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

Ministria e Financave
Ministarstvo za Finansije - Ministry of Finance

Departamenti i Buxhetit Komunal / Departman Opstinskog Budzeta / Municipality Budget Department

REFERENCE:	
PËR/ZATO:	Mayors of Municipalities Directors for Budget and Finance Directors of Municipal Departments Main Financial Officials
CC:	Petrit Popova, Director of Municipal Department in MoF
PËRMES/PREKO/THROUGH:	
NGA/OD/FROM:	Besim Beqaj, Minister of Finance
TEMA/SUBJEKAT/SUBJECT:	Budget circular 2015/01 for Municipalities
Nr. i zyrës: Br. kancelarije: Room No.:	Lokacioni: Kucni: Extension:
	Data: Datum: Date:
	14 May 2014

Dear Mayors of Municipalities,

We, hereby, with this Municipality Budget Circular 2015/01, notify you for the conduct of the municipal budget process in accordance with the calendar and procedures set forth in the Law on Public Financial Management and Accountability.

Minister of Finance is authorised and is responsible that in accordance with article 20 of LPFMA to issue a budget circular to all budget organisations, through which he provides instructions for the preparation of the Budget of the Republic of Kosovo for the fiscal year.

Municipality Budget Circular 2015/01 provides the first instructions, the indicative time calendar as well as the initial ceilings of funding for the preparation of the proposed municipal budget and the requirement for budget appropriations for the years 2015-2017.

You, dear presidents of municipalities, are required to distribute this circular to all the directors of municipal departments, namely to the staff involved in the municipal budget process and in the preparation of the Municipal Midterm Budget Framework (Municipal MBF 2015-2017), thus continuing with the issuance of the internal municipal budget circular as the basis for the planning of your municipal budget for 2015-2017.

This circular will be the first one in the series of circulars that will provide information to municipalities in relation to the development of the municipal budget process for 2015-2017.

Conducting of the municipal budget process for 2015

- Implementation of The Government's Decision No. 09/121 dated 27.03.2013 for the amendment of the Appendix 1 of LLGF for the new number of population (**Appendix 1 and Appendix 3 – Main Criteria applied for Health and General Grant**).
- Basic Criteria applied for the Specific Grant of Pre University Education (**appendix 2**)
- Financing of residential services in two municipalities of Skenderaj and Gracanica respectively approval of budget appropriation and the number of staff (**Appendix 5**), where in the budget tables for 2015 will be reflected as a separate budget sub-program "Residential Services" within new budget program "Social and Residential Services"
- The employees in the administration of Municipal Departments for the pre university Education should be funded from the General Grant (**appendix 1**)
- The employees in the administration of Municipal Departments for primary and secondary health care should be funded from the General Grant (**Appendix 1**)
- Municipalities during the budget drafting for 2015 will have the flexibility in planning own source revenues within economic codes, excluding the code of Wages and salaries and the equities,
- Municipalities included in the budget decentralisation at the school level should prepare their budgets for execution for all schools.

The context for the preparation of municipal budget for 2015

In order to meet the legal deadline for the preparation of the draft budget at the appropriate time and which is more responsible from the fiscal point of view, it is essential that all municipalities act in accordance with the budget calendar set forth under LPFMA and specific requirements in this circular, and with other subsequent budget circulars and in accordance with the applicable provisions in force.

Municipal Midterm Expenditure Framework as an integral part of MEF 2015-2017, was approved by the Government on 29 April 2014, Decision No. 01/186, which contains midterm strategic priorities and presents the sources of financing for municipalities for 2015-2017.

The Government of the Republic of Kosovo is committed, first above all, to keep the fiscal and budget stability and to support midterm sectorial priorities.

In line with the Government's Programme, the structure profile of expenditures according to economic codes will have the flexibility for the planning of expenditures from municipal own source revenues for 2015. Thus, municipalities during the budget drafting for 2015 will have the flexibility in planning own source revenues within economic codes (excluding economic code of Wages and Salaries and Equities).

Whilst with regard to the planning and expenditures of own source revenues in the sector of education and health, we refer to legal provisions set forth under LPFMA and the annual budget law.



Number of employees remains at the level of previous year (whilst the monetary measures to wages and salaries shall include salary increases of 25% in accordance with Government Decision No.01/176 dated 10 March 2014, and in cases when there is a prior decision by the Assembly or the Government of the Republic of Kosovo.

Municipal Budgets for the fiscal year 2015 will be prepared according to five economic categories for budgeted expenditures, in accordance with financial rules for expenditures (SIMFK) issued by the Treasury, such as; Wages & Salaries, Goods and Services, Utilities, Subsidies and Capital Outlays.

Midterm Expenditure Framework 2015-2017

According to the obligations deriving from the Law No. 03/L-221 on Amending and Supplementing of Law No. 03/L-048 on the Public Financial Management and Accountability, Article 5, the Government has approved the Midterm Expenditure Framework for the period 2015-2017, and has submitted it to the Assembly of the Republic of Kosovo.

This document contains four main chapters:

- ✓ Statement of the Government midterm priorities 2015-2017
- ✓ Macro fiscal framework 2015-2017
- ✓ The expenditure trend and future assessments according to Central Level sectors
- ✓ Municipal MEF 2015-2017.

Municipal Midterm Expenditure Framework 2015- 2017

Municipal Midterm Expenditures Framework 2015 - 2017, presents the aggregate amounts of governmental grants for the financing of municipalities and their allocations in individual municipalities, approved by the Committee of Grants on 22 April 2014:

- General principle and criteria set forth in LLGF
- Analyses of sectorial standards provided by respective ministries
- Improvement of the formula of allocation for specific grants in education and health
- Macro fiscal framework as the basis of Midterm Expenditure Framework.

Sources of Municipal Financing

The following table no. 1 summarises the total of financing sources for the municipalities for the years 2015-2017, as follows:



Table 1: Aggregate municipal financing 2015-2017 (mil. Euro)

Description	2011 Current	2012 Current	2013 Current	2014 Current	2015 Budget	2016 Forecast	2017 Forecast
1. Government grants	295.90	298.83	309.92	319.52	332.07	335.17	338.80
General grant	114.20	118.70	128.30	137.57	145.76	145.59	147.94
Basic general grant				127.80			
Implication from the census 2011, pursuant to article 35 of LLGF				9.77			
Specific grant on health	38.20	39.83	40.43	39.39	42.08	43.92	44.92
Specific grant on education	143.50	140.30	141.19	142.56	144.23	145.66	145.94
Basic funding	142.85	139.09	140.32	142.22	143.89	145.32	145.60
New and on-going policies:	0.65	1.21	0.87	0.34	0.34	0.34	0.34
Centres for excellency	0.04	0.43	0.87	0.34	0.34	0.34	0.34
English language	0.46	0.78					
Overtime shift work							
Teachers	0.15						
Informal education							
Cost of licencing							
2. Grants for additional competencies	2.85	2.60	2.60	1.85	2.60	2.60	2.60
Secodnary health care	2.85	2.60	2.60	1.85	2.60	2.60	2.60
3. Transfer of residential services from MLSW to Skenderaj and Graçanicë	-	0.00	0.00	0.24	0.24	0.24	0.24
Residential Services				0.24	0.24	0.24	0.24
4. Municipal own source revenues	51.88	60.00	63.00	67.23	74.24	75.63	76.80
5. Contigent funding for decentralisatio	1.50	-	-	-	-	-	-
MLGA (new municipalities)	1.50						
6. TOTAL MUNICIPAL FUNDING	352.13	361.43	375.52	388.84	409.16	413.64	418.44
7. Contingency from the Central Budget for funding the increase of salaries					10		
8. TOTAL MUNICIPAL FUNDING	352.13	361.43	375.52	388.84	419.16	413.64	418.44

Table 2 diffracts below the analyses of table 1, in order to provide sources of financing for each municipality for 2015.



