or one family doctor per 430 children

52 Primary Health Care. Alma-Ata 1978, (1978), World Health Organization.

53 Health Statistics 2013, Kosovo Agency of Statistics.

in the municipality. Despite the fact that the numbers indicate that the coverage of citizens' needs is suitable in proportion to the human resources available in these health centers, the phenomena exists in having overburdened situated family centers. Even though the number of family centers and doctors is sufficient as per the data, the problem lies in the condition of the facilities and the quality of the services that these healthcare centers provide. While the primary healthcare services have been delegated to the central level, the provision with the necessary supplies, nonetheless, remains centralized. Consecutively, there are delays in response from the central level to the local level requirements. Therefore, many of the facilities located in the rural parts suffer from undersupply of materials, which represents one of the most persistent problems. Additionally, the building conditions of these health care units tend to be less satisfying in the rural areas. With these elements in mind, it all comes down to the cases where the access to the healthcare services is not provided at an equal quality for everyone. While this is a general problem for the Municipality overall, this phenomena directly impacts the children of the families living in these areas and especially the members of the minor communities.

According to the Kosovo Progress Report 2014, 'in the absence of adequate medical facilities, health care and rehabilitation services for persons of very low income, in particular persons with disabilities and elderly persons living in poverty, are inadequate.'<sup>54</sup> Moreover, out-of-pocket payments continue to impede access to healthcare for all.

While the number of doctors currently serving in the primary health care centers is sufficient to meet the needs of the patients, it is the lack of instruments and equipment at various rural health centers that makes the practicing of the profession impossible. Even though the Health Strategy of Kosovo is focused and streamed towards the provision of equitable and quality services for all, the current situation in many parts of the municipality indicates the opposite.

This directly impacts the quality of the services that can be offered at the primary health care institutions, which in one way, burdens the system by having an invasion of the primary health centers situated in the city, with patients coming in from the rural areas. This current situation hampers the patients in the first place, as it hinders the quick access to health care services and increases costs. On the other hand, it also impacts the quality of provided services from particular doctors.

The head of the Department of Health and Social Welfare in the Municipality of Peja, Petrit Loci, declared that another major problem is the lack of patient health history cards, which is directly impeding the functionality of the family care centers. In the absence of health cards, list of patients and the intranet system, the success of primary health sector is hampered and stagnated.

The health history cards are also an important tool to support the doctors to better aid their patients, as well as establishing a uniform system of individual patient health histories, which facilitate and make more effective the health interventions at any point in the life of the patient.

While the implementation of these measures would be seen as an investment of the general public interest, it would certainly create favorable conditions for the improvement of the well-being of the children in the municipality. On this note, it is important to mention the focus group findings that indicate the fact that many children attend schools without school authorities having a tool to track their health status, which, if existent, would make possible the offering of conditions and assistance for those in need, in coordination with their evidenced problems and health status. It was mentioned that due to lack of an administrative order at the municipal level, children start attending schools without undergoing health care regular checkups. Not only do children skip these checkups in the beginning, there is also a lack of regular and yearly school doctor visits. This problem seems to be addressed at the pre-school level, as the representatives of pre-school institutions in the focus group declared that the children in pre-school institutions are lucky to undergo these regular checkups.

In this respect there is an evident need for mobilization at the local level by implementing a bottom up approach, addressing the prevailing issues. While we have seen that investment in the sector are mainly focused in construction and renovation of the buildings, we see no tendency,

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54 Kosovo Progress Report 2014, (2014), European Commission.

projects or special budgetary lines that undertake the responsibility of addressing these above mentioned/evidenced problems. Alternatives to funding opportunities can be reached through establishing cooperation with international donors that would at least invest in the establishment of the intranet system to avoid the patient evasion of the primary healthcare centers, as well as to fight the phenomena when certain doctors do a number of checkups, which are up to three times higher than the set limit of patients on a yearly basis.

On the other hand, while capital investments in this sector have been mainly focused in the investment of buildings and the maintenance and renovation costs, still, these investments are not in line with the EU standards, and as such, do not meet the standards for offering easy access to people with disabilities. This in turn, represents a great problem for everyone who has any sort of disability, be that an adult or a child, to easily access these health facilities and ultimately approach the health care services.

Inequalities in health outcomes in terms of location, wealth status and ethnicity highlight that despite the overall positive performance of the health system in terms of allocated budgetary funds, these funds are failing to reach specific population groups. Resources need to be invested in identifying how to best reach those groups of the population, and then deploy resources to address the evidenced problems to ensure full and equitable health care coverage.

On this point, we realize that the composition of the current local budget is not as such as reflecting the needs of its citizens. Moreover, focus group participants hindered to a rather persistent trend, which related to the fact that the local budgets are rather driven based on the political agendas of different parties that come into rule. This means that, if the candidates running for mayor have made promises during the campaign that they will build new roads in particular parts of the municipality, then the budget money will be channeled in that direction at the expense of increased investment in the improvement of health services, etc.

Apart from all of the stated problems, there is a lack of awareness at the general level among communities and families about adequate home care management, child physical and cognitive development, and general reproductive health. The current allocation of budgetary resources is focused on programs like curative care and drug administration programs, while there is too little spent on preventative and primary health care<sup>55</sup>.

With the substantial and growing population of young adults and families in the municipality, preventive measures through health promotion, education and treatment, targeting lifestyle issues such as smoking, HIV/AIDS, TB and sexually transmitted infections as well as immunization programs for infants and young children, are particularly important in helping to develop a more healthy Kosovo population in the future.

## RESPONSIVENESS OF THE HEALTHCARE BUDGET TO THE NEEDS OF CHILDREN IN PEJA

While we have identified a number of trends and problems prevailing in the area of public expenditure management in the primary healthcare sector in this municipality, the focus will now switch towards the implications of these trends for the well-being of the children living in this area. With exception for budget allocations in the last year, the overall increase in budget allocations for the health sector is a positive step towards assuring higher quality preventive healthcare with an increased chance of reaching even the most vulnerable groups of the population. However, in order to use these resources more effectively, there is a need for a municipal based evaluation of the citizen's needs, with a focus on the needs of children. While so far the practice has been as such that the municipal actions in this sector have been coordinated with the policies orchestrated at the central level, the Director of the Directorate for Health and Social

55 The children, Early Years, UNICEF Kosovo.

Welfare declared that currently, the institution he represents is cooperating with the UNDP in terms of analyzing and executing an evaluation of the needs of citizens as well as the needs of the healthcare service providers. By having this municipal based analysis, then the allocation of funds within this Department can be made in a more efficient and effective way. Moreover, this is a great chance to evaluate the needs of children, to compile statistics about their health conditions, and consequently, prioritize investment and spending within the healthcare sector in the Municipality. So far, the children in general benefit from primary healthcare services, however there is no specific allocated budget to cater to their specific needs, and at the same time, there have been no specific oriented actions to fight or address the gravest problems that children are facing.

On the other hand, this increase in resources should be accompanied by the development of capacities to plan for and monitor the use of those resources, which does not currently happen. The result is that there is insufficient control over the use of resources at the local level and planning is not based on needs. In order to improve the capacity in absorbing larger budget allocations to preventive health and vertical health programs, a planning, monitoring and evaluation unit should be developed in the Ministry of Health, to enable the development of effective strategies for the use of resources as well as to monitor the use of these resources. Effective planning in the sector requires capacity building within the Ministry and also with those involved in health planning at the local level, including NGOs which have started to work alongside public health service providers to improve the provision and management of preventive health services.

The comparative statistics and the latest EC report indicate that the public health spending is amongst the poorest in the region. With an almost 100% budget execution performance, there is little space left in the Peja Municipal budget for the possibility to present reforms and new policies, which would lead to better access and more quality primary health care services for its citizens and for the children in particular. Hence, there is the need to attract international donor funding and increase the local level and administrative capacities to implement projects that are implemented by this sort of financial support. The EC report further emphasizes the fact that child mortality rate remains amongst the highest in Europe.<sup>56</sup> While this is a national concern, it should, at no excuse, be left out of consideration from the side of the local policy-makers.

## EDUCATION SYSTEM OVERVIEW AT THE CENTRAL AND THE LOCAL LEVEL

For the period 2011 – 2016, the Government of Kosovo has identified education as one of the main priorities and objectives, and as such has focused its efforts in achieving comprehensive inclusion in education and the development of a model for achievements for all students, as well as the provision of equal opportunities and access to quality education for all.<sup>57</sup>

Though during the previous mandate, investment in education has increased over €100 million, the majority of the funds have been attributed to the increased salaries for teachers, which have gone up by 38%.<sup>58</sup>

Nonetheless, in the latest Progress Report 2014, it has been noted that there was limited progress with regards to improving the quality of the education sector. It is specifically indicated that public spending in education has slightly decreased and continues to be less than the 4.3 % average for low and middle income countries. Based on the conclusions of the report, the progress in the area of education has been slow.

56 Kosovo Progress Report 2014, (2014), European Commission.

57 The program of the Government of the Republic of Kosovo 2011-2014, (2011), Office of the Prime Minister, Government of Kosovo.

58 *Ibid.*

Education in Kosovo is organized in the following manner:

- Pre-school Education, Kindergarten, 3-6 years old
- Pre-Primary and Primary school, 5 years (6-11 years old)
- Lower Secondary Education, 4 years, (12-15 years old)
- High School Education, Gymnasium and Vocational Training, 3 to 4 years (19-24 years old)
- Graduate and master studies (19 – 26 years old)
- Doctorate studies

Currently, one of the major challenges in the country as well as the municipal level, which is also one of the findings of the Millennium Development Goal Report for 2007 in Kosovo, is the low enrolment of children in pre-school education.<sup>59</sup>

In this regard, Kosovo lags behind in performance compared to the countries in the region. In general, there are low levels of awareness and lack of initiatives towards stimulating a child's physical and cognitive development from an early age.

It is estimated that at the country level, only 3% of children attend pre-school education services.<sup>60</sup>

The numbers for the Municipality of Peja are better than the national average, however, even in this Municipality, the enrollment of children in the preschool education is low, scoring at 14%. More specifically, out of 10,813 children of age 0-6 years old in 2011, only 1,542 children have been enrolled in pre-school education for the academic year 2011-2012. With regards to primary and the lower secondary education statistics, the enrollment rates are vividly more satisfying, yet there are 5% of children who are not enrolled in schools. When the upper secondary education (high school) statistics are analyzed, we realize that out of 9,395 children ages 15-19 years old, only 6,581 of them or 70%, are enrolled in high schools.<sup>61</sup>

Given that school in Kosovo is mandatory until a child becomes 15 years old,<sup>62</sup> there is the need for the compilation of goal specific oriented measures to fight the phenomena of the low enrollment of the children in school throughout the mandatory period of education.

Another major problem is related to the need to improve access to quality education for marginalized groups, including children with disabilities and children from RAE communities.<sup>63</sup>

The country lags behind in providing equal access to education for everyone, which is either manifested geographically (less pupils attending schools in rural areas), gender perspective (less girls attending schools), educational needs (less children with special needs going to school), etc. The government has taken actions to prevent dropping out of school, including workshops with parents, students and the community at large, but further efforts are needed. Students from minority communities have received targeted financial support. However, children from RAE communities and children with disabilities continue to face limited access to quality education. One of the factors that helped increase the inclusiveness of students was the distribution of free school books, a project in which the Government of Kosovo invested €19 million Euros.<sup>64</sup> This investment has yielded in increasing the quality of participation of students in all of Kosovo's education levels.

In Peja, the children are granted compulsory education at no tuition fees. As regulated by the Law on Education, school attendance is mandatory for all children of age 6-15 years old.<sup>65</sup>

## LEGAL BACKGROUND IN THE EDUCATION SECTOR

The legislative package regulating the rights to education for children in Kosovo is focused towards the regulation and management of the education starting from the pre-university education, or level 0

59 Second Millennium Development Goal Report for Kosovo, (2007), Riinvest

60 *Ibid.*

61 Education Statistics 2013, Kosovo Agency of Statistics.

62 Elementary and secondary education, State Portal of the Republic of Kosovo.

63 Progress Report 2014, (2014), European Commission.

64 The Program of the Government of the Republic of Kosovo 2011-2014, (2011), Office of the Prime Minister, Government of Kosovo.

