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**Republika e Kosovës**  
**Republika Kosova-Republic of Kosovo**  
**Qeveria - Vlada-Government**

*Ministria e Financave / Ministarstvo za Finansije / Ministry of Finance*

*Zyra e Ministrit / Kancelarija Ministra / Cabinet of the Minister*

DATE:	15 MAY 2014
TO:	Ministers Heads of Budget Organizations Officials of Budget Organizations
FROM:	Besim Beqaj, Minister at Ministry of Finance
SUBJECT:	Budget Circular 2014/01. Preliminary preparations and initial ceilings of the Budget 2015 from Central Budget Organizations

**Honoured Ministers,  
Honoured Budget Heads and Officials**

Please allow me that in the beginning of the preparation process of the budget 2015, to thank you for the joint work carried out on preparation of Medium Term Expenditures Framework (MTEF) 2015-2017. I hope that this joint work on preparation of MTEF, will serve to be also more successful in another very important process for us that is related to drafting of budget 2015.

Minister of Finance is authorized and responsible that in accordance with Article 20 LPFMA to issue a budget circular on all or any budgetary organisations, setting forth instructions on preparation of Kosovo Budget.

In support of this legal provision, Minister issues the Budget Circular 2015/01, which provides initial instructions for drafting of Budget on 2015, indicative timetable calendar as well as initial funding ceilings for preparation of the budget 2015 and assessments for the years 2015-2016. This Circular will facilitate budget organisations during the forthcoming months. Other additional circulars will follow after this one, as needed.

## **Context on preparation of Budget 2015**

Budget 2015 is prepared at a time when the document of MTEF 2015-2017 has already been adopted by the Government on 29 April 2014 contains mid-term priorities of the governments and indicative ceilings of expenditures 2015-2017. Government of Republic of Kosovo is committed that in first place to maintain fiscal and budget sustainability and within the framework to support requirements of budget organisations and priorities deriving from the documents “Government Work Plan” and “Economic Development Vision and Priorities”.

In line with the priorities set by the Declaration of Mid-Term Policy Priorities (DMPP's), during the 2015-2017 MTEF, we will also have to take into account our obligations in relation to international institutions. In this context, the Budget Circular as a continuation of the 2015-2017 MTEF will be drafted in accordance with budgetary fiscal policy - for which the Government has discussed with the International Monetary Fund (IMF).

However, in order to ensure that the profile of the expenditures is adjusted to Government priorities, it may be necessary to have movements of priorities within one budget organization or sector in order to enable necessary fiscal space for increment of financing of priority programmes and projects.

## **Medium Term Expenditure Framework (MTEF)**

Based on the obligations arising from the Law on Amendment and Supplementing the Law No. 03/L-048, on Public Financial Management and Accountability, Article 5, the Government of Republic of Kosovo submitted to the Assembly of Republic of Kosovo the Medium Term Expenditure Framework (MTF) 2015-2017.

Medium Term Expenditure Framework 2015-2017, presents one of the most important pillars of planning and budget process.

Medium Term Expenditure Framework throughout the years advanced by not being presented with only one budget framework, but now became an important instrument of prioritisation and implementation of Government policies, foregoing to the budget preparation.

This Framework, as on 2014, is drafted based on a new police incorporated in supplementing and amending the Law on Public Financial Management, the one of limiting budget deficit to 2% of the National Gross Product. In such context, assumptions in the beginning of the implementation of fiscal rule from 2014 and on, have conditioned measured planning of public expenditures by limiting the increase of budget deficit to 2% of the National Gross Product. In this context the assumptions for the implementation of the fiscal rule from 2014 onwards, have determined a prudent planning of public expenditures. Moreover, part of the general expenditures determined by this Framework is also the value of foreign loans for specific projects during this period.

As mentioned above, projections of budget revenues are based on medium term estimations of key macro-economic indicators, including here fluctuations of import, prices as well as estimations on performance growth of respective institutions for narrowing the tax barriers and expanding the tax base for generation of revenues.

