



REPUBLIC OF KOSOVO  
MINISTRY OF LOCAL  
GOVERNMENT ADMINISTRATION



# SOCIO-ECONOMIC IMPACTS OF COVID-19 IN KOSOVO MUNICIPALITIES AND BUSINESSES

Ministry of Local Government Administration in  
partnership with Inclusive Development Programme  
Implemented by **UN-Habitat Kosovo**

and financed by:





REPUBLIC OF KOSOVO  
MINISTRY OF LOCAL GOVERNMENT  
ADMINISTRATION

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# **SOCIO-ECONOMIC IMPACTS OF COVID-19 IN KOSOVO MUNICIPALITIES AND BUSINESSES**

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**2022**

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# ACRONYMS AND ABBREVIATIONS

<b>AKM</b>	Association of Kosovo Municipalities
<b>EU</b>	European Union
<b>EULEX</b>	The European Union Rule of Law Mission in Kosovo
<b>GDP</b>	Gross domestic product
<b>IPHK</b>	Institute of Public Health of Kosovo
<b>KBRA</b>	Kosovo Business Registration Agency
<b>KLGI</b>	Kosovo Institute for Local Government
<b>MH</b>	Ministry of Health
<b>MLGA</b>	Ministry of Local Government Administration
<b>NUA</b>	New Urban Agenda
<b>SDG</b>	Sustainable Development Goals
<b>UN</b>	United Nations
<b>UNCDF</b>	United Nations Capital Development Fund
<b>UN-Habitat</b>	United Nations Human Settlements Programme
<b>UNKT</b>	United Nations Kosovo Team

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# 1

## EXECUTIVE SUMMARY

This report is a result of the collaboration between the Ministry of Local Government Administration (MLGA) and UN-Habitat in Kosovo<sup>1</sup>. The COVID-19 pandemic, declared so officially on March 11, 2020, is an unprecedented health phenomenon affecting many aspects of personal and societal life globally, specifically human health and the economy. The total number of deaths caused by the virus is over 6.2 million, whereas more than half a billion people are confirmed to be infected by the virus.<sup>2</sup>

This has resulted in health emergencies and economic crises, disrupting production and trade, thus negatively affecting socio-economic development globally. Kosovo has also been affected by this global pandemic situation. The first cases of COVID-19 infection in Kosovo were reported on March 13, 2020. Soon after, the pandemic spread rapidly, and, due to the government measures to tackle the crisis, the normal day-to-day private and public actions of persons and communities were disrupted, including, amongst others, work, school, and economic activities. Some reports produced by international organizations, think tanks, local NGO-s, as well regional and international actors operating in Kosovo, analyzed the general impact of the Covid-19 pandemic in Kosovo. However, the existing literature shows that most of the conducted research so far on the Covid-19 impact, is mainly focused on economic and business effects, socio-economic influences on households, and very few on municipal services. Out of 20 analyzed reports written on the situation of Covid-19 in Kosovo<sup>3</sup>, 14 of them were conducted in 2020 while 6 others were in 2021.

While some of them analyzed the situation(s) of the month(s) when the research activities were conducted (for example March 2020), the others covered longer periods to see the impact of the pandemic on certain areas and sectors. For instance, the research was undertaken by United Nations Kosovo Team (UNKT) was conducted in three rounds of assessment which enabled the identification of potential trends during the first year of the pandemic. Additionally, there is also another UN-Habitat report related to the impact of Covid-19 on the work of Urbanism Directorates, especially in the field of planning, construction, legalization, housing, etc.<sup>4</sup>

1. All references to Kosovo in this document should be understood to be in the context of Security Council resolution 1244 (1999)
2. WHO Coronavirus (COVID-19) Dashboard. Available at: <https://covid19.who.int/> (last accessed on 21/04/2022).
3. The list of the consulted literature will be attached to the final draft of the report as an annex
4. See THE CONSEQUENCES OF COVID-19 ON THE SECTOR OF SPATIAL/URBAN PLANNING, CONSTRUCTION, LEGALIZATION, AND HOUSING, available at: [https://unhabitat-kosovo.org/wp-content/uploads/2021/10/The-Consequences-of-COVID-19...7057\\_compressed\\_compressed.pdf](https://unhabitat-kosovo.org/wp-content/uploads/2021/10/The-Consequences-of-COVID-19...7057_compressed_compressed.pdf) (last accessed on 09/09/2022)





**Figure 1.** Fields are mostly covered by research conducted in Kosovo about COVID-19. Source, UN-Habitat Kosovo

Thus, the existing reports produced by international organizations, think tanks, local NGO-s, as well regional and international bodies operating in Kosovo, enable an analysis of the impact of the Covid-19 pandemic in Kosovo. Whereas the following is an overview focusing specifically on the findings that directly address the socio-economic situation and related issues. The spread of the COVID-19 pandemic and the subsequent governmental measures, such as restriction of movement and economic activities, imposition of social distancing, as well as governmental fiscal and recovery measures to tackle the resulting crisis, has affected various aspects of socio-economic, rule of law and educational life in Kosovo.

In August 2020, the Kosovo Assembly passed the “Law on Preventing and Combating the COVID-19 Pandemic in the Territory of the Republic of Kosovo” which stipulates preventive measures against Covid-19. In the report on the impact of Covid-19 on the rule of law in Kosovo, The European Union Rule of Law Mission in Kosovo (EULEX) concluded that the limits imposed by the Kosovo government struggling to strike a balance between protecting the right to life and health, on the one hand, and necessary restrictive measures on human rights and the rule of law as part of institutional response to the threat of the pandemic, on the other hand, has affected the functioning of rule-of-law institutions.<sup>5</sup> The report recommends that there is an urgent need to address the lack of a clear legal basis for some of the restrictive measures taken as part of the abovementioned Law.

COVID-19 crisis in Kosovo, also confirms the negative impact of the pandemic on several aspects of the country’s economy. In the first nine months of 2020, Kosovo’s economy contracted by 5.6%.<sup>6</sup> UN Kosovo Team also reported on COVID-19’s negative effects on Kosovo’s business sector.

This is mainly due to society’s behavioural changes as well as the reduction of spending of households in certain areas of life, to compensate for the income loss or potential income losses.<sup>7</sup>

5. EULEX, “Special Report on the impact of Covid-19 on the rule of law in Kosovo.” March 2020-March 2021. Available at: [https://www.eulex-kosovo.eu/eul/repository/docs/Covid%20Report\\_EN.pdf](https://www.eulex-kosovo.eu/eul/repository/docs/Covid%20Report_EN.pdf)

6. OECD, “The Covid-19 Crisis in Kosovo”. 31 January 2021. Available at: <https://www.oecd.org/south-east-europe/COVID-19-Crisis-in-Kosovo.pdf>

7. UN Kosovo Team, “Rapid socio-economic impact assessment of Covid-19 in Kosovo”. May 2021. (P. 8) Available at: <https://kosovoteam.un.org/sites/default/files/2021-06/SEIA%203.pdf>

Economic indicators for the economy remained bleak. Kosovo's economy has been hit hard both by domestic restricting measures as well as international travel restrictions. The gross domestic product (GDP) has fallen in the first year of the pandemic (in 2020), whereas the fiscal deficit increased as a result of a fall in tax revenues and the recovery measures by the government. The political developments during the first year of the pandemic were not encouraging, as the country has had three different governments during 2020. It goes without saying that the political instability during the pandemic crisis created lots of obstacles to proper assistance for citizens and businesses during the pandemic, an indicator also concluded by several reports.<sup>8</sup> However, Kosovo has allocated roughly 570 million euros for economic recovery efforts in 2020, and another 200 million euros in support of the private sector through the Economic Recovery Programme in December 2020.<sup>9</sup> The IMF country report for the year 2020 estimates that Kosovo's GDP has fallen 6% in 2020, and the fiscal deficit increased to 7.7% of the country's GDP. Also, the report estimates that the account deficit has increased to 7.5% of the GDP, as a result of diaspora-related inflows, especially in travel flow, real estate purchases, and remittances.<sup>10</sup> However, perhaps contrary to expectations, a trend that has to some extent eased the negative impact of the pandemic in the otherwise relatively poor economy of Kosovo, is the remittances from its diaspora that, according to a comparative assessment of COVID-19 impact in some Western countries, has increased during the pandemic.<sup>11</sup>

The COVID-19 pandemic significantly disrupted the normal functioning of local government, as the municipalities struggled with difficulties and shortcomings in tackling the challenges posed by the pandemic. In a survey report on the needs and socio-economic impact of Covid-19 on local government that has been conducted with the mayors and directors of municipal directorates, among the main difficulties that were identified are limited budget, lack of protective measures, lack of medical staff, equipment for online classes, restrictions imposed on economic activities, etc.<sup>12</sup> In spite of the high level of cooperation of the municipalities with the governmental ministries during the pandemic period, as reported in this study, a lower level of satisfaction with this cooperation was reported.

Although the local level of governance is closer and more directly related to the socio-economic circumstances of the citizens, municipalities are limited in their ability to address the socio-economic challenges resulting from the pandemic.

They depend heavily on grants from the central government and have a limited amount of local budget that could be spent in areas related to special needs emerging from the pandemic. As noted by an analysis of the impact of the pandemic on the economy of Kosovo in 2020, realized by the Kosovo Institute for Local Government (KLG), these limitations are deepened as the local government suffers a significant decrease in income tax, sales tax, and other revenues.<sup>13</sup>

In turn, the analysis concludes that "the impact of changes in revenue, poses potential and adverse cuts to infrastructure, health, education and other important investments," which will, in turn, have negative consequences on the public services at the local level in Kosovo.

8. See for instance: Friedrich Naumann Foundation for Freedom's report entitled "The Impact of Covid-19 on the Economy of Kosovo". December 2020. (p. 8) Available at: [https://www.freiheit.org/sites/default/files/2021-05/broshura\\_eng.pdf](https://www.freiheit.org/sites/default/files/2021-05/broshura_eng.pdf)
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13. Kosovo Institute for Local Government (KLG), "The impact of Covid-19 on the economy of Kosovo." 2020. (P.11) Available at: <http://library.fes.de/pdf-files/bueros/kosovo/17758.pdf>

## Aims and Objectives of this Report

This report aims to identify the challenges posed by Covid-19 individually for each of the 38 municipalities of Kosovo, and based on its findings provide concrete recommendations for the socio-economic recovery of municipalities. Municipalities are planned to be assisted by the MLGA in what is called the ‘green recovery’ by prioritizing new funds on green agendas, digitalization, sustainable development as well as sustainable urban mobility and transport. Following this research, priority projects and the long-term development and recovery of Kosovo municipalities will be defined by:

- Municipal emergency plans for economic recovery
- National Program for Local Economic Development 2022 – 2029
- Further collaborations with donors focusing on UN Development Goals and EU Economic and Investment plan for the Western Balkans.

<b>Report Title</b>	SOCIO-ECONOMIC IMPACTS OF COVID-19 IN KOSOVO MUNICIPALITIES
<b>Objective</b>	The main aim of this report is to provide a rapid synthesis of how Kosovo municipalities (business sector, public institutions) were affected by the situation created by the global pandemic COVID-19. The findings of this report also aim to provide crisis response and long-term recovery measures to orient future investments from the international and central levels towards helping Kosovo municipalities in their long-term development and recovery.
<b>Geographical Scope</b>	South-eastern Europe, Kosovo
<b>Zona</b>	10 905.25 km <sup>2</sup>
<b>Administrative division</b>	38 Municipalities
<b>Inhabitants</b>	1.78 million

**Table 1.** Title, objective, and targeted location (data source: KAS, ‘Kosovo in Figures, 2019’)

<b>First reported case:</b>	13th of March 2020
<b>Confirmed Cases:</b>	161,356
<b>Recovered</b>	158,016
<b>Deaths</b>	2,990

**Table 2.** Brief description of COVID-19 in Kosovo (the presented data are as of December 28, 2021), data source: NIPHK <https://datastudio.google.com/.../2e546d77.../page/MT0qB>

The MLGA was established in 2004, aiming to advance the system of local self-government, increase the local autonomy and to strengthen the ability of the municipalities to provide cost-effective services to enhance the quality of life, security and the local economy. While UN-Habitat started working in Kosovo in 2000, over which time it has focussed on enabling the state-building institutions, and supporting institutional coordination and cooperation between the different vertical and horizontal levels of government.<sup>14</sup> UN-Habitat Kosovo’s work is informed by two UN-Habitat Strategic Plans, namely those of 2014-2019 and 2020-2023.

The goal of the Strategic Plan 2014-2019 was “well-planned, well-governed, and efficient cities and other human settlements, with adequate housing, infrastructure, and universal access to employment and basic services such as water, energy, and sanitation.”<sup>15</sup> The current Strategic Plan 2020-2023 focuses on “the commitment and contribution of UN-Habitat to the implementation of those global development agendas, in particular the pledge in the 2030 Agenda for Sustainable Development to leave no one behind.”<sup>16</sup> The basis of the new vision is “a better quality of life for all in an urbanizing world.”<sup>17</sup>

As part of its commitment to sustainable development, via this report, UN-Habitat also aims to provide technical assistance to the local and central Governments towards achieving the Sustainable Development Goals (SDGs), in particular, Goal 11, Sustainable Cities and Communities. In 2016, world leaders adopted the New Urban Agenda (NUA), which sets a new global standard for sustainable urban development. <sup>18</sup> The NUA addresses how cities are planned, designed, managed, governed, and financed to achieve sustainable development goals; focusing on transformation towards social inclusion and ending poverty. UN-Habitat has also increased its collaboration with governments and other stakeholders for the implementation of the NUA and sustainable urbanization.

14. UN-Habitat, Kosovo, Our Work, <https://unhabitat-kosovo.org/about-us/un-habitat-kosovo/>  
15. UN-Habitat, About Us, <http://unhabitat.org/about-us/goals-and-strategies-of-un-habitat/>  
16. UN-Habitat, Strategic Plan 2020-2023, [https://unhabitat.org/sites/default/files/documents/2019-09/strategic\\_plan\\_2020-2023.pdf](https://unhabitat.org/sites/default/files/documents/2019-09/strategic_plan_2020-2023.pdf)  
17. Ibid.  
18. UN, The New Urban Agenda: Key Commitments, 20 October 2016, <https://www.un.org/sustainabledevelopment/blog/2016/10/newurbanagenda/>



Figure 2. UN Development Goals, source: UN-Habitat Kosovo

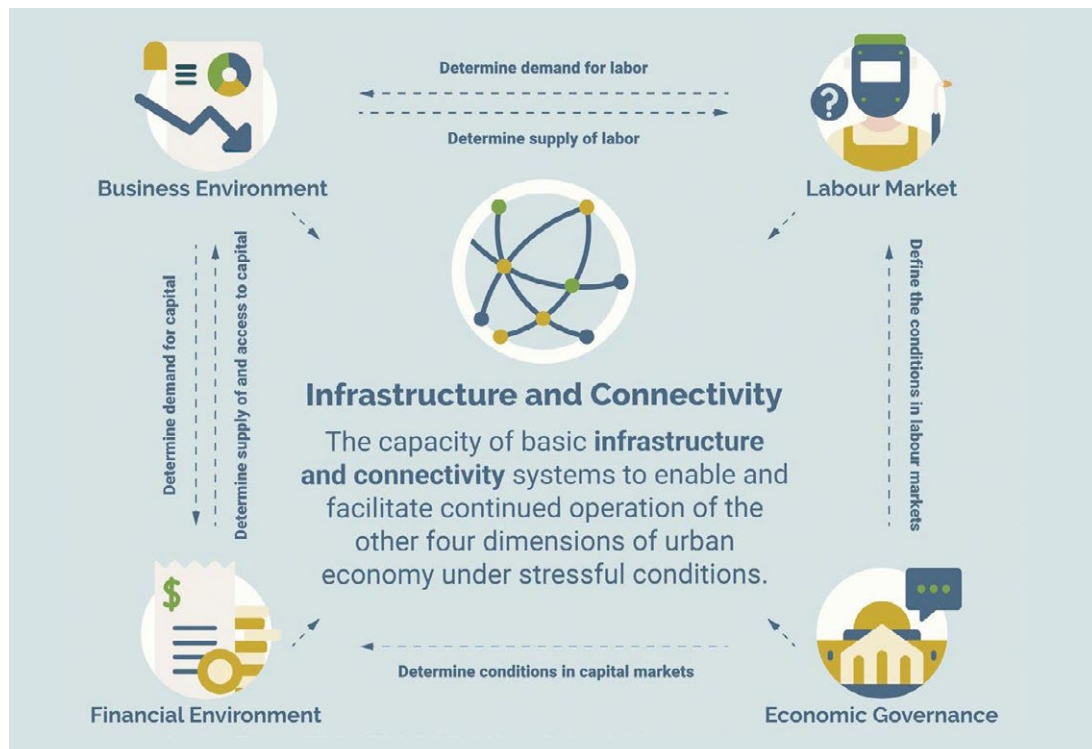
# 2

## METHODOLOGY

This report is based on a variety of multi-faceted, mixed-designed methods incorporating both qualitative and proxy quantitative approaches which were used during the data collection process. Although the expected inputs in this draft, from UN-Habitat and other stakeholders, will assist in further refining the methodological approach and tools, so far, during the desk-research phase are reviewed relevant Covid-19 literature matrix, existing reports, including emergency package measures issued by Central Government, and materials from different internet sources. Given that the objective is to treat the Covid-19 impact on Kosovo municipalities and businesses, then MLGA and UN-Habitat prepared jointly an online questionnaire (or physical for those not accessible online) with public institutions aiming to collect specific informations to different fields such as; socio-economic, education, infrastructure, etc. The responses were collected from the identified relevant municipal institutions or departments, responsible to answer the questionnaire in all 38 municipalities of Kosovo. Additionally, an online questionnaire (or physical for those not accessible online) was also conducted with the business sector, targeting micro, small, and medium-sized businesses. Businesses were identified through the Kosovo Business Registration Agency (KBRA) and municipal registers in the respective municipalities. Beyond the assessment of public institutions and businesses of municipalities through designated questionnaires/surveys, the data were also collected from the organized workshops on the seven main regions of Kosovo, held with the participation of the representatives of central and local institutions as well as the private sector and public stakeholders. A framework (developed by UNCDF and other UN partners) based on the following five dimensions is used for assessing the public institutions and the business sector, particularly during and after the COVID-19 crisis:

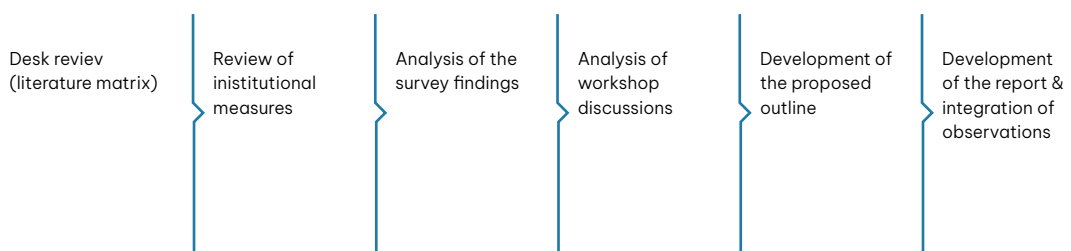


The first two refer to urban systems and describe, respectively, conditions for business operations (both public and private), the structure of local economies, as well as rules and regulations that govern the activities of businesses, while the remaining two refer to factor markets (labor and capital, respectively). The fifth dimension focuses on the capacity of basic infrastructure and connectivity systems to enable and facilitate continued operation of the other four dimension of urban economy under stressful conditions.



**Figure 3.** Dimensions of resilience-building for urban economies.  
Source; UNDA-13-Urban-Resilience-Project-Brochure

A large amount of the collected materials from different sources, and the use of a utilization-focused and mixed-methods research approach with a consideration given to gender and ethnicity, will ensure that the findings are derived from a collective contribution from a wide range of target groups, triangulated, and validated, and that gender consideration is integrated into the data collection and analysis methods. Primarily, these methods will include:

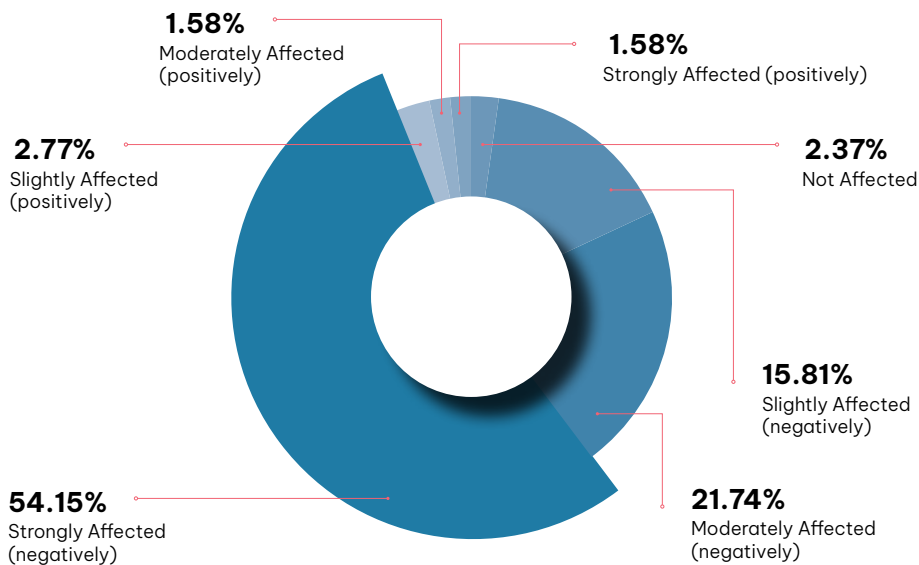


Ethical standards are considered throughout the data analysis and writing process to ensure contributions of the survey and workshop respondents (municipal officers, business representatives, participants in the regional workshops) are treated with integrity, respect, and – when required - confidentiality. This research envisages a rapid synthesis for each of the 38 municipalities of Kosovo with special emphasis on Local Governments and the Business Sector impacting labor market conditions of households. The report is also focused on providing analysis that would serve for strengthening the capacities of local governments to design, implement, and monitor sustainable, resilient, and inclusive COVID-19 economic responses and recovery plans.

# 3

## INTRODUCTION

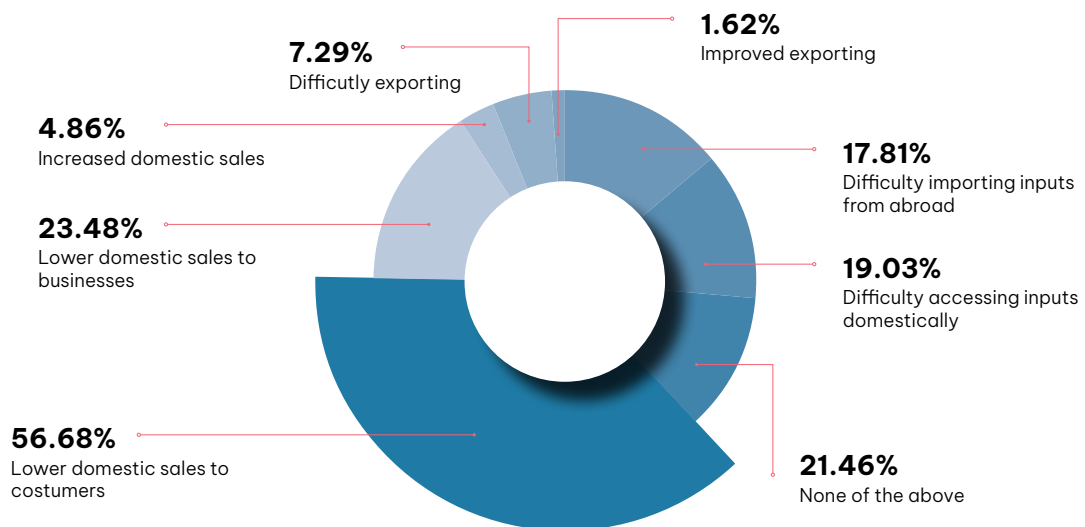
The COVID-19 pandemic period and the governmental restrictions imposed as part of the preventive measures had a negative impact on the already sluggish economies of Kosovo's municipalities. The economy contracted even in municipalities with relatively high economic activity, such as Prishtina/Priština, Ferizaj/Uroševac, and Prizren/Prizren municipalities. Among the business sectors that are most affected by the crisis are: gastronomy, hospitality, construction, transport, retail trade, and the like. More than 90% of the business representatives, which were interviewed for the purposes of this study, declared that their business activity was affected negatively by the COVID-19 pandemic, of which more than 54% were strongly affected (see fig).