65 Elementary and secondary education, State Portal of the Republic of Kosovo.

of ISCED all the way to level 4 of ISCED being the upper level of vocational non secondary education. Except for the legislative package, there is decent number of different national and governmental strategies regulating this area. The legal framework guaranteeing the rights of the children to education is rich and is comprised of the following laws: Law on Preschool Education, Law on Pre-university Education, Law on Education and Vocational Training, Law on Education in Municipalities of the Republic of Kosovo, Law on Final Exam and the State Matura Exam, which also cover directly the responsibilities of the local structures. These laws are further complemented by the Law on Inspection of Education in Kosovo, Law on Publishing School Textbooks, Educational Teaching Resources, Reading Materials and Pedagogical Documentation, and the Law on National Qualifications. These laws altogether guarantee the right of child to education.

The legislative framework aims to assure equity and quality of services, while creating favorable conditions for universal access and coverage. At the central level, as provided in the National Education Strategy 2011-2016, the goal is to:

- To support, guide, coordinate, regulate and promote quality education to all citizens;
- To guide all sub-sectors in their regular medium-term and annual planning and budgeting exercises;
- To provide a basis for coordination, negotiations, with Government agencies, development partners and other key stakeholders in the education sector, and to define the scope and use of longer-term planning and investments in the education sector captured under a single resource and funding envelope.<sup>66</sup>

Based on the legal provisions and regulations, the children are entitled to active participation of the organization of their lives while the teachers are obliged to respect the opinion of each child and make sure that they feel integrated into the society.

As provided in the Law on Education, the responsibilities of the municipalities are only in the area of pre-university education. As such, based on the 'Strategy for development of pre-university education in Kosovo,<sup>67</sup>' the idea is to build an inclusive education system that offers conditions for quality education and training for all individuals by promoting lifelong learning habits and values of democratic citizenship. Also there was a pledge for commitment from the Government towards increasing the index by 7 times of the inclusion of children from 0-5 years old, include over 90% of children of the age 5-6 in the primary education, and train teachers in high quality and accredit programs.<sup>68</sup>

Based on the Law on Pre University Education, Article 3 stipulates that no person shall be denied the right to education.<sup>69</sup> It shall be the general duty of the Ministry, the municipalities, the educational and/or training institutions and all other bodies engaged in the provision of pre-university education, as regulated by this Law and other applicable laws, to plan and deliver an efficient, effective, flexible, inclusive and professional service designed to provide all pupils with equal opportunities in access to education in accordance with their specific abilities and needs and to promote their educational and social development.

In particular, municipalities are responsible for the following additional competencies: construction of education and training facilities; maintaining and repairing the premises and equipment of educational and training institutions; ensuring a healthy environment for pupils and staff, including water, hygienic-sanitary conditions, health service, as well as a safe environment including safe utilities and effective security; through co-operation with parents, police and other public authorities taking steps to deal effectively with violent or bullying behavior and substance abuse in or associated with the respective institution.

66 Kosovo Education Strategic Plan 2011-2016, (2011), Ministry of Education, Science, and Technology, Government of Kosovo.

67 Strategy for Development of Pre-University Education in Kosovo 2007-2017, (2007), Ministry of Education, Science and Technology, Government of Kosovo.

68 *Ibid.*

69 Law No. 04/L-032 on Pre-University Education in the Republic of Kosovo. Official Gazette of the Republic of Kosovo.

## EDUCATION EXPENDITURES AT THE CENTRAL LEVEL

In order to get a general picture of the expenditure trends in this sector, before moving further with the specificities of the Municipality of Peja, it is worth understanding and analyzing the macroeconomic conditions in the sector of education. As can be seen from the graph below, in the last 5 years the average investment in the education sector at the central level has been at somewhat 3% of the total of the Kosovo consolidated budget. While the public expenditures in education as a percentage of the GDP amount to an average of 4% as provided by World Bank reports, which is approximately in line with the trends in the countries in the region.<sup>70</sup>

It is specifically indicated that the public spending on education decreased slightly, by 0.1 percentage points, to 3.8 % of GDP in 2013, which is nonetheless less than the average for low and middle income countries (4.3%). The education spending as a % of GDP ranges from 4-5% in the EU countries.

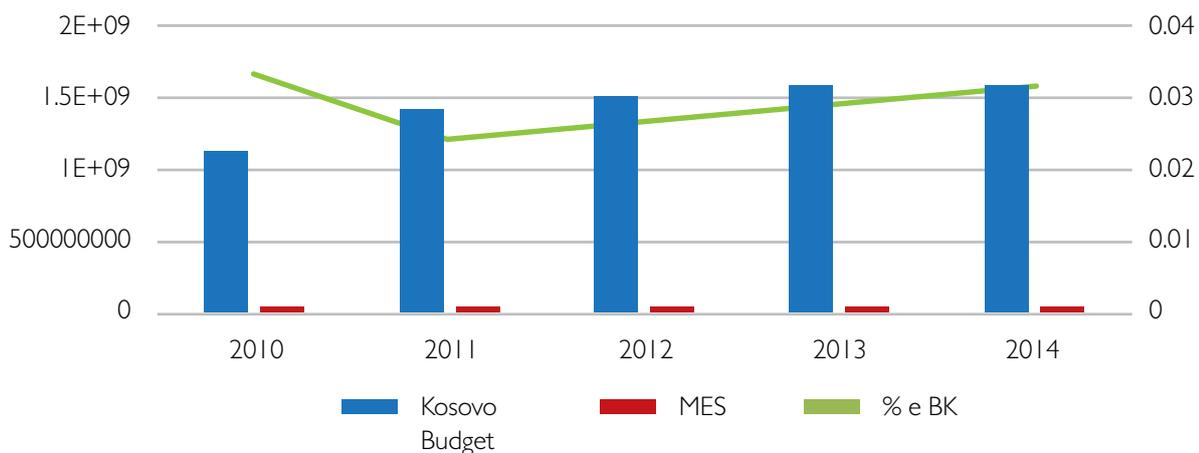


Fig. 7 - Trends of Budget Allocation for MES compared to the KB for the period 2010-2014

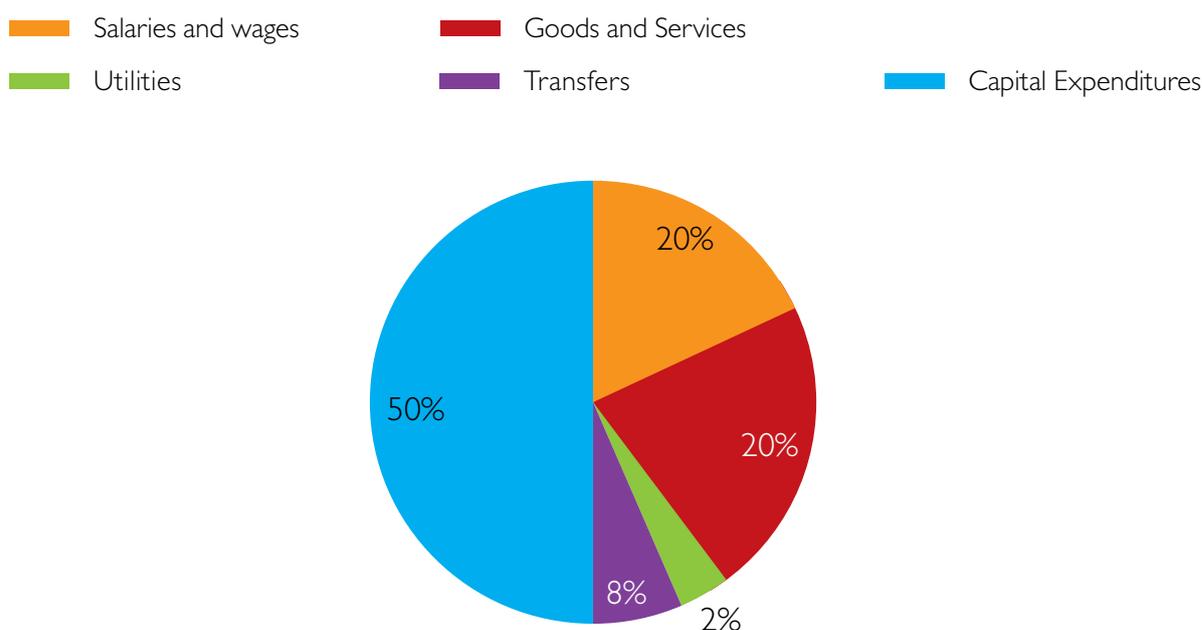
While the budget allocated from year to year for the Ministry of Education and Science has increased in nominal terms, the positive trends have been occurring at a decreasing rate. Nonetheless, as we can see from the trends above, still the budget for education as a percentage of the Kosovo Consolidated Budget has increased constantly since 2011, when it did experience a sharp decrease of 7%, from an allocated amount of 37 million EUR in 2010 to 34 million EUR in 2011.

On another note, we can easily identify that the percentage increase in education expenditure has reached double digit figures, which would have normally been considered as a very positive government policy given the continuous emphasis that it has made for the need to invest in quality education in order to reap significant and meaningful returns on investment in the future.

However, that is not the reality in this case. As evidenced in the table below, the budget allocation is mainly focused in covering the salaries for the employed in the sector as well as to finance the capital investments. Nonetheless, a very interesting relationship can be spotted between two categories, whereby we can see that while the budget for salaries has increased continuously over the past 5 years, the budgetary line for capital investments has been moving at a steady or really moderate increasing rate.

The biggest area of concern in these figures is related to the percentage of the budget reserved for salaries, which is a direct outcome of the decision of the previous government to increase the salaries for the public officials. The numbers below provide that currently, as much as 20% of the budget for the education sector is spent on this category. While it is generally believed that higher salaries for teachers are expected to lead to more motivation and hence translate ultimately in higher quality education services for the pupils and the students, the presentation of this immediate raise without a condition, will not necessarily lead to an improvement of the quality of the education sector in the country.

<sup>70</sup> Education Expenditure Data (% of GDP), (2007), The World Bank



■ Fig. 8 - Trends of Budget Allocation for MES compared to the KB for the period 2010-2014

While the provision of the pre-university education is now a fully delegated responsibility from the central to the local level, as will be thoroughly elaborated further on in the study, we realize that currently the budget for the development of this level of education amounts to 9.51% of the total budget of the MES. This figure has gone down by 2.5% from 12.1% in 2013. In overall terms, the government seems not to prioritize the need to further enhance the development of this sector despite the fact that it is generally perceived as the wisest investment for every country. This is especially applicable to Kosovo, a new state which needs a sound academic and education foundation to assure the long term sustainability of the country's social and economic wellbeing.

The budget allocated for the pre university education has not seen any serious improvements in the last 5 years. It has rather been trapped at an allocated budget averaging 4.8 million EUR on yearly basis, whereby this year, the budget set for this sector has gone down compared to last year.

On the other hand, the education budgetary line in the budget is divided in clearly labeled sub codes allowing us to trace the allocation of specific funds for specific purposes. On this note, within the code for pre university education, you can find the sub code that clearly sets aside the budget for the provisions of educational services for the disabled children and children with special needs, the sub code for the training and education of the teachers, as well as the sub code for the development of the basic education program, a code introduced in 2013. At this point, this can be considered a positive movement in the budgeting format within this sector.