Medium Term Expenditure Framework is approved by the Government of Republic of Kosovo and is in disposal of budget organisation as guidance for their budget development. MTEF Document is a document that reflects the relation between the government policies and the budget process. This document aimed to define the specific objectives for each budget organization in order these objectives to assist in achieving the priorities of a budget organization. In addition, this document will serve in drafting the budget because through the budget process now it is requested that specific measurable objectives from the MTEF document are developed into specific activities and individual projects that are developed in the level of programmes and sub-programmes to be funded. All these objectives should be developed within macro fiscal projections during a three years period for the next budget and two following years.

It's an obligation of all budget organization during preparation of the requests shall act within budget frames allowed within the MTEF document and the Declaration of Medium Term Priorities of the Government.

Now through the budget process (First Circular) it is requested that budget organizations reflect on preparation of financing in the level of programmes and sub-programmes, individual activities and projects.

For the period of 2015 – 2017 the Government of Republic of Kosovo is committed to increase the appropriation for salary and allocate more funds for subsidies and transfers by increasing allocations for social and pension schemes as well as support for the agricultural sector. Moreover, in the medium term the government intends to continue with further funding to support investments in road infrastructure, including the construction of Route 6 (road Pristina-General Jankovic) and strengthening of safety and security, all of which are integrated into a sustainable medium-term budgetary framework.

In order to implement these policies, along with increasing of budget revenues, the Government aims to reduce appropriations for the category of goods and services compared with appropriations for 2014.

Medium Term Expenditure Framework will include total planned budget expenditures and funding sources of general expenditure such as: regular budget revenues, funding loans, donor grants and other funds.

### **Budget Process 2015-2017**

The budget process for 2015-2017 as explained through 2015-2017 MTEF document, unlike previous years, this year has been designed taking into account the base scenario of expenditures. The general rule for medium-term assessments for the base scenario of expenditures represents the continuity to fund the current level programmes of services and the implementation of policies already adopted by the Government. This base scenario based on budgetary organizations implies approved level of employment and wages, reducing costs in the economic category of goods and services and utilities according to new government policies and capital projects which are on-going projects from 2014 and more earlier. All of this in order to implement the Government's decisions and creating fiscal space to finance the new policies ( increase in wages, pensions, subsidies for agriculture growth , the

implementation of the Law on health insurance and other policies dealing Sector of order and security ) that the government has provided in the Statement of Policy Term Priorities 2015-2017 .

Budget Organizations should consider that during preparation of their requests to give priority to the following:

- Projects that facilitate implementation of Government priorities,
- Projects that are continuation from the previous years,
- Government Commitment for Action Plan on Negotiation of Stabilization and Association Agreement and the programme – Pre-Membership Instrument (PMI),
- New Legislation or amendment supplementation of the existing one,
- To include within budget allocations also the obligations for foreign funding of individual projects
- Budget Organizations shall take care to enter co-funding obligations up to the level that is allowed by their budget framework.

First Budget Circular 2014/01 contains ceilings for operation expenditures and capital expenditures in the level of budget organization (see Annex 1) for commence preparation of Budget 2015 and estimations of the years 2016 and 2017 reflected in the MTEF. These budget ceilings may change depending on fiscal fluctuations or Government Decisions which will be reflected through the following circulars and the quality of budget requests which need to be prepared based on the performance indicators (expected results and products).

Expecting that during budget preparation process the Government will request to modify expenditures profile for purposes of achieving its priorities, i.e. to re-educate financing of non priority projects for the best of the programmes or projects that facilitate meeting of strategic objectives of the government. This may require change of the ceilings within budget organization programmes, but such change may be requested also between budget organizations.

Budget requests shall support government priority policies set forth in the MTEF, which will create pre-conditions for sustainable economic growth, improvement of the environment where are developed increased activities in the private sector, support of rule of law, fight against corruption, institutional reforms, improvement of social position of vulnerable social categories. Implementation of these priorities will contribute to European Integration of Kosovo.

Budget Organizations are recommended to set up working groups for drafting budget requests with participation of civil and political staff aiming to ensure that the budget requests support the Programme of Government and other strategic documents of the Government.