**Figure 4.** *In general, has COVID-19 impacted positively or negatively your business activity? To what extent has it affected positively/negatively?*

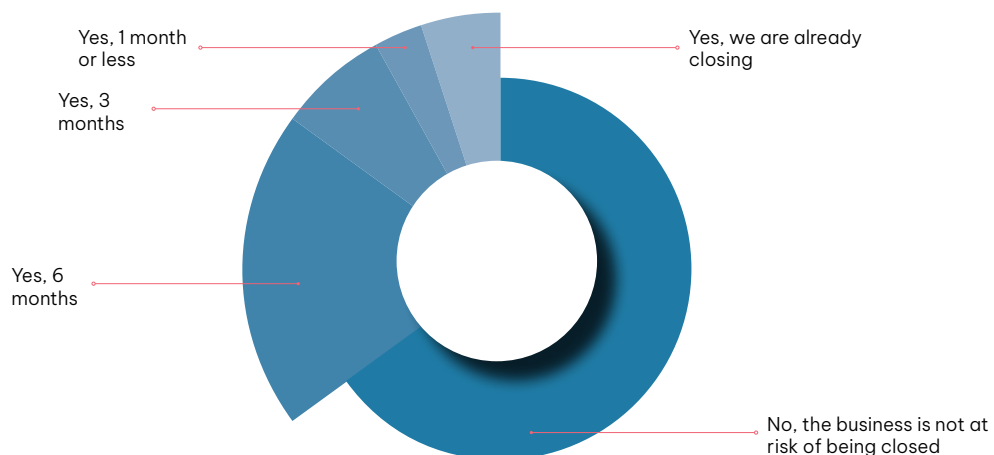
The findings indicate that the businesses' operation is affected in various ways. The most frequently reported problems caused by the COVID-19 are: nearly 57% of businesses declared a drop in domestic sales to consumers, almost 60% of the businesses were temporarily shut down, and the number of clients not paying or delaying payments of their bills increased significantly, employee absences increased, whereas investment was reduced, etc (see fig. 4.3).





**Figure 5.** Has COVID-19 affected your business' ability to sell and buy?(multi-select)

As a result, businesses were put at risk of closure. Around 38% of the representatives of the businesses, stated that their businesses are at risk to be closed because of COVID-19 (see fig. 4.4). Indeed, many businesses have closed in some small municipalities struggling with the poor economy and limited financial capacities for recovery, such as the municipality of Dragash/Dragaš. As a result, the unemployment rate soared, as more than 40% of the businesses included in this study reported that they were forced to cut the number of employees by 30 to 50%.

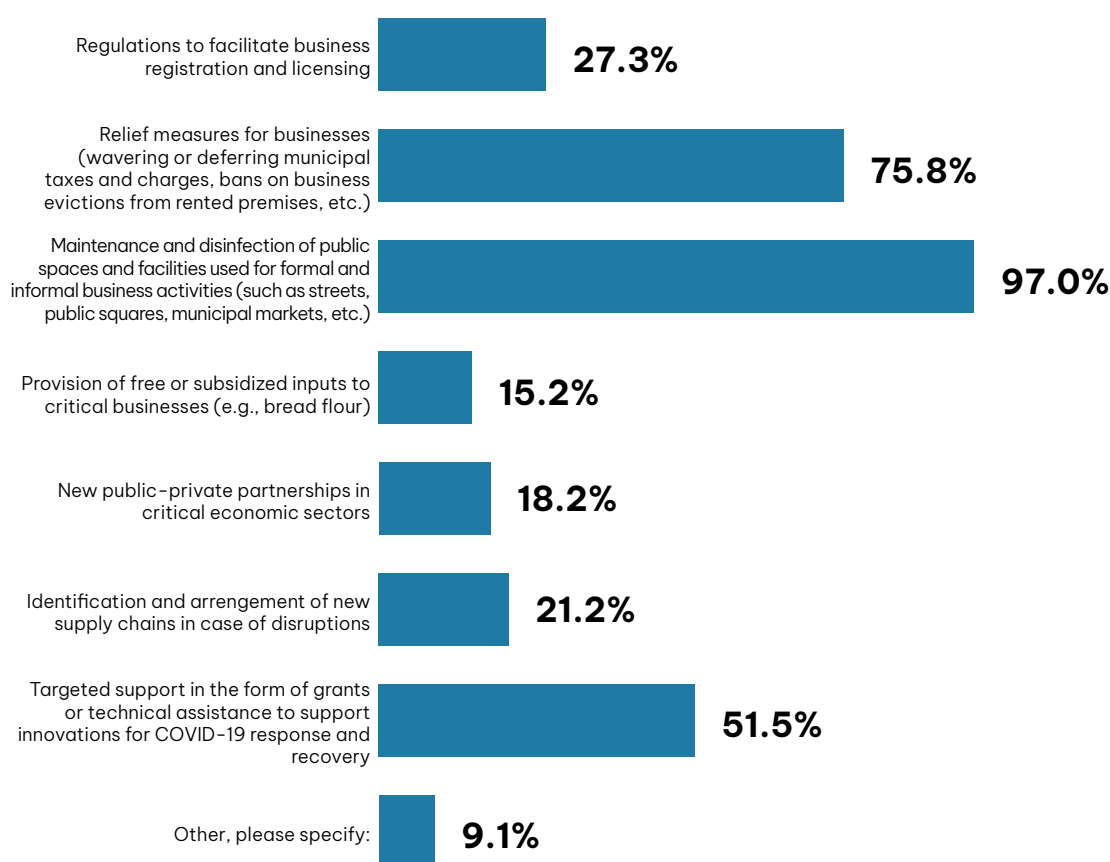


**Figure 6.** Do you think your business is at risk to be closed because of the COVID-19? If yes, when is this expected to happen?

However, it is worth noting that there are disparate data about unemployment, some indicating increase in unemployment rates, while others decrease in unemployment rates as a result of the pandemic. The latter is a result of businesses registering and formalizing employees during the pandemic with the purpose of benefiting from subsidies. Nevertheless, the unemployment gap has widened, as 5% of the employees in the public sector and 35% of private-sector employees have lost their jobs, especially in the sectors of agriculture, manufacturing, and wholesale. Unemployment rates increased among particular groups, specifically among women and youth. The financial crisis that occurred had major implications, especially for vulnerable population groups and households, some of which are already bordering on poverty.

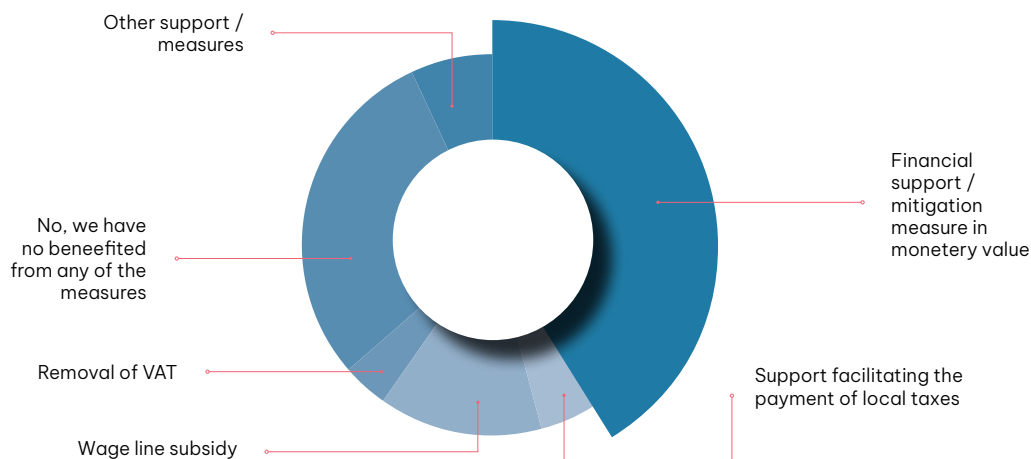
The private sector and small businesses have been more affected by the pandemic crisis. The economic and financial impact of the pandemic had also a negative effect on the municipal own source and tax revenues, intergovernmental transfers as well as municipal funds transferred from the state budget. Municipal officials stated that without government support, economic assistance to local businesses is a serious challenge for the municipalities.

However, when asked about the measures that their municipalities have taken to manage the negative impacts of the COVID-19 crisis, the majority of them (97%) declared as one of the major measures is the maintenance and disinfection of public spaces and facilities used for formal and informal business activities. Relief measures for businesses (76%) and targeted support in the form of grants or technical assistance to support innovations (51%), and regulations to facilitate business registration and licensing (27%), were also declared as major undertaking measures for COVID-19 response and recovery (see fig. 4.5).



**Figure 7.** *What measures has the municipality taken and/or is planning to manage the impacts of the COVID-19 crisis? (Business environment, local economic activity outside the municipality)*

As illustrated in fig. 4.5, financial support or mitigating measures in monetary value and wage line subsidy were the two forms that businesses benefited mostly as part of the governmental facilitation measures. However, not all the businesses included in the study benefited, as nearly 40% reported that their businesses have not benefited in any way from the facilitation measures.



**Figure 8.** *Has your business benefited from central (local) government facilitation measures? If so, which of the measures?*

However, more than half of the business representatives interviewed for the purposes of this study declared having found it difficult or very difficult to access information and benefits from government COVID-19-related assistance programs.

The main aim of this report is to provide a rapid synthesis of how Kosovo municipalities (local governments and business sector) were affected by the created situation by the global pandemic COVID-19. The findings of this report also aim to provide crisis response and recovery measures to orient future investments from the international and central levels towards helping Kosovo municipalities in their long-term development and recovery. Kosovo faced new waves of the virus, thus, experiencing a drastic increase in the trend of positive cases (and deaths) (August-September 2021) and this has influenced the implementation of new stringent measures by the government, which deepened the socio-economic impact. This research is particularly interested in sustainable and inclusive recovery, which is based on the “recovering better” principle and a three-pillar socio-economic recovery strategy: social cohesion and community resilience, projecting jobs and economic recoveries, and finally macroeconomic response and multilateral cooperation.

# 4

## KEY FINDINGS FROM THE MUNICIPALITIES

Under this chapter of the report, are presented the profile(s) of each of the 38 municipalities of Kosovo, in the following format:



MUNICIPAL PROFILE



MAIN ECONOMIC AND FINANCIAL IMPACTS

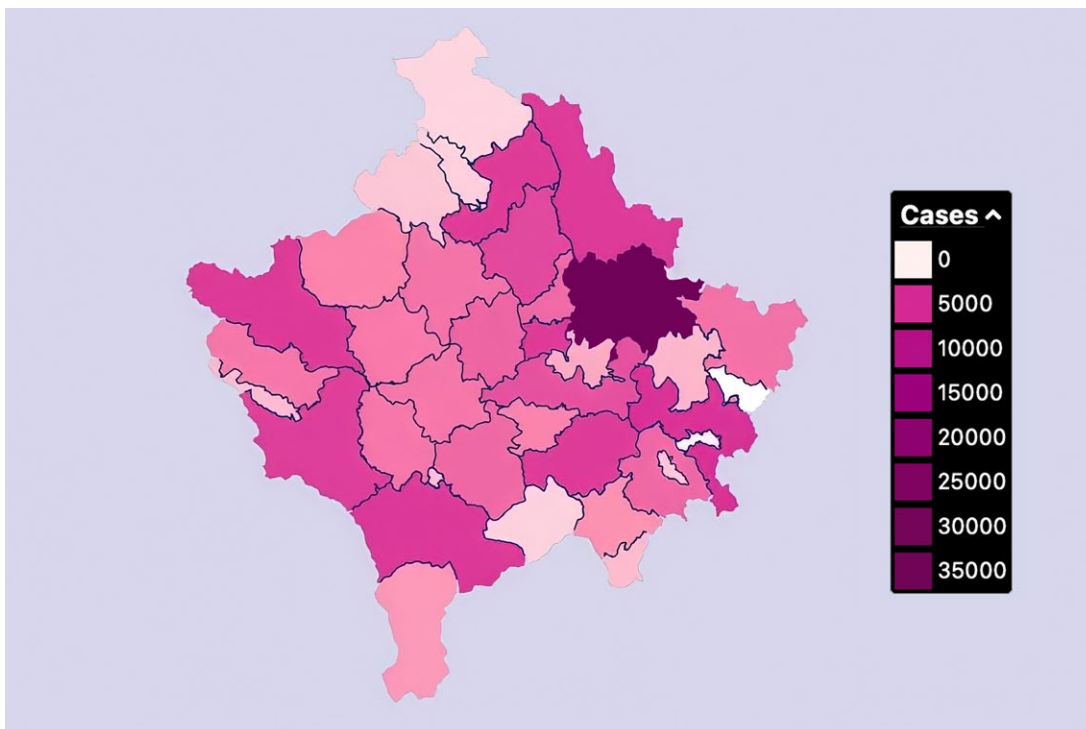


CRISIS RESPONSE AND RECOVERY MEASURES



INSTEAD OF CONCLUSIONS

The alphabetical order is used as far as the listing of the municipalities is concerned.



**Figure 9.** COVID-19 cases per municipality in Kosovo. (data presented is dated December 28, 2021), Data source: IKSHPK <https://datastudio.google.com/.../2e546d77.../page/MTOqB>



**PLAYGROUND  
CLOSED**

To help limit the spread of COVID-19, this playground has been closed until further notice.

We apologize for any inconvenience.

Please visit [calgary.ca/covid19](http://calgary.ca/covid19) for more information.  
Thank you.

CAUTION



**CAUTION**

**CAUTION**

Empire  
MADE IN USA

**CAUTION**

**CAUTION**

**CAUTION**



# Municipality of Deçan/Deçani



## Municipal profile

The socio-economic impact that the COVID-19 pandemic has had in Kosovo has affected all municipalities in Kosovo, although not with the same intensity. In the municipality of Deçan/Deçani, from the first case of COVID-19 in March 2020 until December 2021, 1816 cases of COVID-19 were identified, of which 1767 was cured, and 49 resulted in death. To coordinate and manage actions to prevent the spread of the COVID-19 pandemic, the Municipality has established the Emergency Headquarters, which has taken all protective measures to prevent the spread of the COVID-19 pandemic in accordance with the Decisions of the Ministry of Health (MH) and the Institute of Public Health of Kosovo (IPHK).



## Main economic and financial impacts

Even before the pandemic, the Municipality of Deçan/Deçani possessed a large number of families in need of social assistance, and the pandemic crisis increased these numbers. Unemployment which was already high and the economic crisis with the closure of small businesses occurring continuously due to the onset of the pandemic affected significantly the well-being of the citizens of this municipality.



## Business environment

According to the officials of this municipality, during the pandemic in the municipality of Deçan/Deçani, almost all sectors of the business field were affected, specifically gastronomy, textile, hospitality sector, construction, retail industry, tailoring, beauty salons, etc. However, there are no data on the number of businesses closed as a result of the pandemic but according to municipal officials, the pandemic has had a negative impact on the closure of businesses up to -85% and affected the reduction of economic activity up to -73%. On the other hand, it has been estimated that the pandemic has had a positive impact of up to 70% on the ease of procedures for opening new businesses.



## Economic governance

The municipal officials of Deçan/Deçani municipality declared that good cooperation at the local and central levels was also facilitated by the Association of Kosovo Municipalities (AKM). During the pandemic period, information and consultations on economic issues are provided on a monthly basis.





## Labor market conditions

The Deçan/Deçani municipality's local economy is mainly dominated by individual and micro-businesses and these types of businesses are significantly hit by the pandemic situation. However, the most affected sectors in terms of employment rate were gastronomy, textile, hospitality, construction, retail industry, tailoring, beauty salons, etc. Official data on the number of employees and job seekers during the pandemic period is unspecified but according to municipal officials, the pandemic has had a negative impact on the unemployment rate up to -90%, while the biggest negative impact, about -70%, is especially on the unemployment of women and youth. On the other hand, the impact that the pandemic has had on the working conditions has been positively assessed such as wages and working hours and layoffs, which according to municipal officials has a positive impact of about 50% on these two elements.



## Financial environment

Similar to other municipalities, in the municipality of Deçan/Deçani as well, the year 2020 marked a decrease in own source and tax revenues, as compared to the previous year. However, according to collected data from municipal officials, the revenues slightly increased during 2021 roughly 45% on own source and 65% tax revenues. Due to the pandemic situation, the municipal budget also benefited from subsidies and donations from external donors.



## Infrastructure and Connectivity

For health care services, rural areas away from health facilities have been most affected during the pandemic as public transport services have been more limited during this period. According to the data from the municipal officials, the pandemic has had a negative impact that is estimated to be about -50% in the access of transport and mobility. As a result, the majority of citizens were forced to use private transport. The electricity services were declared as being at the proper level of supply. However, some rural areas of this municipality encountered problems during worsening periods of atmospheric conditions

Dimensions	Key findings
<b>Business environment</b>	Almost all sectors of the business field were affected. Mainly gastronomy, textile, hospitality sector, construction, retail industry, tailoring, beauty salons, etc.
<b>Economic governance</b>	Mechanisms of cooperation at the local and central levels were reported of being information sharing and mutual consultations.
<b>Labor market conditions</b>	The sectors that are most affected in terms of employment rate are gastronomy, textile, hospitality sector, construction, retail industry, tailoring, beauty salons, etc.
<b>Financial environment</b>	During 2020 there was a decrease in own source and tax revenues, the increases were marked during 2021.
<b>Infrastructure and Connectivity</b>	Shërbimet e kujdesit shëndetësor, grumbullimit të mbeturinave, uji Health care, waste collection, drinking water, sanitary, and transport services were reported of being at a satisfactory level in urban areas. Some difficulties in terms of infrastructure and connectivity were reported for rural areas. t të pijshëm, sanitare dhe transportit janë raportuar të jenë në nivel të kënaqshëm në zonat urbane. Disa vështirësi sa i përket infrastrukturës dhe konektivitetit janë raportuar për zonat rurale.



### Crisis response and recovery measures

During the pandemic crisis, the Municipality of Deçan/Dečani, within its budget possibilities, used its capacities, such as supporting businesses with the exemption from municipal taxes, allowing the use of external premises, provision of free or subsidized inputs to critical businesses (e.g., bread flour), food subsidies for families in need and those with Covid-19 cases, financial support for the municipal company “HYGJIENA” for its sustainability and other services of citizens. The Municipality of Deçan/Dečani also assessed the economic and financial consequences for this municipality in the mid and long term as a result of the pandemic crisis of all sectors but is currently declared of having no financial capacities for recovery measures.

### Instead of conclusions



Given that even before the pandemic, this municipality faced a difficult economic situation, the pandemic crisis has aggravated it more. The private sector and small businesses are the most affected

# Municipality of Dragash/Dragaš



## Municipal profile

In the municipality of Dragash/Dragaš, from the first case of COVID-19 on April 4th, 2020 until December 2021, 704 cases of COVID-19 were identified, of which 656 were cured, and 48 resulted in death. To coordinate and manage its preventive actions from the COVID-19 pandemic, the Municipality has established the Emergency Headquarters, which took all protective measures to prevent the spread of the pandemic situation. It is worth noting that all municipal actions were reported of being taken in accordance with the Decisions of the MH and the IPHK.



## Main economic and financial impacts

Main economic and financial impacts  
Major declared problems of this municipality are unemployment, economic development, and lack of municipal property. Although several businesses operating in this municipality opened a few working places, the number of unemployed is still very high.



## Business environment

According to the officials of this municipality, the pandemic situation in the municipality of Dragash/Dragaš, affected almost all businesses. However, the most touched sectors remain the gastronomy, textile, hospitality sector, construction, retail industry, tailoring, beauty salons, etc. From the beginning of the pandemic until the end of 2021, 30 businesses are closed in this municipality, 11 of them during 2020 and 19 during 2021. When it comes to gender disaggregation of the owners, the data shows that out of a total of 19 closed businesses, 18 of them were run by male owners and only 1 by a female owner. According to municipal officials, the pandemic has had a negative impact on the closure of businesses with majority female ownership up to -62% and affected the reduction of economic activity up to -94%.



## Economic governance

Municipal officials of Dragash/Dragaš, reported good cooperation between the local and central levels. This cooperation is reported of being facilitated by the AKM. Here as well, during this period of the pandemic, the information and consultations about the economic developments in the municipality took place on a monthly basis.



## Labor market conditions

During the pandemic in the municipality of Dragash/Dragaš all sectors of the business field are affected in terms of unemployment. Gastronomy, textile, hospitality sector, construction, retail industry, tailoring, beauty salons, etc. remains the most affected sectors. No official data on the number of employees and jobseekers are reported for the pandemic period. However according to municipal officials, the pandemic has had a negative impact on the unemployment rate up to -98%, while the biggest negative impact, about -64%, is especially on the unemployment of women and youth.



## Financial environment

Similar to other municipalities, in the municipality of Dragash/Dragaš during 2020 there was a decrease in own-source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021 about 74%. During this period of the pandemic, the budget for subsidies and donations from external donors has also increased.



## Infrastructure and Connectivity

The data indicate that about 71% of households in this municipality have access to the water supply network. Regarding sanitary services, during the pandemic, the municipality of Dragash/Dragaš reported disinfecting the public buildings, schools, and stations, and distributed hygienic materials in all public institutions. While some setbacks are reported for rural areas as far as waste collection services are concerned during the pandemic situation, where, according to municipal officials, it was estimated that there was a negative impact of about -59%, however over time the situation was improved. Obstacles and delays in social welfare services, affecting mostly the rural areas, were also reported. While the transport services faced no difficulties even during the pandemic situation.

Dimensions	Key findings
<b>Business environment</b>	Almost all business sectors were affected. A major crisis is faced by the gastronomy, textile, hospitality sector, construction, retail industry, tailoring, beauty salons, etc. A total of 30 businesses were closed during 2020/21.
<b>Economic governance</b>	Mechanisms of cooperation at the local and central levels were reported of being information sharing and mutual consultations.
<b>Labor market conditions</b>	The most affected sectors in terms of employment are gastronomy, textile, hospitality sector, construction, retail industry, tailoring, beauty salons, etc.
<b>Financial environment</b>	During 2020 there was a decrease in own source and tax revenues, however, slight increases in revenues were marked during 2021.
<b>Infrastructure and Connectivity</b>	The municipality of Dragash/Dragaš disinfected all the public buildings and distributed hygienic materials in all public institutions. Health care, waste collection, drinking water, sanitary, and transport services were at a satisfactory level in an urban area.



### Crisis response and recovery measures

The lack of financial means of the municipality limited the possibilities for recovery measures. The municipality, however, took some measures mainly providing grants or subsidies to help businesses that have been temporarily closed. Additionally, Dragash/Dragaš municipality also supported businesses with relief measures (waverling or deferring municipal taxes and charges, bans on business evictions from rented premises, etc.), grants, or technical assistance to support innovations for COVID-19 response and recovery, etc.

### Instead of conclusions



Dragash/Dragaš is a small municipality, and economic activities even before the pandemic were near to the ground. The Covid-19 period made the situation even more difficult. Many businesses are closed and the municipality does not have sufficient financial capacity for long-term recovery measures.

# Municipality of Drenas/Glogovac



## Municipal profile

In the municipality of Drenas/Glogovac, from March 2020 until December 2021, 3440 cases of COVID-19 were identified, of which 3351 were cured, and 89 resulted in death. To coordinate and manage actions and prevent the spread of the COVID-19 pandemic, the Municipality has established the Emergency Headquarters. All protective measures to prevent the spread of the COVID-19 pandemic are taken in accordance with the Decisions of the MH and the IPHK.



## Main economic and financial impacts

The development of Drenas/Glogovac is largely dependent on about 4000 operating businesses in this municipality. Municipal officials reported that the pandemic situation mainly impacted the sectors of the hospitality industry and micro-businesses (tourism), up to 65% of these businesses marked a lower rate of recessions during 2020/21, reaching around 40% declines in their annual revenues.



## Business environment

The data indicates the closure or inactivity of numerous businesses during the pandemic period. According to municipal officials, the pandemic had affected the reduction of economic activity up to -65%. On the other hand, it has been estimated that the pandemic has had a positive impact of 100% on the ease of procedures for opening new businesses. Due to the limited working hours, only in 2020 around 27 businesses were closed, while 21 businesses did so in 2021. Out of 27 closed businesses in 2020, 6 of them were led by women (or 22%) while in 2021, 6 of the closed businesses were led by women (28.5%). Municipal officials interviewed for the purposes of this study also mentioned the informal economy as being present, still, they consider that it is in lower parameters as compared to other Kosovo regions



## Economic governance

Municipal officials of Drenas/Glogovac reported good cooperation between the local and central levels during the pandemic period. AKM also is reported as a facilitator in this regard, mutual information and consultations for citizens were offered on monthly basis.



### Labor market conditions

The most affected sectors in this municipality are reported to be the construction and manufacturing industries, followed by gastronomy and hospitality. Employment rates dropped significantly during the pandemic. According to municipal officials, the pandemic has had a negative impact on the unemployment rate up to -45%. Based on statistics obtained from the municipal employment office, in 2021 only 89 people were employed. The municipality of Drenas/Glogovac reported no dismissals of workers in the public sector, while no information was possessed for the private sector.



