



Republika e Kosovës  
Republika Kosova - Republic of Kosovo

*Qeveria - Vlada – Government*  
*Zyra e Kryeministrit – Ured Premijera – Office of the Prime Minister*

# **Challenges and the need to cost Structural Reforms**

# Structural Reform

- **Reforma Strukturore** janë masat esenciale që ndryshojnë strukturën e një ekonomie, kuadrin institucional dhe infrastrukturën ligjore në të cilin veprojnë bizneset dhe njerëzit. Ato janë të dizajnuara për të siguruar që ekonomia është e aftë dhe më e mirë për të realizuar potencialin e saj të rritjes në mënyrë të balancuar. (Banka Qendrore Evropiane)
- **Structural reforms** are essentially measures that change the fabric of an economy, the institutional and regulatory framework in which businesses and people operate. They are designed to ensure the economy is fit and better able to realize its growth potential in a balanced way. (European Central Bank)

# Steps for drafting a Structural Reform according to EC guidelines

I

- **Diagnostics:**
- **Identification of Measures**

II

- **Description of the measure**
- **Planned activities**
- **Expected impact on competitiveness**
- **Key Performance Indicators:**
- **Costing**
- **Expected impact on employment and gender**
- **Potential risks**

# Costing of Measures

Cost is the final stage of a complex process that depends largely on the involvement of line ministries.

- Why is it necessary to cost Structural Reforms?
- The Importance of Cost of Structural Reforms

# Challenges of Costing Measures

1. Administrative capacities at the Line Ministries for cost estimation
2. Reforms funded by donors
3. Integrate the implementation of strategies into medium-term fiscal planning
4. Better strategic co-ordination (SPO-MF) would provide better performance during the budget process.

*Practical Experience and  
Examples of Costing Structural  
Reforms*



# Example 1:

## Increasing Competitiveness in the Tourism and Hotel Sector

- FEATURES OF THE MEASURE:

The measure includes: Product Promotion, Competitiveness, Institutional Cooperation, Legal Infrastructure, Standards.

### DESCRIPTION OF THE MEASURE:

The purpose of this measure is to promote the development of competitiveness, improve the quality of services, increase the tourist offer through the promotion of tourism products, the use of tourist and hotel standards, and the improvement of legal infrastructure.

# Activities

- Drafting the Tourism Strategy
- Drafting of the Law on Tourism
- Drafting sub-legal acts arising from the Tourism Law
  1. Administrative Instruction for Classification and Categorization of Accommodation Facilities,
  2. Administrative Instruction for Licensing of Tourist Agencies
  3. Administrative Instruction for Tourist Guides
- Investment in the development of rural tourism
- Development and functionalization of the Web portal for tourism



# Costing Table 10a

## Increasing Competitiveness in the Tourism and Hotel Sector

Year	Salaries	Goods and Services	Subsidies and Transfers	Capital expenditures	Total
2019	0	82,000.00	500,000	0	582,000.00
2020	0	93,000.00	500,000	0	593,000.00
2021	0	88,000.00	500,000	0	588,000.00

# Costing Table 10b

Year	National Budget	Municipality Budget	Other sources of public funding	IPA Funds	Other grants	Loans for projects	To be determined	Total
2019	547,000	0	0	0	0	0	35,000	582,000
2020	543,000	0	0	0	0	0	50,000	593,000
2021	548,000	0	0	0	0	0	40,000	588,000

## Example 2: General Inspection Reform

- FEATURES OF THE MEASURE:

Improving inter-institutional coordination and digitization of the inspection process.

### DESCRIPTION OF THE MEASURE:

The measure aims at the reform of inspections in order to:

1. Reduce the number of inspections to address coordination between the central and local government
2. Improve efficiency by digitizing the process for more effective control that will reduce informality by supporting business and qualified and regulated production.

# Activities

- Approval of the law on inspections
- Changing horizontal legislation by allowing and regulating secondary legislation for the implementation of the new law on Inspection
- Establishment of the central inspection office that coordinates the inspections and adaptation of the relevant organizational structure
- Increase of human capacities, which means the training of inspectors
- Development and implementation of electronic 'E-Inspector'

## Costing Table 10a

Year	Salaries	Goods and Services	Subsidies and Transfers	Capital expenditures	Total
2019		28,200		1,955,492	1,983,692
2020		56,400		2,933,238	2,989,638
2021		56,400		4,000,000	4,056,400

# Costing Table 10b

Year	National Budget	Municipality Budget	Other sources of public funding	IPA Founds	Other grants	Loans for projects	To be determined	Total
2019	28,200	0	0	0	0	1,955,492	0	1,983,692
2020	56,400	0	0	0	0	2,933,238	0	2,989,638
2021	56,400	0	0	0	0	4,000,000	0	4,056,400

# Example 3:

## Consolidation and inventarisation of agricultural land

- FEATURES OF THE MEASURE:

Settlement of property issues, registration of property of owners in the Immovable Property Rights Register, Determination of quality and class of land, increase of the size of the farm.

- DESCRIPTION OF THE MEASURE :

Consolidation and inventory of agricultural land is one of the main means to restructure agricultural land, which will have an impact on: solving legal ownership issues of the participants in the unfinished consolidation and registration of owners' property in the Immovable Property Rights Register (IPRR) in the Municipal Cadastral Office. Determining the quality and the classes of land, increasing the size of the farm, in order for the farmer to be competitive in the market, and with the completion and registration of owners in IPRR will be enabled the creation and development of the land market as a very important prerequisite in the free market economy.

# Activities

- 1) Development of Concept Document on Inventory of Agricultural Land;
- 2) Development of Concept Document on Regulation of Agricultural Land;
- 3) Voluntary consolidation of 25 ha of agricultural land in the Municipality of Rahovec;
- 4) Further regulation and protection from the unplanned change of destination of agricultural land by supporting municipalities in the preparation of municipal zoning maps in Peja, Drenas, Podujeva, Gjilan and Lipjan;
- 5) Development of national integrated system GIS – database.



# Costing Table10a

Year	Salaries	Goods and Services	Subsidies and Transfers	Capital expenditures	Total
2019	-	702,668.00	-	700,000.00	1,402,668.00
2020	-	500,000.00	-	700,000.00	1,200,000.00
2021	-	500,000.00	-	700,000.00	1,200,000.00

# Costing Table10b

Year	National Budget	Municipality Budget	Other sources of public funding	IPA Founds	Other grants	Loans for projects	To be determined	Total
2019	702,668.00	0	0	0	700,000	0	0	1,402,668
2020	500,000.00	0	0	0	700,000	0	0	1,200,000
2021	500,000.00	0	0	0	700,000	0	0	1,200,000

## *Open discussion*

*Experiences and specific issues in: costing structural reforms, including structural reforms in national budgets*