-Changes within the operative expenditures for the year 2015 to save from the category of goods and services and the increase of salaries are a priority of the government. Budget organizations should provide their requests within the budget possibilities. It is essential that all budget organizations stick to the ceilings given in the MTEF and the attached annex for the years 2015-2017. These are the maximum amounts that the fiscal framework allows based on the present policies of the Government.

Operating expenditures for 2015 and estimates for 2016 to 2017 will undergo an increase compared with 2014. This will occur with the purpose of implementing the Government's

decision to increase salaries and pensions, a decision that has begun to be implemented this year for the nine month period compared with that next year will include a full year budget. Also from 2015, is expected to commence the implementation of the Law on Health Insurance, which legislation is expected to be an additional cost of about € 18.3 million for the year. These funds are planned for now within the Ministry of Finance (MoF) and at the beginning of its implementation, these funds will be transferred to the budgetary organizations.

Employment and Salaries and Wages- according to the projections in the Macro-Fiscal Framework 2015-2017, the economic category which will mostly increase compared with 2014 will be the category of wages and salaries. This, as well as noted above, will be so in order to implement the Government's decision to increase salaries. These funds are currently planned within the MoF , as a contingency for salaries , amounting to around € 55.4 million for the foreseen increases at the Central level. Funds from municipal allocation are foreseen for the municipal level. Upon receipt of the notes for distribution of wages and salaries from the Ministry of Public Administration (MPA), these funds will be transferred to the budgetary organizations through the budgetary process. However, this does not mean to have an increase of the current number of employees, which in principle remains at the same level of the previous year, thus suffering an increase during the implementation of Security Sector Reform.

Goods and Services- will be followed by a decrease compared to the approved budget of 2014. Such decrease occurs in order to continue the implementation of the Government's decision to cut the economic categories of goods and services and utilities which aims to create the fiscal space to finance the new policies of the Government and in order to increase the efficiency of expenditures.

Subsidies and transfers - this category in total will have a significant growth due to the implementation of the Government's decision to increase pensions by 25% besides the pensions for Trepça pensioners which will be increased by 50%; continuation of implementation of schemes relating to war veterans and the former political persecuted and the natural increase of number of pensioners. Also, this growth is impacted by the on-going support for the agriculture sector from subsidies through the government policies. It is worth mentioning that subsidies for public enterprises will decrease in appropriations because some of them are expected to be privatized, while other companies have a better performance in managing expenditures and increasing revenues.

Capital Expenditures- this category of expenditure even during the projected period will continue to represent a significant part of total expenditures. Under the assumption of full execution of these expenditures, this category is expected to account for nearly 27 % of total expenditures or about 8.1 % of GDP on average for the period 2015-2017.

This category of expenditure within the regular budget expenditures has the greatest potential to stimulate economic growth. The main sectors that will continue to be supported are road infrastructure, construction of facilities for education, important projects for development of the energy sector and other sectors

Within capital expenditures and presented fiscal framework is also integrated the project for construction of Route 6 Pristina - Skopje and the funding of other important projects in infrastructure as in road M2 and M9 will continue.

Capital projects have to be planned on multi-year basis based on given budget ceilings. Capital projects should contain also the part of the operation expenditures which is part of that project and shall be presented through the standard PIP Forms.

Ministry of Finance is working with all sectors to increase the care on planning and efficiency in spending public money, in order to have better provision of public services to the citizens of Kosovo.

Proposed capital projects will be estimated in the context of the following elements:

Advantage for financing will have the on-going projects and those that are in full harmony with priorities given by the Government of Republic of Kosovo, strategic objectives reflected in the MTEF and presented through standard PIP forms that declared full financing justification.

All capital projects have to be prepared based on budget performance by presenting the **cost-benefit** analyses for each capital project above the amount of €400,000 for the projects of year 2015. This means that all capital projects, both the on-going or new projects that exceed the annual amount of €400,000, should have the cost-benefit analysis. Budget ceilings for capital expenditures should be considered as estimated ceilings and depending on the reasonability of the requests these ceilings may differ during the budget cycle.