### Financial environment

Based on the findings of this study, the municipality of Drenas/Glogovac, own-source revenues increased constantly marking a percentage of about 9.5%. Municipal revenues from property tax for the year 2020 reached the amount of 448,947 €, or a 78.8% increase, while during 2021 were collected 685,842 €, reaching an increase of 138%. It was also emphasized that this municipality has ongoing financial support from external donors.



### Infrastructure and Connectivity

The findings indicate that the municipality of Drenas/Glogovac provides access to basic services for the provision of drinking water to 60.5% of the households and this has not changed even during the pandemic. According to the data from the municipal officials, the pandemic has had a negative impact that is estimated to be about -40% in provision of drinking water. In terms of sanitation services, the municipality has engaged the sanitary and the environmental inspectors, to monitor the maintenance of hygiene in administrative buildings as well as the environmental situation in general. According to municipal officials, all settlements in the municipality of Drenas/Glogovac are included in the waste collection service but the pandemic has had a negative impact on Regional Waste Collection Company (RWCC) “Pastrimi” as this company worked with a smaller number of employees due to anti-covid measures. As a result, there were cases where cleaning services have been delayed. When it comes to transport services, municipal officials interviewed for the purposes of this study stated that 95.2% of the villages of this municipality are included in the public transport system in urban-suburban areas. However, the municipal officers reported that during the pandemic period this service encountered difficulties in operation. In the municipality of Drenas/Glogovac as well as throughout Kosovo, the education system has worked in three scenarios.

Dimensions	Key findings
<b>Business environment</b>	Around 48 businesses were closed in 2020/21. Out of the 12 of them were led by women.
<b>Economic governance</b>	Regular cooperation is reported between the local and central level institutions. Information and mutual consultations are provided on monthly basis.
<b>Labor market conditions</b>	The most affected sectors in this municipality are the construction and manufacturing industries, followed by the hospitality and gastronomy sectors.
<b>Financial environment</b>	This municipality marked an increase in its own source and property tax revenues during the pandemic period. The ongoing financial support from external donors is also highlighted by the municipal officials interviewed for the purposes of this study.
<b>Infrastructure and Connectivity</b>	Health care, waste collection, drinking water, sanitary, and transport services have been at a satisfactory level in urban areas while some rural areas were slightly affected.



### Crisis response and recovery measures

In terms of mid-term recovery measures, according to the interviewed respondents, the municipality has assisted the health sector by engaging additional staff and allocating new spaces for the performance of health services. Additionally, the municipality distributed emergency aid with food packages for the families in need of social assistance and took mitigating measures for businesses such as exemption from paying municipal taxes and providing free raw materials or subsidies for critical businesses. The municipality also re-prioritized and rescheduled the existing municipal budget to increase the availability of financing for critical areas for responding to and recovering from COVID-19. In terms of long-term recovery measures, this municipality has not developed any plan but operates only based on the government plan for economic recovery that was approved in 2021. However, this plan provides no data on the foreseen budgets to be divided per municipality.

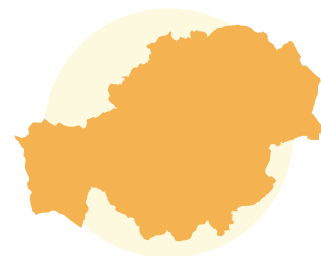
### Instead of conclusions



Besides overall positive attempts, this municipality has no capacity to influence the long-term recovery. According to them, this is the responsibility of the central government. The continuous challenge of this municipality remains the issue of unemployment, and it continues to be so after the pandemic situation as well.



# Municipality of Ferizaj/Uroševac



## Municipal profile

Since March 13, 2020, when the first two cases of COVID-19 infection were reported in Kosovo, the pandemic crisis spread to all municipalities, including the Ferizaj/Uroševac. From March 2020 until December 2021, the total number of cases identified with COVID-19 in the municipality of Ferizaj/Uroševac is 9123, of which 96 cases ended in a fatality while 8938 cases are cured. Previously, the Municipality of Ferizaj/Uroševac did not possess an emergency management plan in case of pandemics, indeed the existing 'crises plans' were mainly focused on rain flood management or outflow of the river bed, etc.



## Main economic and financial impacts

The municipality of Ferizaj/Uroševac is the third largest one in Kosovo in terms of area, and the second after the capital Prishtina in terms of economic development. The interviewed municipal officials for the purposes of this study declared that in addition to the difficulties in managing the COVID-19 situation, Ferizaj/Uroševac municipality faced a large number of problems emerging as a result of the pandemic crises. Rising poverty has deepened inequality among people while the already weak economy has suffered almost irreparable damage.



## Business environment

The results obtained from the survey conducted with businesses operating in this municipality confirmed that the COVID-19 pandemic harmed almost all economic activities of different businesses with roughly 7% impact on economic recessions. The majority of businesses stated being forced for downsizing their staff due to the economic crisis. Meanwhile, several businesses mentioned the possibility of closing down, due to the financial crisis caused by the pandemic. Temporary closures of businesses and delays in making payments by customers are two of the most common problems encountered by business owners which were part of the research. Some businesses have admitted that they have received financial assistance from the central or local level institutions, but some also declared of receiving no financial assistance from any institution. However, the vast majority of business owners consider the best potential support from institutions the subsidy of a percentage of workers' wages for a certain period. On the other hand, it has been estimated that the pandemic has had a positive impact of up to 20% on the ease of procedures for opening new businesses.



## Economic governance

According to municipal officials, there was a lack of inter-municipal coordination that would secure efficient management of the COVID-19 pandemic. While mechanisms of cooperation at the local and central levels have been information and mutual consultation.



## Labor market conditions

In terms of employment rate, the findings indicate the private sector, small and medium-sized enterprises (SMEs), farmworkers, and the self-employed as the most affected ones by the pandemic crisis in this municipality. While special emphasis is marked on commercial and service businesses, as jobs in these industries are affected. According to municipal officials, the impact of the pandemic on the unemployment rate is up to 7%, while the biggest negative impact, about -13%, is especially on the unemployment of women and youth.



## Financial environment

In financial terms, during 2020 there was a decrease in own source and tax revenues compared to the previous year, but these then, according to research data have increased in 2021 roughly 58% on tax revenues. They had difficulties in fulfilling budget obligations followed by the court and enforcement decisions, arising from collective labor agreements and problems with the implementation of capital projects with special emphasis on those co-financed by line ministries, etc.



## Infrastructure and Connectivity

In addition to the financial crisis, this municipality also faced challenges in the field of education and health. These crises occurred particularly due to staff shortages deriving from the Government decisions to dismiss staff over the age of 60, pregnant women, mothers with children under the age of 3, and officials with chronic diseases, while at the same time lacking the mechanisms for their replacements. This increases the need for protecting the health system itself and providing inclusive and equitable quality education for all. Whereas the interviewed municipal officials for this study highlighted that while rural areas have been affected in terms of transport and social welfare services, urban areas experienced more affection in terms of drinking water, sanitation, and health services. On the other side, the respondents also declared no problems in providing education (online learning) and cleaning services, nor have they received complaints from citizens for these areas.

Dimensions	Key findings
<b>Business environment</b>	The majority of businesses stated being forced for down-sizing their staff due to the economic crisis. Meanwhile, several businesses mentioned the possibility of closing down, due to the financial crisis caused by the pandemic.
<b>Economic governance</b>	There was a lack of inter-municipal coordination that would secure efficient management of the COVID-19 pandemic.
<b>Labor market conditions</b>	The findings indicate the small and medium-sized enterprises, farmworkers, and the self-employed as the most affected ones by the pandemic crisis in this municipality.
<b>Financial environment</b>	During 2020 there was a decrease in own-source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.
<b>Infrastructure and Connectivity</b>	Rural areas have been affected in terms of transport and social welfare services, while urban areas experienced more affection in terms of drinking water, sanitation, and health services.



### Crisis response and recovery measures

The findings indicate that the role of the municipality of Ferizaj/Uroševac in the management of the pandemic crisis has been focused on in several directions. In terms of mid-term recovery measures, according to municipal officials the support is provided to businesses with financial means (for example helping the companies of urban and interurban transport lines), adequate fiscal space, postponement of administrative and municipal payments for citizens and businesses as well as to offer the uninterrupted provision of main public services. The officials of the municipality of Ferizaj/Uroševac pointed out that they have supported families in need with food packages, assistance to patients with COVID-19 by offering home check-ups, and the establishment of a socio-psychological platform through the TV for motivational lectures with psychologists of the city, etc. While in terms of long-term recovery measures, the Government of Kosovo has approved the Economic Recovery Package (2021) which provides several measures for financial support divided by sectors. In support of economic recovery and production, this package provides financial assistance of 108 million euros, including investment loan subsidies, hotel and business closure recovery, export support, business support for access to finance, etc. In social welfare and education, the government recovery package has provided financial assistance of 50 million euros, including support for retirees and families with social assistance, support for families who have lost a head of household, food stamps for families in need, payments for unemployed mothers, etc., but there is no data available on how they are divided by municipalities.

### Instead of conclusions



The municipality of Ferizaj/Uroševac does not have a long-term measure for recovery from the consequences of the COVID-19 pandemic, and currently, they are not working on drafting one. The financial crisis has had major implications for vulnerable population groups and households, some of which are already bordering on poverty. The assistance provided does not guarantee sustainable recovery because it has been applied as short-term assistance only to remedy the situation temporarily.

# Municipality of Fushë Kosovë/ Kosovo Polje



## Municipal profile

In the municipality of Fushë-Kosovë/Kosovo Polje, from the first case of COVID-19 in March 2020 until December 2021, 6773 cases of COVID-19 were identified, of which 6684 people were cured, and 81 resulted in death. To coordinate and manage actions to prevent the spread of the COVID-19 pandemic, the Municipality has established the Emergency Headquarters, which has taken all protective measures to prevent the spread of the COVID-19 pandemic in accordance with the Decisions of the MH and the IPHK.



## Main economic and financial impacts

Rapid development in the municipality of Fushë Kosovë/Kosovo Polje, new constructions, creation of numerous facilities by the municipality for the development of economic activities, attraction businesses, and their opening have created great employment opportunities and a very favorable environment for the livelihood of citizens. These developments on the one hand have brought many benefits, but on the other hand, have caused great challenges for this municipality. Due to the significant increases in the number of inhabitants, the demands in all areas of providing municipal services have increased, while the number of staff in health, education, administration, etc. has remained the same. Due to the closeness with the capital city of Kosovo, numerous citizens from Preshvë/Preševo as well as from other parts of Kosovo moved to Fushë Kosovë/Kosovo Polje. This fact caused a significant increase in the number of inhabitants, while the municipality's capacity to accommodate such a large number of residents remains limited.



## Business environment

The data indicates that the municipality of Fushë Kosovë/Kosovo Polje has marked a 50% decline in economic activities during the months of March, April, and May of 2020, starting with a small increase throughout 2020, while in 2021 a lift and optimal stability. The local economy in Fushë Kosovë/Kosovo Polje is dominated by individual businesses, and micro-businesses that have been hit by the pandemic situation as a result of the limitations and recommendations of the competent institutions. According to municipal officials, the pandemic has had a negative impact on the closure of businesses up to -30%. For the two-year period since the pandemic started, 648 new businesses were registered in this municipality and 54 businesses were closed, while there is a tendency for the number of closed businesses to increase.



## Economic governance

Municipal officials estimate that during the pandemic period there was mutual information and consultation at the central-local level, although there were no committees formed between central and local officials. According to the data extracted from this research, for the period 2020 - 2021, there was no drafting of new regulations or amendment of existing regulations.



## Labor market conditions

The data show that as in most other small municipalities in Kosovo, here as well the private sector has been most affected by the pandemic crisis. The gastronomy, construction, transport, and private kindergartens remain some of the most damaged sectors. According to municipal officials, the pandemic has had a negative impact on the unemployment rate up to -30%, while the biggest negative impact, about -30%, is especially on the unemployment of women and youth. According to the data in individual and small businesses there are no dismissals from work, as they are dominated by family employment but in other businesses, there are dismissals at a low rate of 20% and obviously, the closure of businesses has affected the decline of the number of employees.



## Financial environment

Based on the research data, the municipality of Fushë-Kosovë/Kosovo Polje, during the first pandemic year has marked a decrease in its own source revenues. As compared to 2019, in 2020 a decrease of -11.7% is noted. While in 2021 it is marked an increase of 50.4%. Similar to tax revenues, wherein 2020 compared to 2019 there was a decrease to -20.2%, while in 2021 there is an increase of 59.2%.



## Infrastructure and Connectivity

According to the municipal officials, the municipal emergency headquarters treated and assisted all vulnerable families (giving priority to minority communities and families with social assistance), and provided health and social care to all individuals affected by COVID-19. Additionally, the municipality provided a supply of MFMC with protective equipment (masks, gloves, disinfectant, protective clothing, etc.), disinfection of public buildings-institutions, collective buildings, entrances of dwellings, business buildings, disinfection of roads and street cleaning, supply and distribution of food packages, hygienic-sanitary means and flour for all those affected and families with a severe economic and social situation. In the municipality of Fushë Kosovë/Kosovo Polje as well as throughout Kosovo, the education system has worked in three scenarios depending on the pandemic situation.

Dimensions	Key findings
<b>Business environment</b>	Marked a 50% decline in economic activities during the first months of March-April-May 2020, starting with a small increase throughout 2020, while in 2021 a lift and optimal stability. For the two-year period since the pandemic started, 54 businesses were closed.
<b>Economic governance</b>	Mechanisms of cooperation at the local and central levels have been information and mutual consultation.
<b>Labor market conditions</b>	The private sector has been most affected by the pandemic crisis. Gastronomy, construction, transport, and private kindergartens sectors remain the most damaged sectors during this period.
<b>Financial environment</b>	During 2020 there was a decrease in own source and tax revenues compared to the previous year, however, these increased in 2021.
<b>Infrastructure and Connectivity</b>	Health care, waste collection, drinking water, sanitary, and transport services have been at a satisfactory level while the education system has worked in three scenarios depending on the pandemic situation.



### Crisis response and recovery measures

In terms of mid-term recovery measures, according to municipal officials, the Government of Kosovo has supported the Municipality of Fushë-Kosovë/Kosovo Polje with the amount of funds of 1.103,114 euros. These funds were allocated to prevent the distribution of the Covid-19 pandemic. In addition to public health, these funds are also dedicated to the fields of education, social welfare, and public hygiene. For the economic assistance and development of businesses that have suffered losses during this time municipality shared the amount of 308,000 euros, assisting with financial means 598 different businesses, such as tailors, hairdressers, undulating salons, nurseries-kindergartens, etc. The municipality of Fushë-Kosovë/Kosovo Polje has not developed any plan for long-term recovery measures and is only dependent on the government plan for economic recovery which is approved in 2021.

### Instead of conclusions



The municipality of Fushë-Kosovë/Kosovo Polje does not have a long-term measure for recovery from the consequences of the COVID-19 pandemic. The lack of a preliminary plan for the management of the Covid-19 pandemic has been highlighted as a challenge. According to the officials of the municipality, the consequences of the situation will be felt for several years to come. Without government assistance, economic assistance to local businesses is a serious challenge for the Municipality.

# Municipality of Gjakova/Đakovica



## Municipal profile

In the municipality of Gjakova/Đakovica, the first cases with COVID-19 infections appeared in March 2020. Whereas for the exact numbers of the identified, cured and those that resulted in death until December 2021, the officials of this Municipality advised to refer to the data of the IPHK. With the beginning of the pandemic, the 'Municipal Emergency Headquarters' was activated, in which, besides the security representatives, the main health actors were also involved in order to better manage the situation with COVID 19.



## Main economic and financial impacts

The municipality of Gjakova/Đakovica even before the pandemic crisis faced a difficult economic and social situation. Some of the biggest challenges of this municipality are a large number of unemployed, a limited budget of the Municipality for necessary investments, depreciated infrastructure, etc.



## Business environment

Based on the research data from this municipality, the local economy is dominated by individual and micro businesses which have been hit by the pandemic situation. According to municipal officials, the pandemic has had a negative impact on the closure of businesses up to -5% but this did not affected the reduction of economic activity. Since when the pandemic period started, a total of 152 businesses were closed in this municipality (68 of them were closed in 2020 and 84 businesses in 2021). However, approximate figures were present when it comes to the closure of businesses even before the pandemic situation (98 businesses closed in the year 2019).



## Economic governance

The municipal officials reported a lack of communication between the local and central levels, Sometimes the measures taken by the central level were not coordinated with the 'de-facto' situation at the local level. In many cases, preventive/restrictive measures have been introduced while the Municipality has not been prepared to execute or monitor them.



## Labor market conditions

Based on the data for this municipality, it is estimated that the negative impact on employment is emphasized mainly in the gastronomy sector, particularly due to pandemic restrictive measures. According to municipal officials, the pandemic has had a negative impact on the unemployment rate up to -5%. While the production sectors such as textile, metal, and wood processing, as well as the construction sector, have resulted in positive performance due to the opening of some new private companies. Except for the public sector (namely the education and health sector), all other sectors of the local economy result in unequal participation in employment in terms of gender, while having some balance in the level of salaries.



## Financial environment

The collected data for the purposes of this study indicate that in the municipality of Gjakova/ Đakovica, during 2020, own source and tax revenues were decreased as compared to the previous year. However, the increases the collection of these revenues increased in 2021. During the pandemic period, the municipal officers reported increases in the budget for subsidies and donations from external donors.



## Infrastructure and Connectivity

During the pandemic period, there was an increase in services or support to families in need. This was achieved in close cooperation with humanitarian organizations which provided food packages and housing for families in need. Through co-financing with the Regional Water Company “Gjakova”, access to drinking water was assured for the villages of the Municipality of Gjakova/Đakovica. However, there are still a number of villages not included in the system. During the last two years, the coverage of waste collection in this municipality is increased from 60% - to 100% of the territory of the municipality.



Dimensions	Key findings
<b>Business environment</b>	Since 2020, a total of 152 businesses were closed in this municipality, however, about the same holds true before the pandemic period (98 businesses closed in the year 2019).
<b>Economic governance</b>	There has been a lack of communication at the local and central levels, the measures taken by the central level were not coordinated with the local authorities.
<b>Labor market conditions</b>	The negative impact on employment is emphasized mainly in the gastronomy sector, whereas the productive sectors such as textile, metal, and wood processing, as well as the construction sector, resulted in positive performances due to the opening of some new private companies.
<b>Financial environment</b>	During 2020 there was a decrease in own source and tax revenues as compared to the previous year, but these then, increases are marked in 2021.
<b>Infrastructure and Connectivity</b>	Health care, waste collection, drinking water, and sanitary services were generally at a satisfactory level. However, some of the rural areas were affected particularly when it comes to drinking water services.



### Crisis response and recovery measures

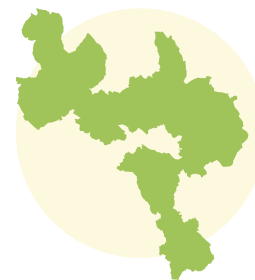
The municipality of Gjakova/Đakovica did not draft specific recovery measures. According to the municipal officials, only in 2020, a special fund of 200,000 euros was created for the subsidization of businesses affected by the pandemic, relief measures for businesses (waverling or deferring municipal taxes and charges, bans on business evictions from rented premises, etc.), establishment and expansion of public facilities (financial and technical assistance) to provide or facilitate access to cheap capital for businesses.

### Instead of conclusions



According to the municipal officials, this municipality has no capacity to influence the long-term recovery, according to them, this is the responsibility of the central government. The challenge that the municipality had before the pandemic is the issue of unemployment and the same is followed during the pandemic situation.

# Municipality of Gjilan/Gnjilane



## Municipal profile

In the municipality of Gjilan/Gnjilane, the first cases of COVID-19 appeared in March 2020, and from then until December 2021, 9878 cases were registered, of which 9673 people were cured, and 201 resulted in death. To coordinate, manage and prevent the spread of the COVID-19 pandemic, the Municipality established the Emergency Headquarters. Throughout this mechanism all protective measures are taken to prevent the spread of the COVID-19 pandemic and in accordance with the Decisions of the MH and the IPHK.



## Main economic and financial impacts

In the municipality of Gjilan/Gnjilane, the cessation of daily economic, educational, cultural, and sportive activities during the pandemic period, caused extensive damage. The economic and specifically private sector encountered major difficulties. The municipality's limited budget faced even more difficulties due to the creation of unplanned expenditures for coping with the pandemic.



## Business environment

The local economy in Gjilan/Gnjilane is dominated by individual and micro-businesses, which were hit significantly due to the ordered limitations from the competent institutions. According to municipal officials, the pandemic has had a negative impact on the closure of businesses up to -30% and affected the reduction of economic activity up to -50%. The data provided by this municipality show that in 2020 there were registered 502 new businesses with 798 employees and 81 businesses with 115 employees were closed, while there is a tendency for the number of closed businesses to increase and in 2021 there were 850 businesses registered as new and 100 businesses with 150 employees have been closed. Most businesses have declared significant losses, especially the manufacturing sector, trade, and hospitality sector, followed by construction, agriculture, and transport services.



## Economic governance

Cooperation between the local and central levels took place, mainly in terms of information sharing and mutual consultations. Meetings or mutual consultations were held during the pandemic with the mayors of this region in order to inform the general situation with Covid-19, but also to coordinate the further actions to support the management of the situation and the preservation of public health.



## Labor market conditions

Based on research data, in the municipality of Gjilan/Gnjilane, the pandemic has affected the loss of 788 jobs. Based on data received from municipal officials, the pandemic has had a negative impact on the unemployment rate up to -32%, while the biggest negative impact, about -48%, is especially on the unemployment of women and youth. While, according to businesses operating in this municipality, the pandemic has affected the decline in demand for services/products but there have also been supplied disruptions during the pandemic.



## Financial environment

According to the answers of the officials of the municipality of Gjilan/Gnjilane, during the first pandemic year there was a decrease in own-source revenues, whereas in 2020 there was a decrease of 12.4%, while in 2021 this percentage increased to 46.3%. Similar to tax revenues, wherein, as compared to 2019, in 2020 there was a decrease of up to 18.8%.



## Infrastructure and Connectivity

The provision of drinking water during 2020 and 2021 was at a satisfactory level, similarly to the waste management, these are the services that were not affected by the pandemic situation. Municipal officials stated that they provided social services as before the pandemic, when assistance is offered to citizens, especially to those living in a poor condition. Sanitary services were also provided during the pandemic period, including the cleaning and the disinfection of public buildings-institutions, entrances/exits of collective buildings, regular washing of the streets and squares, etc. All families and individuals affected by COVID-19 had health and social care, some were also supplied with food-sanitary packages. Regarding the transport service, municipal officials stated that this service during the pandemic period has encountered difficulties in functioning due to anti-covid measures. Whereas the education system has worked in three scenarios depending on the pandemic situation.

Dimensions	Key findings
<b>Business environment</b>	Most of the businesses especially the manufacturing sector, trade, and hospitality sector, declared significant losses. In 2020, 81 businesses were closed, while a tendency is also reported for the increases during 2021.
<b>Economic governance</b>	Major mechanisms of cooperation between the local and central levels were reported of being information sharing and mutual consultations.
<b>Labor market conditions</b>	The pandemic affected the loss of 788 jobs in this municipality.
<b>Financial environment</b>	As compared to the previous year(s), during 2020 there was a decrease in own source and tax revenues. However, the data indicate that these revenues are increased in 2021.
<b>Infrastructure and Connectivity</b>	Health care, waste collection, drinking water, and sanitary services have been at a satisfactory level while the education system has worked in three scenarios depending on the pandemic situation.



### Crisis response and recovery measures

Based on the recommendations of the team for the assessment of damages to the local economy, the municipality of Gjilan/Gnjilane has prepared a Program of long-term measures to support businesses operating in this municipality by relieving all businesses from the municipal tax burden for conducting activities and operate in the territory of this municipality during 2020. Businesses are also exempted from paying fees for the use of parking lots given in use by the municipality for a period of 6 months, meaning for those who have not exercised or performed their regular activity at the request of the MH, have also been exempted from paying rent for a period of 12 months, including tenants of mobile market stalls for the sale of agricultural products. When it comes to the farmers, for a period of 12 months, subsidies have also been made with corn seeds and artificial fertilizers. Fee payments for the legalization of illegal objects have been postponed for a period of 3 months for taxpayers who entered into contracts with a dynamic payment in installments (upon request). It is reported by the municipal officials that the interest on debts will not be charged for the specified period either. During the pandemic period, the Government of Kosovo supported this Municipality with the amount of financial means for 2020 of 446,948 € and for 2021 in the amount of 493,984 €. These funds were allocated to prevent the spread of the Covid-19 pandemic. In addition to the field of public health, these tools are also dedicated to educational, social welfare, and public hygiene purposes. Meanwhile, for the development of long-term measures, this municipality does not plan to draft a program of measures and according to them, this should be a task of the central level.