Table 2: Total municipal financing for 2015

Total Municipal Financing for 2015								
No	Municipality	General grant	Specific Grant for Education – Pre-University	Specific Grant for Health	Secondary Health	Financing Residential Services	Municipal Own Source Revenues	Total municipal financing for 2015
1	Deçan	3,197,970	2,335,075	946,169			636,892	7,116,106
2	Dragash	3,394,042	2,302,135	803,791			487,030	6,986,998
3	Fe riza j	8,184,958	10,151,546	2,567,866			4,204,689	25,109,059
4	Fushë Kosovë	2,823,176	2,377,659	823,415			1,822,756	7,847,006
5	Gjakovë	7,487,928	7,004,055	2,235,588			3,026,311	19,753,880
6	Gjilan	6,854,173	8,434,193	2,132,078			3,859,953	21,280,398
7	Glogoc	4,458,511	4,776,086	1,383,848			1,200,874	11,819,319
8	Hani i Elezit	865,478	657,149	222,315			256,258	2,001,199
9	Istog	3,369,804	3,046,842	928,910			1,014,149	8,359,705
10	Junik	624,322	390,710	143,844			91,567	1,250,443
11	Kaçanik	2,647,217	2,543,525	789,889			695,757	6,676,387
12	Kamenicë	3,073,614	2,552,349	853,158			986,433	7,465,553
13	Klinë	3,127,917	3,235,182	910,161			857,767	8,131,028
14	Le posaviq	2,170,664	756,462	325,635			42,888	3,295,649
15	Lipjan	4,563,123	4,788,278	1,361,955			1,342,336	12,055,693
16	Malishevë	4,207,847	5,734,881	1,291,215			755,908	11,989,850
17	Mamusha	818,191	359,283	130,202			64,869	1,372,544
18	Mitrovicë	5,523,924	5,942,343	1,700,144			2,117,292	15,283,703
19	Novo Bërdë	897,591	673,459	159,094			204,672	1,934,815
20	Obiliq	1,797,298	1,786,246	509,483			811,716	4,904,743
21	Pejë	7,698,527	7,244,248	2,280,367			3,394,551	20,617,693
22	Podujevë	6,869,251	7,296,487	2,092,382			1,597,592	17,855,711
23	Prishtinë	14,699,843	15,042,433	4,702,522			27,162,609	61,607,406
24	Prizren	14,356,806	12,962,591	4,203,276			8,275,080	39,797,754
25	Rahovec	4,332,840	4,413,520	1,328,926			1,099,014	11,174,300
26	Shtërpcë	946,649	924,102	164,295	522,371		336,282	2,893,700
27	Shtëtime	2,193,109	2,438,510	646,021			445,503	5,723,143
28	Skenderaj	4,000,159	4,977,597	1,202,436		133,000	748,155	11,061,347
29	Suharekë	4,629,414	5,104,092	1,412,007			2,117,200	13,262,714
30	Viti	3,653,448	3,898,703	1,110,914			1,008,847	9,671,911
31	Vushtrri	5,343,079	5,596,231	1,651,936			1,675,327	14,266,573
32	Zubin Potok	1,206,609	379,176	156,422			42,888	1,785,096
33	Zveçan	1,118,441	323,938	176,873			42,888	1,662,140
34	Gracanicë	1,614,815	1,385,453	252,389	1,090,771	110,000	1,501,093	5,954,520
35	Kllokot	384,206	235,022	60,432			86,849	766,508
36	Mitrovica e Veriut	1,606,553	1,450,219	291,424	989,935		90,066	4,428,196
37	Partesh	369,860	318,281	42,250			46,384	776,775
38	Ranillug	648,646	392,269	91,404			92,768	1,225,086
TOTAL		145,760,000	144,230,328	42,085,037	2,603,077	243,000	74,243,213	409,164,654
Contingency from the Central Budget for funding the increase of salaries								10,000,000
Total Municipal Financing								419,164,654



MUNICIPALITIES - The aggregate expenditure structure for 2015

Municipality	Total Wages and Salaries (fund 10 and 21)	Operational expenditures from the fund 10 and 21 (Goods, Utilities, Subsidies)	Capital expenditures (fund 10 and 21)	Total
TOTAL	241,314,535	57,850,119	120,000,000	419,164,654

Appendixes from 1 to 6 of this circular provide details about the building and the structure of these different sources of financing for municipalities:

- Appendix 1: General grant**
- Appendix 2: Specific grant of pre university education**
- Appendix 3: Specific grant of primary health care**
- Appendix 4: Financing of secondary health care**
- Appendix 5: Transfer of residential services**
- Appendix 6: Municipal own source revenues**

Each of these appendixes from 1 to 5 present the level of government grants for 2015, as well as the assessments of the level of financing of grants for 2016 and 2017, whilst the appendix 6 presents the projections of own source revenues from municipalities for 2015 and assessments for 2015 – 2017. These financing assessments are essential for the preparation of Municipal MBF and “early assessments”, discussed below in this circular.

Budget calendar and action steps

The time calendar of municipal budget provides a summary of steps and actions required during the municipal budget process 2015 - 2017, including main time lines. A more detailed version of this process (stages of development of municipal budget process) has been presented in the Appendix 7 of this circular.

Municipal Midterm Budget Framework (Municipal MBF), including the early assessments and multi-year projections as well as financing from donators.

It has been recommended that municipalities use the experience from previous years and build their budget process in the Municipal Midterm Budget Framework (Municipal MBF), in line with municipal developmental strategy and in coordination with financing from donators. Municipal MBF has to include the following elements for the three upcoming fiscal years:

- (a) Projections and economic and budget assumptions;
- (b) Municipal developmental strategy and their integrating plans;
- (c) Assessed totals of revenues from all sources of financing from government grants, municipal own source revenues including the participation of citizens, and co-participations from line ministries in accordance with its economic and budget forecasts included in Municipal MBF;



- (d) Total targets for expenditures in budget programmes and sub-programmes according to economic codes of expenditures for each budget year which will contribute to the accomplishment of purposes mentioned in the municipal developmental strategy and municipal integrating plans;
- (e) The assessment of existing projects by municipal departments thus comparing them to the achievement of priorities and certain targets from the municipal developmental strategy and municipal integrating plans;
- (f) The assessments of the expected support from donators and international government agencies, including the IPA co-financing.

During the drafting of the Municipal MBF, municipal authorities should be consulted in cooperation with communities and key stakeholders, including the organisation of public discussions in order to discuss priorities and municipal strategies.

Commission for Policy and Finance (CPF) should also organise public meetings in order to discuss priorities and strategies prior to the approval of this document. The approved municipal MBF should be published for public access with one copy delivered to MoF – the Municipal Budget department no later than 30 June 2014.