Based on the above-mentioned, the focus of presenting budget requests should be the reasonability of financing capital expenditures based on project feasibility and cost-benefit analyses.

### **Performance Indicators**

For each program and each project, the budgetary organizations shall present a draft of the performance indicators. Specifically, for each programme should exist the following:

- At least one specific result indicator,
- At least two product measures,
- One efficiency measure for each product.

“Results” are objective of the policy for which there is a programme, for instance the programme for children immunization exists to uproot an illness. The proper performance indicator of such result for this programme would be the diagnosed number of the illness cases during that year.

“Products” are products or services provided by a government programme. Using above-mentioned immunization example, products are giving vaccines to the children. A good amount of the product for that programme of immunization would be the number of the vaccines provided during the year.

“Efficiency” measures are statistical measures of the level of inputs for each product unit. Using the above-mentioned immunization example, as efficiency measure would be the average cost of each vaccination (that includes the cost of the vaccine and the other direct and indirect costs such as staff costs etc.).

You are encouraged to contribute to increasing effectiveness and transparency of spending public money by providing as specific performance indicators as possible. One way to do so, is to disaggregate indicators and measures related to individuals by women and men wherever meaningful and possible.

For instance, the results indicator “number of jobseekers employed after training” can be disaggregated into “number of female jobseekers employed after training” and “number of male jobseekers employed after training”.

Equally, product measures can be made more specific by disaggregation, using the above mentioned example a measure of the product would be “number of jobseekers participating in training” and can be disaggregated into “number of female jobseekers participating in trainings” and “number of male jobseekers participating in trainings”.

Also, efficiency measures can be more informative in certain instances, if cost is disaggregated by women and men, especially if there is differences in products delivered to women and men, e.g. if women and men do not participate in exactly the same labour market training programs. In this case, a disaggregated efficiency measure would be “average cost of labour market training for women” and “average cost of labour market training for men”.

Allow me to inform you that as for budget preparations 2015, the Ministry of Labour and Social Welfare has committed itself to put a special emphasis on making visible its efforts towards equality of women and men in the budget context (Gender Responsive Budgeting). Other budget organizations are encouraged to do the same. Based on the pilot experience in the MLSW, in subsequent years, work in support of Gender Responsive Budgeting will be extended to other budget organizations.

Some of performance indicators that enable that all budget allocations are reasoned would be the following:

- Indicators for measuring the quantity
- Indicators for measuring the quality
- Indicators for measuring the effectiveness
- Indicators for measuring the production
- Indicators for measuring the value in money
- Indicators for measuring equality between females and males

Allow me to inform you that the requests for presentation of performance indicators through such indicators are a constant requirement of IIF and EC for measuring the overall performance of budget process.

Please submit the performance indicators summarised by objectives that each budgetary organization has.

Annex 2: contains the timetable and the calendar of the budget process 2015, which is attached to this circular.

## **Public Investments Programme (PIP)**

Budget planning for capital investments made through the electronic system of PIP. It is important that strategic government priorities as presented in the “ declaration of Government Policy Priorities 2015-2017” within the MTEF document to be the base for preparation of budget requests and identification of capital projects.

All budget organizations shall fully justify their budget requests for their projects through the PIP system.

You are encouraged to use PIP manual which provides instructions on estimation and project planning, budgeting of capital funds and monitoring project implementation. PIP manual can be downloaded in our web site: [www.pip-ks.org](http://www.pip-ks.org)

## **Budget Development and Management System (BDMS)**

As it is known, the System for Budget Development and Management is a financial system that deals with the budget formulation and expenditure planning for all the operational economic categories (such as the number of staff and their expenses, wages and salaries, goods and services, utilities, subsidies and transfers and the category of contingency funds).

From now the BDMS system is in disposal for use by your budget organization. First requests will be incorporated in the current standard forms.