	2010	2011	2012	2013	2014
MES	37,709,899.00	34,817,820.00	40,984,755.00	45,705,848.00	50,297,252.00
CHANGE YEAR TO YEAR (EUR)	N/A	(2,892,079.00)	6,166,935.00	4,721,093.00	4,591,404.00
CHANGE YEAR TO YEAR (%)	N/A	-8.31%	17.71%	11.52%	10.05%
PRE UNIVERSITY EDUCATION	4,292,479.00	4,786,775.00	5,398,699.00	5,576,099.00	4,785,942.00
EDUCATION/SPECIAL NEEDS	1,318,134.00	1,645,831.00	1,645,831.00	1,645,831.00	1,645,831.00
TEACHER TRAININGS	1,936,039.00	1,035,745.00	935,745.00	935,745.00	861,195.00
BASIC EDUCATION PROGRAM				1,000,000.00	1,000,000.00

■ Fig. 9 – Budgeting for Education Expenditures at the Central Level in Kosovo

However, based on the budgetary trends, it can be perceived that the budget allocated for these categories is of a rather symbolic nature and seems not be adapted regularly to the changes, as we can see cases that the same budget has been allocated for three consecutive years. This is the case of the budgetary line covering the expenditures arising out of providing education services for the disabled children. This in turn conveys the message that the allocation of this budgetary line is not taken seriously from the side of MES due to the lack of adaptation from one year to the other. Ultimately, this causes for questionability of the effectiveness of these budgetary lines in terms of really offering qualitative and equitable education for all.

## PEJA BUDGET ANALYSIS OF THE EDUCATION EXPENDITURES

The following section focuses in the analysis of the budgetary allocations for the education sector in Peja with the aim of understanding the focus of the local leaders to increase the quality and access to education for the children of this municipality.

EDUCATION	ADMINISTRATION	% TOTAL	PRE SCHOOL	% TOTAL	ELEMENTARY	% TOTAL	HIGH SCHOOL	% TOTAL	TOTAL
2010	76,694.00	1.23%	309,458.39	4.97%	4,139,118.65	66.52%	1,697,379.76	27.28%	6,222,650.80
2011	345,703.39	4.23%	315,694.72	3.86%	4,984,824.27	60.98%	2,528,112.37	30.93%	8,174,334.75
2012	605,986.46	7.42%	333,319.12	4.08%	4,874,320.47	59.68%	2,353,150.04	28.81%	8,166,776.09
2013	1,010,065.97	11.84%	327,764.45	3.84%	4,908,598.85	57.53%	2,285,882.00	26.79%	8,532,311.27
2014	1,050,182.90	12.34%	341,604.31	4.01%	4,683,878.69	55.03%	2,436,577.33	28.62%	8,512,243.23

■ Fig. 10 – Education Budget in the Municipality of Peja per each Budget Category

Based on the table above, one understands that ever since 2011 when there was a 2 million EUR increase in the total budget from 6 million in 2010, amounting to 12% difference, the rest of the years the budget allocated for this sector has remained pretty much in the same range. This is also in line with the presentation of the specific fund for education by the Law on Local Government Finance as well as the decentralization of the education sector, which took place the same year. As is already explained, this budget is calculated based on a clear formula set by the Committee for Grants and takes into consideration different parameters for each municipality. While on one side, this management of finances might seem to be of a positive nature, as it assures at least the minimum funding necessary to carry out the responsibilities of the municipalities, on the other hand, it also limits the municipalities in terms of possible alternatives for different budgetary line arrangements. Except for this limitation as provided by law, the flexibility of the local policymakers is also limited by the decision of the Government to increase the salaries for the public servants. This decision has translated in higher wages for the teachers at the expense of the funds to be allocated for capital investments or the category of goods and services.

In line with the previous analysis, the pie chart below once more reinforces the fact that the education budget is extensively spent on covering the salaries for the teachers and the personnel working in this sector.

It is interesting to note that 83 % of the overall budget dedicated to the education sector has been reserved for salaries and wages. The same trend has been present ever since 2010, when as much as 85% of the budget is dedicated to this category. This further indicates that, despite the fact that the overall budget for the category of education might have increased from one year to the other, the overwhelming part of the budget was reserved for this category, hence keeping away funds from capital investments that would potentially aid the municipality to fulfil its delegated duties and offer better services for the pupils within its territory. The second major concentration of the funds goes towards the category of Goods and Services. The funds in this category are served for the official meetings, accommodation and travel expenses, office supplies, buying of equipment, communication expenses, etc. In 2013, despite the fact that 12,900 EUR from this budgetary line have been allocated for trainings and education, the final expenditure report indi-

cates that this sum of money has not been utilized at all. Also, as much as 30% of this money was allocated for gas and burning materials, while less than 5% have been spent on the renovation of school buildings in the municipality.

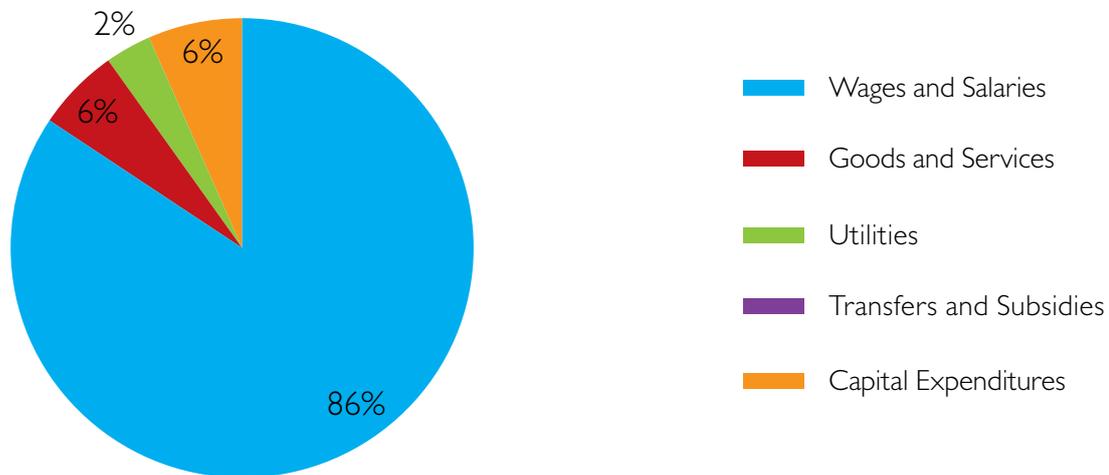


Fig. 11 - Budget allocations per category in the Education Sector for 2014– Municipality of Peja

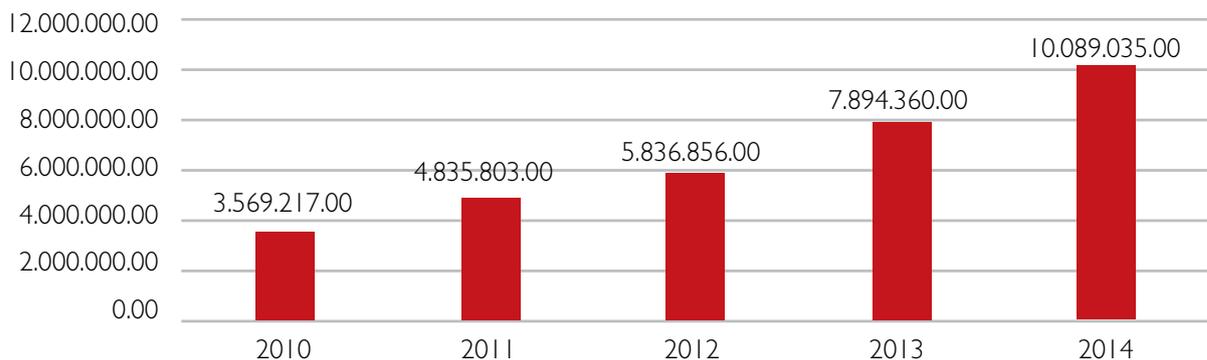


Fig. 12– Increasing trends in the category of Salaries and Wages in the Education Sector in Peja 2010-2014

Out of 6.5 million EUR allocated for the capital investments in the municipality, only 5.5% of those were channeled to the education sector. Yet, there was no full utilization of the available funds. Based on the expenditure review report, only 80.77% of these funds have been used. As much as 98% of the capital investments in the education sector in Peja in the year of 2013 were dedicated to the renovation and construction of the education facilities. While, based on the expenditure report for 2013, some investments in computers and IT equipment can be identified. Given the lack of specific indication for what purpose they were bought, one cannot conclude whether this equipment is being bought for education purposes or rather for office usage only. The lack of clear indication of budget expenditures within different budgetary lines makes the tracking of the expenditures and the identification of their end purpose almost impossible. The general picture indicates that the required funding in different budgetary categories is somewhat ‘bold.’

The reason for stating so is:

- Since 2010, more than 80% of the budget has been allocated to the category and salaries and wages
- On average, only 4% of the budget for the education sector is allocated to capital investments

- There is no clear indication within the different budgetary lines of the planned expenditures. In other words, it is hard to follow whether the funds in different categories are dedicated as such as to somehow respond to the needs of the children.

## THE PROBLEMS PERSISTING IN THE AREA OF EDUCATION IN PEJA

The major identified problem during our field work, which was also highly stressed by the focus group participants, is the pupils' dropout from schools. Based on the numbers provided by the Kosovo Agency of Statistics, during our study period, the pupils' dropout from the primary education institutions has reached its peak in 2011, with as many as 204 pupils dropping out of schools.

CATEGORY	2009	2010	2011	2012
REGISTERED PUPILS	16,461	15,606	15,569	15,038
DROP OUTS	63	76	204	113

■ Fig. 13 – Level of Pupils' Drop Out in Elementary Schools in Peja

The main cause for the manifestation of this occurrence is mainly due to the economic factors; however, pupils' dropout from school is also a result of: lack of security, transportation, etc. Other factors which influence the hamper the development of the education sector are: school buildings which do not meet basic requirements for progressive work, lack of laboratories and educational material, insufficient supply of school textbooks, inadequate motivation of teachers and parents, etc.

Arbnor Lajqi, from NGO 'Iniciativa 6', declared that the problem at this point is that the education system is designed as such as to meet the needs of the average pupils with no special needs. Based on the discussions in the focus groups, the pupils that abandon the schools are either the ones that have financial difficulties, live in the rural areas, are considered to behave in asocial manner, have health impairments or simply do not manage to fit the traditional model of the education. While the problem is existent, we see no serious commitment at the local level to allocate part of the budget for tackling issues of this high concern. The dropping out of the education statistics indicate as well as that the municipalities are not succeeding in meeting their goals, as is the case of the provision of education services in an equitable manner.

Nonetheless, the positive aspect of the management of the education sector, is the fact that the budget allocated for this sector is fixed, as it is part of the specific grant distributed based on the specific formula at the central level, as is clearly provided and explained in the provisions of the Law on Local Government Finance.<sup>71</sup> In this law, it is clearly indicated that when the allocation of the budget for education is made for specific municipalities, the calculation is made through the formula established by the Grants Commission. The formula takes into account the student enrollment and standards supplied by the Ministry of Education, Science, and Technology, the number of teachers and effective enrollment, the national curriculum, special needs education, non-wage operating expenses, class size, norms and location.<sup>72</sup> Compared to the budget for the sector for social wellbeing, the existence of the specific grant ensures that at least the minimum standard level of pre-primary, primary and secondary education is financed and supported, while the same does not apply in the area of the social wellbeing.

71 Law No.03/L-049 on Local Government Finance, The Kosovo Assembly.

72 *Ibid.*

## ADJUSTING BUDGET PLANNING TO RESPOND BETTER TO THE CHILDREN NEEDS IN PEJA

Based on the interview with Besim Avdimetaj, the head of the Education Department within the Municipality of Peja, the major problem so far was related to the provision of the decent conditions for children in schools. In other words, the conditions for learning in the existing education facilities were poor. Based on the budget expenditure review it can be easily identified that the investment in the construction and the renovation or maintenance of the school buildings has been the major focus of investment in the education area at the local level. While indeed the investment in school facilities directly impacts the life of the pupils, based on the field research, we have come to identify that schools even those centrally located are experiencing real serious problems with the security level in their institutions.