Since municipalities are required to draft a Municipal MBF 2015 - 2017 and to prepare the budget on a three-year basis, please have consideration that appendixes 1-6 reflected in this circular provide details about the amount of each source of financing for 2015 and the assessments for 2016-2017, and appendixes 7-8 provide information for the development of the budget process for 2015-2017.

The early assessments are key elements in the preparation of budget indicative projections for 2015 and will serve as projections for 2016 and 2017. The early assessments are in particular important for the adequate review of operational and capital outlays. Attention should be paid to budget savings which can be identified by analysing the activities completed in previous years and which will not be repeated during the upcoming year.

Municipalities should review their existing legal obligations and municipal priority policies in the preparation of early assessments, as follows:

- Ongoing accompanying projects for 2015-2017,
- Government commitments for the Programme – Instrument for Pre Accession (IPA),
- European Partnership Action Plan (EPAP),
- Municipalities should take care that if they enter into obligations for the co-financing only to the level that their budget framework, the fiscal rule and the legal framework allows,
- The new legislation or amending/supplementing the existing one.

Budgeting of programmes based on performance

Budgeting of programmes based on performance will be focused on objectives, strategies, and expected results during the budget process.

Performance based budgeting means:



- Identification of objectives and setting measurable targets for the departments based on the priorities of the municipal strategy priorities and integrating plans,
- Budgeting of activities of each department will enable the achievement of the expected results, consequently this budgeting model will enable monitoring and assessment of the performance of municipal departments.

Gender Responsive Budgeting (GRB) - To work towards the implementation of Gender Responsive Budgeting based on international practices by making visible the effects of public outlays on the equality of women and men, boys and girls in order to contribute to the effectiveness and transparency of public finance management. Based on the pilot project work in the municipality of Kamenica, we intend to extend this work in other municipalities in the Republic of Kosovo in the years to come. Therefore, we encourage you to begin to reflect gender sensitivity regarding the budgets of your Municipalities.

Municipalities are obliged to fill in the form dealing with the mission and the budget performance of each budget programme (Appendix 8).

Submission of the municipal budget to MoF

Municipalities at the end of budget process are obliged to approve the tables of the budget mentioned below with the supporting documentation for 2015 - 2017, and to submit it to the Municipal Budget Department in MoF, **no later than 30 September 2014**, as follows;

1. Accompanying memo based on the approval of the budget by the Municipal Assembly (signed by the President of Municipality).
2. Decision of Municipal Assembly on the approval of municipal budget for 2015 and the multi-years projects for 2016-2017.
3. Tables of municipal budget (BDMS and PIP):
 - Table 4.1 – plan of budget appropriations of total expenditures of the municipality for 2015 (a printed out copy from BDMS, and signed).
 - Table 4.2 – annual financing of Municipal capital projects for 2015 and multi-year capital projects for 2016-2017 (printed out from PIP system and signed).
 - Table 4.3 – midterm plan of total municipal budget revenues (printed out from BDMS, and signed).

Financial autonomy at the school level

Municipalities will implement the delegated budget in schools as is required under the Law on Pre University Education, as well as the allocation of the amount of the budget in each school in one municipality should be defined through a financial formula municipality – school that meets the criteria and standards set forth by MEST-MoF. Municipalities involved in decentralisation of the budget at the level of school should prepare their budgets for execution for all schools in cooperation with MEST-MoF-MPA.



Public investment programme (PIP)

Planning of budget for capital investments is done through the electronic system of PIP. The procedures enable the reasoning of the capital budget, identification as of how the project supports the implementation of priorities of municipality, managements of projects, planning of capital cost and assessment of the recurring budget.

Projects should be formulated in multi-years basis to ensure that complete costs of putting the project into operation are included in a single proposal of PIP. After an ongoing project (2014) is set to continue in 2015 (and/or further), you are to update the draft proposal that was budgeted for 2014 (whatever change in plans, budget, etc) and **a new proposal should not be made for the ongoing project.**

Proposals for projects that are set to start as of 2014 and 2015 should also be formulated by using the PIP system to provide the early assessments for the capital budget.

Only capital projects approved by the Municipal Assembly should be submitted in the budget of municipal department in the Ministry of Finance. **Priorities for financing should be given to ongoing budgeted projects that have commenced in previous years and the ones which are in accordance with municipality priorities.** The manual and the instructions for PIP can be downloaded from www.pip-ks.org.

Budget data management system (BDMS)

Budget data management system (BDMS) is a financial system that enables the development of the budget for all operational economic codes (such as the number of staff, wages and salaries, goods and services, utilities, subsidies and transfers).

The user manual of BDMS can be downloaded from the web site: www.bdms-ks.org.

Electronic systems of BDMS and PIP shall in no case allow exceeding the ceilings issued by the budget circular for 2015. After the budget approved data are entered into BDMS and PIP, the systems are ready to generate reports: summarising reports, detailed reports as well as tables 4.1, 4.2 and 4.3, based on tables of annual budget law.

If you have any inquiry about the instructions in this circular, the municipalities with analysts of the department of municipal budget in the Ministry of Finance can be consulted.

Distribution of Budget Circular at the municipal level

Municipal authorities are obliged to distribute this Budget Circular to all municipal officers engaged in the process of budget drafting.

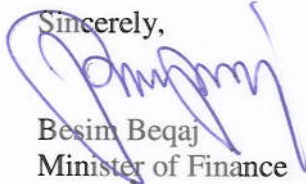
All municipal authorities are responsible for the timely organisation of engagements and their activities in accordance with the schedule of budget drafting, thus completely supporting the preparation of budget, respecting the budget instructions, completion and approval as well as the timely submission of municipal budgets to MoF.



Forums with Municipal Authorities - Trainings and supplementary information

The Department of Municipal Budget in MoF will provide training for municipalities in relation to the development of municipal budgets for 2015-2017, including the representatives of line Ministries such as: MEST, MoH, MLSW, MLGA, MPA, MEI etc, as well as OAG, Office of EC, OSCE, USAID, IMF, WB, GIZ, etj Trainings will provide an overview of processes and reforms for budget officers. Additional training will include more specific training modules for each key stages of budget. The schedule and the agenda for respective training will be provided to municipalities.

Sincerely,



Besim Beqaj
Minister of Finance



Appendix 1. General grant

Municipalities will receive the general grant which is a grant of a closed system and will be used for the discharge of certain municipal competencies in accordance with the legal framework.

General Grant enables a reasonable level of sustainability in municipal revenues, it is also an adequate tool to strike a balance among the municipalities, and enables the adequate allocation of sources for minority municipalities in respective municipalities.

The amount of the general grant is ten per cent (10%) of total budgeted revenues of the Central Government, thus excluding the revenues from the sale of assets, other special revenues, own source dedicated revenues and revenues from loans.

In order to conduct the levelling of the low capacity of own source revenues of smaller municipalities, each municipality will receive every year a fixed general amount (flat rate) of 140,000 €, minus 1 € per capita, or 0 € for municipalities with equal population or larger population than 140,000 inhabitants.

Indicators that were used for the allocation of the general grant in municipalities are:

The number of population is calculated with eighty nine per cent (89%); geographic parameters of municipality with six percent (6%); the number of minority population in the municipality (3%); the municipalities where the majority of population which is comprised of national minorities with two per cent (2%).