### Instead of conclusions



The two-year period of the pandemic has caused numerous damages to the Municipality, especially in the private sector of the economy. Therefore, the challenge and focus of the Municipality remain the assistance for Economic Recovery for local businesses.

# Municipality Gračanica/Gračanica



## Municipal profile

The municipality of Gračanica/Gračanica, did not share the informations regarding the numbers of identified, cured and lost patients during COVID-19 pandemic in 2020 and 2021. However, the findings indicate that to coordinate and manage actions to prevent the spread of the COVID-19 pandemic, the Municipality has established the Emergency Headquarters, which took all protective measures to prevent the spread of the COVID-19 pandemic.



## Main economic and financial impacts

The Municipality of Gračanica/Gračanica, is a small rural municipality with 10,000 inhabitants roughly, with a development focus on two main sectors; hospitality and gastronomy. During the pandemic, these two sectors were mostly affected, which simultaneously affected the increase of the unemployment rate in this municipality. Additionally, this municipality has faced problems such as insufficient investment in local economic development.



## Business environment

The data shows that as in most other small municipalities in Kosovo, here as well the mostly affected remains the private sector. However, although the officials of this municipality declared that the pandemic crisis had a negative impact on the development of businesses, they have no official data on how many of them were closed during this period. But according to municipal officials, the pandemic had affected the reduction of economic activity up to -80%. On the other hand, it has been estimated that the pandemic has had a positive impact of 100% on the ease of procedures for opening new businesses.



## Economic governance

According to the officials of this municipality, all local institutions responsible for the implementation of anti-covid measures at the local level showed a high level of cooperation. This made the overall process easier for economic operators in the municipality and their economic development.



## Labor market conditions

Based on research data, employment in this municipality has dropped significantly during the pandemic, while the most affected sectors are the gastronomy, hospitality, and retail industry sectors. Similar to the situation of businesses, the municipality has no data on the number of job seekers or those who have lost their jobs during this period. According to municipal officials, the pandemic has had a negative impact on the unemployment rate up to -50%, while the biggest negative impact, about -50%, is especially on the unemployment of women and youth.



## Financial environment

According to the responses of the interviewed officials of the municipality of Gračanica/Gračanica, most of the budget of this municipality consists of government grants, and only a small percentage of the municipal budget consists of municipal revenues. During the first pandemic year, there was a decrease in own source and tax revenues compared to the previous year, but these then have seen a slight increase in 2021 about 30%.



## Infrastructure and Connectivity

The provision of drinking water was at a satisfactory level; indeed, this was declared to be a service that has not been affected by the pandemic situation. Similarly, waste management, health care, and transport services were also reported as delivered services at a satisfactory level(s). All citizens of this municipality had the opportunity to receive basic services in educational institutions through online learning.

Dimensions	Key findings
<b>Business environment</b>	The most affected is the private sector, but no official data on the number of closed businesses during this period.
<b>Economic governance</b>	The municipality cooperated closely with all local institutions, however, a lack of proper communication with the central level is reported.
<b>Labor market conditions</b>	Based on the employment rate, the most affected sectors are the gastronomy, hospitality, and retail industry sectors.
<b>Financial environment</b>	During 2020 a decrease is marked in own source and tax revenues, however, the data showed slight increases in this regard during 2021.
<b>Infrastructure and Connectivity</b>	Health care, waste collection, drinking water, sanitary, and transport services are reported as being at a satisfactory level.



### Crisis response and recovery measures

The support of the municipality is mainly focused on providing assistance to the most vulnerable families, through the provision of necessary medical supplies as well as food and essential means of functioning during quarantine. Various measures and reliefs for the economic sector have been adopted in order to stimulate business during the crisis period. The tax exemption, the exemptions from the municipal rent for all businesses operating in this municipality, maintenance, and disinfection of public spaces and facilities used for formal and informal business activities (such as streets, public squares, municipal markets, etc.), regulations to facilitate business registration and licensing, etc. were some of the crisis response measures of this municipality.

### Instead of conclusions



The Municipality of Gračanica/Gračanica did adopt a crisis management plan. According to the officials of this municipality, in the framework of the recovery plan, the main focus should be the support for the gastronomy sector, as the main sector operating in this municipality.

# Municipality of Hani i Elezit/Elez Han



## Municipal profile

In the municipality of Hani i Elezit/Elez Han, from the first case of COVID-19 until 2020, were identified 78 cases of COVID-19, of which 76 people were cured, while they have registered 2 deaths. To coordinate and manage actions to prevent the spread of the COVID-19 pandemic, the Municipality has established the Emergency Headquarters, which has taken all protective measures to prevent the spread of the COVID-19 pandemic in accordance with the Decisions of the MH and the IPHK.



## Main economic and financial impacts

Even before the pandemic, the Municipality of Hani i Elezit/ Elez Han faced a lot of economic and social problems such as a high unemployment rate, a large number of cases of families with social assistance, and a small municipal budget.



## Business environment

According to the officials of this municipality, during the pandemic in the municipality of Hani i Elezit/ Elez Han, almost all sectors of the business field were affected, such as gastronomy, construction, retail industry, tailoring, beauty salons, etc. Due to the pandemic crisis in this municipality, five businesses have been closed in the gastronomy sector and other small businesses, etc. According to municipal officials, the pandemic has had a negative impact on the closure of businesses up to -20% and affected the reduction of economic activity up to -41%. On the other hand, it has been estimated that the pandemic has had a positive impact of up to 80% on the ease of procedures for opening new businesses.



## Economic governance

According to the municipal officials of Hani i Elezit/ Elez Han, there has been a good cooperation at the local and central levels so far, whereas a facilitator in this cooperation is estimated to be the AKM. According to them, during this period of the pandemic, there is information and consultations on a monthly basis.





### Labor market conditions

According to the research data from the municipality of Hani i Elezit/ Elez Han, since the local economy is dominated by individual businesses, and micro-businesses that have been hit by the pandemic situation the sectors that are most affected in terms of employment rate are gastronomy, construction, retail industry, tailoring, beauty salons, etc. However, there are no official data on the number of employees and job seekers during the pandemic period. But according to municipal officials, the pandemic has had a negative impact on the layoffs up to -30%.



### Financial environment

Similar to other municipalities, in the municipality of Hani i Elezit/ Elez Han there was a decrease in own-source revenues and tax revenues compared to the previous year, up to -30% but these then, according to research data have increased in 2021. During this period of the pandemic, the budget for subsidies and donations from external donors has also increased up to 40%.



### Infrastructure and Connectivity

For health care services, rural areas away from health facilities have been most affected during the pandemic as public transport services have been more limited during this period and in most cases citizens have been forced to use private transport. Water services during the pandemic period were provided to all residents but some parts mainly rural areas had reduced services. Similar to the sanitary services, waste collection has been more problematic for residents living in isolated areas.

Dimensions	Key findings
<b>Business environment</b>	Almost all sectors of the business field were affected, such as gastronomy, construction, retail industry, tailoring, beauty salons, etc.
<b>Economic governance</b>	Mechanisms of cooperation at the local and central levels have been information and mutual consultation
<b>Labor market conditions</b>	The sectors that are most affected in terms of employment rate are gastronomy, construction, retail industry, tailoring, beauty salons, etc.
<b>Financial environment</b>	During 2020 there was a decrease in own-source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.
<b>Infrastructure and Connectivity</b>	Health care, waste collection, drinking water, sanitary, and transport services have been at a satisfactory level in urban areas while some rural areas were most affected



### Crisis response and recovery measures

During the pandemic crisis, the Municipality of Hani i Elezit/ Elez Han, within its budget possibilities, has used all its possible capacities, such as supporting businesses where an exemption from municipal taxes has been made for the use of external premises, provision of free or subsidized inputs to critical businesses (e.g., bread flour), food subsidies for needy families and covid-19 cases, etc.

### Instead of conclusions

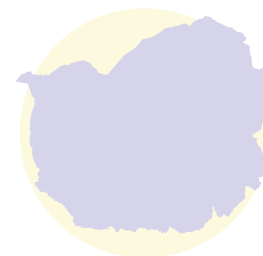


Given that this municipality faced a difficult economic situation even before the pandemic, the pandemic crisis has only aggravated the economic situation. The private sector and small businesses are the most affected.





# Municipality of Istog/Istok



## Municipal profile

In the municipality of Istogu/Istok, from the first case of COVID-19 in March 2020 until December 2021, 2057 cases of COVID-19 were identified, of which 1997 were cured, and 61 resulted in death. To coordinate and manage actions to prevent the spread of the COVID-19 pandemic, the Municipality has established the Emergency Headquarters, which has taken all protective measures to prevent the spread of the COVID-19 pandemic in accordance with the Decisions of the MH and the IPHK.



## Main economic and financial impacts

According to data from the municipality, Istog/Istok as a very small city has constantly faced challenges, especially economic and financial ones, mainly the high unemployment rate and a large number of families with social assistance.



## Business environment

During the pandemic in the municipality of Istog/Istok, all business sectors were affected such as gastronomy, hospitality sector, construction sector, then small individual businesses such as tailoring, beauty salons, etc. From the beginning of the pandemic until the end of 2021 in this municipality there have been temporary closures of businesses but there is no information on their exact number. According to municipal officials, the pandemic has had a negative impact on the closure of businesses up to -40% and affected the reduction of economic activity up to -30%.



## Economic governance

Coordination between the central and local levels has become apparent in ensuring effective responses during crisis management. The municipality has cooperated closely with the central level, respectively with the Ministry of Health for the steps taken.



## Labor market conditions

According to municipal officials, the pandemic has had a negative impact on the unemployment rate up to -30%, while the biggest negative impact, about -30%, is especially on the unemployment of women and youth. In terms of employment rate, the sectors that are most affected are gastronomy, small individual businesses such as tailoring, beauty salons, etc., while in terms of the gender gap in the field of employment, both genders remain mainly affected, with a higher unemployment rate for women, especially the pandemic period has greatly influenced this aspect.



## Financial environment

Similar to other municipalities, in the municipality of Istog/Istok during 2020 there was a decrease in own-source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.



## Infrastructure and Connectivity

Regarding water services, according to data from the research in the municipality of Istog/Istok rural areas have been more affected. As for sanitary services during this period of time, the municipality has provided this service to all citizens, disinfecting squares, public buildings, schools, and stations, has distributed the necessary hygienic material in each place, etc. Due to the pandemic in some villages, there have been some delays in waste collection, but over time it has been fixed. Meanwhile, in terms of transport services, few villages in this municipality did not have access to this service. During the pandemic, some students did not have access to online learning, but with the help of donors, some of them were included in online learning, although this remains a challenge for the municipality. Also, the municipality has taken the necessary steps for all citizens to have access to basic health care services.

Dimensions	Key findings
<b>Business environment</b>	All business sectors were affected such as gastronomy, hospitality sector, construction sector, then small individual businesses such as tailoring, beauty salons, etc.
<b>Economic governance</b>	Mechanisms of cooperation at the local and central levels have been information and mutual consultation.
<b>Labor market conditions</b>	In terms of employment rate, the sectors that are most affected are gastronomy, small individual businesses such as tailoring, beauty salons, etc., with a higher unemployment rate for women,
<b>Financial environment</b>	During 2020 there was a decrease in own-source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.
<b>Infrastructure and Connectivity</b>	Health care, waste collection, drinking water, sanitary, and transport services have been at a satisfactory level in urban areas while some rural areas were most affected.



### Crisis response and recovery measures

The Municipality of Istog/Istok has undertaken a program of facilitation measures to support businesses that carry out their business activities in this municipality. Some of the measures taken include: the exemption of all businesses from all municipal taxes, such as rents for land, premises, and dwellings that are owned by the municipality, subsidizing businesses, etc. Emergency packages have also been provided for necessary assistance and food packages for families in need. While there is no long-term recovery plan other than the recovery package from the central level for which there is no information on how it is distributed in the municipalities.

### Instead of conclusions



This municipality has faced economic and financial challenges even before the pandemic crisis, but the pandemic has only aggravated the situation. The private sector remains most affected by the pandemic while there is also a lack of a municipal long-term recovery plan.

# Municipality of Junik



## Municipal profile

At the municipality of Junik the first cases of COVID-19 appeared in March 2020. However, this municipality did not provide the informations regarding the number of identified, cured and lost patients from COVID-19 pandemic during 2020 and 2021. But to coordinate and manage actions to prevent the spread of the COVID-19 pandemic, the Municipality has established the Emergency Headquarters, which has taken all protective measures to prevent the spread of the COVID-19 pandemic in accordance with the Decisions of the MH and the IPHK.



## Main economic and financial impacts

Even before the pandemic, the Municipality of Junik/ Junik faced a large number of problems such as small municipal budget, insufficient financial support of the government which has hindered new investments of the municipality, lack of staff especially in the emergency sector.



## Business environment

According to the officials of this municipality, during the pandemic in the municipality of Junik/ Junik, almost all sectors of the business field were affected such as gastronomy, textile, hospitality sector, construction, retail industry, tailoring, beauty salons, etc. While there is no data on the number of businesses closed as a result of the pandemic but according to municipal officials, it has been estimated that the pandemic has had a positive impact of up to 50% on the ease of procedures for opening new businesses.



## Economic governance

Based on the municipal officials of Junik/ Junik, there has been a good cooperation at the local and central level so far, where as a facilitator in this cooperation is estimated to be the AKM. According to them, during this period of the pandemic there is information and consultations on a monthly basis.





### Labor market conditions

According to the research data from the municipality of Junik/ Junik, since the local economy is dominated by individual businesses, and micro-businesses which have been hit by the pandemic situation the sectors that are most affected in terms of employment rate are gastronomy, textile, hospitality sector, construction, retail industry, tailoring, beauty salons, etc. However, there are no official data on the number of employees and jobseekers during the pandemic period.



### Financial environment

Similar to other municipalities, in the municipality of Junik/ Junik during 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021. During this period of the pandemic, the budget for subsidies and donations from external donors has also increased.



### Infrastructure and Connectivity

For health care services, rural areas away from health facilities have been most affected during the pandemic as public transport services have been more limited during this period and in most cases, citizens have been forced to use private transport. According to the data from the municipal officials, the pandemic has had a negative impact that is estimated to be about -50% in the access of transport and mobility. Water services during the pandemic period were provided to all residents but in some parts mainly rural areas had more reduced services. Similar to the sanitary services, and waste collection which have been more problematic for residents living in isolated areas.

Dimensions	Key findings
<b>Business environment</b>	Almost all sectors of the business field were affected, such as gastronomy, textile, hospitality sector, construction, retail industry, tailoring, beauty salons, etc.
<b>Economic governance</b>	Mechanisms of cooperation at the local and central level have been information and mutual consultation
<b>Labor market conditions</b>	The sectors most affected in terms of employment rate are gastronomy, textile, hospitality sector, construction, retail industry, tailoring, beauty salons, etc.
<b>Financial environment</b>	During 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.
<b>Infrastructure and Connectivity</b>	Health care, waste collection, drinking water, sanitary, transport services have been at a satisfactory level in urban area while some rural areas were most affected



### Crisis response and recovery measures

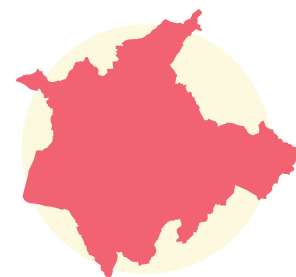
During the pandemic crisis, the Municipality of Junik/ Junik, within its budget possibilities, has used all its possible capacities, such as supporting businesses where exemption from municipal taxes has been made for the use of external premises, provision of free or subsidized inputs to critical businesses (e.g., bread flour), identification and arrangement of new supply chains in case of disruptions etc.

### Instead of conclusions



Given that even before the pandemic, this municipality faced a difficult economic situation, the pandemic crisis has only aggravated the economic situation. The private sector and small businesses are the most affected.

# Municipality of Kaçanik/Kaçanik



## Municipal profile

In the municipality of Kaçanik/Kaçanik, from the first case of COVID-19 in March 11th 2020 until December 2021, 1844 cases of COVID-19 were identified, of which 1801 were cured, and 43 resulted in death. To coordinate and manage actions to prevent the spread of the COVID-19 pandemic, the Municipality has established the Emergency Headquarters, which has taken all protective measures to prevent the spread of the COVID-19 pandemic in accordance with the Decisions of the MH and the IPHK.



## Main economic and financial impacts

Even before the pandemic, the Municipality of Kaçanik/Kaçanik faced a large number of challenges, starting from the large number of families in difficult economic situation, who receive social assistance, the municipal budget is very limited, especially in the absence of a specific grant for the Social Welfare sector, which presents significant problems. For the municipality to carry out activities to support poor families, limited budget for subsidizing local businesses.



## Business environment

According to the officials of this municipality, during the pandemic in the municipality of Kaçanik/Kaçanik, almost all sectors of the business field were affected such as gastronomy, textile, construction, tailoring, beauty salons, etc. While there are three businesses that have been closed as a result of the pandemic, which have been led by women in the beauty salon sector, retail industry although according to municipal officials the number of closed businesses may be even higher but they have no official data. On the other hand, it has been estimated that the pandemic has had a positive impact of up to 50% on the ease of procedures for opening new businesses.



## Economic governance

According to the municipal officials of Kaçanik/Kaçanik, there has been a good cooperation at the local and central level so far, where as a facilitator in this cooperation is estimated to be the AKM. According to them, during this period of the pandemic there is information and consultations on a monthly basis.



## Labor market conditions

According to the research data from the municipality of Kaçanik/Kaçanik, since the local economy is dominated by individual businesses, and micro-businesses which have been hit by the pandemic situation the sectors that are most affected in terms of employment rate are gastronomy, textile, construction, retail industry, tailoring, beauty salons, etc. However, there are no official data on the number of employees and jobseekers during the pandemic period.



## Financial environment

Similar to other municipalities, in the municipality of Kaçanik/Kaçanik during 2020 there was a decrease in own source revenues and tax revenues up to -10% compared to the previous year, but these then, according to research data have increased in 2021.



## Infrastructure and Connectivity

For health care services, rural areas away from health facilities have been most affected during the pandemic as public transport services have been more limited during this period and in most cases, citizens have been forced to use private transport. Water services during the pandemic period were provided to all residents but in some parts mainly rural areas had more reduced services. Similar to the sanitary services, and waste collection which have been more problematic for residents living in isolated areas.

Dimensions	Key findings
<b>Business environment</b>	Almost all sectors of the business field were affected, such as gastronomy, textile, construction, tailoring, beauty salons, etc
<b>Economic governance</b>	Mechanisms of cooperation at the local and central level have been information and mutual consultation
<b>Labor market conditions</b>	The sectors that are most affected in terms of employment rate are gastronomy, textile, construction, retail industry, tailoring, beauty salons, etc.
<b>Financial environment</b>	During 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.
<b>Infrastructure and Connectivity</b>	Health care, waste collection, drinking water, sanitary, transport services have been at a satisfactory level in urban area while some rural areas were most affected



### Crisis response and recovery measures

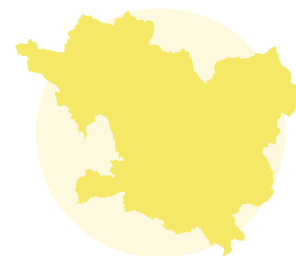
During the pandemic crisis, the Municipality of Kaçanik/Kaçanik, within its budget possibilities, has used all its possible capacities, such as supporting businesses where exemption from municipal taxes has been made for the use of external premises, provision of free or subsidized inputs to critical businesses (e.g., bread flour), food subsidies for needy families and covid-19 cases, etc. Due to the limited budget, this municipality is not drafting a long-term recovery plan.

### Instead of conclusions



Given that even before the pandemic, this municipality faced a difficult economic situation, the pandemic crisis has aggravated the economic situation. The private sector and small businesses are mostly the most affected.

# Municipality of Kamenicë/Kamenica



## Municipal profile

In the municipality of Kamenica/Kosovska Kamenica from the first case of COVID-19 in March 2020 until December 2021, 569 cases of COVID-19 were identified, of which 534 were cured, and 35 resulted in death. To coordinate and manage actions to prevent the spread of the COVID-19 pandemic, the Municipality has established the Emergency Headquarters, which has taken all protective measures to prevent the spread of the COVID-19 pandemic in accordance with the Decisions of the MH and the IPHK.



## Main economic and financial impacts

The Municipality of Kamenica / Kosovska Kamenica, as a small municipality with a small municipal budget has consistently faced problems such as poor economic situation, large number of jobseekers and difficult social situation. Most of the businesses operating in this municipality are commercial, few manufacturing, which work with small capacities.



## Business environment

According to the officials of this municipality, in the municipality of Kamenica/Kosovska Kamenica, there are more than 3000 businesses operating. But during the pandemic crisis almost all sectors of the business field were affected, such as gastronomy, textile, construction, tailoring, beauty salons, etc. There are no official data how many businesses have been closed due to pandemic crisis but according to municipal officials, the pandemic has had a negative impact on the closure of businesses up to -10% and affected the reduction of economic activity up to -15%. On the other hand, it has been estimated that the pandemic has had a positive impact of up to 80% on the ease of procedures for opening new businesses.



## Economic governance

According to the municipal officials of Kamenica/Kosovska Kamenica, there has been a good cooperation at the local and central level so far, where as a facilitator in this cooperation is estimated to be the AKM. According to them, during this period of the pandemic there is information and consultations on a monthly basis.



## Labor market conditions

According to the research data from the municipality of Kameni-ca/Kosovska Kamenica, since the local economy is dominated by individual businesses, and micro-businesses which have been hit by the pandemic situation the sectors that are most affected in terms of employment rate are gastronomy, textile, construction, retail industry, tailoring, beauty salons, etc. However, there are no official data on the number of employees and jobseekers during the pandemic period but according to municipal officials, the pandemic has had a negative impact on the unemployment rate up to -30%, while the biggest negative impact, about -30%, is especially on the unemployment of women and youth.



## Financial environment

Similar to other municipalities, in the municipality of Kameni-ca/Kosovska Kamenica during 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021 up to 50%. But most of the budget of this municipality is from government grants.



## Infrastructure and Connectivity

For health care services, rural areas away from health facilities have been most affected during the pandemic as public transport services have been more limited during this period and in most cases, citizens have been forced to use private transport. Water services during the pandemic period were provided to all residents but in some parts mainly rural areas had more reduced services. Similar to the sanitary services, and waste collection which have been more problematic for residents living in isolated areas.

Dimensions	Key findings
<b>Business environment</b>	More than 3000 businesses active, but during the pandemic crisis almost all sectors of the business field were affected, such as gastronomy, textile, construction, tailoring, beauty salons, etc.
<b>Economic governance</b>	Mechanisms of cooperation at the local and central level have been information and mutual consultation
<b>Labor market conditions</b>	The sectors that are most affected in terms of employment rate are gastronomy, textile, construction, retail industry, tailoring and beauty salons.
<b>Financial environment</b>	During 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.
<b>Infrastructure and Connectivity</b>	Health care, waste collection, drinking water, sanitary, transport services have been at a satisfactory level in urban area while some rural areas were most affected



### Crisis response and recovery measures

According to the research data, the municipality of Kamenica / Kosovska Kamenica based on financial resources has taken several measures to help businesses starting from the removal of barriers for businesses in financial terms regarding the postponement of tax payments. Payment for medical services was also waived during the pandemic. Cases related to COVID-19 were subsidized with an amount of 50 euros and with an amount of 200 euros for children born, while farmers and farmers were also subsidized.

### Instead of conclusions



Given that even before the pandemic, this municipality faced a difficult economic situation, the pandemic crisis has only aggravated the economic situation. The private sector and small businesses are the most affected.



# Municipality of Klinë/Klina



## Municipal profile

In the municipality of Klinë/Klina, the first cases of COVID-19 appeared in March 2020. However, this municipality did not provide the informations regarding the numbers of identified, cured and lost patients from COVID-19 pandemic during 2020 and 2021. But to coordinate and manage actions to prevent the spread of the COVID-19 pandemic, the Municipality has established the Emergency Headquarters, which has taken all protective measures to prevent the spread of the COVID-19 pandemic in accordance with the Decisions of the MH and the IPHK.



## Main economic and financial impacts

The Municipality of Klina / Klina even before the onset of the pandemic crisis has faced natural disasters as a result of floods, which have affected businesses and households and the municipality has consistently provided subsidies for damages caused. In addition to this problem, the high unemployment rate and poor economic development are also challenging for this municipality. Due to the limited municipal budget, the implementation of development projects depends mainly on the investments of the Government of Kosovo.



## Business environment

According to the officials of this municipality, during the pandemic in the municipality of Klinë/Klina, almost all sectors of the business field were affected, such as gastronomy, textile, construction, tailoring, beauty salons, etc. There are no official data how many businesses have been closed due to pandemic crisis. but according to municipal officials, the pandemic has had a negative impact on the closure of businesses up to -28% and affected the reduction of economic activity up to -20%.