Focus group participants expressed real concerns about the infrastructure around the schools. They expressed the need for immediate intervention towards regulating the access of the children to school, meaning, making it safer for them to cross the street or be protected while in school. In line with these statements are the findings of the Syri i Vizionit survey in the Elementary School 'Ramiz Sadiku' in Peja. While, indeed a major share of pupils declared that they feel safe in school, 22% of the interviewed pupils indicated that they don't feel safe and that that is mainly due to the lack of sidewalks and hence the exposure to the risk of being hit by passing cars. Other reasons for expressed insecurity were the presence of stray dogs and the threat from the so called 'street hooligans'.<sup>73</sup>

On this note, while as much as 1.2 million EUR in the budget for capital expenditures were allocated for investments in roads, sewage and water system, children in some schools continue to be exposed to serious risks for life when going to school. One of these cases is the case of the elementary school 'Skender Çeku' located on the highway Prishtina-Peja. According to the focus group participants, the problems of the lack of underpass/overpass or a street bump in this area has been evidenced for a long time now but there has been no action taken from the municipal government to address it. All this is happening, while the level of expenditure execution in the category of capital investments in 2013 is at a rate of 87%, indicating that additional investments could be undertaken – one being the referred problem in schools.

Other problem evidenced during our interviews is the lack of the school guards, which was a service available to schools until very recently and now is no longer available. The budgetary line for the engagement of school guards at the municipal level has been cut, consequently leaving the schools without guards while the pupils attend classes. These findings are also in line with the results of the Outcomes of the Survey on Children Participation in Decision making 2014, whereby it is stated that in total, on a country level, no more than 60% of the schools provide some sort of security in their facilities, out of which, almost 20% are covered financially from parents and families of the pupils, and the remainder is covered by the municipal budget. Given that these schools we refer to are public schools, it is the obligation of the public institutions to provide the financial report and currently there is a major stagnation in this regard.<sup>74</sup>

While the number of different measures that could be undertaken to improve the education experience of the pupils in the schools of Peja is quite high, we continue to see a very 'boldly' allocated budget whereby the policy makers consider the investments in school buildings and the increased salaries for the professors, as a major investment towards providing the children a better education experience.

On the other hand, there is a need for education sector baseline study that would identify the needs of the sector, the same as what the Directorate for Health and Social Welfare is doing. This would then enable the Municipal Government to identify the real needs and to prioritize investment accordingly. While, progress has been made when it comes to achieving universal primary education for all children in Peja, some of the resource from budgetary lines that have underperformed historically, could very well be used for the training of the teachers; the contracting of school psychologists, a problem seriously elaborated by the

73 Perceptions of students, parents, and officials on the right to education, bullying and discrimination in schools, (2014), Syri i Vizionit and Safe the Children Kosovo.

74 Report on the results of the survey on the right to decision making 2014, (2014), Save the Children Kosova.

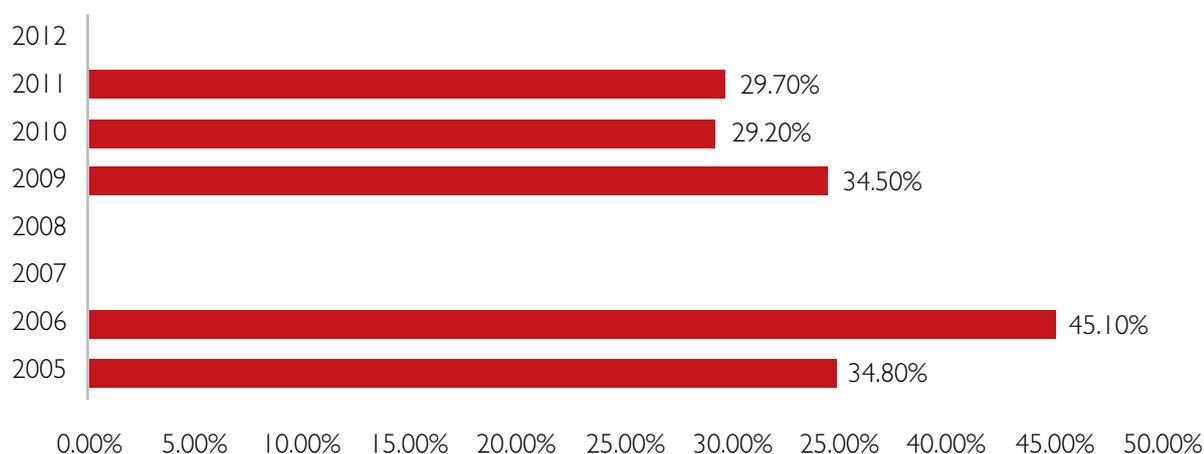
focus group participants; or the building of the sideways stairs or other alternative approaches to assure the inclusion of the children with disabilities in the learning process.

Ultimately, to increase the efficiency of the allocated budget for the education sector, the establishment of a mechanism for budget and expenditure reporting is advisable, while the presentation of a results oriented budgeting could lead to the increase the effectiveness in the use of the specific grant for education. Also, there is a need to increase the amount of resources allocated to Roma, Ashkali, and Egyptian Communities education and toward fostering inclusive education in schools, following good practice models.

## OVERVIEW OF THE SOCIAL PROTECTION SECTOR IN KOSOVO

The fight against child poverty has become an issue of global concern, which is best seen in the fact that six out of 8 Millennium Development Goals cover different issues that are related to the protection and the promotions of children rights.<sup>75</sup> The investment in the social wellbeing of the children is seen as a national investment of high priority with great returns on investment in the future. As such, there is an immediate need for the mobilization of state actors in Kosovo towards the drafting of the policies and the strategies that directly fight child poverty and protect the dignity of the children.

In Kosovo, on the central as well as the local level, the persistence of poverty is continuous and as such represents a challenge to the country's development and social wellbeing. According to the Kosovo Agency of Statistics, in 2011, 29.7% of the population lived in poverty, with 10.2% living below the poverty line.<sup>76</sup> Based on UNICEF studies it is precisely children who are the most affected by the poverty incidence. The greatest harm is imposed on the children of the age of 0-14 living in families with more than three kids.<sup>77</sup> Usually, the family whereby everyone is dependent as described by law and hence receives social assistance, in those families; the wellbeing of the child is harshly impacted.



■ Fig. 14 – Poverty headcount ratio at national poverty line (% of population)

On the other hand, based on the latest Labour Force Survey (LFS), it is evidenced that Kosovo still faces high unemployment rates of around 30%, whereby the employment rates are also alarming.<sup>78</sup> The low level of employment is especially present among women, with the level of employment reaching only 13 % while the labor market participation reaches around 20 %. A major concern is the fact that almost 70%

<sup>75</sup> United Nations Millennium Development Goals, United Nations.

<sup>76</sup> Social Indicators, Kosovo Agency of Statistics.

<sup>77</sup> Child Poverty in Kosovo, (2010), UNICEF.

<sup>78</sup> Labour Force Survey, (2014), Kosovo Agency of Statistics.

of the registered as unemployed fall in the category of long term unemployed job seekers. Another serious concern is the fact that the youth is hit harder by unemployment, as the unemployment level among young people aged 15-24 was about 56%.

Given the social and economic indicators in the country, the legal base in Kosovo provides that, when the circumstances are such that the individual has no support from the family or that support doesn't suffice to assure the social wellbeing of that individual, then it is the responsibility of the state to help and support that individual as provided in the national and the local legal statutes.

On a country level, the social protection is under the competencies of the Ministry of Labour and Social welfare. As such, it is entitled with a specific budgetary code which helps us evaluate the trends in the budgetary allocations for this sector over the years. While the consolidated budget of Kosovo has experienced growing trends, the same can't be said for the category of Social Protection.

In 2010, a sum of 35,040,945 Euro were allocated the category of social assistance, however, in 2014, no more than 34,559,069 have been allocated for this purpose. This indeed is one of the fewest categories within the budgetary lines that in terms of the overall budget, marks a decreasing trend. With the poverty incidence rates still remaining high, these declining trends indicate that there is not a good coordination between the policies and the aimed end goals. In order to fight poverty, the current allocations to the social protection at the central as well at the local level do not suffice, and more specifically, they are insufficient to help and meet the needs even of the receiving end beneficiaries.

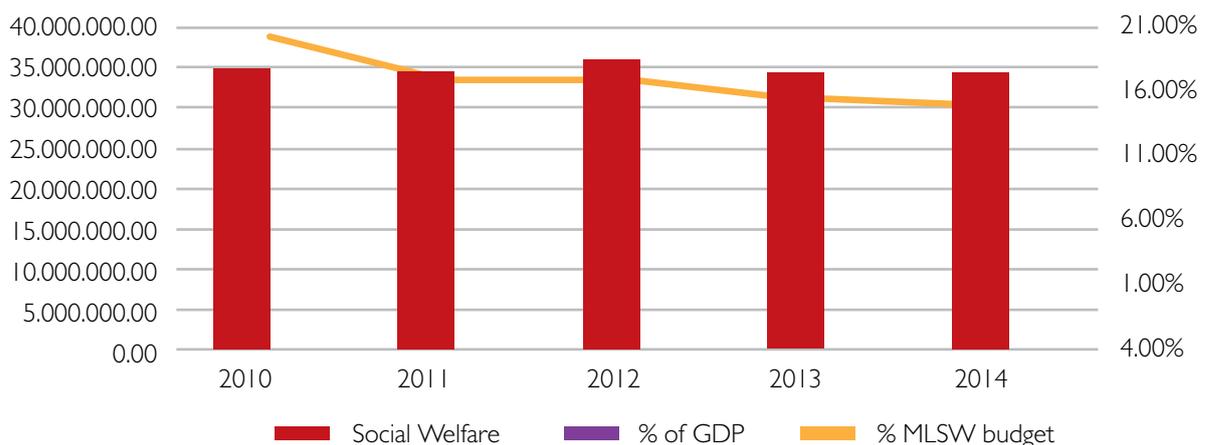


Fig. 15 – Budget for Social Welfare and the MLSW in Kosovo 2010-2014

The investments in social welfare only comprise a 0.83% of the GDP in 2010, while it was dropped down to 0.66% of GDP in 2013. This is a concerning figure that needs to be addressed immediately, especially considering the OECD country trends that indicate higher financial commitments in this direction in the recent years.

Even as part of the social assistance, on average, an 80% the allocated money is spent on social schemes, hence leaving the development of the quality of the provided social services behind.

Another interesting trend is the fact that the budget for the Ministry has been increasing or has stayed within same levels, while the allocation of the budget for the social welfare has been experiencing a decreasing trend.

On this note, there is a need to once more emphasize the problem with the set criteria for the qualification of the people to receive social assistance. Although in general terms, the number of the registered families in need might have decreased, this is not a representation of the real picture of the social welfare in the country.

While the population living in poverty in Kosovo is around 30% and has experienced no major decreasing trends,<sup>79</sup> and on the other hand, the Kosovo consolidated budget has been increasing from one year to the other, no increased allocation of funds towards the area of social welfare can be spotted. The only addition to the social scheme is precisely the additional compensation per child in the amount of 5 Euro that was enacted in October 2012.

While the policies for social protection are drafted at the central level, as previously indicated, based on the Law on Local Governance of 2009, there has been a delegation of the power from the Ministry of Labour and Social Assistance to the local authorities for a clearly defined role in terms of the social protection. The distribution of the social and family services is regulated through the Directorate for Health and Social Services, which is obliged to respect the standards as set from the Ministry.<sup>80</sup> The services are delivered through the Centers for Social work or through contracted non-governmental organizations that are competent in the field. The Directorate is obliged to develop annual development plans as well as to prepare end year reports on the activities of the center in the area of the provision of social services. In doing so, the Directorate is responsible to take into consideration the needs of the special groups and beneficiaries. The center for social work is the entity as provided by the law to provide social services. The director is accountable to the municipality in terms of reporting how the allocated funds have been used. Meanwhile, as also emphasized by Mentor Morina from the MLSW, the social scheme management remains a competence at the central level and is under the management of the Ministry of Labour and Social welfare. Amongst other things, the Municipalities are responsible for the provision of family and other social welfare services, such as care for the vulnerable, foster care, child care, elderly care, including registration and licensing of care centers, recruitment, payment of salaries and training of social welfare professionals.

It is upon the discretion of the Municipalities to regulate and manage the budgetary needs of the municipalities. In the case of the delegated responsibilities, it is the responsibility of the Government to allocate adequate amount of funds in the National Consolidated Budget that would cover the expenses arising directly from the new delegated competencies.