The general grant in amount of 145,760,000 Euros for 2015 was approved by the Commission of Grants on 22 April 2014 in accordance with principles, criteria and formulas set forth in LLGF.

Financing of social services as a transferred competency from MLSW to municipalities through Memoranda of Understanding is included within the general grant of municipality. During the preparation of the municipal budget for 2015-2017 municipalities are required to carefully examine the social services sector and re-plan social services based on a local analysis of the sector and not on the basis of previous years planning. Municipalities should consider a progressive increase of expenditures for social services including social services not currently offered, including projects for service improvement, the purchase of equipment and arranging the suitable space areas, and to be prepared for the joint projects for the provision of social services that will be implemented with the help of NGOs and licensed social enterprises. EU - through IPA 2014 is preparing an investment to support the activities of MLSW and municipalities in improving the provision of social services through grant funds of municipal schemes for social services in order to include licensed NGOs and social enterprises. However, this is conditional on the effects offered by municipalities to increase their budgets for these social services.

The employees in the administration of Municipal Department for the Pre University Education, in accordance with principles and criteria set forth in LLGF, should be funded from the general grant in municipalities.



The employees in the administration of Municipal Departments for Primary and Secondary Health care (Graçanicë, Shtërpcë and North Mitrovica), in accordance with principles and criteria set forth in LLGF should be funded from the General Grant in municipalities.

For the implementation of article 35, of the Law on Local Governance Finances No. 03/L-049, based on the census of population of 2011 and officially published from KSA in December 2012, including the assessments of Kosovo Statistics Agency (KSA) for four minority municipalities which did not participate in the process of registration of population, such as: Leposaviq, ZubinPotok, Zveçan and North Mitrovica, the Government of the republic of Kosovo with the Decision No.09/121 dated 27.03.2013, approved the amendment of the Appendix 1 of LLGF for the new number of population,

Whereas, based on the Government Decision No. 07/170 dated on 14.02.2014 was adopted the supplement and amendment of Annex I of the population LLGF for four northern municipalities Leposavic, Zvecan, Zubin Potok and northern Mitrovica, and according to item 1 of this decision, it will be effective only for 2014, while there will be no effects for subsequent years, and the Grants Commission made this decision based on the statistics of Appendix I, approved by the Government decision No.09/121 dated on 03.27.2013

The structure of the General Grant for the period 2011-2017 (mil. Euro)

Criteria	Factors	2011	2012	2013	2014	2015	2016	2017
		Budget	Budget	Budget	Current	Buxhet	Assessment	Assessment
Aggregate amount	budget revenues (mil euro)	1,056.0	1,187.0	1,283.0	1,278.0	1,457.6	1,455.9	1,479.4
	10% od budget revenues (mil euro)	105.5	118.7	128.30	127.80	145.76	145.59	147.94
Additional cost from Central level	<i>Implication from the census of population 2011, pursuant to article 35 of LLGF</i>				9.77			
Elements	Fixed amount	3.40	3.40	3.40	3.63	3.63	3.63	3.63
	Population	2,236,963	2,236,963	2,236,963	1,780,021	1,780,021	1,780,021	1,780,021
	Parameters: 89% of the aggregate amount	90.91	102.6	111.2	110.5	118.06	121.4	122.5
	Municipal area (km2)	10,901	10,901	10,901	10,901	10,901	10,901	10,901
	Parameters: 6% of aggregate amount	6.13	6.9	7.5	7.45	7.9	8.2	8.3
	Minority communities in the municipality	116,599	116,599	116,599	107,926	107,926	107,926	107,926
	Parameters: 3% of aggregate amount	3.06	3.5	3.7	3.7	3.9	4.3	4.1
	Population of minority municipalities	130,255	130,255	130,255	62,031	62,031	62,031	62,031
	Parameters: 2% of aggregate amount	2.04	2.3	2.5	2.4	2.6	2.7	2.7
Total General Grant		105.5	118.7	128.3	137.57	145.76	145.59	147.94



Forms for allocation of the General Grant

(in mill. €)

Year 2015

Year 2016

Year 2017

1,571.6 (114.2) 1,572.5 (116.6) 1,591.2 (118.8) Total revenues (according to Macro Own Source Revenues (municipal and central level))

1,457.6 1,455.9 1,479.4

Criteria	Year 2015	Year 2016	Year 2017
Budgetary revenues to the Budget of Kosovo (m€)	1,457.6	1,455.9	1,479.4
General Grant(10%)	145,760,000	145,590,000	147,940,000
Fixed Amount	3,636,657	3,636,657	3,636,657
Total	142,123,343	141,953,343	144,303,343
Population	126,486,775	126,336,475	126,429,975
Geographic Size	8,527,401	8,517,201	8,658,201
Minority Population	4,258,700	4,258,600	4,329,100
Population with minority	2,982,467	2,839,067	2,986,067
Total	142,123,343	141,953,343	144,303,343