Budget organizations are obliged to respect ceilings issued in the first budget circular. Electronic systems BDMS and PIP are not going to allow in any case exceeding the ceilings issued in the first budget circular.

BDMS User’s Manual can be downloaded from the web site: [www.bdms-ks.org](http://www.bdms-ks.org)

While filling out the PCF2 on the staff, the fields with current multipliers will be filled out whereas the officials that cannot find their position in the present multipliers shall fill out those fields that are added under the description, “Uncategorized Personnel 1”, and after that based on the ordinal number. These fields should be filled manually.

All these planning for the staff should be done within the budget ceilings.

If any question arises regarding the instruction given in this Circular, the budget organizations should feel free to consult their analysts of the Budget Department of the Ministry of Finance (MF).

Budget organizations shall submit their requests the latest by 20 June 2014 to the Budget Department in three official languages, Albanian, Serbian and English. The materials shall be delivered in hard copy and electronically.

## **Formal Budget Request**

All budget requests shall be submitted in a printed form to the Ministry of Finance, Government Building.



The Budget Request shall include:

Table 3.1 printed from BDMS system

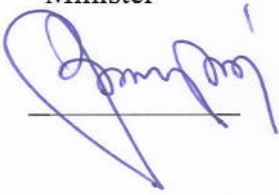
Table 3.2 printed from PIP system

Request paper (accompanying document) signed by the Secretary General or the Agency CEO

With respect,

Besim Beqaj

Minister



Anex 1: Expenditures Ceilings for 2015 and estimates for 2016-2017 (in euro)