The categories receiving social assistance in Kosovo are of a wide variety and have mainly been classified based on the social context in the country after the war. While there are a great number of social programs, especially for the categories of people directly impacted by the war, the social assistance for children is provided in the following packages: family foster care for abandoned children without parental care, residential foster care, social assistance scheme as well as the social assistance for the families with children with permanent disabilities.

## LEGISLATIVE PACKAGE PROTECTING CHILDREN RIGHTS IN THE AREA OF SOCIAL WELFARE

Based on the legislation package concerning the social protection of the children, it is the responsibility of the parents to offer their children all the rights and conditions that are needed for a decent living. In case the parents can't afford that, then it is the responsibility of the state to jump in and take measures to protect the dignity of those children. On this note, the laws in the area of social protection are in place to protect the children whose families cannot afford a decent upbringing of the kids or the protection of the children who have no parental care whatsoever. The list of laws falling in this category is diverse and includes the following: Law on Social and Family Services, the Law on Social Assistance Scheme in Kosovo, Law on Material Support to the Families of Children with Disability, Law on Safety at Workplace, Protection of Health of Employees and of Work Environment as well as of Law on Labour, Law on Labour Inspectorate, Law on Protection from Domestic Violence, Law on Status and of Rights of Martyr's Families, Invalids, Veterans and KLA members and the Families of Civil War Victims. The idea is to respect

79 Population below poverty line, Kosovo Country Profile, CIA.

80 Law No. 03/L-040 on Local Self Government, The Assembly of Kosovo.

the dignity of the child by taking the maximum of efforts to guarantee that wellbeing within their natural families through different forms of assistance or material support. The exploitation of the children for personal benefits is strictly denied, so is economic utilization and maltreatment.

The social assistance program is organized as following:

- The provision of the social assistance scheme
- The provision of the social services<sup>81</sup>

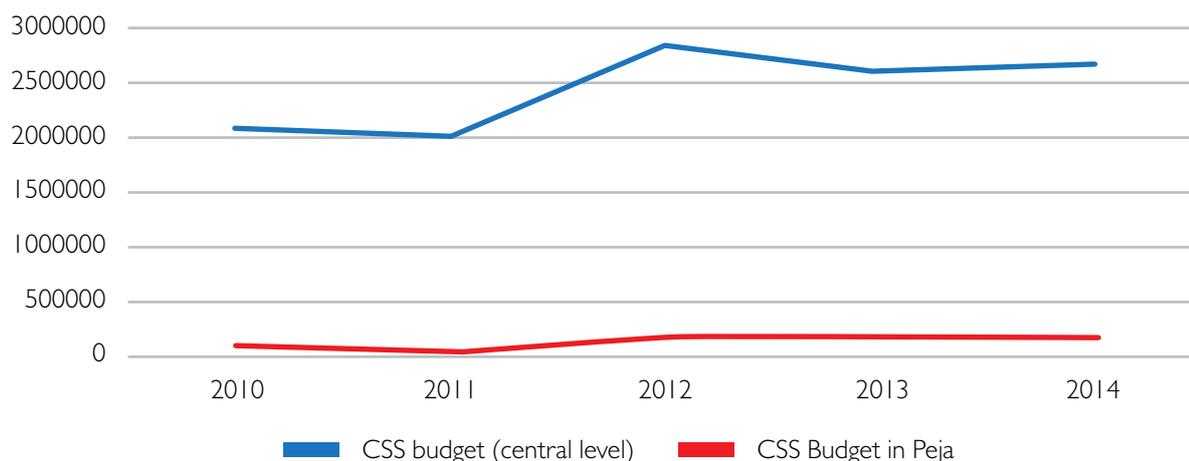
As already indicated, the social assistance scheme is the competence of the Ministry of Labour and Social Welfare, while the provision of social services is as competence of the local levels. Nonetheless, even though, the social scheme management is a competence of the Ministry of Work and Social Welfare, it directly impacts the social wellbeing at the municipal level. The Center for Social Services, operating within the Directorate for Health and Social Wellbeing, is only responsible for the registration of the beneficiaries. While, based on the Law on Local Governance, the Municipalities have only been delegated the task of managing the social services, Petrit Loci, the head of the Directorate for Health and Social Wellbeing, emphasizes the fact that the partial decentralization of the social services is not efficient. In his opinion, the management of the social cases from the central level is not effective. More specifically, one can't expect that the inspectors from the Ministries can keep up with the pace of the social trends within the municipality as would the competent authorities from within the Municipality do. Based on this mixed management of the social welfare program, there is and bigger chances for manipulation and misuse of the funds.

## FINANCING OF THE SOCIAL SERVICES AS ONE OF THE COMPETENCIES OF THE MUNICIPALITIES

The Municipalities provide the Social Services through the Centers for Social Services which are under the auspices of the Directorate for Health and Social Wellbeing. The way how the budget is allocated for these CSSs is made possible by a combination of the general grant and the own sources of revenue at the municipal level. Usually, the own sources of revenue are minor compared to the amount of financial backup provided by the general grant. However, even the grant itself doesn't suffice. The grant is, as the term says, general itself, and as such, as Head of the Finance Department within the Municipality of Peja, Jeton Abazi indicates, the different departments at the Municipal Level fight for the absorption of as much as possible financing in order to cover the expenses of their own departments. In line with this, it is worth explaining the fact that the grant doesn't assure a minimum percentage that would be allocated to these CSSs.

This is the part where the sustainability of the financial support for the provision of social services at the Municipal level is threatened by the current system of the budgetary allocations for this specific sector. The graph below clarifies the problem with the current system:

81 Zariqi, Q. ,Summary of Lawt hat Protect Children's Rights in the Republic of Kosovo, (2012).



■ Fig. 16 – Trends in Budget Allocations for CSS at the Central as well the Municipal level 2010-2014

Based on these figures, we can identify that at the central level, there has been some progress from year to year in terms of the financial resources allocated for these centers. In the Municipality of Peja, the fluctuations in the budget allocated for these centers are almost in line with the trends evidenced at the central level. This is precisely where the problem becomes pervasive. While, as already emphasized, the social wellbeing figures overall have not improved there is a fallacy in the relationship between these trends in the overall social welfare picture and the financial support trends within this budgetary line.

The current form of financing the social services sector is not based on a strict formula that would take into consideration the different factors and needs at the municipal level. As such, the financing of the work of the Social Centers is left at the mercy of the Municipal Leaders, which based on their agendas, as stated by Jeton Abazi, Head of the Finance Department in the Municipality of Peja, can risk and threaten the financial sustainability of these centers in the long run because of investments in other departments. As long as there will be no new policies to assure the minimum level of financial support for these social centers, there is a risk that the low level of financing might turn into a negative consequence affecting the quality of services they provide. This in turn might risk the operations of the centers which could be well exposed to shut down threats from the central level due to the lack of the quality services provided in them.

## GENERAL FINANCING TRENDS IN THE MUNICIPALITY OF PEJA

The table below provides a clear overview of the budgetary trends for the social protection sector in the Municipality of Peja starting from 2010 up until 2014. Based on these figures, in 2014, there have been 180,000 EUR allocated for this sector. While indeed, the social scheme is covered from the central level, the allocation of this amount of money, which comprises barely 1% of the total budget of the Municipality of Peja for this year, is needless to say non responsive to the needs of the sector. Moreover, it is worth noting the fact that there has been a decrease in the allocated funds for this sector this year compared to last year. In 2013, the budget for the provision of the social services was 213, 500 EUR, which is 11% higher compared to the current levels. In addition, almost 50% of the current budget is allocated for salaries and wages. The remaining funds are almost equally distributed between the categories of Goods and Services, Social Transfers and Subsidies, as well as Capital Investments.

YEAR	SALARIES AND WAGES	% TOTAL BUDGET	GOODS AND SERV.	% TOTAL BUDGET	UTILITIES	% TOTAL BUDGET	TRANSFERS AND SUBSIDIES	% TOTAL BUDGET	CAPITAL EXPENDITURES	% TOTAL BUDGET	TOTAL
2010	PLAN	72,008.16	10,039.00	9,835.00	30,000.00	0	0	121,883.16			
	EX.	72,007.81	10,038.07	9,469.29	29,800.00	0	0	121,315.17			
2011	PLAN	69,126.77	12,055.79	9,179.68	0	0	90,405.00				
	EX.	69,126.77	12,055.79	9,179.68	0	0	90,362.24				
2012	PLAN	78,763.00	35,000.00	9,000.00	30,000.00	50,000.00	202,763.75				
	EX.	78,762.97	34,955.98	8,998.69	29,970.00	15,000.00	167,687.64				
2013	PLAN	86,000.00	65,300.00	7,200.00	30,000.00	25,000.00	213,500.88				
	EX.	85,677.35	65,280.84	7,192.58	29,980.00	25,000.00	213,130.77				
2014	PLAN	86,000.00	35,300.00	6,500.00	30,000.00	30,000.00	187,800.84				
	EX.	N/A	N/A	N/A	N/A	N/A	N/A				
	%	N/A	N/A	N/A	N/A	N/A	N/A				

■ Fig. 17 – Planned and Executed Budget per Budget Category in the SW sector in Peja 2010-2014

It is worth noting that based on the expenditure review report, one can easily identify that the realization of the budget has been almost on a 100% level. This in the first glance indicates that the budget allocation for this sector is based on thorough planning and that careful consideration is given in the period of the budgetary planning. However, we should once more return to the fact that the budget allocated for the sector is minimal, hence not allowing for any further expansion or improvement in the services provided within the Center for Social Work.

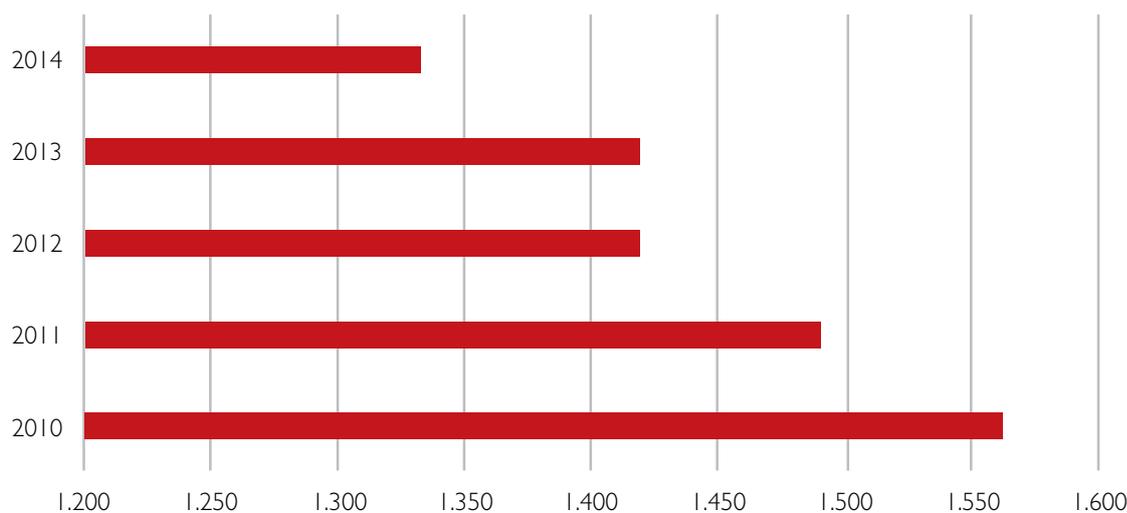
## Social Assistance Scheme

The social assistance scheme is one of the widest social protection measures which aim to directly fight the poverty levels in the country by providing the ones living in poverty with some sort of financial assistance.

The social assistance scheme is regulated by the Law on Social Assistance Scheme, which based on the Article 4 specifies a certain number of criteria that the families and the children in need should fulfill in order to qualify for this scheme.