Municipality	Criteria for allocation of the General Grant				General Grant for year 2015										General Grant for year 2016	General Grant for year 2017
	Population	Geographic Size	Minority Population	Municipalities with minority	Fixed Amount per population (€)	Amount per geographic size municipalities (€)	Amount for minority population in municipalities (%)	Amount for Municipalities with minority population (%)	Total General Grant 2015 V4	Total General Grant 2016	Total General Grant 2017					
1)Deqan	46,019	2,25%	297	2,73%	51	0,51%	0,00%	96,991	2,642,763	232,437	21,768	-	3,197,970	3,194,264	3,246,489	
2)Dragash	33,997	1,91%	430	3,85%	13,559	13,56%	0,00%	106,003	2,415,855	336,526	535,659	-	3,394,042	3,390,110	3,444,477	
3)Ferizaj	108,810	6,10%	348	3,17%	4,193	3,69%	0,00%	31,390	7,717,917	270,003	165,648	-	8,184,959	8,178,205	8,310,024	
4)Fushë Kosovë	34,827	1,96%	83	0,76%	4,511	4,18%	0,00%	105,173	2,474,836	64,957	178,211	-	2,823,176	2,819,925	2,864,867	
5)Gjakovë	94,666	5,31%	487	4,36%	6,679	6,19%	0,00%	45,444	6,718,228	459,396	283,959	-	7,487,826	7,479,025	7,602,086	
6)Gjilan	90,178	5,07%	362	3,60%	2,264	2,10%	0,00%	49,822	6,406,124	306,786	89,441	-	6,854,173	6,846,034	6,959,543	
7)Gjengoç	58,531	3,29%	276	2,53%	45	0,04%	0,00%	41,669	4,169,262	216,002	1,778	-	4,458,511	4,452,275	4,528,649	
8)Hart I Elezri	9,403	0,53%	83	0,76%	44	0,04%	0,00%	100,711	2,791,809	365,908	1,738	-	860,478	864,598	875,750	
9)Ibërojë	39,289	2,21%	454	4,17%	3,085	2,86%	0,00%	133,916	4,392,334	57,914	159	-	3,569,604	3,566,893	3,619,948	
10)Ishull	6,084	0,34%	74	0,68%	4	0,00%	0,00%	106,591	2,374,071	165,132	1,422	-	2,647,217	2,644,178	2,686,197	
11)Kacjan	33,408	1,89%	211	1,94%	36	0,03%	0,00%	103,915	2,664,230	331,830	73,639	-	3,073,614	3,070,062	3,119,165	
12)Kamennice	36,086	2,03%	424	3,89%	1,864	1,73%	0,00%	103,915	2,664,230	331,830	73,639	-	3,073,614	3,070,062	3,119,165	
13)Kina	36,486	2,16%	309	2,84%	1,241	1,15%	0,00%	101,504	2,735,568	241,829	49,027	-	3,127,917	3,124,297	3,174,339	
14)Lipqevicë	13,773	0,77%	539	4,95%	323	3,00%	0,00%	128,227	979,721	421,831	12,760	-	2,170,664	2,168,218	2,202,023	
15)Lidjan	57,605	3,24%	338	3,10%	3,107	2,89%	0,00%	82,385	4,033,439	264,525	122,744	-	4,663,123	4,657,764	4,831,852	
16)Maliqevë	34,613	3,07%	308	2,81%	54	0,05%	0,00%	89,987	3,880,845	239,481	2,133	-	4,207,847	4,202,915	4,271,080	
17)Merrut	6,507	0,31%	32	0,29%	379	3,64%	0,00%	5,907	8,867,134	25,044	14,973	-	818,191	817,373	828,678	
18)Mitrovicë	71,909	4,04%	331	3,04%	2,199	2,04%	0,00%	68,001	5,109,813	289,046	86,673	-	5,323,924	5,317,398	5,607,510	
19)Novo Bredë	6,729	0,36%	204	1,87%	3,202	2,97%	0,00%	133,271	478,168	159,634	126,487	-	897,591	896,677	909,315	
20)Ohrid	21,549	1,21%	105	0,96%	1,555	1,53%	0,00%	134,493	391,332	82,175	65,382	-	1,797,296	1,798,290	1,823,049	
21)Pejë	96,450	5,42%	603	5,53%	6,334	7,22%	0,00%	6,853,817	471,918	471,918	329,241	-	7,938,527	7,939,370	7,815,945	
22)Podujevë	86,489	4,97%	633	5,81%	849	0,79%	0,00%	51,501	6,288,613	495,597	33,540	-	6,868,251	6,861,096	6,979,857	
23)Prishtinë	188,897	11,17%	514	4,72%	4,146	3,84%	0,00%	133,271	478,168	159,634	126,487	-	14,699,843	14,692,280	14,925,321	
24)Prizren	177,281	9,99%	603	5,53%	31,692	29,26%	0,00%	12,633,266	471,918	471,918	1,291,622	-	14,356,806	14,339,634	14,577,022	
25)Rajecë	56,208	3,16%	278	2,59%	844	0,87%	0,00%	89,792	3,994,167	217,668	37,293	-	4,352,840	4,327,758	4,398,016	
26)Shtirpë	6,949	0,36%	248	2,28%	3,182	2,95%	0,00%	133,051	499,802	194,088	125,707	-	946,649	945,677	959,129	
27)Shtime	27,324	1,54%	134	1,23%	868	0,79%	0,00%	112,678	1,941,666	104,871	35,896	-	2,193,109	2,190,620	2,225,020	
28)Stenderaj	50,858	2,86%	374	3,43%	109	0,10%	0,00%	89,142	3,614,012	292,699	4,306	-	4,000,159	3,996,461	4,060,149	
29)Suharekë	69,722	3,96%	361	3,31%	875	0,83%	0,00%	80,278	4,243,895	282,522	22,716	-	4,623,414	4,623,972	4,699,182	
30)Vill	46,387	2,64%	270	2,48%	268	0,24%	0,00%	90,013	3,389,935	211,307	10,192	-	3,653,448	3,649,199	3,708,000	
31)Vushtrri	69,870	3,93%	345	3,17%	960	0,89%	0,00%	70,130	4,066,030	270,003	37,926	-	5,343,079	5,336,772	5,423,960	
32)Zubin Potok	6,616	0,37%	333	3,06%	895	0,92%	0,00%	106,974	3,383,964	470,138	303,167	-	1,206,608	1,206,306	1,223,071	
33)Zvečan	7,481	0,42%	123	1,13%	396	0,36%	0,00%	132,519	531,606	96,262	15,249	-	1,118,441	1,117,265	1,133,563	
34)Gazivacë	10,675	0,60%	131	1,23%	3,423	3,17%	0,00%	127,674	1,876,574	102,923	135,228	-	1,614,815	1,613,038	1,637,600	
35)Kosovë	2,666	0,14%	23	0,21%	1,193	1,11%	0,00%	187,444	181,631	18,000	47,130	-	384,206	383,911	387,991	
36)Mitrovica e veriut	12,326	0,69%	5	0,05%	867	0,80%	0,00%	187,674	875,996	3,913	34,252	-	1,806,553	1,804,784	1,829,227	
37)Platun	1,787	0,10%	29	0,27%	2	0,00%	0,00%	138,213	128,986	22,686	79	-	399,860	399,863	373,413	
38)Ranillj	3,866	0,22%	69	0,63%	168	0,16%	0,00%	136,134	274,721	64,001	6,637	-	648,646	648,033	656,507	
TOTAL	1,780,021	100%	10,696	100%	107,226	100%	62,031	126,596,657	8,527,401	4,283,700	2,942,467	145,760,000	145,590,000	147,940,000		



Appendix 2. Specific grant for the pre university education for 2015

Specific grant for Education is based on an open system access of financing according to LLGF, taking into account criteria and parameters in the formula as well as policies of education from MEST for 2015.

Specific Grant for Pre University Education was approved by the Commission of Grants 2015 in amount of 144,230,328 Euros, from which 143,894,328 represent the basic grant for Pre University Education for the year 2015, whilst the amount of 0,34 million includes continuing of Education Policies from MEST.

Financing of specific grant of pre-university education for 2015 adopted by the Commission of Grants for the period of MTEF aims at supporting the objectives of MEST for the pre university education.

The state formula of education, in particular, treats the level of pre-school, primary and secondary level. Thus, the focus of vocational schools, schools in mountain areas, the development of teachers in career, professional development of teachers or on job training, basic personnel for new schools, financing reform of the school and pedagogues for each school.

The state formula of education does not treat: special schools and large capital investments.

The financing formula for the specific grant is as follows:

Municipal allocation = + Salaries for teachers + Salaries for administrative and assistance staff + Goods and Services + Small Capitals + Educational Policies.

Basis implications for calculation the of university education grant from MEST, are as follows:

- a) The number of students enrolled for the year 2013/2014;
- b) Salaries of teachers based on payroll and average salary including increase from Licensing and the cost of salary increase by 25% based on Government Decision No.01/176 dated 03.10.2014;
- c) Goods and services by students, with the same parameters;
- d) Student-teacher ratio is the same for primary and secondary level, excluding professional schools (Ratio for to majority community 1:21.3 and the minority community 1:14.2).