Org. Code	Ministries/Institutions	Budget 2015										Estimate for 2016	Estimate for 2017
		Staff	Wages and Salaries	Goods and Services	Utilities	Subsidies and Transfers	Capital Expenditures	Reserves	Total 2015				
101	Assembly	338	6,556,332	1,318,201	187,850	30,000	830,000	-	8,922,383	7,802,383	7,802,383		
102	Office of the President	70	694,504	861,472	18,700	70,000	100,000	-	1,744,676	1,744,676	1,744,676		
104	Office of the Prime Minister	642	3,600,743	2,914,624	203,828	1,480,000	3,810,994	-	12,010,190	10,810,190	10,810,190		
201	Ministry of Finance	1,704	81,685,543	7,245,819	488,592	36,594,800	3,696,868	-	129,711,622	130,416,705	130,063,151		
202	Ministry of Public Services	266	1,782,249	4,892,132	1,139,600	50,000	13,791,596	-	21,655,577	22,735,577	23,913,981		
203	Ministry of Agriculture, Forestry and Rural Development	323	1,939,278	2,808,033	108,768	53,573,922	1,570,000	-	60,000,000	60,000,000	60,000,000		
204	Ministry of Trade and Industry	207	1,108,608	1,935,744	89,280	-	1,100,000	-	4,233,632	4,233,632	4,233,632		
205	Ministry of Infrastructure	266	1,283,930	6,592,756	205,190	1,853,814	170,055,172	-	179,990,862	177,860,862	170,435,690		
206	Ministry of Health	7,758	45,033,969	36,094,338	3,831,964	1,703,725	18,000,000	-	104,663,996	104,663,996	106,543,996		
207	Ministry of Culture, Youth and Sports	654	2,800,112	917,406	324,323	5,356,550	12,198,684	-	21,597,075	22,547,075	22,547,075		
208	Ministry of Education, Science and Technology	1,384	10,260,333	9,435,232	943,259	4,189,926	21,790,000	-	46,618,750	40,027,228	41,329,921		
209	Ministry of Labour and Social Welfare	944	4,134,642	2,468,892	407,085	288,762,431	2,359,000	-	298,132,051	302,819,551	307,844,551		
210	Ministry of Environment and Spatial Planning	293	1,442,857	1,093,957	83,220	-	25,331,813	-	27,951,847	41,652,290	41,652,290		
211	Ministry for Communities and Return	99	526,158	380,000	46,154	300,000	6,000,000	-	7,252,312	7,252,312	7,252,312		
212	Ministry of Local Government Administration	141	756,746	277,104	25,500	437,249	3,500,000	-	4,996,599	4,996,599	4,996,599		
213	Ministry of Economic Development	153	845,175	4,363,669	36,210	12,833,870	9,996,302	-	28,075,226	29,645,373	29,645,673		
214	Ministry of Internal Affairs	10,275	59,304,289	21,524,469	1,878,180	1,318,870	18,896,605	-	102,922,413	101,262,413	102,195,207		
215	Ministry of Justice	1,926	9,870,908	4,882,968	703,169	50,000	1,522,500	-	17,029,545	17,029,545	16,767,045		
216	Ministry of Foreign Affairs	272	6,815,490	10,058,428	796,051	100,000	1,741,164	-	19,511,133	19,511,132	19,510,968		
217	Ministry of Kosovo Security Forces	3,324	17,284,415	8,421,732	758,350	-	14,581,000	-	41,045,497	40,985,997	34,752,997		
218	Ministry for European Integration	85	562,603	1,065,753	25,500	50,000	-	-	1,703,856	1,572,140	1,572,140		
219	Ministry for Diaspora	66	413,460	1,227,239	25,500	130,000	-	-	1,796,199	1,637,019	1,637,019		
230	Independent Procurement Commission	33	202,611	667,210	8,200	-	-	-	878,021	328,021	328,021		
231	Academy of Sciences and Arts	55	636,000	411,500	5,000	-	-	-	1,052,500	1,052,500	1,052,500		
235	Regulatory Authority for Electronic and Postal Communications	39	309,088	327,395	12,700	-	75,000	-	724,183	749,183	649,183		
236	Anti-Corruption Agency	40	293,709	154,097	8,500	-	-	-	456,306	456,306	456,306		
238	Energy Regulatory Office	33	372,436	200,700	22,000	-	40,000	-	635,156	635,156	635,156		
240	Procurement Review Body	23	163,865	114,355	5,100	-	-	-	283,320	283,320	283,320		
241	Legal Aid Commission	22	138,266	128,286	11,917	-	-	-	278,469	278,469	278,469		
242	University of Pristina	2,230	16,175,632	3,236,233	868,012	1,314,000	3,449,462	-	25,063,339	25,063,339	25,063,339		
243	Constitutional Court of Kosovo	61	859,439	494,956	9,350	-	23,400	-	1,387,145	1,413,745	1,413,745		
244	Kosovo Competition Commission	23	166,616	70,318	4,845	-	-	-	241,779	241,779	241,779		
245	Kosovo Intelligence Agency	90	3,000,000	765,000	68,000	450,000	1,500,000	-	5,783,000	5,783,000	5,783,000		
246	Kosovo Council for Cultural Heritage	16	77,718	68,410	2,550	-	-	-	148,678	148,678	148,678		
247	The Election Panel for Complaints and Appeals	20	160,184	84,674	7,820	-	-	-	252,678	252,678	252,678		
249	Independent Supervisory Council of Civil Service in Kosovo	26	193,351	52,402	3,825	-	-	-	249,578	249,578	249,578		
250	State Prosecutor	641	4,842,877	1,414,624	199,630	-	130,000	-	6,587,131	6,527,131	6,587,131		
302	Office of the Auditor General	146	1,349,253	604,775	34,000	-	-	-	1,988,028	1,988,028	1,988,028		

Anex 1: Expenditures Cealings for 2015 and estimates for 2016-2017 (in euro)