Firstly, the applicant has to be a resident of the Republic of Kosovo and in order for the applicant to qualify for receiving this financial assistance, he/she must fall within one of the following groups:

- if all family members do not work or are not able to work;
- A family member who is able to work, but is registered as unemployed and has at least one child under the age of 5 in its care or an orphan child under the age of 15.<sup>82</sup>



■ Fig. 18 – Number of families receiving the social assistance scheme payment Peja

Same as with trends at the central level, the number of beneficiaries in the Municipality of Peja has decreased over the years. While there were 1,563 families who received social assistance in 2010, the number in 2013 has decreased to 1,333. In percentage terms, there is an almost 15% improvement in terms of the number of families in need and beneficiaries of the social scheme in the municipality of Peja. The fact that the number of families receiving social assistance has declined is not an indicator of the improvement of the social wellbeing in the Municipality or in the country overall. The main reason behind this improvement in numbers is rather because of the fact that many families have not fulfilled the criteria as set forth by law to be qualified as beneficiaries of the social assistance scheme. Many studies, including the UNICEF's child poverty study in 2010,<sup>83</sup> have criticized the first criteria of the second category, whereby the family qualifies for social assistance only if the family has one child of less than 5 years old. This calls for the need

82 Law No. 2003/15 on the Social Assistance Scheme in Kosovo, The Assembly of Kosovo.

83 Child Poverty Study in Kosovo, (2010), UNICEF.

of the amendment of the law, specifically because, instead of improving the social condition in the country, this criterion is rather contributing to the prevalence of higher poverty incidence rates. Naser Lajqi from Syri i Vizionit declared that there is a tendency for many families, when their children reach the age of 5, to make babies for the sake of not being excluded from the scheme; this in turn is not helping these families improve on their social condition, rather it is contributing to the worsening of their wellbeing and its increasing the living costs.

Additionally, the amount of 65 Euro on average per family distributed in the form of social assistance is generally perceived as insufficient. It is generally argued that this amount of money is not responsive to the economic circumstances in the country and as such is not seen as an effective way to fight poverty reduction in general and amongst children in particular.

Law on Social Assistance Scheme of Kosovo provides creation of the social insurance scheme for families that live in property, the families that face certain difficulties and which need assistance. The financial assistance is offered to these families based on the evaluation of their wealth and social status and the scheme as such is administered by MLSW through Centers for Social Work.

Article 9 of the Law on Social Assistance Scheme determines the monthly standard rate for social assistance. This rate is adjusted according to the number of family members and the number of points by the member as it is presented in the below:

- Family with two (2) members – 50 EUR
- Family with three (3) members 55 EUR
- Family with four (4) members 60 EUR
- Family with five (5) members 65 EUR
- Family with six (6) members 70 EUR
- Family with seven (7) members 75 EUR<sup>84</sup>

As it can be seen, with this determination of the monthly standard rate and the current designation of the law system, the state is failing to provide every child the right to adequate living standard. It is now established that with this determined monthly amount, the children in Kosovo cannot exercise even their elementary rights, and let alone to enjoy adequate living standards, that would ensure survival, development and social security. Therefore, the Government of Republic of Kosovo within available possibilities that it has, should attribute a higher amount of financial resources for responding adequately to the needs of its citizens, in order to make possible for every child an adequate living standards, especially regarding food, clothes and shelter.

### **Support to the Families of Children with Disabilities**

The Law on Material support to the Families of Children with Disabilities is one of the most effective ways that the Government has chosen to directly address the issue of social support for the families who raise children with various physical or mental impairments. As such, the Law has predicted that these families should benefit an amount of 100 EUR per month. Yet, no matter the fact that at first glance this social package might be considered as one of the best policies in the area so far, the law only covers those children that are permanently disabled and as such excludes the ones who might have severe yet no disabilities classified as permanent as provided in this law.

Children with permanent disabilities are the ones who are either: immovable; totally blind as well as the children who due to the nature of disease or permanent disease, are not capable to move by themselves in independent way in places where they need, are not able to eat by themselves, to get dressed and undressed, to finish their physiological needs as well as to maintain their personal hygiene.

The graph below provides the numbers of the children beneficiaries of this support and the financial cost arising as a direct support to the families of these children.

<sup>84</sup> Law No. 2003/15 on the Social Assistance Scheme in Kosovo. The Assembly of Kosovo.

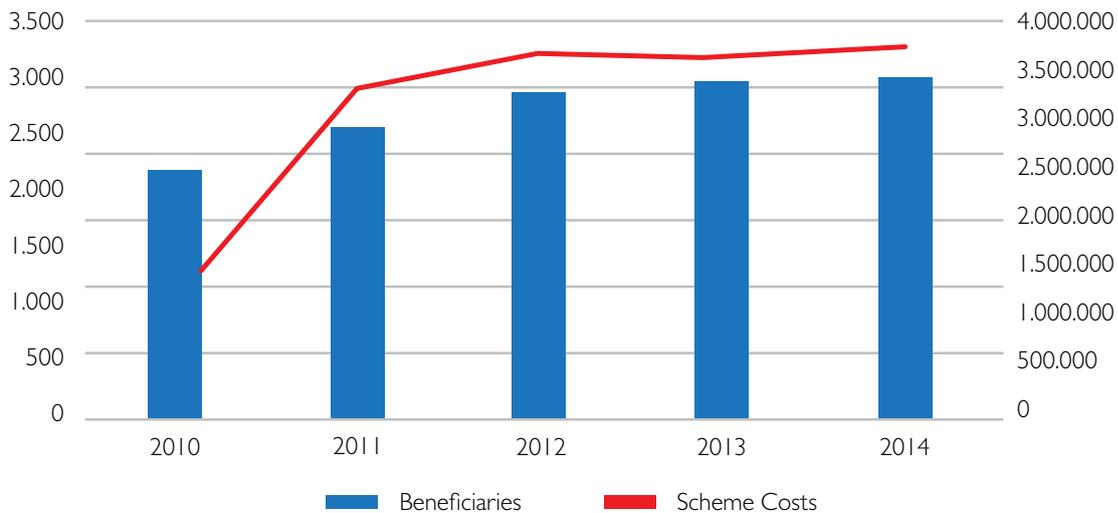


Fig. 19 – Number of Beneficiaries and Scheme Costs

In 2014, based on the third quarter statistic as provided by the Kosovo Statistics Agency, the number of the families receiving this financial support in was 126.

### Provision of the Foster Care

Another obligation of the Centers for Social Services is to take the role of the responsible parent for children who either are orphans, are abandoned from their parents, have problems within the family, the parents are divorced, etc. The primary action taken in these circumstances is that of becoming the Custodian Body until a solution is found that is suitable and assures the wellbeing and the protection of the dignity of the child.

There are three alternatives for foster care for these children in need:

- The foster care in the close circle family
- Foster care at a family willing to offer shelter to a child
- Residential foster care<sup>85</sup>

It is the responsibility of the CSSs to assure that first all the possibilities for providing foster care within the family are exhausted, then the center together with cooperating NGOs is responsible for the training of the fostering families and to match the needs of the child with the families willing to give shelter to these children.

As said, all forms of family fostering alternatives need to be exhausted, first within the close family members and then to other families who are trained to offer this service. The ultimate action should be the placing of the children in the residential fostering centers.

The financial support for these forms of fostering are as following: 75 EUR per child on monthly basis when the child is staying with someone from the close family, 150 EURO to families that offer foster care, and 250 to families that offer foster care to children with disabilities.

Currently in Peja, there are 11 children that are provided residential foster care in different institutions and 7 children who are given family foster care to the foster families or their relatives.

85 Law No. 02/L-17 on Social and Family Services, The Assembly of Kosovo.

## THE LIMITED UTILIZATION OF THE SOCIAL SERVICES FOR THE WELLBEING OF THE CHILDREN IN THE MUNICIPALITY OF PEJA

Kosovo suffers from a number of problems in its social inclusion system. Crucially, there is still a lack of accurate data upon which to make evidence-based policy choices. In addition, there is weak horizontal and vertical co-ordination, a clash between technical and political governance, and the absence of public debate and stakeholder involvement in planning and managing services. Decentralization of services and of financing may have been rushed through for political reasons without sufficient discussion on implications for equitable access. The lack of public debate and participation is a major deficit, with limited redress for users of services. Policy commitments on gender and minority issues and poverty are in place but not well implemented. Children's policy is a major deficit, whether relating to holistic early childhood policy or a concrete response to child poverty and exclusion. Indeed, whilst pensions, health and social assistance reform appear to be priorities, none of these are framed in terms of the implications for children. Finally, overall strategy is lacking in terms of social inclusion with a rather diverse set of international agency influences tending to dominate the Kosovar social inclusion

Children's oriented welfare programs are a major deficit in the Municipality of Peja. Their rights in this area are mainly channeled through the children's parents or their teachers. In other words, the level of participation of the children when deciding for their own life is really low. These statements are also in line with the findings of the survey 'The right of participation in decision making' compiled by Save the Children in Kosovo in 2014. Based on the report findings, it is evidenced that children feel very limited in almost every aspect of decision making. Starting with the fact that only 5% of the children are allowed to decide themselves on what courses do they want to attend, as low as 1% of the interviewed children are allowed to express their opinion when the family makes important shopping for house needs, while as much as 50% declared that they have no say in school when the Pupil's class Committee is selected. This indicates that at all levels, the children rights in decision making in Kosovo overall are really low and this applies to social protection as well.

Currently, the merging of health and social welfare under the management of a single directorate can have negative implications for the development of the welfare programs to respond to the specific needs of the citizens and the children in the municipality. Based on the budgetary trends, it can be seen that the budget allocated for the managements of Center for Social Services operating in Peja under the auspices of this directorate is not reflective of the needs of the citizens and seems to be copy-pasted from one year to the other. The current budget allocated for this sector is insufficient, hence there is first and foremost necessary to design specific grant to assure the provision of the minimum set quality requirements for the services provided or at least to set the minimum that should be reserved for the social protection budgetary line.

On the other hand, the understanding of the society is that the utilization of the social services attributes you a social tag and that social welfare only implicates social transfers and the social scheme. While we currently have the Center for Special Care operating as a branch of the CSS, the funding of this center is majorly circumscribed. It is precisely the full operational functionality of this center that would help majorly in regards to providing social services to juveniles who have problems with the justice system or have committed some kind of misconduct.

Currently in Peja, the city is struggling with a group of children who are exposing the citizens to everyday disturbances and are committing minor felonies, while the Law has no provision to cover this group age and has no means to expose it to the justice system. It is precisely at this point that the role of these day care centers that comes into play. By already having a tool in place that could well lead to addressing these issues, there is a need for a direct allocation of funds that would support its functioning. On this note, there is a need to guarantee a separate budget for the remuneration of the workers serving in full shifts in these Centers for Special care which currently practically operated on voluntary basis.

While there is a general tendency to misunderstand what falls within the area of social wellbeing, there is a need to mobilize the society that social protection doesn't only imply financial support and

consecutively to promote the benefits of the social services provided and managed at the local level. In doing so there is the need to continue with the verification of NGOs operating in the field in order to have them do their job considering that there is a lack of human capacities within the state institutions given the insufficient amount of allocated funds.

Ultimately, there is a need for the creation of a municipal database to register the number of families in need with the specific number of children in each of those in order to be able to draft local policies that would assure a minimum comprehensive social protection to the least. At the moment, most of the social programs and schemes are not framed with a focus on the needs of the children, while there is no budgeting whatsoever for community-based social services as part of a preventive social safety net. Consequently, there is an immediate need for developing a coherent decentralization strategy for the management of the social wellbeing sector, whereby roles, functions and funding responsibilities, with regards to children programs are defined.

## CONCLUSIONS AND RECOMMENDATIONS

Based on the fiscal analysis and the budgetary allocations at the central as well as the municipal level, we have come to identify the major problems, persisting trends, public finance efficiency, and the related issues with the existing management and the current allocation of the budget resources. An evident problem throughout the analysis is the fact that the management of the public funds is an area strictly regulated by laws, clearly defined formulas, and orchestrated by political agendas, as is the case of the increased salaries for the public servants. In absence of major potential for major changes at the moment in this regard, the report will be wrapped with a listing of the alternatives and suggestions for regulating the public finance management through the incorporation of modalities that would be more responsive to the needs of the citizens of the Municipality of Peja.