Specific Grant Proposal for Education for the period 2015-2017

No.	Municipality	Number of students in kindergarten and elementary school	Number of students in high school	TOTAL NUMBER OF STUDENTS	Specific grant for Education for year 2005-base	Ongoing Policies		Total specific grant for Education for year 2015	Assessment for year 2016	Assessment for year 2017
						Number of teachers in Centers of Competences	Cost of Centers of Competences			
TOTAL		320,113	94,783	414,896	143,894,328	70	336,000	144,230,328	145,669,274	146,369,899
1	Deçan	5,231	1,916	7,147	2,335,075		-	2,335,075	2,358,371	2,369,714
2	Dragash	4,642	644	5,286	2,302,135		-	2,302,135	2,325,103	2,336,286
3	Ferizaj	20,848	6,700	27,548	9,983,546	35	168,000	10,151,546	10,252,825	10,302,138
4	Fushë Kosovë	6,122	1,431	7,553	2,377,659		-	2,377,659	2,401,380	2,412,930
5	Gjakovë	16,342	4,662	21,004	7,004,055		-	7,004,055	7,073,932	7,107,956
6	Gjilan	16,508	6,004	22,512	8,434,193		-	8,434,193	8,518,339	8,559,309
7	Gillogoc	10,945	2,964	13,909	4,776,086		-	4,776,086	4,823,735	4,846,936
8	Hani i Elezit	1,602	402	2,004	657,149		-	657,149	663,705	666,897
9	Istog	6,920	1,893	8,813	3,046,842		-	3,046,842	3,077,240	3,092,040
10	Junik	696	238	934	390,710		-	390,710	394,608	396,506
11	Kaçanik	5,833	1,597	7,430	2,543,525		-	2,543,525	2,568,901	2,581,256
12	Kamenicë	4,861	1,749	6,610	2,552,349		-	2,552,349	2,577,813	2,590,212
13	Klinë	7,405	1,872	9,277	3,235,182		-	3,235,182	3,267,459	3,283,174
14	Leposaviq	1,788	451	2,239	756,462		-	756,462	764,009	767,684
15	Lipjan	11,473	2,768	14,241	4,788,278		-	4,788,278	4,836,050	4,859,309
16	Malishevë	12,640	3,171	15,811	5,734,881		-	5,734,881	5,792,096	5,819,954
17	Mamusha	804	42	846	359,283		-	359,283	362,867	364,613
18	Mitrovicë	13,301	4,243	17,544	5,942,343		-	5,942,343	6,001,628	6,030,494
19	Novobërdë	1,158	210	1,368	673,459		-	673,459	680,178	683,449
20	Obiliq	4,466	740	5,206	1,786,246		-	1,786,246	1,804,067	1,812,744
21	Pejë	16,241	5,166	21,407	7,244,248		-	7,244,248	7,316,522	7,351,712
22	Podujevë	17,859	4,373	22,232	7,296,487		-	7,296,487	7,369,282	7,404,726
23	Prishtinë	35,809	11,385	47,194	15,042,433		-	15,042,433	15,192,507	15,265,578
24	Prizren	27,336	7,634	34,970	12,794,591	35	168,000	12,962,591	13,091,916	13,154,884
25	Rahovec	10,282	2,589	12,871	4,413,520		-	4,413,520	4,457,552	4,478,992
26	Shtërpcë	1,826	695	2,521	924,102		-	924,102	933,322	937,811
27	Shtime	5,466	1,543	7,009	2,438,510		-	2,438,510	2,462,838	2,474,684
28	Skenderaj	9,932	2,936	12,868	4,977,597		-	4,977,597	5,027,257	5,051,436
29	Suharekë	11,019	3,091	14,110	5,104,092		-	5,104,092	5,155,014	5,179,809
30	Viti	8,902	2,655	11,557	3,898,703		-	3,898,703	3,937,599	3,956,538
31	Vushtrri	12,847	3,644	16,491	5,596,231		-	5,596,231	5,652,063	5,679,247
32	Zubin Potok	1,019	270	1,289	379,176		-	379,176	382,959	384,801
33	Zveçan	871	254	1,125	323,938		-	323,938	327,170	328,744
34	Klllokot	520	151	671	1,385,453		-	1,385,453	1,399,275	1,406,005
35	Mitrovica e Veriut	2,563	2,311	4,874	235,022		-	235,022	237,366	238,508
36	Partesh	467	331	798	1,450,219		-	1,450,219	1,464,688	1,471,732
37	Ranillug	890	380	1,270	318,281		-	318,281	321,457	323,003
38	Graçanice	2,679	1,678	4,357	392,269		-	392,269	396,182	398,088



ANALYSIS	Year	Year	Year	Year
Specific grant for pre university education	2012	2013	2014	2015
Total amount (€) Calculations	140,315,623	141,185,995	142,559,329	144,230,328
Total number of students	458,878	454,964	435,965	414,896
Stundets in primary schools, kindergarden	344,132	339,318	325,350	320,113
Majority	334,101	328,027	315,775	309,482
Minority	10,031	11,291	9,575	10,631
Students in high schools	114,746	115,646	110,615	94,783
Majority	111,811	112,326	108,110	92,131
Minority	2,935	3,320	2,505	2,652
Number of schools	1,303	1,300	1,303	1,326
Primary schools	1,170	1,137	1,131	1,166
High schools	133	163	172	160
Total of Teachers (primary, high)	24,835	24,929	24,972	24,083
Number of teachers for the primary level	17,922	17,790	17,137	16,926
Number of teachers for the high school level	6,412	6,472	6,192	5,327
Additional teachers for the mountain regions	501	667	1,338	1,525
Number of teachers of English language			305	305
Special education (transfers from the central Staff			76	76
Basic calculation	139,102,177	140,315,623	142,223,329	143,894,328
New and on-going policies from MEST	1,213,446	870,372	336,000	336,000
Cost of Licensing				
Teachers (222 additional teachers)	778,260			
Centre of excellency	435,186	870,372	336,000	336,000

Comment: you can contact MEST for details of the specific grant of education for the year 2015.

Appendix 3. Specific Grant for primary health care for 2015

Specific grant for health care and the defining of the amount of this grant is based on an open system access of financing in accordance with LLGF.

The specific grant for primary health care for 2015 is approved by the Commission of Grants in amount of 42,085,037 euros.

MoH proposed the specific grant for primary health care for 2015 for municipalities based on the per capita formula – number of medical visits X average cost per visit, and the number of services X average cost for services.

The criteria approved by the Commission of Grants are as following:

- **2.5 visits per capita with a cost of 4 € per visit, and**
- **3.5 services per capita with a cost of 3.9 € per service.**



Table: Specific Grant for Health for the time period 2015 – 2017.