Org. Code	Ministries/Institutions	Staff	Wages and Salaries	Goods and Services	Utilities	Subsidies and Transfers	Capital Expenditures	Reserves	Total 2015	Estimate for 2016	Estimate for 2017
313	Water and Waste Regulatory Office	21	194,450	133,365	6,503				334,318	334,318	334,318
314	Railways Regulatory Office	20	174,633	123,732	11,900				310,265	310,265	310,265
317	Civil Aviation Authority	27	492,508	233,181	13,738				739,426	739,426	739,426
318	Independent Commission for Mines and Minerals	79	645,801	402,699	30,600	20,000	50,000		1,149,100	1,239,100	1,099,100
319	Independent Media Commission	31	373,769	336,405	17,000		400,000		1,127,174	727,174	727,174
320	Central Electoral Commission	88	582,937	374,904	46,791	4,200,000			5,204,632	5,204,632	11,488,041
321	Ombudsman Institution	63	596,371	390,353	25,500		-		1,012,224	1,012,224	1,012,224
322	Kosovo Judicial Institute	25	161,745	390,300	8,500		-		560,545	560,545	560,545
328	Kosovo Judicial Council Secretariat	2,118	13,509,921	3,711,599	515,929	250,000	2,000,000		19,987,449	19,987,449	18,557,449
329	Kosovo Property Agency	242	956,462	539,774	82,333		94,000		1,672,569	1,672,569	1,672,569
251	State Agency for Protection of Personal Data	23	184,000	127,500	10,200				321,700	321,700	321,700
253	Agency for the Manage of Memorial Complex Kosovo	9	57,068	25,500	4,250		2,000,000		2,086,818	86,818	86,818
232	Contigent Expenditures	-						5,000,000	5,000,000	5,000,000	5,000,000
252	Development Trust Fond								-		
248	Radio Televizion of Kosova					9,768,500			9,768,500	9,739,800	9,906,400
	Total 2015	37,434	305,573,074	146,384,215	14,370,966	424,887,657	340,633,560	5,000,000	1,236,849,472	1,244,093,626	1,244,478,436
239	Kosovo Privatization Agency	218	3,286,391	6,366,992	98,000	80,000	80,000		9,911,383	5,446,711	4,392,321
	Undistributed Reserves							11,800,000	11,800,000	11,800,000	11,800,000
	Total overall with PAK	37,652	308,859,465	152,751,207	14,468,966	424,967,657	340,713,560	16,800,000	1,258,560,855	1,261,340,337	1,260,670,757

## **Annex 2.**

### **Budget calendar for budget preparation 2015**

The budget calendar for the next seven months is presented below - right now is the "best estimate" and may be subject to changes.

- April 29 – approval of the Medium Term Expenditure Framework 2015-2017 by the Government and the MTEF submission to the Assembly of the Republic of Kosovo.
- May 15 – Issuance of the Budget Circular 2015/01. This circular contains guidance on the budget process, budget ceilings, and budget calendar.
- June 20- Budgetary organizations submit to the MoF budget requests according to relevant documentation, by program and economic categories. Budget requests must be fully justified using BDMS and PIP system.
- June 27 - Macroeconomic Department presents a new macro-fiscal framework.
- July 2 - Budget Circular 2015/02 will be issued as necessary and will address only new specific issues which resulted following the release of the first Budget Circular.
- July 14 - If additional information is required according to the second Budget Circular, than this information should be submitted from Budget organizations in the Ministry of Finance – Budget Department to this date.
- August 20 – September 02 - Budget hearings (after receipt of materials from budgetary organizations). Hearing participants will be representatives of agencies, MoF staff, Office of the Prime Minister of Kosovo, representatives of the Parliamentary Committee on Budget and Finance. The budget hearing schedule will appear in the Budget Circular 2015/02. If it is possible in these hearings, the possibility of reaching an agreement on the total amount of your organization's budget for 2015 will be considered.
- September 8, Macroeconomic Department presents estimates of recent macro-economic indicators, especially indicators related to the 2015-2017 budget process.
- September 10 – September 17, consultation in the Government to determine the final budget ceilings.
- September 19, issuance of third Budget Circular with the final budget ceilings.
- September 24 – September 26 – Complaints by Budget Organizations.
- September 29 – October 01 - Government meetings to review complaints of budgetary organizations.

- October 13, the first draft of the budget in MoF and delivery of the draft to the Government.
- October 14 - October 29 - final approval of the draft budget by the Government.
- October 31 - Submission of Draft budget 2015 in the Assembly of the Republic of Kosovo for Approval by the date specified in the Law on Public Financial Management and Accountability.