The main findings of this report are:

- As clearly emphasized many times throughout this report, **a decentralized system of management of three very important sectors, i.e. primary health, pre-university education, and social services provision is practiced in the country**, which directly impacts the wellbeing of the children in Kosovo in general, and in the Municipality of Peja, in particular. The decentralization process as such, is seen as a good policy to increase accountability of the leading institutions to the citizens while offering the chance for citizen's to reach greater levels participation in decision making.
- With regards to the budgeting of the needs of the children and the reflection of those needs in the local government programs, little positive action can be identified up to date. Despite the decentralization taking place in its form as a process of its own, **there have not been any improvements in terms of the reflection of the children needs in the municipal budgets**. The same case is applicable to the Municipality of Peja.
- When the budget circular reaches the Finance Department of the Municipality of Peja, the competition amongst different departments becomes fierce as in terms of absorbing the majority of the funds available. There are obviously many competing demands for local funds, so local bodies face difficult decisions on how to best use these resources. As such, **in absence of clear cut policies and rigidly defined targets, the budget for children is exhausted at the expense of investments in other priority areas** that potentially bring more political acknowledgment and appraisal for the politicians who are in charge of leading the municipality, ultimately having a tendency to result in more votes, rather than do they bring any direct benefits to the children.
- Normally, for the drafting of a budget plan for a particular fiscal year, the Municipalities are obliged as provided by the Law on Local Government Finance to hold public hearings with the citizens in order to listen to their concerns and try to incorporate them and reflect them in the budgetary lines. Based on

the interviews we have made with the Municipal Head of Departments, we have come to understand that despite the fact that the Municipality of Peja has really committed itself towards respecting this legal obligation, the response of the citizens has been almost indifferent. The Director of the Directorate for Finance in the Municipality of Peja clarified that despite the fact that here have been 6 meetings organized in 6 different regions within the municipality **the participation of the citizens in public hearings is really low and the interest to be part of those has been of a minor nature.**

- Citizens mainly raise their voices and are concerned on matters of fighting poverty level and increasing the job opportunities, hence the requests are made mainly for investment in roads, water systems, sewage, etc. While these investments do in fact indirectly contribute to the wellbeing of the children, **there is a need for unified and coordinated action from the children representatives and organizations fighting for their rights in order to push forward their agendas.**
- What we were able to identify throughout our field and desk research is that **there is almost a complete absence of the visibility of the children rights in the budgetary planning and the agendas of the municipal leaders.**
- In addition, the local bodies are seen as not being keen to going beyond their daily tasks, in other words, there is a **lack of will for taking initiatives at the local level that would help towards making the children rights a priority within the local governing agenda.**
- Part of the problem at this point is the **lack of awareness programs that target the municipal policy makers and help them understand the importance of investing in children rights** and the long term benefits accompanying these investments.
- Another problem is the incidence of poverty and the still pervasive rates of these phenomena in the society. While the fighting of poverty is seen as one of the major focuses of the government and the local governments as well, **the policies are mainly aimed towards fighting unemployment rates and increasing job opportunities.** This sort of action could be identified as short sighted compared to the investment in children through social program schemes and other suited programs that would reduce the financial burden of attending education and increase the accessibility to healthcare.
- Additionally, what we could understand is that **the policy making arrangements tend to be coordinated with the central level goals and strategies.** This at the first sight should not represent a problem in case the local policy makers showed some efforts towards pushing further the limits, in terms of taking some individually designed and municipal specific action that would respond to the needs of the citizens. Cases of these actions are now seen in the Municipality of Prishtina, whereby one of the major projects was a 'voluntary' initiative of the Mayor to offer a lunch break meal for every child attending school. The need for similar initiatives was greeted by participants in the focus group, which specifically requested and pushed forward the idea of the **need to take personal action and initiative, which goes beyond what is originally envisaged and planned within the strict planning and policy making lines.**
- While the allocation of funds at the central level is made based on bold and strictly defined formulas, which help towards the calculation of the grants to be allocated to different municipalities, the same trend should not be followed at the local level. **The local units should coordinate amongst themselves to create a stable system of statistics and data that would help the local municipalities to plan and act accordingly.** The lack of cooperation and communication between the policy makers and the citizens brings low satisfying results with regards to the promotion of particular interest groups, in this case, the children needs. Hence the need for collective action and the cooperative spirit between the institutions.

- While the focus group participants specifically mentioned the interest of the newest government policy makers to get engaged in the daily problems of the institutions they are representing, they clearly indicated that this practice has not been exercised previously. In lack thereof of a link between the citizens and the policy makers, the tendency to move away from the centrally planned orchestrated policies is seen as a never reaching goal. Currently in the municipality, as well as is the case with the country, the practice is as such that the most accessible link for citizens to channel their problems are the NGO organizations that deal with children rights. While the decentralization of powers shall bring the policy makers closer to the citizens, this has not been the case so far. This phenomenon is in line with the decentralization critics who stipulate that **in absence of accountability mechanisms and real devolution of powers, the incorporation of peoples' interests in the policy making cycle is unlikely to take place.**
- The problems though are not only with the policy makers, the problem lays also at the levels of awareness about the investment in children rights at the citizen level. When asked about potential initiatives taken or potential projects that would further enhance the wellbeing of the children and as such the overall conditions in the institutions that the focus group members represented, poor responses to the question followed. This made us understand that, **the school and kindergarten directors, teachers, community representatives etc., are not aware of the legislative framework that they could utilize to improve the conditions in their institutions,** the means they can use it to do so and the channels they can utilize to reach their goals.

## VIABLE SOLUTIONS TO ENHANCE CHILD FOCUSED SPENDING IN THE MUNICIPALITY OF PEJA

In order to assure a higher visibility of the children needs and a greater promotion of the children rights in the Municipality of Peja, not only in the local budget planning but also make them a crucial priority in local policy making, following actions could be taken:

**Awareness raising targeting public officials and female assembly representatives** - It has now become a practice that to solve problems one needs to raise awareness about the problem in order to bring the issue to a level where it becomes a part of the social discourse. The same applies in the case at hand. In order to see a more child focused prone budgeting in the years to come, one needs to make sure that the people in charge for drafting the budget as well as those who approve it are aware of the importance and the positive implications of the child focused spending. On that note, one of the measures to solve the problem is to raise awareness on the issue amongst public officials responsible for drafting the budget at the municipal level. One of the most effective measures taken at this level is to:

**Work closely with the female local assembly representatives** who are seen as the best tool to channel children rights in the Local Council as well as find means to incorporate and reflect them in the municipal budgets.

Alongside, **empowerment of the local officials to improve on service delivery for children at a grassroots level** is essential in this part, as they are the ones responsible for the implementation of the government programs. The training programs should be drafted based on the best practices in the area of children rights as implemented in the countries which rank highest in the area of child rights visibility in the national policies and budgets.

**Advocacy training for Children Rights advocates** – Advocacy is seen as one of the most modern and currently widely successful tools used by different interest groups to push forward their agendas. In order to raise the level of effectiveness of work of the NGOs who are currently working extensively on the promotion of the children rights, as well as, the minority community groups who stand for the promotion of the best interest of this marginalized part of the society, there is a need for:

**Immediate mobilization, coordination and capacity building of the children rights advocates through advocacy training.** The focus should be in training them and providing them with the necessary advocacy skills that would assist them towards reaching out the policy makers and through their power and competencies, make sure that the children rights are also reflected in the final budget through designing different child need oriented vertical programs.

**Awareness raising targeting citizens** - Currently, the promotion of the children rights in the Municipality of Peja has been left almost in complete mercy of the NGOs whose work is focused in the area of children rights protection. However the action of the NGOs alone does not suffice. During our research, we have also found ourselves in such situations where the random citizens were not able to comprehend what ways could the governments be pushed to improve public spending and investment in children. Consequently, we understand that there is lack of awareness about the implication of enhanced child focused spending, as well as, there is lack of support at the grassroots level. Therefore, there is a need for:

**Awareness raising programs for citizens tackling the importance of investing in children and how does investment result in highly positive returns.** This would ultimately lead to increased demand from citizens towards local policy makers to work more intensively in this direction and also be accountable to them. The sooner this becomes a priority, the faster can we see progress in terms of the reflection of the children needs in the budgetary lines of the local budget.

**Integrate children in the process** – In the process of raising awareness, the incorporation of the children themselves in the process is of utmost importance. Therefore there is a need to identify opportunities to assure the children’s’ participation as well as create ways to channel their voices and needs. One way of doing this is:

**The mobilization of pupils and stakeholders at the school level.** To the minimum, yearly meetings between school directors, parents, municipal representatives and pupils could be a very efficient way to integrate the children in the policy making cycle and make them also take ownership in terms of the protection of their rights. While not all children attend school, modalities to incorporate the voices of the other children as well are to be identified.

**Increase the financial support base** – As explained earlier, the local budgets are a composition of the general and specific grants, own source revenues as well as international funds. While there is little flexibility to change most of the budgetary lines that come through the centrally orchestrated grants, and on the other hand, considering the low level of own source revenues at the municipal level, the focus should move towards the:

**Absorption of funds from international donors.** On this note, it is necessary to work closely with the municipal officials, especially with the department for finance, in order to train them on how to attract these funds, make most efficient use of them, manage them effectively, and mainstream them for the promotion of programs and initiatives which ultimately lead to an improved social wellbeing, in general, and a higher promotion and visibility of children rights, in particular.

**Advocacy at the Central Level for designing laws that promote children rights:** Based on what is explained in the Budget Preparation Section of this report, it is quite vivid that Municipal financial resources are mostly regulated by the legislative framework, however, as stipulated by Article 8 of the Law on Local Government Finance, own source revenues can go beyond the exclusive list of revenues in case that those categories of revenue collection are provided in the Laws of the Republic of Kosovo. This calls for the need for advocacy at the central level for the drafting of a specific law that covers exclusively the promotion of children rights in accordance with the UN Convention on the Rights of the Child and consecutively, which would assure a sustainable source of finance for the promotion of the children needs in Kosovo. Another plausible alternative is to seek for the establishment of a Specific Grant, that would be used exclusively for covering the expenses for programs and activities which promote the protection of the children rights.

**Municipal Based evaluation of the citizen's needs** – Currently the municipal budget planning is rather based on some already established and traditional patterns, where there are cases of budgetary categories being almost copy pasted from one year to the other despite the vivid changes in those particular areas. Hence, in order to use these resources more effectively, there is a need for a:

**Municipal based evaluation of the citizen's needs, with a focus on the needs of the children.** Similar to the practice that the Department for Health and Social welfare is now undertaking with the support of UNDP to identify the needs of the citizens in these areas, the same could be practiced with other sectors, which would ultimately lead to more target oriented and easily monitored budgeting process.