## Economic governance

Based on the data obtained, there has been a good cooperation at the local and central level so far, where as a facilitator in this cooperation is estimated to be the AKM. According to them, during this period of the pandemic there is information and consultations on a monthly basis.



## Labor market conditions

According to the research data from the municipality of Klinë/Klina, since the local economy is dominated by individual businesses, and micro-businesses which have been hit by the pandemic situation the sectors that are most affected in terms of employment rate are gastronomy, textile, construction, retail industry, tailoring, beauty salons, etc. However, there are no official data on the number of employees and jobseekers during the pandemic period but according to municipal officials, the pandemic has had a negative impact on the unemployment rate up to -7%, while the biggest negative impact, about -18%, is especially on the unemployment of women and youth.



## Financial environment

Similar to other municipalities, in the municipality of Klinë/Klina during 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021 although most of the municipal budget consists of government grants.



## Infrastructure and Connectivity

For health care services, rural areas away from health facilities have been most affected during the pandemic as public transport services have been more limited during this period and in most cases, citizens have been forced to use private transport. According to the data from the municipal officials, the pandemic has had a negative impact that is estimated to be about -20% in the access of transport and mobility. Water services during the pandemic period were provided to all residents but in some parts mainly rural areas had more reduced services. Similar to the sanitary services, and waste collection which have been more problematic for residents living in isolated areas.

Dimensions	Key findings
<b>Business environment</b>	Almost all sectors of the business field were affected, such as gastronomy, textile, construction, tailoring, beauty salons, etc.
<b>Economic governance</b>	Mechanisms of cooperation at the local and central level have been information and mutual consultation
<b>Labor market conditions</b>	The sectors most affected in terms of employment rate are gastronomy, textile, construction, retail industry, tailoring, beauty salons, etc.
<b>Financial environment</b>	During 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.
<b>Infrastructure and Connectivity</b>	Health care, waste collection, drinking water, sanitary, transport services have been at a satisfactory level in urban area while some rural areas were most affected



### Crisis response and recovery measures

During the pandemic crisis, the Municipality of Klinë/Klina, within its budget possibilities, has used all its possible capacities, such as supporting businesses where exemption from municipal taxes has been made for the use of external premises, provision of free or subsidized inputs to critical businesses (e.g., bread flour), food subsidies for needy families and covid-19 cases, etc. Due to the limited budget, this municipality is not drafting a long-term recovery plan.

### Instead of conclusions



Given that even before the pandemic, this municipality faced a difficult economic situation, the pandemic crisis has only aggravated the economic situation. The private sector and small businesses are the most affected.

# Municipality of Kllokot/Klokot



## Municipal profile

The municipality of Kllokot/Klokot did not provide the informations regarding the numbers of identified, cured and lost patients from COVID-19 pandemic during March 2020 and December 2021. To coordinate and manage actions to prevent the spread of the COVID-19 pandemic, the Municipality has established the Emergency Headquarters, which has taken all protective measures to prevent the spread of the COVID-19 pandemic.



## Main economic and financial impacts

The Municipality of Kllokot/Klokot, is a small rural municipality with 3000 inhabitants roughly the inhabitants of each work mainly in the agricultural sector, but its development has stalled due to the pandemic. This municipality has a significant problem of environmental pollution, as it has wild landfills (on municipal property) that pose a risk to the environment and the health of the population, but because there are not enough funds it is not possible to address this issue.



## Business environment

The data show that as in most other small municipalities in Kosovo, in this municipality the most affected sectors are agriculture and gastronomy sector. Although the officials of this municipality say that the pandemic crisis has negatively affected the development of other businesses and had affected the reduction of economic activity up to -100%, they say that there are no closed businesses.



## Economic governance

According to the officials of this municipality, there was a lack of cooperation between the local and central level in dealing with the pandemic. They emphasize two main problems as insufficient cooperation and lack of resources from central level to solve problems. However, this municipality has had cooperation with two neighboring municipalities, that of Vitia / Vitina and Partesh / Partes.



### Labor market conditions

Based on research data, employment in this municipality has dropped significantly during the pandemic, while the most affected sectors are the gastronomy and agriculture sectors. Similar to the situation of businesses, the municipality has no data on the number of jobseekers or those who have lost their jobs during this period.



### Financial environment

According to the answers of the officials of the municipality of Kllokot/Klokot, Most of the budget of this municipality consists of government grants and only a small percentage of the municipal budget consists of municipal revenues. During the first pandemic year there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.



### Infrastructure and Connectivity

Regarding the provision of drinking water during 2020 and 2021 has been at a satisfactory level, a service that has not been affected by the pandemic situation, similar to this waste management. Also during this period there has been an increase in the number of requests for the provision of necessary social services provided by the Social Services Sector. All citizens of Kllokot/Klokot have had the opportunity to receive basic services in educational institutions through online learning.

Dimensions	Key findings
<b>Business environment</b>	The most affected sectors are agriculture and gastronomy sector but there are no closed businesses.
<b>Economic governance</b>	A lack of cooperation between the local and central level in dealing with the pandemic and lack of resources from central level to solve problems
<b>Labor market conditions</b>	The most affected sectors are the gastronomy and agriculture sectors.
<b>Financial environment</b>	During 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.
<b>Infrastructure and Connectivity</b>	Health care, waste collection, drinking water, sanitary, transport services have been at a satisfactory level.



### Crisis response and recovery measures

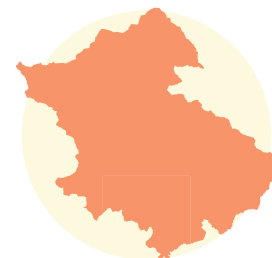
The municipality did not have planned funds for COVID-19 and the funds of the Government of Kosovo were used on the basis of the decision on suppression of COVID-19. The support of the municipality in terms of businesses is mainly focused on the decision to exempt from tax exemption and municipal rent of businesses for all businesses operating in this municipality, maintenance and disinfection of public spaces and facilities used for formal and informal business activities (such as streets, public squares, municipal markets, etc.), etc.

### Instead of conclusions



The Municipality of Klllokot/Klokot did not have funds planned for COVID-19. The municipality already has a limited budget, and it is hard to spare for subsidizing the citizens, thus additional funds are needed.

# Municipality of Leposaviq/Leposavić



## Municipal profile

The municipality of Leposaviq/Leposavić did not provide information regarding the numbers of identified, cured and lost patients from COVID-19 pandemic during 2020 and 2021. To coordinate and manage actions to prevent the spread of the COVID-19 pandemic, the Municipality has established the Emergency Headquarters, which has taken all protective measures to prevent the spread of the COVID-19 pandemic.



## Main economic and financial impacts

The Municipality of Leposaviq/Leposavić, as a small municipality, before the beginning of the pandemic, faced numerous challenges and problems such as natural disasters (floods, landslides, fires), poor conditions in health centers, insufficient investment in local economic development etc.



## Business environment

The data show that as in most other small municipalities in Kosovo, in this municipality the most affected is private sector. Although the officials of this municipality say that the pandemic crisis has negatively affected the development of other businesses, they have no official data on how many businesses have been closed during this period.



## Economic governance

According to the officials of this municipality, they had cooperation with all municipalities from the North of Kosovo, and all local institutions responsible for the implementation of anti-covid measures at the local level have shown a high level of cooperation. This cooperation has made work easier for economic operators in the municipality and their economic development.



### Labor market conditions

Based on research data, employment in this municipality has dropped significantly during the pandemic, while the most affected sectors are the gastronomy, beauty salons and retail industry sectors. Similar to the situation of businesses, the municipality has no data on the number of jobseekers or those who have lost their jobs during this period.



### Financial environment

According to the answers of the officials of the municipality of Leposaviq/Leposavić, most of the budget of this municipality consists of government grants and only a small percentage of the municipal budget consists of municipal revenues. During the first pandemic year there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.



### Infrastructure and Connectivity

Regarding the provision of drinking water during 2020 and 2021 has been at a satisfactory level, a service that has not been affected by the pandemic situation, similar to this waste management and sanitary services. Also, during this period there has been an increase in the number of requests for the provision of necessary social services provided by the Social Services Sector. All citizens of this municipality have had the opportunity to receive basic services in educational institutions through online learning.



Dimensions	Key findings
<b>Business environment</b>	The most affected is private sector but there are no official data on how many businesses have been closed during this period.
<b>Economic governance</b>	Cooperation with all municipalities from the North of Kosovo, and all local institutions but there was a lack of communication with the central level.
<b>Labor market conditions</b>	The most affected sectors are the gastronomy, beauty salons and retail industry sectors.
<b>Financial environment</b>	During 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.
<b>Infrastructure and Connectivity</b>	Health care, waste collection, drinking water, sanitary, transport services have been at a satisfactory level.



### Crisis response and recovery measures

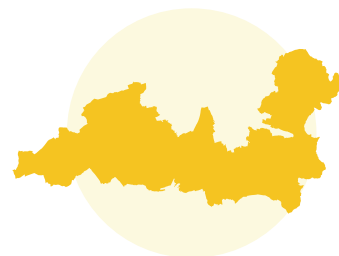
According to the data, the Municipality tried to provide maximum support to the health system, both in financial terms and in providing the necessary medical materials and equipment, all in order to provide adequate health protection to the inhabitants of the municipality of Leposavić. In that sense, the local self-government provided financial resources for the purchase of necessary medical equipment, sufficient amount of disinfectants, protective masks, gloves and all necessary equipment to ensure the best possible responded to the challenges of the pandemic and contributed to protecting the health of the population. The support of the municipality in terms of businesses is mainly focused on providing assistance to the most vulnerable sections of the population through the provision of necessary medical supplies and medicines, food and essential means of functioning during quarantine.

### Instead of conclusions



The Municipality of Leposaviq/Leposavić has not adopted a crisis management plan. According to the officials of this municipality, given that even before the pandemic, the municipality faced a difficult economic situation, the pandemic crisis has aggravated it even more. The private sector and small businesses are the most affected.

# Municipality of Lipjan/Lipljan



## Municipal profile

In the municipality of Lipjan/Lipljan, from the first case of COVID-19 in March 19th 2020 until December 2021, 1388 cases of COVID-19 were identified, of which 1069 were cured, and 26 resulted in death. To coordinate and manage actions to prevent the spread of the COVID-19 pandemic, the Municipality has established the Emergency Headquarters, which has taken all protective measures to prevent the spread of the COVID-19 pandemic in accordance with the Decisions of the MH and the IPHK.



## Main economic and financial impacts

According to data from the municipality, Lipjan / Lip-ljan as a very small city has constantly faced challenges, especially economic and financial ones, but according to the officials of this municipality, the pandemic crisis remains the biggest and most challenging for management.



## Business environment

During the pandemic in the municipality of Lipjan/Lipljan, all business sectors were affected such as: gastronomy, textile field, electrical engineering, hospitality sector, construction sector, then small individual businesses such as tailoring, beauty salons etc. According to municipal officials, the pandemic has had a negative impact on the closure of businesses up to -18% and affected the reduction of economic activity up to -20%. On the other hand, it has been estimated that the pandemic has had a positive impact of up to 85% on the ease of procedures for opening new businesses. From the beginning of the pandemic until the end of 2021 in this municipality are closed a total of 40 businesses, of which 17 businesses were closed in 2020 and 23 in 2021. Of the total number of closed businesses, four were led by women.



## Economic governance

Coordination between the central and local level has become apparent in ensuring effective responses during crisis management. The municipality has played a crucial role in the implementation of public health measures such as: implementation of isolation policies, care for the population in need, communications in crisis, ensuring public order and safety. The municipality has cooperated closely with the central level, respectively with the Ministry of Health for the steps taken.



## Labor market conditions

According to municipal officials, the pandemic has had a negative impact on the unemployment rate up to -28%, while the biggest negative impact, about -25%, is especially on the unemployment of women and youth. In terms of employment rate, the sectors that are most affected are: Construction, gastronomy, small individual businesses such as tailoring, beauty salons, etc., while in terms of the gender gap in the field of employment, both genders remain mainly affected, with a higher unemployment rate for women, especially the pandemic period has greatly influenced this aspect.



## Financial environment

Similar to other municipalities, in the municipality of Lipjan/Lipljan during 2020 there was a decrease in own source revenues and tax revenues compared to the previous year up to -15%, but these then, according to research data have increased in 2021.



## Infrastructure and Connectivity

Regarding water services, according to data from the research in the municipality of Lipjan/Lipljan only about 64% of citizens have access to the water supply network and this situation has been the same during the pandemic period. As for sanitary services during this period of time, the municipality has provided this service to all citizens, disinfecting squares, public buildings, schools, stations, has distributed the necessary hygienic material in each place, etc. Due to the pandemic in some villages, there have been some delays in waste collection, but over time it has been fixed. In this municipality about 85% of the villages are included in the waste collection system. Meanwhile, in terms of transport services, only two villages in this municipality did not have access to this service. During the pandemic, some students did not have access to online learning, but with the help of donors, some of them were included in online learning, although this remains a challenge for the municipality. Also, the Municipality has taken the necessary steps for all citizens to have access to basic health care services.

Dimensions	Key findings
<b>Business environment</b>	All business sectors were affected such as: gastronomy, textile field, electrical engineering, hospitality sector, construction sector, then small individual businesses such as tailoring, beauty salons etc.
<b>Economic governance</b>	Mechanisms of cooperation at the local and central level have been information and mutual consultation.
<b>Labor market conditions</b>	In terms of employment rate, the sectors that are most affected are: Construction, gastronomy, small individual businesses such as tailoring, beauty salons, etc., with a higher unemployment rate for women.
<b>Financial environment</b>	During 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.
<b>Infrastructure and Connectivity</b>	Health care, drinking water, sanitary services have been at a satisfactory level in urban area while as for transport and waste collection services some rural areas were most affected.



### Crisis response and recovery measures

The Municipality of Lipjan / Lipljan has undertaken a program of facilitation measures to support businesses that carry out their business activities in this municipality. Some of the measures taken include: exemption of all businesses from all municipal taxes, such as rents for land, premises and dwellings which are owned by the municipality, incentives for farmers and ranchers through the allocation of funds from the municipal budget to finance greenhouses for farmers in the municipality of Lipjan, subsidizing businesses, etc. Emergency packages have also been provided for necessary assistance and food packages for families in need. While there is no long-term recovery plan other than the recovery package from the central level for which there is no information on how it is distributed in the municipalities.

### Instead of conclusions



This municipality has faced economic and financial challenges even before the pandemic crisis, but the pandemic has only aggravated the situation. The private sector remains most affected by the pandemic while there is also a lack of a municipal long-term recovery plan.

# Municipality of Malishevë/Mališevo



## Municipal profile

In the municipality of Malisheva/Mališevo, from the first case of COVID-19 in March 2020 until December 2021, 2770 cases of COVID-19 were identified, of which 2684 were cured, and 85 resulted in death. To coordinate and manage actions to prevent the spread of the COVID-19 pandemic, the Municipality has established the Emergency Headquarters, which has taken all protective measures to prevent the spread of the COVID-19 pandemic in accordance with the Decisions of the MH and the IPHK.



## Main economic and financial impacts

The challenge for the Municipality of Malisheva/Mališevo, before the outbreak of the pandemic was collection of various taxes (revenues), implementation of capital projects due to limited municipal budget, informality in the economy, etc. While in the case of the first cases and the increase in the number of people infected with COVID-19, the main challenge was the aggravation of the economic and social situation as a result of closing most businesses.



## Business environment

The data show that as in most other small municipalities in Kosovo, in this municipality the most affected sectors are Gastronomy, construction sector, processing industry, retail industry etc. Although the officials of this municipality say that the pandemic crisis has negatively affected the development of other businesses, they have no official data on how many businesses have been closed during this period. According to municipal officials, in this municipality there are facilities during the opening of businesses and they are free of charge.



## Economic governance

Mechanisms of cooperation at the local and central level have been information and mutual consultation. Also, according to municipal officials, this municipality has held meetings with the central level regarding the cooperation of both local and central levels for the measures to be taken, to support the management of the situation and the preservation of public health.



## Labor market conditions

Based on research data, employment in this municipality has dropped significantly during the pandemic, while the most affected sectors are the construction, manufacturing, retail industry, and gastronomy sectors. Similar to the situation of businesses, the municipality has no data on the number of jobseekers or those who have lost their jobs during this period. But according to municipal officials, the pandemic has had a negative impact on the unemployment rate up to -60%, while the biggest negative impact, about -85%, is especially on the unemployment of women and youth.



## Financial environment

According to the answers of the officials of the municipality of Malisheva/Mališevo during the first pandemic year there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021 roughly 85% on own source and 45% tax revenues.



## Infrastructure and Connectivity

Regarding the provision of drinking water during 2020 and 2021 has been at a satisfactory level, a service that has not been affected by the pandemic situation, similar to this waste management. As for the transport services, during the pandemic crisis this service has been more reduced for some villages in rural areas of the municipality. Also, during this period there has been an increase in the number of requests for the provision of necessary social services provided by the Social Services Sector. All citizens of Malisheva/Mališevo have had the opportunity to receive basic services in educational institutions through online learning.

Dimensions	Key findings
<b>Business environment</b>	The most affected sectors are Gastronomy, construction sector, processing industry, retail industry etc.
<b>Economic governance</b>	Mechanisms of cooperation at the local and central level have been information and mutual consultation.
<b>Labor market conditions</b>	The most affected sectors are the construction, manufacturing, retail industry, and gastronomy sectors.
<b>Financial environment</b>	During 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.
<b>Infrastructure and Connectivity</b>	Health care, drinking water, waste collection, sanitary services have been at a satisfactory level in urban area while as for transport some rural areas were most affected.



### Crisis response and recovery measures

The support of the municipality in terms of businesses is mainly focused on the decision to exempt from tax exemption and municipal rent of businesses for all businesses operating in this municipality, maintenance and disinfection of public spaces and facilities used for formal and informal business activities (such as streets, public squares, municipal markets, etc.), targeted support in the form of grants or technical assistance to support innovations for COVID-19 response and recovery etc.

### Instead of conclusions



The Municipality of Malisheva/Mališevo has drafted a plan for economic recovery, but it does not have sufficient funds for implementation without the assistance of the central level. According to the officials of the municipality, in the framework of the recovery plan, the aim is to fight informality in the economy.

# Municipality of Mamusha/Mamuša



## Municipal profile

The municipality of Mamusha/Mamuša did not provide informations regarding the numbers of identified, cured and lost patients from COVID-19 pandemic during 2020 and 2021. To coordinate and manage actions to prevent the spread of the COVID-19 pandemic, the Municipality has established the Emergency Headquarters, which has taken all protective measures to prevent the spread of the COVID-19 pandemic in accordance with the Decisions of the MH and the IPHK.



## Main economic and financial impacts

Being a very small municipality both in terms of territory and number of inhabitants, in the Municipality of Mamusha / Mamuša, the economic activity is mainly agricultural, where the vast majority of inhabitants are employed. Even before the pandemic this municipality had a number very small investment due to small municipal budget.



## Business environment

As the economy of this municipality is mainly dependent on the agricultural sector, the pandemic crisis and anti-covid measures have prevented farmers from developing their agricultural work and selling their agricultural products. Although the officials of this municipality say that the pandemic crisis has negatively affected the development of other businesses, they have no official data on how many businesses have been closed during this period. But based on research data, the pandemic has had a negative impact on the closure of businesses up to -40%.



## Economic governance

Mechanisms of cooperation at the local and central level have been information and mutual consultation. Also, according to municipal officials, this municipality has held meetings with the central level regarding the cooperation of both local and central levels for the measures to be taken, to support the management of the situation and the preservation of public health.





## Labor market conditions

Based on research data, employment in this municipality has dropped significantly during the pandemic, while the most affected sector is agriculture. Similar to the situation of businesses, the municipality has no data on the number of jobseekers or those who have lost their jobs during this period but according to municipal officials, the pandemic has had a negative impact on the unemployment rate up to -30%, while the biggest negative impact, about -80%, is especially on the unemployment of women.



## Financial environment

According to the answers of the officials of the municipality of Mamusha/Mamuşa during the first pandemic year there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021. Like most municipalities in Kosovo, the budget of this municipality consists mainly of government grants.



## Infrastructure and Connectivity

Regarding the provision of drinking water during 2020 and 2021 has been at a satisfactory level, a service that has not been affected by the pandemic situation, similar to this waste management. During the time of the pandemic, they had a significant reduction of travel times, in other periods of time it did not affect transport and mobility, and consequently there were no affected areas. Also, during this period there has been an increase in the number of requests for the provision of necessary social services provided by the Social Services Sector. All citizens of Mamusha/Mamuşa have had the opportunity to receive basic services in educational institutions through online learning.

Dimensions	Key findings
<b>Business environment</b>	The most affected sector is the agricultural sector.
<b>Economic governance</b>	Mechanisms of cooperation at the local and central level have been information and mutual consultation.
<b>Labor market conditions</b>	Employment in this municipality has dropped significantly during the pandemic, while the most affected sector is agriculture.
<b>Financial environment</b>	During 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.
<b>Infrastructure and Connectivity</b>	Health care, drinking water, waste collection, sanitary services have been at a satisfactory level in urban area while as for transport some rural areas were most affected.



### Crisis response and recovery measures

The support of the municipality in terms of businesses is mainly focused on the decision to exempt from tax exemption and municipal rent of businesses for all businesses operating in this municipality, maintenance and disinfection of public spaces and facilities used for formal and informal business activities (such as streets, public squares, municipal markets, etc.), new public-private partnerships in critical economic sectors etc.

### Instead of conclusions

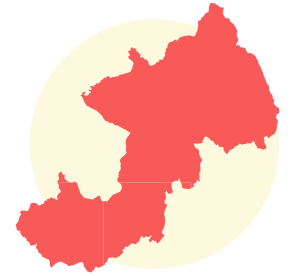


The Municipality of Mamusha/Mamuşa has not drafted a plan for economic recovery, due to the limited budget it has as a municipality. The pandemic crisis has caused great damage to the economic activity in this municipality.





# Municipality of Mitrovica Jugore/ Juzna Mitrovica



## Municipal profile

In the municipality of Mitrovica e Jugut/Južna Mitrovicâa from the first case of COVID-19 in March 2020 until December 2021, 7974 cases of COVID-19 were identified, of which 7816 were cured, and 158 resulted in death. To coordinate and manage actions to prevent the spread of the COVID-19 pandemic, the Municipality has established the Emergency Headquarters, which has taken all protective measures to prevent the spread of the COVID-19 pandemic in accordance with the decisions of the MH and the IPHK.



## Main economic and financial impacts

The municipality of South Mitrovica/Južna Mitrovica even before the pandemic crisis faced a difficult economic and social situation. Two of the biggest challenges of this municipality are the large number of unemployed and the large number of beneficiaries of the social scheme that does not match the financial capacity of the municipality.



## Business environment

According to the research data from the municipality of South Mitrovica/Južna Mitrovica, the local economy is dominated by individual businesses, and micro-businesses which have been hit by the pandemic situation. The sectors most affected by the pandemic situation in this municipality are mainly that of gastronomy, retail industry, agriculture, beauty salons etc. Based on the data received from municipal officials, the pandemic has had a negative impact on the closure of businesses up to -4% and affected the reduction of economic activity up to -30%. On the other hand, it has been estimated that the pandemic has had a positive impact of up to 20% on the ease of procedures for opening new businesses.



## Economic governance

Coordination between the central and local level has become apparent in ensuring effective responses during crisis management. The municipality has played a crucial role in the implementation of public health measures such as: implementation of isolation policies, care for the population in need, communications in crisis, ensuring public order and safety. The municipality has cooperated closely with the central level, respectively with the Ministry of Health for the steps taken.



## Labor market conditions

According to the assessment of municipal officials, the sectors that are most affected in terms of employment rate are gastronomy, retail industry and service sectors. According to the Employment Office in this municipality, the regular employment rate for 2020 was -53.2% compared to 2019. According to this office, in the employment rate for 2020, women participated with 43.2% while men with 56.8 % but according to municipal officials, the pandemic has had a negative impact on the unemployment rate of women up to -45%.



## Financial environment

Similar to other municipalities, in the municipality of Mitrovica e Jugut/Južna Mitrovica during 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data own source revenues have increased up to 20% in 2021. During this period of the pandemic, the budget for subsidies and donations from external donors has also increased.



## Infrastructure and Connectivity

There were no problems with drinking water service during the pandemic, but there are some villages that do not have access to the regional water supply network 'Mitrovica'. Throughout the pandemic period, sanitation services have increased even more. During the pandemic, the municipality took care to increase the health care services in the higher villages, to provide vaccination for the Roma community etc. Considering that the municipality has the largest number of beneficiaries of the social scheme, the municipality has tried to help these cases with food packages, sanitation, etc. Regarding the waste collection, the company worked at full capacity and tried to increase their service. While in transport services, due to anti-covid measures some of the rural areas have been most affected.