Specific grant for Primary Health for 2015-2017									
No.	Municipality	Population	Year 2015				Total 2015	Total 2016	Total 2017
			Visits		Services				
			2,5 visits per capita	4 € for visiting	3,5 services per capita	3.9 € for service			
1	Deçan	40,019	100,048	400,190	140,067	545,979	946,169	987,423	1,009,906
2	Dragash	33,997	84,993	339,970	118,990	463,821	803,791	838,837	857,937
3	Ferizaj	108,610	271,525	1,086,100	380,135	1,481,766	2,567,866	2,679,829	2,740,845
4	Fushë Kosovë	34,827	87,068	348,270	121,895	475,145	823,415	859,317	878,882
5	Gjakovë	94,556	236,390	945,560	330,946	1,290,028	2,235,588	2,333,062	2,386,183
6	Gjilan	90,178	225,445	901,780	315,623	1,230,298	2,132,078	2,225,040	2,275,701
7	Glllogovc	58,531	146,328	585,310	204,859	798,538	1,383,848	1,444,186	1,477,068
8	Hani i Elezit	9,403	23,508	94,030	32,911	128,285	222,315	232,008	237,291
9	Istog	39,289	98,223	392,890	137,512	536,020	928,910	969,412	991,484
10	Junik	6,084	15,210	60,840	21,294	83,004	143,844	150,116	153,534
11	Kaçanik	33,409	83,523	334,090	116,932	455,799	789,889	824,329	843,098
12	Kamenicë	36,085	90,213	360,850	126,298	492,308	853,158	890,356	910,629
13	Klinë	38,496	96,240	384,960	134,736	525,201	910,161	949,845	971,472
14	Leposavic	13,773	34,433	137,730	48,206	187,905	325,635	339,833	347,571
15	Lipjan	57,605	144,013	576,050	201,618	785,905	1,361,955	1,421,338	1,453,700
16	Malishevë	54,613	136,533	546,130	191,146	745,085	1,291,215	1,347,514	1,378,195
17	Mamushë	5,507	13,768	55,070	19,275	75,132	130,202	135,879	138,973
18	Mitrovicë	71,909	179,773	719,090	251,682	981,054	1,700,144	1,774,273	1,814,671
19	Novobërdë	6,729	16,823	67,290	23,552	91,804	159,094	166,030	169,811
20	Obiliq	21,549	53,873	215,490	75,422	293,993	509,483	531,697	543,803
21	Pejë	96,450	241,125	964,500	337,575	1,315,867	2,280,367	2,379,794	2,433,979
22	Podujevë	88,499	221,248	884,990	309,747	1,207,392	2,092,382	2,183,612	2,233,330
23	Prishtinë	198,897	497,243	1,988,970	696,140	2,713,552	4,702,522	4,907,558	5,019,297
24	Prizren	177,781	444,453	1,777,810	622,234	2,425,466	4,203,276	4,386,545	4,486,420
25	Rahovec	56,208	140,520	562,080	196,728	766,846	1,328,926	1,386,869	1,418,446
26	Shtërpcë	6,949	17,373	69,490	24,322	94,805	164,295	171,459	175,363
27	Shtime	27,324	68,310	273,240	95,634	372,781	646,021	674,189	689,539
28	Skenderaj	50,858	127,145	508,580	178,003	693,856	1,202,436	1,254,863	1,283,435
29	Suharekë	59,722	149,305	597,220	209,027	814,787	1,412,007	1,473,573	1,507,124
30	Viti	46,987	117,468	469,870	164,455	641,044	1,110,914	1,159,351	1,185,748
31	Vushtrri	69,870	174,675	698,700	244,545	953,236	1,651,936	1,723,963	1,763,215
32	Zubin Potok	6,616	16,540	66,160	23,156	90,262	156,422	163,242	166,959
33	Zëçan	7,481	18,703	74,810	26,184	102,063	176,873	184,585	188,788
34	Graçanicë	10,675	26,688	106,750	37,363	145,639	252,389	263,394	269,391
35	Kllokot	2,556	6,390	25,560	8,946	34,872	60,432	63,066	64,502
36	M. Veriut	12,326	30,815	123,260	43,141	168,164	291,424	304,130	311,055
37	Partesh	1,787	4,468	17,870	6,255	24,380	42,250	44,092	45,096
38	Ranillug	3,866	9,665	38,660	13,531	52,744	91,404	95,389	97,561
	Total	1,780,021	4,450,053	17,800,210	6,230,074	24,284,827	42,085,037	43,920,000	44,920,000



Appendix 4. Funding of the secondary health care

The Commission of Grants has approved on 22 April 2014 the funding of the expanded competencies/secondary health care for 2015, in amount of 2,603,077 euros.

The minority Municipalities that have benefited from the expanded competencies are:

- Municipality of Shtërpçë, financing of 522,371 euros
- Municipality of Northern Mitrovica financing of 989,935 euros, and
- Municipality of Graçanicë, financing of 1,090,771 euros.

Appendix 5. Funding of residential services in Municipalities of Skenderaj and Graçanica

Commission of Grants in the meeting dated 22 April 2014, reviewed and approved the official request of MLSW for the funding of residential services for the two houses of the community to the municipalities of Skenderaj and Graçanica, as follows:

Table: Transfer from MLSW in two municipalities

Municipalities	Staff	Wages and salaries e	Goods and services	Utilities	Subsidies	Capitals	Total
<i>Skenderaj</i>	13	60,000	50,000	10,000	3,000	10,000	133,000
<i>Graçanicë</i>	11	50,000	40,000	8,000	2,000	10,000	110,000

Appendix 6. Municipal own source revenues

Municipal financing from municipal own source revenues for 2015, forecasted in Municipal MTEF 2015-2017, is based on provisions of the Law on Local Governance Finances.

Municipal own source revenues for 2015 include the planned revenues from the municipalities themselves which have been approved by the Grants Commission in the amount of 74,243,213 euro.

Table – Projections of own source revenues from municipalities for the years 2015

Projection (mil €)	Year 2011	Year 2012	Year 2013	Year 2014	Year 2015	Year 2016	Year 2017
<i>Municipal own source revenues</i>	51.88	60.00	63.00	67.23	74.24	75.62	76.80



Municipality own source revenues 2015- 2017

No.	Municipality	Projections 2015	Projections 2016	Projections 2017
1	Deçan	636,892	649,402	656,402
2	Dragash	487,030	473,800	496,115
3	Ferizaj	4,204,689	4,283,119	4,302,670
4	Fushë Kosovë	1,822,756	1,878,756	1,791,756
5	Gjakovë	3,026,311	2,977,911	3,035,911
6	Gjilan	3,859,953	3,959,953	4,059,953
7	Glllogoc	1,200,874	1,312,774	1,375,274
8	Hani i Elezit	256,258	259,678	263,808
9	Istog	1,014,149	1,020,249	1,023,299
10	Junik	91,567	91,767	92,367
11	Kaçanik	695,757	708,735	710,157
12	Kamenicë	986,433	966,433	966,433
13	Klinë	857,767	869,767	881,767
14	Leposaviq	42,888	42,888	42,888
15	Lipjan	1,342,336	1,345,575	1,359,375
16	Malishevë	755,908	803,908	825,908
17	Mamusha	64,869	64,869	64,869
18	Mitrovicë	2,117,292	2,267,582	2,358,772
19	Novobërdë	204,672	208,488	227,960
20	Obiliq	811,716	826,857	865,467
21	Pejë	3,394,551	3,427,687	3,553,918
22	Podujevë	1,597,592	1,632,592	1,643,592
23	Prishtinë	27,162,609	27,378,053	27,624,299
24	Prizren	8,275,080	8,274,961	8,382,028
25	Rahovec	1,099,014	1,158,014	1,207,014
26	Shtërpcë	336,282	342,555	345,055
27	Shtime	445,503	451,788	459,224
28	Skenderaj	748,155	680,510	721,385
29	Suharekë	2,117,200	2,601,692	2,741,085
30	Viti	1,008,847	1,027,665	1,027,665
31	Vushtrri	1,675,327	1,703,418	1,703,418
32	Zubin Potok	42,888	42,888	42,888
33	Zveçan	42,888	42,888	42,888
34	Gracanicë	1,501,093	1,501,093	1,501,093
35	Klllokot	86,849	87,849	88,849
36	Mitrovica veriore	90,066	120,166	170,716
37	Partesh	46,384	47,249	48,134
38	Ranillug	92,768	94,498	95,598
	Total	74,243,213	75,628,077	76,800,000



Appendix 7. Stages of the municipal budget process for 2015-2017

The following part presents the time calendar of municipal budget and it provides a summary of steps and actions which are required during the municipal budget process 2015-2017:

Step 1: Establishment of the Municipal Midterm Budget Framework

This document will be a document of high municipal strategic level, which will present municipal decisions regarding the overall targets of revenues and expenditures as well as the manner in which the appropriations between main economic codes will be conducted, in order to meet the municipal midterm development strategy.