## APPENDICES:

### APPENDIX I: HEALTH SECTOR BUDGET STATISTICS 2010-2014

CATEGORY	2010	2011	2012	2013	2014
REAL GDP	4,204,300,000.00	4,594,600,000.00	4,949,900,000.00	5,232,800,000.00	N/A
KOSOVO BUDGET	1,129,509,680.00	1,414,927,737.00	1,512,647,064.00	1,591,512,602.00	1,589,324,952.00
MINISTRY OF HEALTH	70,825,192.00	79,079,229.00	88,168,425.00	107,459,989.00	114,707,481.00
HEALTH EXPENDITURE AS % OF GDP	1.68%	1.72%	1.78%	2.05%	N/A
HEALTH EXPENDITURE AS % OF KB	6.27%	5.59%	5.83%	6.75%	7.22%
DIFFERENCE IN MH BUDGET FROM YEAR TO YEAR (%)	N/A	11.65%	11.49%	5.21%	6.74%
DIFFERENCE IN MH BUDGET FROM YEAR TO YEAR (EUR)	N/A	8,254,037.00	9,089,196.00	19,291,564.00	7,247,492.00

■ Tabela 1: Indikatorët ekonomik dhe alokimet buxhetor për sektorin e shëndetësisë në Kosovë 2010-2014

CATEGORY	2010	2011	2012	2013	2014
MINISTRY OF HEALTH	70,825,192.00	79,079,229.00	88,168,425.00	107,459,989.00	114,707,481.00
BUDGET OF PEJA MUNICIPALITY	17,433,674.73	19,345,551.85	19,621,018.46	20,952,752.86	19,982,046.10
DIRECTORATE FOR HEALTH AND SW	2,236,914.92	2,483,782.29	2,629,801.73	2,732,688.71	2,703,139.94
BUDGET OF DHSW AS % OF PEJA BUDGET	12.83%	12.84%	13.40%	13.04%	13.53%
PRIMARY HEALTHCARE BUDGET	2,087,924.44	2,278,037.29	2,390,870.73	2,475,088.71	2,459,839.94
CHANGE FROM ONE YEAR TO ANOTHER (EUR)	N/A	190,112.85	112,833.44	84,217.98	(15,248.77)
CHANGE FROM ONE YEAR TO ANOTHER (%)	N/A	9.11%	4.95%	3.52%	-0.62%
PRIMARY HEALTH AS % TOTAL BUDGET	11.98%	11.78%	12.19%	11.81%	12.31%

■ Tabela 2: Shpenzimet për shëndetësi si % e buxhetit total; shpenzimet për shëndetësi primare si % e buxhetit të DSHMË në Komunën e Pejës

CATEGORY	2010		2011		2012		2013		2014	
	TOTAL BUDGET	% OF BUDGET								
SALARIES AND WAGES	1,512,990.52	72.46%	1,736,639.00	84.31%	1,776,033.90	74.28%	1,793,256.47	72.45%	1,783,025.94	72.49%
GOODS AND SERVICES	220,258.92	10.55%	223,178.29	10.83%	434,422.00	18.17%	468,600.00	18.93%	477,600.00	19.42%
UTILITIES	104,675.00	5.01%	100,000.00	4.85%	99,660.00	4.17%	102,214.00	4.13%	99,214.00	4.03%
TRANSFERS AND SUB.		0.00%		0.00%	-	0.00%	-	0.00%	-	0.00%
CAPITAL EXPEND.	250,000.00	11.97%	-	0.00%	80,754.83	3.38%	111,018.24	4.49%	100,000.00	4.07%
TOTAL	2,087,924.44		2,059,817.29		2,390,870.73		2,475,088.71		2,459,839.94	

■ Table 3: Healthcare budget in Peja per budget category

CATEGORY	2010			2011			2012			2013		
	PLANNED	EXECUTED	%									
SALARIES AND WAGES	1,512,990.52	1,512,754.94	99.98%	1,736,639.00	1,729,106.08	99.57%	1,776,033.90	1,775,791.93	99.99%	1,793,256.47	1,778,245.53	99.16%
GOODS AND SERVICES	220,258.92	212,998.31	96.70%	223,178.29	223,037.93	99.94%	434,422.00	434,159.16	99.94%	468,600.00	468,573.74	99.99%
UTILITIES	104,675.00	104,617.63	99.95%	100,000.00	99,991.21	99.99%	99,660.00	99,649.77	99.99%	102,214.00	102,156.89	99.94%
TRANSFERS AND SUB.	-	-	-	-	-	-	-	-	0.00%	-	-	0.00%
CAPITAL EXPEND.	250,000.00	193,117.07	77.25%	-	-	-	80,754.83	69,891.36	86.55%	111,018.24	111,018.24	100.00%
TOTAL	2,087,924.44	2,023,487.95	96.91%	2,059,817.29	2,052,135.22	99.63%	2,390,870.73	2,379,492.22	99.52%	2,475,088.71	2,459,994.40	99.39%

■ Table 4: Planned vs. Executed Healthcare Budget of Municipality of Peja based on budget categories 2010-2014

## APPENDIX 2: EDUCATION SECTOR BUDGET STATISTICS 2010-2014

CATEGORY	2010	2011	2012	2013	2014
REAL GDP	4,204,300,000.00	4,594,600,000.00	4,949,900,000.00	5,232,800,000.00	
KOSOVO BUDGET	1,129,509,680.00	1,414,927,737.00	1,512,647,064.00	1,591,512,602.00	1,589,324,952.00
MES	37,709,899.00	34,817,820.00	40,984,755.00	45,705,848.00	50,297,252.00
% E BK	3.34%	2.46%	2.71%	2.87%	3.16%

Table 1: Country Economic Indicators and Ministry of Education and Science Budget 2010-2014

YEAR	SALARIES	% TOTAL	GOODS & SERVICES	% TOTAL	UTILITIES	% TOTAL	TRANSFERS	% TOTAL	CAPITAL EXP.	% TOTAL	TOTAL
2010	3,569,217.00	9.46%	7,737,153.00	20.52%	729,018.00	1.93%	219,730.00	0.58%	23,488,781.00	62.29%	37,709,899.00
2011	4,835,803.00	13.89%	4,820,807.00	13.85%	817,657.00	2.35%	1,265,478.00	3.63%	23,138,075.00	66.45%	34,817,820.00
2012	5,836,856.00	14.24%	8,214,353.00	20.04%	817,657.00	2.00%	1,810,478.00	4.42%	24,305,411.00	59.30%	40,984,755.00
2013	7,894,360.00	17.27%	8,873,546.00	19.41%	1,204,690.00	2.64%	4,872,252.00	10.66%	22,861,000.00	50.02%	45,705,848.00
2014	10,089,035.00	20.06%	9,956,656.00	19.80%	1,274,157.00	2.53%	3,977,404.00	7.91%	25,000,000.00	49.70%	50,297,252.00

Table 2: Education Budget per Budget Category in Kosovo 2010-2014

MES	37,709,899.00	34,817,820.00	40,984,755.00	45,705,848.00	50,297,252.00
CHANGE YEAR TO YEAR (EUR)	N/A	(2,892,079.00)	6,166,935.00	4,721,093.00	4,591,404.00
CHANGE YEAR TO YEAR (%)	N/A	-8.31%	17.71%	11.52%	10.05%
PRE UNIVERSITY EDUCATION	4,292,479.00	4,786,775.00	5,398,699.00	5,576,099.00	4,785,942.00
EDUCATION/SPECIAL NEEDS	1,318,134.00	1,645,831.00	1,645,831.00	1,645,831.00	1,645,831.00
TEACHER TRAININGS	1,936,039.00	1,035,745.00	935,745.00	935,745.00	861,195.00
BASIC EDUCATION PROGRAM				1,000,000.00	1,000,000.00

Table 3: Budget trends and budget allocation per budget codes in the Education Sector on a country level 2010-2014

EDUCATION	ADMINISTRATION	% TOTAL	PRE SCHOOL	% TOTAL	ELEMENTARY	% TOTAL	HIGH SCHOOL	% TOTAL	TOTAL
2010	76,694.00	1.23%	309,458.39	4.97%	4,139,118.65	66.52%	1,697,379.76	27.28%	6,222,650.80
2011	345,703.39	4.23%	315,694.72	3.86%	4,984,824.27	60.98%	2,528,112.37	30.93%	8,174,334.75
2012	605,986.46	7.42%	333,319.12	4.08%	4,874,320.47	59.68%	2,353,150.04	28.81%	8,166,776.09
2013	1,010,065.97	11.84%	327,764.45	3.84%	4,908,598.85	57.53%	2,285,882.00	26.79%	8,532,311.27
2014	1,050,182.90	12.34%	341,604.31	4.01%	4,683,878.69	55.03%	2,436,577.33	28.62%	8,512,243.23

Table 4: Education Budget Codes in the Municipality of Peja and respective trends 2010-2014

YEAR	CATEGORY	WAGES AND SALARIES	GOODS AND SERVICES	UTILITIES	TRANSFERS AND SUBSIDIES	CAPITAL EXPENDITURE	BUDGET FOR EDUCATION
2010	ALLOCATED	5,321,981.72	405,119.03	106,602.00	-	388,948.05	6,222,650.80
	% OF BUDGET	85.53%	6.51%	1.71%		6.25%	
2011	ALLOCATED	6,770,903.71	868,546.24	134,120.80	-	400,764.00	8,174,334.75
	% OF BUDGET	82.83%	10.63%	1.64%	0.00%	4.90%	
2012	ALLOCATED	6,989,967.62	796,439.47	130,000.00	-	250,369.00	8,166,776.09
	% OF BUDGET	85.59%	9.75%	1.59%	0.00%	3.07%	
2013	ALLOCATED	7,097,000.77	942,941.52	130,000.00	-	362,369.00	8,532,311.27
	% OF BUDGET	83.18%	11.05%	0.02	0.00%	4.25%	
2014	ALLOCATED	7,075,811.07	877,691.67	130,000.00	-	428,740.49	8,512,243.23
	% OF BUDGET	83.13%	10.31%	1.53%	0.00%	5.04%	

Table 5: Planning and Execution of the Budget per Budget Category 2010-2014

## APPENDIX 3: SOCIAL WELLBEING BUDGET STATISTICS 2010-2014

CATEGORY	2010	2011	2012	2013	2014
REAL GDP	4,204,300,000.00	4,594,600,000.00	4,949,900,000.00	5,232,800,000.00	
GDP PER CAPITA	2,480.00	2,672.00	2,799.00	2,935.00	
KOSOVO BUDGET	1,129,509,680.00	1,414,927,737.00	1,512,647,064.00	1,591,512,602.00	1,589,324,952.00
MLSW	174,049,273.00	201,404,460.00	212,181,578.00	222,059,372.00	230,262,930.00
MLSW AS % KB	15.41%	14.23%	14.03%	13.95%	14.49%
SOCIAL WELFARE	35,040,945.00	34,616,614.00	36,025,858.00	34,470,031.00	34,559,069.00
% OF GDP	0.83%	0.75%	0.73%	0.66%	
% OF MLSW BUDGET	20.13%	17.19%	16.98%	15.52%	15.01%
SOCIAL SCHEME	29,470,537.00	28,783,700.00	28,664,339.00	27,998,274.00	27,851,335.00
% MLSW	84.10%	83.15%	79.57%	81.22%	80.59%
SOCIAL SERVICES	3,364,131.00	3,463,088.00	4,526,157.00	3,784,383.00	3,926,016.00
% MLSW	9.60%	10.00%	12.56%	10.98%	11.36%

■ Table 1: Budget Indicators and Budget Allocation for the Ministry of Labour and Social Welfare 2010-2014

CATEGORY	2010	2011	2012	2013	2014
CSS BUDGET (CENTRAL LEVEL, IN MILLION EUR)	2.08	2.01	2.82	2.64	2.67
YEAR TO YEAR DIFFERENCE (EUR)	N/A	-0.07	0.81	-0.18	0.03
YEAR TO YEAR DIFFERENCE (%)	N/A	-3.40%	40.30%	-6.40%	1.10%
CSS BUDGET IN PEJA	121,883.16	90,405.00	202,763.75	213,500.88	187,800.84
YEAR TO YEAR DIFFERENCE (EUR)	N/A	(31,478.16)	112,358.75	10,737.13	(25,700.04)
YEAR TO YEAR DIFFERENCE (%)	N/A	-25.83%	124.28%	5.30%	(0.14)

■ Table 2: Budget for CSS centers at the central and the local level 2010-2014

## APPENDIX 4: LIST OF INTERVIEWEES

NAME AND SURNAME	JOB POSITION
MENTOR MORINA	HEAD OF THE DIVISION FOR PLANNING AND SOCIAL INCLUSION, MINISTRY OF LABOUR AND SOCIAL WELFARE
NASER LAJQI	NGO 'SYRI I VIZIONIT,' PEJA
PETRIT LOCI	DIRECTOR OF THE DIRECTORATE FOR HEALTH AND SOCIAL WELFARE, MUNICIPALITY OF PEJA
JETON ABAZI	DIRECTOR OF THE DEPARTMENT OF FINANCE, MUNICIPALITY OF PEJA
BESIM AVDIMETAJ	DIRECTOR OF THE DEPARTMENT OF EDUCATION, THE MUNICIPALITY OF PEJA
ARB NOR MUQA	NGOS 'INITIATIVE 6,' PEJA

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