Dimensions	Key findings
<b>Business environment</b>	The sectors most affected by the pandemic situation in this municipality are mainly that of gastronomy, retail industry, agriculture, beauty salons etc.
<b>Economic governance</b>	The municipality has cooperated closely with the central level, respectively with the Ministry of Health for the steps taken
<b>Labor market conditions</b>	The regular employment rate for 2020 was -53.2% compared to 2019. While, in the employment rate for 2020, women participated with 43.2% and men with 56.8 %.
<b>Financial environment</b>	During 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.
<b>Infrastructure and Connectivity</b>	Health care, waste collection, drinking water, sanitary services have been at a satisfactory level while for drinking water and transport services, there some of the rural areas have been most affected



### Crisis response and recovery measures

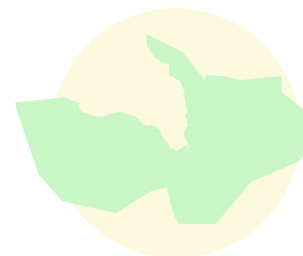
Considering the financial capacities, the municipality has undertaken some facilitation measures for citizens and businesses, such as relief measures for businesses (waiving or deferring municipal taxes and charges, ban on business evictions from rented premises, etc), regulations to facilitate business registration and licensing, food and hygienic assistance to those affected by Covid-19, subsidy for all those affected by Covid 19 in the amount of €50, subsidy for all mothers who have given birth during this period in the amount of €100, etc. However, the municipality has not drafted a long-term recovery plan and there is no information on whether they intend to draft such a plan in the future.

### Instead of conclusions



Given that the municipality faced a difficult economic situation, the pandemic crisis has aggravated it further more. The private sector and small businesses are the most affected.

# Municipality of Mitrovica Veriore/ Severna Mitrovica



## Municipal profile

The Mitrovica e Veriut/Severna Kosovska Mitrovica municipality did not provide informations regarding the numbers of identified, cured and lost patients from COVID-19 pandemic during 2020 and 2021. To coordinate and manage actions to prevent the spread of the COVID-19 pandemic, the Municipality has established the Emergency Headquarters, which has taken all protective measures to prevent the spread of the COVID-19 pandemic.



## Main economic and financial impacts

As a small municipality, North Mitrovica / Severna Kosovska Mitrovica, even before the pandemic, faced high unemployment rate and poor economic development. Two of the most developed sectors of this municipality, gastronomy and retail industry, during the pandemic were mostly affected, which also affected the increase of the unemployment rate in this municipality.



## Business environment

The data show that as in most other small municipalities in Kosovo, in this municipality the most affected is private sector, and sectors such as construction, agriculture, gastronomy and retail industry sectors. Although the officials of this municipality say that the pandemic crisis has negatively affected the development of other businesses, they have no official data on how many businesses have been closed during this period.



## Economic governance

According to the officials of this municipality, all local institutions responsible for the implementation of anti-covid measures at the local level have shown a high level of cooperation. This cooperation has made work easier for economic operators in the municipality and their economic development.





### Labor market conditions

Based on research data, employment in this municipality has dropped significantly during the pandemic, while the most affected sectors are the construction, agriculture, gastronomy and retail industry sectors. Similar to the situation of businesses, the municipality has no data on the number of jobseekers or those who have lost their jobs during this period.



### Financial environment

According to the answers of the officials of the municipality of Mitrovica e Veriut/Severna Kosovska Mitrovica, most of the budget of this municipality consists of government grants and only a small percentage of the municipal budget consists of municipal revenues.



### Infrastructure and Connectivity

Regarding the provision of drinking water has been at a satisfactory level, a service that has not been affected by the pandemic situation, similar to this waste management. As for the transport services, the rural areas were most affected. Also, during this period there has been an increase in the number of requests for the provision of necessary social services provided by the Social Services Sector. All citizens of this municipality have had the opportunity to receive basic services in educational institutions through online learning.

Dimensions	Key findings
<b>Business environment</b>	The most affected is private sector, and sectors such as construction, agriculture, gastronomy and retail industry sectors.
<b>Economic governance</b>	Cooperation with all municipalities from the North of Kosovo, and all local institutions but there was a lack of communication with the central level.
<b>Labor market conditions</b>	The most affected sectors are the construction, agriculture, gastronomy and retail industry sectors.
<b>Financial environment</b>	During 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.
<b>Infrastructure and Connectivity</b>	Health care, drinking water, waste collection, sanitary services have been at a satisfactory level in urban area while as for transport some rural areas were most affected.



### Crisis response and recovery measures

The support of the municipality is mainly focused on providing assistance to the most vulnerable sections of the population through the provision of necessary medical supplies and medicines, food and essential means of functioning during quarantine. Various measures and reliefs for the economic sector have been adopted in order to stimulate it business in a crisis period such as the decision to exempt from tax exemption and municipal rent of businesses for all businesses operating in this municipality, maintenance and disinfection of public spaces and facilities used for formal and informal business activities (such as streets, public squares, municipal markets, etc.).

### Instead of conclusions



The Municipality of Mitrovica e Veriut/Severna Kosovska Mitrovica has neither adopted a crisis management plan nor has drafted a long-term recovery plan. According to the officials of this municipality, in the framework of the recovery plan, the main focus should be the support for the gastronomy sector, as the main sector operating in this municipality.

# Municipality of Novobërda/Novo Brdo



## Municipal profile

In the municipality of Novobërd/Novo Brdo, from the first case of COVID-19 in July 2020 until December 2021, 196 cases of COVID-19 were identified, of which 186 were cured, and 10 resulted in death. To coordinate and manage actions to prevent the spread of the COVID-19 pandemic, the Municipality has established the Emergency Headquarters, which has taken all protective measures to prevent the spread of the COVID-19 pandemic in accordance with the Decisions of the MH and the IPHK.



## Main economic and financial impacts

The Municipality of Novobërd / Novo Brdo, before the pandemic crisis, was faced with a lack of municipal budget, seeing that it has a large area of the territory, ie shortcomings in achieving its goals to help residents meet their needs. of their elementary.



## Business environment

The data show that as in most other small municipalities in Kosovo, in this municipality the most affected is private sector. Although the officials of this municipality say that the pandemic crisis has negatively affected the development of other businesses, they have no official data on how many businesses have been closed but according to them there are no closed businesses run by women. Based on research data, the pandemic has had a negative impact on the closure of businesses up to -2%.



## Economic governance

According to the officials of this municipality, all local institutions responsible for the implementation of anti-covid measures at the local level have shown a high level of cooperation. This cooperation has made work easier for economic operators in the municipality and their economic development.



## Labor market conditions

Based on research data, employment in this municipality has dropped significantly during the pandemic, while the most affected sectors are the gastronomy, hospitality and retail industry sectors. Similar to the situation of businesses, the municipality has no data on the number of jobseekers or those who have lost their jobs during this period.



## Financial environment

According to the answers of the officials of the municipality of Novobërd/Novo Brdo, most of the budget of this municipality consists of government grants and only a small percentage of the municipal budget consists of municipal revenues. During the first pandemic year there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.



## Infrastructure and Connectivity

Based on data obtained, in the municipality of Novobërd/Novo Brdo in the time before the pandemic has faced a lack of health services, a small number of doctors and nurses and 24-hour medical service and this has had a negative impact up to -10% in this service. There is no public transport neither within the municipality nor is it connected to other centers e.g. Prishtina and Gjilan, because private operators have not had an interest as there is no benefit, which makes it difficult for the residents of this municipality to receive the necessary services, including health, education and employment. According to the data from the municipal officials, the pandemic has had a negative impact that is estimated to be about -70% in the access of transport and mobility.

Dimensions	Key findings
<b>Business environment</b>	The most affected is private sector, but there are no official data on how many businesses have been closed during this pandemic crisis.
<b>Economic governance</b>	Cooperation with all municipalities from the North of Kosovo, and all local institutions but there was a lack of communication with the central level.
<b>Labor market conditions</b>	The most affected sectors are the gastronomy, hospitality and retail industry sectors.
<b>Financial environment</b>	During 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.
<b>Infrastructure and Connectivity</b>	A lack of health care and transport services.



### Crisis response and recovery measures

The support of the municipality in terms of businesses is mainly focused on providing assistance to the most vulnerable sections of the population through the provision of necessary medical supplies and medicines, food and essential means of functioning during quarantine. Various measures and reliefs for the economic sector have been adopted in order to stimulate it business in a crisis period such as the decision to exempt from tax exemption and municipal rent of businesses for all businesses operating in this municipality, maintenance and disinfection of public spaces and facilities used for formal and informal business activities (such as streets, public squares, municipal markets, etc.).

### Instead of conclusions



The Municipality of Novobërd/Novo Brdo has not adopted a crisis management plan, because the municipality does not even have enough capacity to draft a Municipal Development Plan. According to the officials of this municipality, in the framework of the recovery plan, the main focus should be the support for the gastronomy and hospitality sector, as the main sector operating in this municipality.

# Municipality of Obiliq/Obilić



## Municipal profile

In the municipality of Obiliq/Obilić, from the first case of COVID-19 in March 2020 until December 2021, 2,491 cases of COVID-19 were identified, of which 2,426 were cured, and 62 resulted in death. To coordinate and manage actions to prevent the spread of the COVID-19 pandemic, the Municipality has established the Emergency Headquarters, which has taken all protective measures to prevent the spread of the COVID-19 pandemic in accordance with the Decisions of the MH and the IPHK.



### Main economic and financial impacts

The economic and social situation of this municipality was extremely difficult even before the pandemic crisis started due to the large number of unemployed, the large number of families with social assistance and the polluted environment, and all these factors have affected the well-being of citizens.



### Business environment

According to the officials of this municipality, during the pandemic in the municipality of Obiliq / Obilić, almost all sectors of the business field were affected, such as gastronomy, textile, hospital-ity sector, construction, retail industry, tailoring, beauty salons, etc. While there is no data on the number of businesses closed as a result of the pandemic.



### Economic governance

According to the municipal officials of Obiliq/Obilić there has been a good cooperation at the local and central level so far, where as a facilitator in this cooperation is estimated to be the AKM. According to them, during this period of the pandemic there is information and consultations on a monthly basis.



## Labor market conditions

According to the assessment of municipal officials, the sectors that are most affected in terms of employment rate are gastronomy, textile, hospitality sector, construction, retail industry, tailoring, beauty salons, etc. However, there are no official data on the number of employees and jobseekers during the pandemic period.



## Financial environment

Similar to other municipalities, in the municipality of Obiliq/Obilić during 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021. During this period of the pandemic, the budget for subsidies and donations from external donors has also increased.



## Infrastructure and Connectivity

In terms of access to education, during the pandemic there were problems for some students, mainly from RAE communities who lacked technology equipment, but from time to time the municipality through donors has managed to provide them with tablets. The same problem with this community has been the lack of internet access, but in other parts of the city there is an extension of the internet network. In terms of transport services, itineraries have been reduced in areas with lower mobility due to anti - covid measures.

Dimensions	Key findings
<b>Business environment</b>	All sectors of the business field were affected, but there are no official data on how many businesses have been closed during this pandemic crisis.
<b>Economic governance</b>	The municipality has cooperated closely with the central level, respectively with the Ministry of Health for the steps taken.
<b>Labor market conditions</b>	The most affected sectors in terms of employment rate are gastronomy, textile, construction, retail industry, tailoring, beauty salons, etc.
<b>Financial environment</b>	During 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.
<b>Infrastructure and Connectivity</b>	In terms of education and internet access during the pandemic there were problems for some students, mainly from RAE communities. As for transport services, rural areas have been most affected.



### Crisis response and recovery measures

Regarding recovery measures, the municipality of Obiliq / Obilić has provided assistance to businesses and in particular to women-run businesses, where the business sector has been subsidized with an amount of € 241,000.00. Assistance was also provided to citizens with social assistance, who were provided with food packages and protective equipment. On behalf of the economic recovery are subsidized the agricultural sector with an amount of 170,150.00 €. At the initiative of the mayor, the municipal assembly has decided to subsidize citizens affected by COVID-19 in the amount of 100.00 € and citizens deaths in the amount of 300.00 €. This decision was taken in December 2020 and will be in force until the pandemic situation ends.

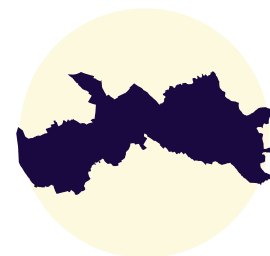
### Instead of conclusions



The role of the local government has been more implementing central decisions and covering and managing situations with its own human, financial and logistical capacities. Meanwhile, there is no long-term plan for economic recovery other than the measures taken so far according to the competencies and own financial means available.



# Municipality of Partesh/Parteš



## Municipal profile

The officials of the municipality of Partesh/Parteš, declared of having no data regarding the identified cases, cured or resulted in death due to the COVID-19. This is because – according to them – their local health system functions ‘under the Serbian system’, and such data could not be assured from the Municipality. To coordinate and manage actions to prevent the spread of the COVID-19 pandemic, the Municipality has established the Emergency Headquarters, which has taken all protective measures to prevent the spread of the COVID-19 pandemic in accordance with the Decisions of the MH and the IPHK.



## Main economic and financial impacts

The Municipality of Partesh/Parteš, is a small rural municipality, which even before the pandemic has faced many problems such as high unemployment, economic security, good living conditions, education etc. The inhabitants of Partesh are mainly engaged in agriculture and live by cultivating the land. Since the population of our municipality is mostly engaged in agriculture, there were major floods that caused great damage agricultural producers.



## Business environment

The data show that as in most other small municipalities in Kosovo, in this municipality the most affected is private sector. Although the officials of this municipality say that the pandemic crisis has negatively affected the development of all businesses, they have no official data on how many businesses have been closed during this period.



## Economic governance

According to the officials of this municipality, they had good cooperation with the municipalities in their area and all local institutions responsible for the implementation of anti-covid measures at the local level have shown a high level of cooperation. This cooperation has made work easier for economic operators in the municipality and their economic development.



## Labor market conditions

Based on research data, employment in this municipality has dropped significantly during the pandemic, while all sectors have been affected. Similar to the situation of businesses, the municipality has no data on the number of jobseekers or those who have lost their jobs during this period but according to the officials of this municipality, the highest unemployment rates are for women and young people.



## Financial environment

According to the answers of the officials of the municipality of Partesh/Parteš, most of the budget of this municipality consists of government grants and only a small percentage of the municipal budget consists of municipal revenues.



## Infrastructure and Connectivity

Regarding the provision of drinking water during 2020 and 2021 has been at a satisfactory level, a service that has not been affected by the pandemic situation, similar to this waste management. As for the transport services, the municipality has had problems in providing transport services to all its inhabitants. Also, during this period there has been an increase in the number of requests for the provision of necessary social services provided by the Social Services Sector. All citizens of this municipality have had the opportunity to receive basic services in educational institutions through online learning.

Dimensions	Key findings
<b>Business environment</b>	The most affected is private sector, but there are no official data on how many businesses have been closed during this pandemic crisis.
<b>Economic governance</b>	Cooperation with all municipalities from the North of Kosovo, and all local institutions but there was a lack of communication with the central level.
<b>Labor market conditions</b>	All sectors have been affected such as gastronomy, hospitality and retail industry sectors etc
<b>Financial environment</b>	During 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.
<b>Infrastructure and Connectivity</b>	Health care, drinking water, waste collection, sanitary services have been at a satisfactory level in urban area while as for transport some rural areas were most affected.



### Crisis response and recovery measures

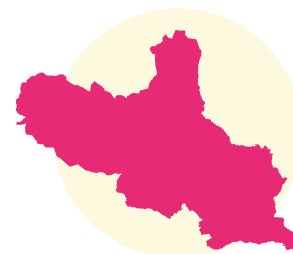
The support of the municipality is mainly focused on providing assistance to the most vulnerable sections of the population through the provision of necessary medical supplies and medicines, food and essential means of functioning during quarantine. Various measures and reliefs for the economic sector have been adopted in order to stimulate it business in a crisis period such as the decision to exempt from tax exemption and municipal rent of businesses for all businesses operating in this municipality, maintenance and disinfection of public spaces and facilities used for formal and informal business activities (such as streets, public squares, municipal markets, etc.), provision of free or subsidized inputs to critical businesses (e.g., bread flour), targeted support in the form of grants or technical assistance to support innovations for COVID-19 response and recovery etc.

### Instead of conclusions



The Municipality of Partesh/Parteš does not have budgetary and human capacity to develop a long-term recovery plan. Being a small municipality depending mainly on the agricultural sector, subsidies for businesses in this sector are considered essential.

# Municipality of Peja/Peć



## Municipal profile

The municipality of Peja/Peć did not provide informations regarding the numbers of identified, cured and lost patients from COVID-19 pandemic during 2020 and 2021. To coordinate and manage actions to prevent the spread of the COVID-19 pandemic, the Municipality has established the Emergency Headquarters, which has taken all protective measures to prevent the spread of the COVID-19 pandemic in accordance with the Decisions of the MH and the IPHK.



## Main economic and financial impacts

According to data from the municipality, Peja/Peć as in most other municipalities in Kosovo, the private sector has been most affected by the pandemic crisis. The high unemployment rate, especially among young people, is one of the problems of this municipality even before the pandemic.



## Business environment

During the pandemic in the municipality of Peja/Peć, all business sectors were affected such as: gastronomy, hospitality sector, construction sector, then small individual businesses such as beauty salons etc.



## Economic governance

Coordination between the central and local level has become apparent in ensuring effective responses during crisis management. The municipality has cooperated closely with the central level, respectively with the Ministry of Health for the steps taken.



## Labor market conditions

In terms of employment rate, the sectors that are most affected are: gastronomy, small individual businesses such as tailoring, beauty salons, etc., while in terms of the gender gap in the field of employment, both genders remain mainly affected.



## Financial environment

Similar to other municipalities, in the municipality of Peja/Peć during 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.



## Infrastructure and Connectivity

Regarding water services, according to data from the research in the municipality of Peja/Peć, there were no supply problems either during or before the pandemic. As for sanitary services during this period of time, the municipality has provided this service to all citizens, disinfecting squares, public buildings, schools, stations, has distributed the necessary hygienic material in each place, etc..

Dimensions	Key findings
<b>Business environment</b>	All business sectors were affected such as: gastronomy, hospitality sector, construction sector, then small individual businesses such as beauty salons etc.
<b>Economic governance</b>	The municipality has cooperated closely with the central level, respectively with the Ministry of Health for the steps taken.
<b>Labor market conditions</b>	Sectors that are most affected are: gastronomy, small individual businesses such as tailoring, beauty salons, etc., while in terms of the gender gap in the field of employment, both genders remain mainly affected.
<b>Financial environment</b>	During 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.
<b>Infrastructure and Connectivity</b>	Health care, waste collection, drinking water, sanitary services have been at a satisfactory level while, the education system has worked in three scenarios depending on the pandemic situation.



### Crisis response and recovery measures

The Municipality of Peja/Peć has undertaken a program of facilitation measures to support businesses that carry out their business activities in this municipality. Some of the measures taken include: exemption of all businesses from all municipal taxes, such as rents for land, premises and dwellings which are owned by the municipality, subsidizing businesses, regulations to facilitate business registration and licensing etc. Emergency packages have also been provided for necessary assistance and food packages for families in need. While there is no long-term recovery plan other than the recovery package from the central level for which there is no information on how it is distributed in the municipalities.

### Instead of conclusions



Unemployment remains a constant challenge of the municipality before and during the pandemic. The private sector remains most affected by the pandemic, and there is also a lack of a municipal long-term recovery plan.

# Municipality of Podujeva/Podujevo



## Municipal profile

In the municipality of Podujeva/Podujevo, from the first case of COVID-19 in March 13th 2020 until December 2021, from the first case of COVID-19 in March 2020 until December 2021, 7179 cases of COVID-19 were identified, of which 7105 were cured, and 74 resulted in death. The Municipality has established the Emergency Headquarters, which has taken all protective measures to prevent the spread of the COVID-19 pandemic in accordance with the Decisions of the MH and the IPHK.



## Main economic and financial impacts

Due to the measures against the spread of the pandemic, there has been a decline in economic activities as the sectors that mainly dominate the economy of this municipality such as gastronomy, services sector, manufacturing sector, textile sector, etc. have been most affected in the pandemic period.



## Business environment

According to the research data from the municipality of Podujeva/Podujevo the local economy is dominated by individual businesses, and micro-businesses which have been hit by the pandemic situation. According to municipal officials, the pandemic has had a negative impact on the closure of businesses up to -5% and affected the reduction of economic activity up to -20%. Statistics provided by this municipality shows that the number of closed businesses in 2020 was 36, while in 2021 there were 37 businesses closed. If we look at the gender division of businesses run by women, there are a total of nine businesses closed for the period 2020-2021 mainly in the textile, service and food production sectors. Based on data received from municipal officials, in this municipality there are facilities during the opening of businesses and they are free of charge. While it is estimated that the informal economy is part of the life of doing business but is in lower parameters.



## Economic governance

Mechanisms of cooperation at the local and central level have been information and mutual consultation. Also, according to municipal officials, this municipality has held meetings with the central level regarding the cooperation of both local and central levels for the measures to be taken, to support the management of the situation and the preservation of public health.



## Labor market conditions

According to the assessment of municipal officials, the sectors that are most affected in terms of employment rate are gastronomy, trade, construction and service sectors. According to municipal officials, the pandemic has had a negative impact on the unemployment rate up to -30%, while the biggest negative impact, about -33%, is especially on the unemployment of women and youth.



## Financial environment

Based on the answers of the officials of the municipality of Podujeva/Podujevo, during this pandemic period of time was a decrease in own source revenues, of 6%. Similar to tax revenues, where there was a decrease of up to 8%.



## Infrastructure and Connectivity

Water services during the pandemic period were provided to all residents but in some parts mainly rural areas had more reduced services. Similar to the sanitary services, health, transport, waste collection which have been more problematic for residents living in isolated areas. Due to the fact that this municipality has a very scattered territory, additional private operators had to be engaged to provide transport for the citizens. According to the data from the municipal officials, the pandemic has had a negative impact that is estimated to be about -10% in the access of transport and mobility.



Dimensions	Key findings
<b>Business environment</b>	The local economy is dominated by individual businesses, and micro-businesses which have been hit by the pandemic situation
<b>Economic governance</b>	Mechanisms of cooperation at the local and central level have been information and mutual consultation.
<b>Labor market conditions</b>	The number of closed businesses in 2020 was 36, while in 2021 there were 37 businesses closed. If we look at the gender division of businesses run by women, there are a total of nine businesses closed for the period 2020-2021 mainly in the textile, service and food production sectors.
<b>Financial environment</b>	During 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.
<b>Infrastructure and Connectivity</b>	Health care, waste collection, drinking water, sanitary and transport services have been at a satisfactory level in urban area while some of the rural areas have been most affected.



### Crisis response and recovery measures

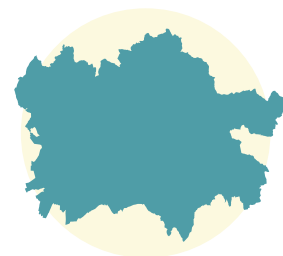
Based on the research data, currently this municipality is in the phase of identifying the effects and costs caused by the pandemic and recovery measures in line with budgetary possibilities. Regarding the recovery measures taken by this municipality, after consultations and debates with the business community, the Municipality by decision has released them from paying the fee for exercising economic activity and has forgiven all debts from this category; reprioritization and reprogramming of existing municipal budgets to increase availability of finance in areas critical for COVID-19 response and recovery; new borrowing and/or restructuring the existing loans with creditors to create additional fiscal space; requesting funds directly from development partners and international donors etc.

### Instead of conclusions



The local government in the municipality of Podujevë/Podujevo has been focused more on implementing central decisions and covering and managing situations with its own human and financial resources, as well as its logistical capacities. The municipality did not have a preliminary emergency management plan other than flood situations. Meanwhile, there is no long-term plan for economic recovery other than the measures taken so far according to the competencies and own financial means available.

# Municipality of Prishtina/Priština



## Municipal profile

In the municipality of Prishtina/Priština, from the first case of COVID-19 in March 2020 until December 2021, 61,411 cases of COVID-19 were identified, of which 51,479 were cured, and 436 resulted in death. To coordinate and manage actions to prevent the spread of the COVID-19 pandemic, the Municipality has established the Emergency Headquarters, taking all protective measures to prevent the spread of the COVID-19 pandemic in accordance with the Decisions of the MH and the IPHK.



## Main economic and financial impacts

As the capital and the economic, financial, political and trade center of Kosovo, Prishtina/Priština constitutes the heart of the economy of Kosovo. The service sector is the most important for the economy of the city and employs more than 75% of the work force of Prishtina. The municipality has greater budget opportunities than other municipalities, at the same time a greater burden than other municipalities due to larger services but also the number of inhabitants. There is also a larger number of businesses compared to other municipalities. However, restrictive measures, as a result of the pandemic, have also affected employment at the local level.