Activities:

1. Main financial officer drafts the draft of municipal MBF, then the President of the Municipality submits it to the Municipal Assembly for public discussion,
2. Consultations will be held with the community and main stakeholders involved, including the public meetings to discuss regarding the municipality priorities and strategies,
3. Municipal Assembly reviews and approves the Municipal Midterm Budget Framework,
4. The approved Municipal MBF is published and a copy is submitted to the Municipal Budget Department/ MoF,

The following step: Preparation of early assessments 2015 for each programme is led by each director of department/programme according to the accurate assessment of the cost of programmes and ongoing activities.

Step 2: Review of priorities for municipal programmes

The President is required that Chief Financial Officer (CFO) and directors conduct a review of policies and priorities in their fields of responsibilities.

In accordance with municipality priorities, each programme should provide the summary list of the proposals for new policies with the priorities to be proposed for the municipal budget process 2015-2017, together with options for potential savings in the programmes of low priority and with weak performance.

Review of priorities will enable Directors to compete in the process of defining priorities in an early stage of the process for the development of budget and prior to taking decisions for solid budget ceilings.

Activities:

1. CFO issues the internal municipal budget circular #1 with which he provides instructions and the schedule for the completion of the review of the programme priorities,
2. Directors of Departments are required to prepare their budget proposals and the review of priorities of departments/programmes, and submit them to CFO for assessment,
3. CFO conducts consultative meetings with each director of the municipality programme. The purpose of these meetings is to understand the reasoning for new programmes/initiatives about policies and indicative costs.



Step 3: Initial specific ceilings for programmes

According to the results for the review of priorities for programmes and acting under the instruction of the President, CFO should draft and immediately issue the internal municipal budget circular #2, through which information and instructions are offered on the ceilings of implementable expenditures for three (3) fiscal years as well as for the methodology and formats to be used in the preparation of budget requests. The budget circular includes:

- (a) Procedures to be used from programmes in the preparation of their budget proposals,
- (b) Information to be presented in such budget requests,
- (c) Schedule and calendar dates until when the directors of programmes should complete and submit their budget requests to CFO,

Information and instructions included in the internal municipal budget circular should be based on municipal midterm budget framework (Municipal MBF), and which have to be in accordance with basic budget principles issued by MoF.

In order to maintain the fiscal discipline, it will be required that municipal programmes comply with budget ceilings.

Activities:

1. It is recommended that initial specific programme ceilings be determined before **01 July 2014**.
2. CFO issues the internal municipal budget Circular #2 which is distributed to all programme directors, thus providing them information on specific ceilings proposed for the programmes as well as instructions for the preparation of budget proposals.

Step 4: Submission of municipal proposal budget according to programmes

Submission of budget materials are documents through which the directors conduct the presentation of their budget assessments and detailed proposals of new policies as well as the options for savings in the context of midterm fiscal strategy.

Municipal offices of tax on property should conduct their recommendations in defining the areas of assessment and tax rates in order to achieve the assessed revenues of tax on property forecasted in the budget.

Activities:

1. Municipal programmes will submit their budget materials to CFO till the date specified under the internal municipal budget Circular #2.

Step 5: Budget hearings

When the deadline specified under the internal municipal budget circular #2 will have expired, CFO in consultation with the President of the Municipality will (i) review the proposed budgets which were submitted by programmes, and (ii) will have hearing sessions for each programme in order to review the proposed budgets, in particular, with regard to their compliance with their initial specific programme ceilings.

Activities:

1. CFO issues the internal budget Circular #3 in which the schedule and requests for municipal budget hearings are provided,
2. Budget hearings for all programmes should be held in line with the schedule,
3. Budget hearings should be announced in time and be conducted as open public meetings in compliance with the agenda.



Step 6: Preparation of budget documentation

Following the conduct of budget hearings and open public meetings, CFO will prepare and submit to the President of Municipality, the municipal proposed budget for each of three (3) subsequent fiscal years in the format which is in accordance with instructions included in the MoF budget Circular. CFO, at the same time, will conduct the distribution of the proposed budget for programme directors for the upcoming fiscal year.

Step 7: Review of municipal proposed budget by the Municipal Assembly

President of Municipality submits the documents of the proposed budget to the Municipal Budget for review/discussion and approval. The summarising documentation of the budget for publication, distribution and use by the Municipal Assembly and the public opinion will also be submitted together with the detailed budget documentation. This summarising budget documentation should also include the municipal regulations that define the assessment areas and tax rates, which will be preliminary, debated and approved by municipal assemblies. The Municipal Assembly conducts its review in the regular meeting or in some other special meeting called for earlier, in order to review those documents.

It is recommended that the Municipal Assembly organises a special announced meeting. This meeting should be held in the presence of media, whilst the municipal budget proposal is presented to the President of Municipality.

Activities:

1. The proposed municipal budget for 2015 and accompanying information will be submitted for review and approval to the Municipal Assembly, no later than **01 September 2014**.
2. Municipal Assembly should organise a public meeting in order to provide a contribution to the public opinion for the review of municipal budget and its eventual review.

Step 8: The approval of the proposed budget by the Municipal Assembly and its submission to MoF

Following the budget hearings, the Municipal Assembly should review, modify if necessary, approve and submit the municipal budget proposal for 2015 - 2017 to the President of Municipality.

After it has been approved by the Municipal Assembly, President of Municipality should submit the proposed municipal budget package and the accompanying documentation including also the regulation on tax on property to MoF – Municipality Budget Department.

The approved municipal budget proposal and requests for budget allocations should be in complete accordance with rules and instructions issued in the budget Circular from MoF. In addition, President of Municipality should publish the budget proposal in the official web site of the Municipality. In accordance with the aim for transparency and fiscal responsibility, budget documents will be made available to the public.

Activity:

1. Municipal budget proposal for 2015 should be approved by the Municipal Assembly and should be submitted by President of Municipality to the Municipal Budget Department in MoF **no later than 30 September 2014**, in hard and in soft copies, in three languages, as well as the official decision approved by the municipal assembly (signed by the President of the Municipal Assembly).



Appendix 8: Performance based programme budgeting

Name of department/programme

Mission Statement				
Visions Statement:				
Purpose statement:				
Performance:				
Budget codes		2015	2016	2017
1.	Wages and salaries			
2.	Goods and services			
3.	Transfers and subsidies			
4.	Capitals			
	TOTAL:			
Number of employees				
		2015	2016	2017
Quantitative				
1				
Qualitative				
1.				