## Business environment

The market competition in this municipality is quite large as there is a large number of businesses. However, the difficulties during the Covid-19 period has deteriorated business activities. Most of the businesses have declared significant losses especially gastronomy, hospitality and construction sector, transport, kindergartens, retail industry, beauty salons. Although the officials of this municipality reported that the pandemic crisis has negatively affected the development of other businesses, they have no official data on how many businesses have been closed during this period.



## Economic governance

Mechanisms of cooperation at the local and central level have been information and mutual consultation. Meetings or mutual consultations were held with the mayors of the region during the pandemic in order to inform about the general situation with Covid-19, but also to coordinate the measures and actions in the face of the Covid-19. Also, according to the municipal officials, the municipality has held meetings with the central government regarding the cooperation of both local and central levels to coordinate the measures to preserve the public health and manage the overall situation created as a result of the outbreak of the pandemic.



## Labor market conditions

The data show that in Prishtina/Priština, as is the case with the all municipalities throughout Kosovo, the private sector has been most affected by the pandemic crisis. While the most affected sectors are gastronomy, hospitality sector, construction sector, transport, kindergartens, retail industry, beauty salons etc. Similar to the situation of businesses, the municipality has no data on the number of jobseekers or those who have lost their jobs during this period.



## Financial environment

Based on the research data, the municipal's own source revenues have decreased significantly during 2020. The decline in own source revenues has been accompanied by the decline in expenditures in all budget categories, especially capital investments, as own source revenues are mainly used for capital investments. Other revenues generated by the municipality have also decreased significantly, as all sectors from which the municipality provides revenues have been affected by the measures against the spread of the pandemic. However, the situation has changed during 2021, a time when own source revenues and property taxes have also increased.



## Infrastructure and Connectivity

According to Prishtina/Priština municipal officials, the municipal emergency headquarters treated and assisted all vulnerable families (giving priority to minority communities, as well as th families in social assistance scheme), provided health and social care to all families and individuals affected by COVID-19, supplied and distributed food packages, hygienic-sanitary necessities and flour for all those affected and for families in severe economic and social conditions. In the municipality of Prishtina/Priština, as well as throughout Kosovo, the education system has worked in three scenarios depending on the pandemic situation. The company in charge of the waste collection worked at full capacity and tried to intensify their service. As service that has not been affected by the pandemic situation, the provision withi drinking water has been at a satisfactory level.

Dimensions	Key findings
<b>Business environment</b>	Most of businesses have declared significant losses especially the gastronomy, hospitality sector, construction sector, transport, kindergartens, retail industry, beauty salons. No data on the number of businesses closed.
<b>Economic governance</b>	Mechanisms of cooperation at the local and central level have been information and mutual consultation.
<b>Labor market conditions</b>	The private sector has been most affected by the pandemic crisis. No data on the number of jobseekers or those who have lost their jobs.
<b>Financial environment</b>	Municipal own source revenues and expenditures in all budget categories, especially capital investments have decreased significantly during 2020. Positive changes in 2021.
<b>Infrastructure and Connectivity</b>	Health care, waste collection, drinking water, sanitary services have been at a satisfactory level while, the education system has worked in three scenarios depending on the pandemic situation.



## Crisis response and recovery measures

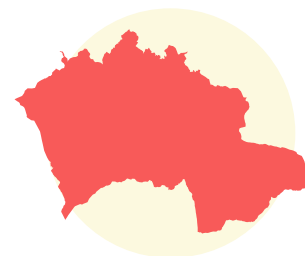
The support of the municipality is mainly focused on providing assistance to the most vulnerable sections of the population through the provision of necessary medical supplies and medicines, food and essential means during the quarantine. In this regard, about 1500 families were provided with hygienic packages and basic food products, and public transport was subsidized. Various measures and reliefs for the economic sector have been adopted in order to stimulate the business in a crisis period, such as tax and the municipal rent exemption for all the businesses operating in the municipality, provision of free or subsidized articles to businesses in crises (e.g., bread, flour), regulations to facilitate business registration and licensing, maintenance and disinfection of public spaces and facilities used for formal and informal business activities (such as streets, public squares, municipal markets, etc.), and targeted support in the form of grants or technical assistance to support innovations for COVID-19 response and recovery.

### Instead of conclusions



The municipality of Prishtina/Priština does not have a long-term measure for recovery from the COVID-19 pandemic, but has drafted a mid-term plan for the recovery of small businesses and public transport. Although it is the largest municipality with the greatest economic activity, the pandemic restrictive measures have had negative effect on employment rate. This is due to small businesses operating in the municipality that have been more affected by the pandemic crisis despite the subsidies provided by the municipality.

# Municipality of Prizren



## Municipal profile

The municipality of Prizren/Prizren did not provide informations regarding the numbers of identified, cured and lost patients from COVID-19 pandemic during 2020 and 2021. To coordinate and manage actions to prevent the spread of the COVID-19 pandemic, the Municipality has established the Emergency Headquarters, which has taken all protective measures to prevent the spread of the COVID-19 pandemic in accordance with the Decisions of the MH and the IPHK.



## Main economic and financial impacts

Businesses in the municipality of Prizren/Prizren, as well as throughout Kosovo, have had serious consequences from the situation created by the COVID-19. In addition to formal businesses, households that engage in informal agriculture and trade were also heavily influenced. The main challenges have been the management of the border point in Vermica, procurement procedures especially those in the complaint procedure, funds for pandemic prevention, the small number of staff especially in health sector and inspectorates, etc.



## Business environment

The market competition in the Municipality of Prizren/Prizren is relatively large with numerous businesses operating in the municipality. The difficulties during the Covid 19 period has added more difficulties in doing. The sectors most affected by the pandemic situation in the municipality of Prizren/Prizren are mainly that of construction, trade, hospitality industry, agriculture, etc. In addition to the loss of profit, some businesses have also suffered losses in substance such as: depreciation of assets (buses) with regard to transport companies, depreciation of goods due to the passage of the season, other textile case, mainly clothing, loss of agricultural products, mainly in cases in which their products are exported to the European Union (EU) countries. There is also a loss in the construction sector due to the suspension of work activities, as some businesses operate outside the territory of the municipality of Prizren/Prizren. According to (Kosovo Business Registration Agency (KBRA) statistics, 39 women-led businesses have been closed in 2021, operating in beauty salons and textile salons, etc.



## Economic governance

Coordination between the central and local level has become apparent in ensuring effective responses during crisis management. The municipality has played a crucial role in the implementation of public health measures such as: implementation of isolation policies, care for the population in need, communications in crisis, ensuring public order and safety. The municipality has cooperated closely with the central level, respectively with the Ministry of Health for the steps taken.



## Labor market conditions

Employment rate based on data from the Employment Office in Prizren/Prizren for the years 2020 and 2021 have marked the lowest number of vacancies in recent years. This reflects the economic contraction that has been recorded during these years, consequently this is related to the effects and measures to prevent the spread of COVID 19. The year 2020 in this municipality has marked an exponential increase in the number of registered unemployed compared to the downward trend that has been recorded in previous years. In 2021, 1582 people were registered as unemployed. A high percentage of the total number of unemployed are unskilled persons and those with low level of education, respectively persons with lower and secondary school. According to the statistics of the Employment Office, the highest unemployment rate is found among people aged 25-39, about 41.15%.



## Financial environment

During 2020 in the municipality of Prizren/Prizren, similar to other municipalities, there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.



## Infrastructure and Connectivity

The supply of drinking water during 2020 and 2021 has been at a satisfactory level, a service that has not been affected by the pandemic situation, similar to this waste management. Municipal officials have stated that they have provided social services as before the pandemic, where assistance was provided to citizens, especially those with low social - economic status. Sanitary services were also provided during the pandemic period, where the cleaning and disinfection of public buildings-institutions, collective buildings, entrances of apartments, business buildings, cleaning-washing of streets and squares was done continuously. All families and individuals affected by COVID-19 have had health and social care, have also been supplied with food-sanitary packages and as a result of this health care has been permanent. All citizens of Prizren have had the opportunity to receive basic services in educational institutions through online learning. In all settlements, although in pandemic times, waste collection was done according to the operational plan throughout the municipality.

Dimensions	Key findings
<b>Business environment</b>	The sectors most affected by the pandemic situation in the municipality of Prizren are mainly that of construction, trade, hospitality industry, agriculture, etc. While 39 women-led businesses have been closed in 2021, operating in beauty salons and textile salons, etc
<b>Economic governance</b>	The municipality has cooperated closely with the central level, respectively with the Ministry of Health for the steps taken.
<b>Labor market conditions</b>	2020 and 2021 have marked the lowest number of vacancies in recent years. In 2021, 1582 people were registered as unemployed. While the highest unemployment rate of about 41.15% is found among people aged 25-39.
<b>Financial environment</b>	During 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.
<b>Infrastructure and Connectivity</b>	Health care, waste collection, drinking water, sanitary services have been at a satisfactory level while, the education system has worked in three scenarios depending on the pandemic situation.



### Crisis response and recovery measures

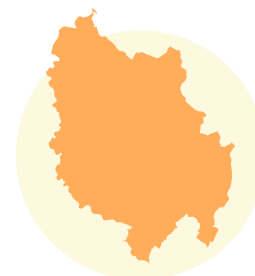
The Municipality of Prizren/Prizren has undertaken a program of facilitation measures to support businesses that carry out their business activities in this municipality, allocating a special fund from the category of goods and services as well as from the category of subsidies for the management of COVID-19. The total allocated funds amounts to about 350,000.00 Euros from the category of goods and services as well as about 1.1 million Euros for subsidies where 1,117 businesses are subsidized and 65 NGOs in the field of culture, 29 in the field of youth and 42 from the field of sports. To mitigate the negative consequences on the economy, the Government of the Republic of Kosovo has taken a series of support and assistance measures through the Emergency Fiscal Package for the economy and citizens, but there is no information on how this package is divided by municipalities and what are the benefits of Prizren from this package.

### Instead of conclusions



According to the municipal officials, there were no funds allocated specifically for COVID-19, but all supplies were provided from the regular budget. Since the pandemic outbreak, during the last two years the Municipality of Prizren has experienced an economic contraction, and as a result, there is a large number of registered unemployed inhabitants, compared to the downward trend that has been recorded in previous years.

# Municipality of Rahovec/Orahovac



## Municipal profile

In the municipality of Rahovec/Orahovac, from the first case of COVID-19 in April 24th 2020 until December 2021, 2159 cases of COVID-19 were identified, of which 2081 people were cured, and 78 resulted in death. To coordinate and manage actions to prevent the spread of the COVID-19 pandemic, the Municipality has established the Emergency Headquarters, which has taken all protective measures to prevent the spread of the COVID-19 pandemic in accordance with the Decisions of the MH and the IPHK.



## Main economic and financial impacts

The impact of the pandemic on businesses and households in this municipality is evident and consequently there is a reduction in customer demand, uncertainty in investment, inability to plan business, supply of customer service, lack of workers due to isolation, termination of contracts etc.



## Business environment

According to the officials of this municipality, the sectors most affected by the pandemic are the gastronomy and hospitality sector, construction and trade of construction material; manufacturing sector; textile trade, including also retail industry; agriculture etc. Based on research data, the pandemic had affected the reduction of economic activity up to -40%. On the other hand, it has been estimated that the pandemic has had a positive impact of up to 100% on the ease of procedures for opening new businesses. From the beginning of the pandemic until December 2021 in this municipality are closed a total of 77 businesses, of which 29 were closed during 2020 and in 2021 there were 48 businesses closed



## Economic governance

Municipal officials estimate that during the pandemic period there was mutual information and consultation between the central-local level, although there were no committees formed between central and local officials. According to the data extracted from the research, for the period 2020 - 2021 there was no drafting of new regulations, or amendment of existing regulations.





## Labor market conditions

According to the data obtained, in this municipality, the year 2020 marks an exponential increase in the number of registered unemployed compared to the downward trend that has been recorded in previous years. In 2020, 2208 people were registered as unemployed, a number that is an increase from 2019 where we had 480 registered jobseekers, while in 2021 we registered 369 people as unemployed. From the total number of unemployed, a high percentage of them are concentrated on unskilled persons and those with low level of education, respectively persons with lower and secondary school. During 2020 this municipality had 531 persons as active jobseekers, of which 141 are women and 390 men, while during 2021 there were 345 persons as active jobseekers, of which 152 women and 193 men.

But according to municipal officials, the impact that the pandemic has had on the working conditions has been positively assessed such as wages and working hours which according to municipal officials has a positive impact of about 30%.



## Financial environment

For the municipality of Rahovec / Orahovac even before the pandemic, the lack of municipal budget has been a great challenge. Similar to other municipalities, in this municipality during 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021 up to 10%.



## Infrastructure and Connectivity

Regarding water services, according to data from the research in the municipality of Rahovec / Orahovac has been at a satisfactory level, a service that has not been affected by the pandemic situation, similar to this waste management. Municipal officials have stated that they have provided social services as before the pandemic, where assistance was provided to citizens, especially those with low social – economic status. Sanitary services were also provided during the pandemic period, where the cleaning and disinfection of public buildings-institutions, collective buildings, entrances / exits of apartments, business buildings, cleaning-washing of streets and squares was done continuously. All families and individuals affected by COVID-19, have had health and social care, have also been supplied with food-sanitary packages and as a result of this health care has been permanent. All citizens have had the opportunity to receive basic services in educational institutions through online learning. In all settlements, although in pandemic times, waste collection was done according to the operational plan throughout the municipality. Meanwhile, in terms of transport services, rural areas in this municipality did not have full access to this service.

Dimensions	Key findings
<b>Business environment</b>	The sectors most affected by the pandemic are the gastronomy and hospitality sector, construction and trade of construction material; manufacturing sector; textile trade, including also retail industry; agriculture etc.
<b>Economic governance</b>	The municipality has cooperated closely with the central level, respectively with the Ministry of Health for the steps taken.
<b>Labor market conditions</b>	In 2020, 2208 people were registered as unemployed, while in 2021 we registered 369 people as unemployed. During 2020 this municipality had 531 persons as active jobseekers, of which 141 are women and 390 men, while during 2021 there were 345 persons as active jobseekers, of which 152 women and 193 men.
<b>Financial environment</b>	During 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.
<b>Infrastructure and Connectivity</b>	Health care, drinking water, waste collection, sanitary services have been at a satisfactory level in urban area, while for transport services, some rural areas haven been most affected.



## Crisis response and recovery measures

Due to the small municipal budget, the municipality of Rahovec / Orahovac has taken some mitigation measures to help businesses, such as exemption from municipal taxes, exemption from rent in municipal properties and facilities, exemption of outdoor space on municipal properties, through foreign organizations and line ministries have financially supported businesses. The municipality does not have a municipal strategy for a comprehensive recovery to have economic sustainability, but requires the central government or donor to provide a budget code to have a more sustainable municipal economy to help businesses and citizens to we have better economic and social stability.

## Instead of conclusions



Given the unknown nature of the COVID-19 virus and the uncertainties about future developments, the officials of this municipality have considered it essential for the municipality to maintain its dynamic role and effective coordination with the central level in order to ensure a healthier society.





# Municipality of Ranillug/Ranilug



## Municipal profile

In the municipality of Ranillug/Ranilug did not provide informations regarding the numbers of identified, cured and lost patients from COVID-19 pandemic during 2020 and 2021. To coordinate and manage actions to prevent the spread of the COVID-19 pandemic, the Municipality has established the Emergency Headquarters, which has taken all protective measures to prevent the spread of the COVID-19 pandemic.



## Main economic and financial impacts

The Municipality of Ranillug/Ranilug, is a small rural municipality with 5000 inhabitants, with a development focus on two main sectors which are hospitality and gastronomy. During the pandemic, these two sectors were mostly affected, which also affected the increase of the unemployment rate in this municipality. Also, this municipality has faced problems such as poor conditions in health centers, insufficient investment in local economic development etc.



## Business environment

The data show that as in most other small municipalities in Kosovo, in this municipality the most affected is private sector. Although the officials of this municipality say that the pandemic crisis has negatively affected the development of other businesses, they have no official data on how many businesses have been closed during this period. According to municipal officials, the pandemic had affected the reduction of economic activity up to -20%. On the other hand, it has been estimated that the pandemic has had a positive impact of up to 45% on the ease of procedures for opening new businesses. Due to the pandemic, there were some of the businesses that have been closed, most often from service sector, by 5% compared to the period before pandemics.



## Economic governance

According to the officials of this municipality, all local institutions responsible for the implementation of anti-covid measures at the local level have shown a high level of cooperation. This cooperation has made work easier for economic operators in the municipality and their economic development.



## Labor market conditions

Based on research data, employment in this municipality has dropped significantly during the pandemic, while the most affected sectors are the gastronomy, hospitality and retail industry sectors. Similar to the situation of businesses, the municipality has no data on the number of jobseekers or those who have lost their jobs during this period. According to municipal officials, the pandemic has had a negative impact on the unemployment rate up to -30%, while the biggest negative impact, about -30%, is especially on the unemployment of women and youth.



## Financial environment

According to the answers of the officials of the municipality of Ranillug/Ranilug, most of the budget of this municipality consists of government grants and only a small percentage of the municipal budget consists of municipal revenues. During the first pandemic year there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021 about 70% on own source revenues and 30% on tax revenues.



## Infrastructure and Connectivity

Regarding the provision of drinking water during 2020 and 2021 has been at a satisfactory level, a service that has not been affected by the pandemic situation, similar to this waste management. As for the transport services, the municipality does not have a taxi service or a bus station, but only stops used by all residents who need transport. Also during this period there has been an increase in the number of requests for the provision of necessary social services provided by the Social Services Sector while 16.98% of families in the territory municipalities are beneficiaries of social assistance. All citizens of this municipality have had the opportunity to receive basic services in educational institutions through online learning.

Dimensions	Key findings
<b>Business environment</b>	The most affected is private sector, and there were some of the businesses that have been closed, most often from service sector, by 5% compared to the period before pandemics.
<b>Economic governance</b>	Cooperation with all municipalities from the North of Kosovo, and all local institutions but there was a lack of communication with the central level.
<b>Labor market conditions</b>	All sectors have been affected such as gastronomy, hospitality and retail industry sectors etc
<b>Financial environment</b>	During 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.
<b>Infrastructure and Connectivity</b>	Health care, drinking water, waste collection, sanitary services have been at a satisfactory level in urban area while as for transport some rural areas were most affected.



### Crisis response and recovery measures

The support of the municipality is mainly focused on providing assistance to the most vulnerable sections of the population through the provision of necessary medical supplies and medicines, food and essential means of functioning during quarantine. Various measures and reliefs for the economic sector have been adopted in order to stimulate it business in a crisis period such as the decision to exempt from tax exemption and municipal rent of businesses for all businesses operating in this municipality, maintenance and disinfection of public spaces and facilities used for formal and informal business activities (such as streets, public squares, municipal markets, etc.).

### Instead of conclusions



The Municipality of Ranillug/Ranilug has not adopted a crisis management plan. According to the officials of this municipality, in the framework of the recovery plan, the main focus should be the support for the gastronomy sector, as the main sector operating in this municipality.

# Municipality of Shtërrpcë/Štrpce



## Municipal profile

In the municipality of Shtërrpcë/Štrpce, from the first case of COVID-19 in March 2020 until December 2021, 576 cases of COVID-19 were identified, of which 547 were cured, and 29 resulted in death. It is worth noting that these data are reported of being gathered from 'both' Kosovan and Serbian functioning systems in this Municipality. Thus, from the Kosovo Health System, 95 were reported positive with COVID-19, out of which 3 are reported as dead. Whereas the number of those which required support from the Serbian health system, is significantly higher hence, here 481 positive resulted positive with COVID-19, out of which 26 are registered of resulting in death. To coordinate and manage actions to prevent the spread of the COVID-19 pandemic, the Municipality has established the Emergency Headquarters, which has taken all protective measures to prevent the spread of the COVID-19 pandemic in accordance with the Decisions of the Ministry of Health and the Institute of Public Health of Kosovo.



## Main economic and financial impacts

Unemployment is one of the major problems that the municipality of Shtërrpcë/Štrpce has been facing for many years. Due to the fact that this municipality has the most developed hospitality sector, the pandemic crisis has affected this sector the most in which many jobs have been lost.



## Business environment

The data show that as in most other small municipalities in Kosovo, in this municipality the most affected sectors are hospitality, gastronomy, tourism, catering, service activities, etc. Although the officials of this municipality say that the pandemic crisis has negatively affected the development of other businesses, they have no official data on how many businesses have been closed during this period but according to them, the pandemic has had a negative impact on the closure of businesses up to -5%.



## Economic governance

The management of the situation, from the central level, according to them was done ad - hoc, without a concrete strategy. Constantly changing measures and misinterpreting them by the authorities has created more problems in the implementation of measures. There was a cooperation with all municipalities from the North of Kosovo, and all local institutions.





### Labor market conditions

Based on research data, employment in this municipality has dropped significantly during the pandemic, while the most affected sectors are hospitality, gastronomy, tourism, catering, service activities, etc. Similar to the situation of businesses, the municipality has no data on the number of jobseekers or those who have lost their jobs during this period but according to municipal officials, the pandemic has had a negative impact on the unemployment rate up to -50%, while the biggest negative impact, about -55%, is especially on the unemployment of youth.



### Financial environment

According to the answers of the officials of the municipality of Shtërrpcë/ Štrpce most of the budget of this municipality consists of government grants and only a small percentage of the municipal budget consists of municipal revenues. During the first pandemic year there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.



### Infrastructure and Connectivity

Regarding the provision of drinking water, this municipality has had a problem due to the construction of a mini hydro power plant. As for the transport services, during the pandemic crisis this service has been more reduced for some villages in rural areas of the municipality. Also, during this period there has been an increase in the number of requests for the provision of necessary social services provided by the Social Services Sector. All citizens of this municipality have had the opportunity to receive basic services in educational institutions through online learning.

Dimensions	Key findings
<b>Business environment</b>	The most affected sectors are hospitality, gastronomy, tourism, catering, service activities, etc.
<b>Economic governance</b>	Cooperation with all municipalities from the North of Kosovo, and all local institutions but there was a lack of communication with the central level.
<b>Labor market conditions</b>	The most affected sectors are hospitality, gastronomy, Tourism, catering, service activities, etc.
<b>Financial environment</b>	During 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.
<b>Infrastructure and Connectivity</b>	Health care, drinking water, waste collection, sanitary services have been at a satisfactory level in urban area while as for transport some rural areas were most affected.



### Crisis response and recovery measures

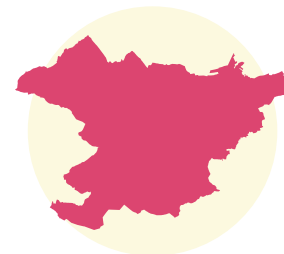
The municipality has helped the hospitality and agricultural sector through cooperation with non-governmental sector. The support of the municipality in terms of businesses is mainly focused on the decision to exempt from tax exemption and municipal rent of businesses for all businesses operating in this municipality, maintenance and disinfection of public spaces and facilities used for formal and informal business activities (such as streets, public squares, municipal markets, etc.), targeted support in the form of grants or technical assistance to support innovations for COVID-19 response and recovery etc.

### Instead of conclusions



Given that even before the pandemic, this municipality faced a difficult economic situation, the pandemic crisis has only deteriorated the economy. The private sector and small businesses are the most affected.

# Municipality of Shtime/Štimlje



## Municipal profile

In the municipality of Shtime/Štimlje, from the first case of COVID-19 in March 2020 until December 2021, 1958 cases of COVID-19 were identified, of which 1924 were cured, and 34 resulted in death. To coordinate and manage actions to prevent the spread of the COVID-19 pandemic, the Municipality has established the Emergency Headquarters, which has taken all protective measures to prevent the spread of the COVID-19 pandemic in accordance with the Decisions of the Ministry of Health and the Institute of Public Health of Kosovo



## Main economic and financial impacts

The challenge for the Municipality of Shtime/Štimlje, before the outbreak of the pandemic was the poor economic situation with a large number of unemployed, During the pandemic crisis, project management, revenue collection became more difficult, the number of families with social assistance increased because families that were dependent on the construction sector, for example, when they lost their jobs during the pandemic, were identified as families in need of social assistance.



## Business environment

The data show that as in most other small municipalities in Kosovo, in this municipality the most affected sectors are gastronomy, construction sector, retail industry, beauty salons etc. Although the officials of this municipality say that the pandemic crisis has negatively affected the development of other businesses, they have no official data on how many businesses have been closed during this period. But according to municipal officials, the pandemic has had a negative impact on the closure of businesses up to -7% and affected the reduction of economic activity up to -10%.



## Economic governance

Mechanisms of cooperation at the local and central level have been information and mutual consultation. Also, according to municipal officials, this municipality has held meetings with the central level regarding the cooperation of both local and central levels for the measures to be taken, to support the management of the situation and the preservation of public health.



## Labor market conditions

Based on research data, employment in this municipality has dropped significantly during the pandemic, while the most affected sectors are the construction, manufacturing, retail industry, and gastronomy sectors. Similar to the situation of businesses, the municipality has no data on the number of jobseekers or those who have lost their jobs during this period. But based on data received from municipal officials, the pandemic has had a negative impact on the unemployment rate up to -11%, while the biggest negative impact, about -10%, is especially on the unemployment of women and youth.



## Financial environment

According to the answers of the officials of the municipality of Shtime/Štimje, like most small municipalities, has a small municipal budget. During the first pandemic year there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.



## Infrastructure and Connectivity

Regarding the provision of drinking water during 2020 and 2021 has been at a satisfactory level, a service that has not been affected by the pandemic situation, similar to this waste management. As for the transport services, during the pandemic crisis this service has been more reduced for some villages in rural areas of the municipality. According to the data from the municipal officials, the pandemic has had a negative impact that is estimated to be about -10% in the access of transport and mobility. Also, during this period there has been an increase in the number of requests for the provision of necessary social services provided by the Social Services Sector. All citizens of Shtime/Štimlje have had the opportunity to receive basic services in educational institutions through online learning.

Dimensions	Key findings
<b>Business environment</b>	The most affected sectors are gastronomy, construction sector, retail industry, beauty salons etc.
<b>Economic governance</b>	The municipality has cooperated closely with the central level, respectively with the Ministry of Health for the steps taken.
<b>Labor market conditions</b>	The most affected sectors are the construction, manufacturing, retail industry, and gastronomy sectors.
<b>Financial environment</b>	During 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021
<b>Infrastructure and Connectivity</b>	Health care, drinking water, waste collection, sanitary services have been at a satisfactory level in urban area, while for transport services, some rural areas haven been most affected.



### Crisis response and recovery measures

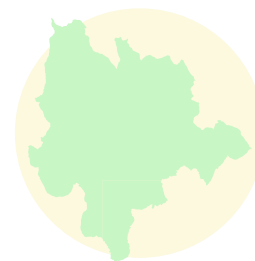
The support of the municipality in terms of businesses is mainly focused on the decision to exempt from tax exemption and municipal rent of businesses for all businesses operating in this municipality, maintenance and disinfection of public spaces and facilities used for formal and informal business activities (such as streets, public squares, municipal markets, etc.), targeted support in the form of grants or technical assistance to support innovations for COVID-19 response and recovery etc. Also, many businesses have been financially assisted by the municipality, where most of the subsidies are allocated to agriculture (affected by pandemics and hail).

### Instead of conclusions



The role of the local government in the municipality of Shtime/Štimlje has been more implementing central decisions and covering and managing situations with its own human, financial and logistical capacities. Meanwhile, there is no long-term plan for economic recovery other than the measures taken so far according to the competencies and own financial means available.

# Municipality of Skenderaj/Srbica



## Municipal profile

The municipality of Skenderaj/Srbica did not provide informations regarding the numbers of identified, cured and lost patients from COVID-19 pandemic during 2020 and 2021. To coordinate and manage actions to prevent the spread of the COVID-19 pandemic, the Municipality has established the Emergency Headquarters, which has taken all protective measures to prevent the spread of the COVID-19 pandemic in accordance with the Decisions of the MH and the IPHK.



## Main economic and financial impacts

Even before the pandemic, the Municipality of Skenderaj/Srbica faced a large number of challenges, starting from weak economic development, especially in the agriculture, manufacturing and service sector businesses. Many businesses are dependent on the diaspora in the summer season but the emergence of the pandemic and the beginning of the period of isolation measures aggravated the situation even more.



## Business environment

The Municipality of Skenderaj/Srbica, according to the research, before the pandemic there were about 600 active businesses and during the pandemic period they were not closed but were suspended due to lack of development of activities, which are already in serious condition despite subsidies received from the local and central level. During this period, due to the recovery measures of the government and the local level, the opening of new businesses has continued, mainly start-ups which have received grants from the municipality.



## Economic governance

According to the municipal officials of Skenderaj/Srbica, there has been a good cooperation at the local and central level so far, where as a facilitator in this cooperation is estimated to be the AKM. According to them, during this period of the pandemic there is information and consultations on a monthly basis.



### Labor market conditions

According to the research data from the municipality of Skenderaj/Srbca, since the local economy is dominated by individual businesses, and micro-businesses which have been hit by the pandemic situation the sectors that are most affected in terms of employment rate are gastronomy, textile, construction, retail industry, tailoring, beauty salons, etc. However, there are no official data on the number of employees and jobseekers during the pandemic period.



### Financial environment

Similar to other municipalities, in the municipality of Skenderaj/Srbica during 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.



### Infrastructure and Connectivity

For health care services, rural areas away from health facilities have been most affected during the pandemic as public transport services have been more limited during this period and in most cases citizens have been forced to use private transport. As for water services even before the pandemic there were problems because not all residents are connected to the water supply network of the municipality. Similar to the sanitary services, and waste collection which have been more problematic for residents living in isolated areas.

Dimensions	Key findings
<b>Business environment</b>	About 600 active businesses and during the pandemic period they were not closed but were suspended, which are already in serious condition despite subsidies received from the local and central level.
<b>Economic governance</b>	Mechanisms of cooperation at the local and central level have been information and mutual consultation.
<b>Labor market conditions</b>	The sectors that are most affected in terms of employment rate are gastronomy, textile, construction, retail industry, tailoring, beauty salons, etc.
<b>Financial environment</b>	During 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.
<b>Infrastructure and Connectivity</b>	Health care, waste collection, drinking water, sanitary, transport services have been at a satisfactory level in urban area while some of rural areas were most affected.



### Crisis response and recovery measures

During the pandemic crisis, the Municipality of Skenderaj/Srbica, within its budget possibilities, has used all its possible capacities, such as supporting businesses where exemption from municipal taxes has been made for the use of external premises, maintenance and disinfection of public spaces and facilities used for formal and informal business activities (such as streets, public squares, municipal markets, etc.), targeted support in the form of grants or technical assistance to support innovations for COVID-19 response and recovery. During the pandemic period, emergency packages were distributed to all families in need and to those affected by their family business, to those families affected by COVID -19 etc.

### Instead of conclusions



Given that even before the pandemic, this municipality faced a difficult economic situation, the pandemic only aggravated the situation. The private sector and small businesses are the most affected.



# Municipality of Suhareka/Suhareka



## Municipal profile

In the municipality of Suhareka/Suva Reka, from the first case of COVID-19 in March 2020 until December 2021, 3061 cases of COVID-19 were identified, of which 2962 were cured, and 99 resulted in death. To coordinate and manage actions to prevent the spread of the COVID-19 pandemic, the Municipality has established the Emergency Headquarters, which has taken all protective measures to prevent the spread of the COVID-19 pandemic in accordance with the Decisions of the MH and the IPHK.



## Main economic and financial impacts

The difficult economic and social situation and the high level of unemployment rate have been highlighted as two of the main problems faced by the municipality of Suhareka / Suva Reka even before the onset of the pandemic crisis. Also, this municipality has continuously faced floods that have caused great damage to businesses, mainly in the agricultural sector.



## Business environment

According to the officials of this municipality, during the pandemic in the municipality of Suhareka/Suva Reka, almost all sectors of the business field were affected, such as gastronomy, textile, construction, tailoring, beauty salons, etc. Based on research data, the pandemic has had a negative impact on the closure of businesses up to -7% and affected the reduction of economic activity up to -16%. At the time of the pandemic, respectively for the last two years, according to the data in this municipality, 65 businesses were closed, which are mainly businesses of sectors such as construction, gastronomy, beauty salons, etc. Whereas, out of the total number of closed businesses, seven of them have been run by women, mainly beauty salon businesses.



## Economic governance

According to the municipal officials of Suhareka/Suva Reka, there has been a good cooperation at the local and central level so far, where as a facilitator in this cooperation is estimated to be the AKM. According to them, during this period of the pandemic there is information and consultations on a monthly basis.



## Labor market conditions

Based on the research data, in this municipality gastronomy has been one of the main sectors that has been most affected by anti-covid measures which has also increased the level of unemployment given the fact that a large number of young people in this municipalities are employed in this sector. According to municipal officials, the pandemic has had a negative impact on the unemployment rate up to -19%, while the biggest negative impact, about -55%, is especially on the unemployment of youth. However, the high unemployment rate during this period of the pandemic has also affected women, mainly those who deal with small businesses such as beauty salons or tailors.



## Financial environment

Similar to other municipalities, in the municipality of Suhareka/ Suva Reka during 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.



## Infrastructure and Connectivity

For health care services, rural areas away from health facilities have been most affected during the pandemic as public transport services have been more limited during this period and in most cases, citizens have been forced to use private transport. According to the data from the municipal officials, the pandemic has had a negative impact that is estimated to be about -40% in the access of transport and mobility. Water services during the pandemic period were provided to all residents but in some parts mainly rural areas had more reduced services. Similar to the sanitary services, and waste collection which have been more problematic for residents living in isolated areas.

Dimensions	Key findings
<b>Business environment</b>	Almost all sectors of the business field were affected such as gastronomy, textile, construction, tailoring, beauty salons, etc. While 65 businesses were closed, which are mainly businesses of sectors such as construction, gastronomy, beauty salons, etc.
<b>Economic governance</b>	The municipality has cooperated closely with the central level, respectively with the Ministry of Health for the steps taken.
<b>Labor market conditions</b>	The high unemployment rate during this period of the pandemic has mostly affected women, mainly those who deal with small businesses such as beauty salons or tailors.
<b>Financial environment</b>	During 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021
<b>Infrastructure and Connectivity</b>	Health care, drinking water, waste collection, sanitary and transport services have been at a satisfactory level in urban areas, while some rural areas haven been most affected.



### Crisis response and recovery measures

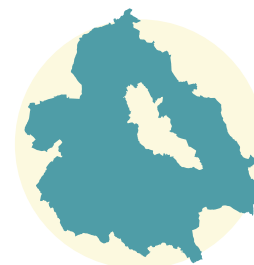
During the pandemic crisis, the Municipality of Suhareka/Suva Reka, within its budget possibilities, has used all its possible capacities, such as supporting businesses where exemption from municipal taxes has been made for the use of external premises, regulations to facilitate business registration and licensing, maintenance and disinfection of public spaces and facilities used for formal and informal business activities (such as streets, public squares, municipal markets, etc.) food subsidies for needy families and covid-19 cases, etc. Due to the limited budget, this municipality is not drafting a long-term recovery plan.

### Instead of conclusions



Given that even before the pandemic, this municipality faced a difficult economic situation, the pandemic crisis has only aggravated the economic situation. The private sector and small businesses are the most affected.

# Municipality of Vitia/Vitina



## Municipal profile

In the municipality of Vitia/Vitina did not provide informations regarding the numbers of identified, cured and lost patients from COVID-19 pandemic during 2020 and 2021. To coordinate and manage actions to prevent the spread of the COVID-19 pandemic, the Municipality has established the Emergency Headquarters, which has taken all protective measures to prevent the spread of the COVID-19 pandemic in accordance with the Decisions of the MH and the IPHK.



## Main economic and financial impacts

Even before the pandemic, the Municipality of Vitia/Vitina faced a large number of challenges, starting from the lack of sufficient capital investment in vital projects for citizens from the central level, lack of support for new businesses and insufficient budget at the municipal level.



## Business environment

According to the officials of this municipality, during the pandemic in the municipality of Vitia/Vitina, almost all sectors of the business field were affected, such as gastronomy, textile, construction, tailoring, beauty salons, etc. While there are three businesses that have been closed as a result of the pandemic, which have been led by women in the beauty salon sector, retail industry although according to municipal officials the number of closed businesses may be even higher but they have no official data. On the other hand, it has been estimated that the pandemic has had a positive impact of up to 100% on the ease of procedures for opening new businesses.



## Economic governance

According to the municipal officials of Vitia/Vitina, there has been a good cooperation at the local and central level so far, where as a facilitator in this cooperation is estimated to be the AKM. According to them, during this period of the pandemic there is information and consultations on a monthly basis.



### Labor market conditions

According to the research data from the municipality of Vitia/Vitina, since the local economy is dominated by individual businesses, and micro-businesses which have been hit by the pandemic situation the sectors that are most affected in terms of employment rate are gastronomy, textile, construction, retail industry, tailoring, beauty salons, etc. However, there are no official data on the number of employees and jobseekers during the pandemic period.



### Financial environment

Similar to other municipalities, in the municipality of Vitia/Vitina during 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021. However, according to the officials of this municipality, most of the budget consists of government grants.



### Infrastructure and Connectivity

For health care services, rural areas away from health facilities have been most affected during the pandemic as public transport services have been more limited during this period and in most cases, citizens have been forced to use private transport. Water services during the pandemic period were provided to all residents but in some parts mainly rural areas had more reduced services. Similar to the sanitary services, and waste collection which have been more problematic for residents living in isolated areas.

Dimensions	Key findings
<b>Business environment</b>	Almost all sectors of the business field were affected, such as gastronomy, textile, construction, tailoring, beauty salons, etc. While 3 women-led businesses have been closed in 2021.
<b>Economic governance</b>	The municipality has cooperated closely with the central level, respectively with the Ministry of Health for the steps taken.
<b>Labor market conditions</b>	The sectors that are most affected in terms of employment rate are gastronomy, textile, construction, retail industry, tailoring, beauty salons, etc.
<b>Financial environment</b>	During 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.
<b>Infrastructure and Connectivity</b>	Health care, drinking water, waste collection, sanitary, transport services have been at a satisfactory level in urban area, while some rural areas haven been most affected.



### Crisis response and recovery measures

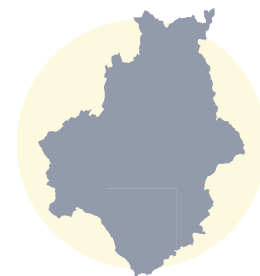
During the pandemic crisis, the Municipality of Vitia/Vitina, within its budget possibilities, has used all its possible capacities, such as supporting businesses where exemption from municipal taxes has been made for the use of external premises, maintenance and disinfection of public spaces and facilities used for formal and informal business activities (such as streets, public squares, municipal markets, etc.), targeted support in the form of grants or technical assistance to support innovations for COVID-19 response and recovery food subsidies for needy families and covid-19 cases, etc. Due to the limited budget, this municipality is not drafting a long-term recovery plan)

### Instead of conclusions



Given that even before the pandemic, this municipality faced a difficult economic situation, the pandemic crisis has only deteriorated the economic situation. The private sector and small businesses are the most affected, while the financial capacity of the municipality is too limited to help businesses to recover.

# Municipality of Vushtrri/Vučitrn



## Municipal profile

In the municipality of Vushtrri/Vučitrn, from the first case of COVID-19 in March 2020 until December 2021, 4961 cases of COVID-19 were identified, of which 4820 were cured, and 141 resulted in death. To coordinate and manage actions to prevent the spread of the COVID-19 pandemic, the Municipality has established the Emergency Headquarters, which has taken all protective measures to prevent the spread of the COVID-19 pandemic in accordance with the Decisions of the Ministry of Health and the Institute of Public Health of Kosovo.



## Main economic and financial impacts

The challenge for the municipality of Vushtrri/Vučitrn, before the outbreak of the pandemic was the poor economic situation with a large number of unemployed, insufficient capacity to cope with the crisis that had affected the region and beyond. While in the case of the first cases and the increase in the number of people infected with COVID-19, the main challenge was the aggravation of the economic and social situation as a result of closing most businesses, especially in gastronomy and construction sectors.



## Business environment

The data show that as in most other small municipalities in Kosovo, in this municipality the most affected sectors are Gastronomy, construction sector, processing industry, retail industry etc. According to statistics provided by this municipality, the number of closed businesses in 2020 - 2021 was 112. If we look at the gender division of businesses run by women, there are a total of 24 businesses closed for the period 2020-2021. According to municipal officials, in this municipality there are facilities during the opening of businesses and they are free of charge. While it is estimated that the informal economy is part of the life of doing business but is in lower parameters.



## Economic governance

Mechanisms of cooperation at the local and central level have been information and mutual consultation. Also, according to municipal officials, this municipality has held meetings with the central level regarding the cooperation of both local and central levels for the measures to be taken, to support the management of the situation and the preservation of public health.



## Labor market conditions

Based on research data, employment in this municipality has dropped significantly during the pandemic, while the most affected sectors are the construction, manufacturing, retail industry, and gastronomy sectors. According to data from the Kosovo Agency of Statistics show a rapid increase in unemployment. More precisely from March 2020 the number of jobseekers has increased by 3126 or about 40%. Currently registered jobseekers are 7869 persons of which 4179 men and 3690 women. If we refer to the Municipal Employment Office, the total number of unemployed is 624 persons, of which 317 are women and 307 are men. Regarding informal employment on the basis of gender in the Municipality of Vushtrria/Vučitrn according to the assessment of the socio-economic impact of the pandemic COVID-19 are currently 39% of men employed informally while women 12%.



## Financial environment

According to the answers of the officials of the municipality of Vushtrria/Vučitrn during the first pandemic year there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.



## Infrastructure and Connectivity

Regarding the provision of drinking water during 2020 and 2021 has been at a satisfactory level, a service that has not been affected by the pandemic situation, similar to this waste management. During the time of the pandemic, they had a significant reduction of travel times, in other periods of time it did not affect transport and mobility, and consequently there were no affected areas. Also, during this period there has been an increase in the number of requests for the provision of necessary social services provided by the Social Services Sector. All citizens of Vushtrria/Vučitrn have had the opportunity to receive basic services in educational institutions through online learning.



Dimensions	Key findings
<b>Business environment</b>	The most affected sectors are Gastronomy, construction sector, processing industry, retail industry etc. The number of closed businesses in 2020 - 2021 was 112, from which 24 businesses run by women.
<b>Economic governance</b>	Mechanisms of cooperation at the local and central level have been information and mutual consultation.
<b>Labor market conditions</b>	From March 2020 the number of jobseekers has increased by 3126 or about 40%. Currently registered jobseekers are 7869 persons of which 4179 men and 3690 women.
<b>Financial environment</b>	During 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.
<b>Infrastructure and Connectivity</b>	Health care, waste collection, drinking water, sanitary services have been at a satisfactory level while for the transport services, some of rural areas were most affected.



### Crisis response and recovery measures

The support of the municipality in terms of businesses is mainly focused on the decision to exempt from tax exemption and municipal rent of businesses for all businesses operating in this municipality, exemption from payment of fees for stay of children in public kindergarten, - exemption from payment of families on social assistance for the waste collection tax. Also, many businesses have been financially assisted by the municipality, while some of them have also applied for assistance (subsidies) in the government for the number of employees and losses caused during the pandemic season.

### Instead of conclusions



The Municipality of Vushtri/Vučitrn has drafted a plan for economic recovery, but it does not have sufficient funds for implementation without the assistance of the central government. According to the officials of this municipality, in the framework of the recovery plan, the aim is to fight informality in the economy as much as possible.

# Municipality of Zubin Potoku/Zubin Potok



## Municipal profile

The municipality of Zubin Potok/Zubin Potok did not provide informations regarding the numbers of identified, cured and lost patients from COVID-19 pandemic during 2020 and 2021. To coordinate and manage actions to prevent the spread of the COVID-19 pandemic, the Municipality has established the Emergency Headquarters, which has taken all protective measures to prevent the spread of the COVID-19 pandemic.



## Main economic and financial impacts

The Municipality of Zubin Potok/Zubin Potok, as a small municipality, same as the municipality of Leposaviq, before the beginning of the pandemic, faced numerous challenges and problems such as natural disasters (floods, landslides, fires), poor conditions in health centers, insufficient investment in local economic development etc.



## Business environment

The data show that as in most other small municipalities in Kosovo, in this municipality the most affected is private sector. Although the officials of this municipality say that the pandemic crisis has negatively affected the development of other businesses, they have no official data on how many businesses have been closed during this period.



## Economic governance

According to the officials of this municipality, they had cooperation with all municipalities in the north of Kosovo and all local institutions responsible for the implementation of anti-covid measures at the local level have shown a high level of cooperation. This cooperation has made work easier for economic operators in the municipality and their economic development.



### Labor market conditions

Based on research data, employment in this municipality has dropped significantly during the pandemic, while the most affected sectors are the gastronomy, beauty salons, retail industry sectors. Similar to the situation of businesses, the municipality has no data on the number of jobseekers or those who have lost their jobs during this period.



### Financial environment

According to the answers of the officials of the municipality of Zubin Potok/Zubin Potok, most of the budget of this municipality consists of government grants and only a small percentage of the municipal budget consists of municipal revenues.



### Infrastructure and Connectivity

Regarding the provision of drinking water during the pandemic crisis has been at a satisfactory level, a service that has not been affected by the pandemic situation, similar to this waste management. Also, during this period there has been an increase in the number of requests for the provision of necessary social services provided by the Social Services Sector. All citizens of this municipality have had the opportunity to receive basic services in educational institutions through online learning.

Dimensions	Key findings
<b>Business environment</b>	The most affected is private sector, but there are no official data on how many businesses have been closed during this pandemic crisis.
<b>Economic governance</b>	Cooperation with all municipalities from the North of Kosovo, and all local institutions but there was a lack of communication with the central level.
<b>Labor market conditions</b>	The most affected sectors are the gastronomy, beauty salons, retail industry sectors.
<b>Financial environment</b>	During 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.
<b>Infrastructure and Connectivity</b>	Health care, drinking water, waste collection, sanitary services have been at a satisfactory level.



### Crisis response and recovery measures

The support of the municipality is mainly focused on providing assistance to the most vulnerable sections of the population through the provision of necessary medical supplies and medicines, food and essential means of functioning during quarantine. In that sense, the municipality tried to provide maximum support to the health system, both in financial terms and in providing the necessary medical materials and equipment, all in order to provide adequate health protection to the inhabitants of the municipality. Various measures and reliefs for the economic sector have been adopted in order to stimulate it business in a crisis period such as the decision to exempt from tax exemption and municipal rent of businesses for all businesses operating in this municipality, maintenance and disinfection of public spaces and facilities used for formal and informal business activities (such as streets, public squares, municipal markets, etc.).

### Instead of conclusions



The Municipality of Zubin Potok/Zubin Potok has not adopted a crisis management plan but according to the officials of this municipality, for a sustainable recovery they need to develop action plans in crisis situations. They also emphasised the need to deepen mutual cooperation of all stakeholders in a timely manner to protect and address the challenges posed by the Covid – 19.

# Municipality of Zvečan/Zvečan



## Municipal profile

In the municipality of Zvečan/Zvečan, from the first case of COVID-19 in 2020 until December 2021, 2155 cases of COVID-19 were identified, of which 2426 were cured, and 29 (18 man and 11 woman) resulted in death. To coordinate and manage actions to prevent the spread of the COVID-19 pandemic, the Municipality has established the Emergency Headquarters, which has taken all protective measures to prevent the spread of the COVID-19 pandemic.



## Main economic and financial impacts

Based on the data obtained, the municipality of Zvečan/Zvečan, before the pandemic (but also during the pandemic crisis), the biggest challenge facing is the inadequate government budget for municipalities in the North of Kosovo, which is not enough for the most basic needs for the smooth functioning of the institution. This municipality also faces other problems such as poor economic development and high level of unemployment.



## Business environment

The data show that as in most other small municipalities in Kosovo, in this municipality the most affected is private sector. Given that in this municipality the most developed sector is that of agriculture, due to budget constraints for subsidies it has been affected the most during this period but also other sectors such as hospitality, catering, service sector etc. Although the officials of this municipality say that the pandemic crisis has negatively affected the development of businesses, they have no official data on how many businesses have been closed during this period.



## Economic governance

According to the officials of this municipality, all local institutions responsible for the implementation of anti-covid measures at the local level have shown a high level of cooperation but there was a lack of communication with the central level. This cooperation has made work easier for economic operators in the municipality and their economic development.



## Labor market conditions

Based on research data, employment in this municipality has dropped significantly during the pandemic, while the most affected sectors are the catering, hospitality and service sectors. Similar to the situation of businesses, the municipality has no data on the number of jobseekers or those who have lost their jobs during this period.



## Financial environment

According to the answers of the officials of the municipality of Zvečan/Zvečan, most of the budget of this municipality consists of government grants and only a small percentage of the municipal budget consists of municipal revenues.



## Infrastructure and Connectivity

Water services during the pandemic period were provided to all residents but in some parts mainly rural areas had more reduced services. Similar to the sanitary services, health, transport, waste collection which have been more problematic for residents living in isolated areas. While, all citizens of this municipality have had the opportunity to receive basic services in educational institutions through online learning.

Dimensions	Key findings
<b>Business environment</b>	The most affected sectors are agriculture, hospitality, catering, service sector etc
<b>Economic governance</b>	Cooperation with all municipalities from the North of Kosovo, and all local institutions but there was a lack of communication with the central level.
<b>Labor market conditions</b>	The most affected sectors are the catering, hospitality and service sectors.
<b>Financial environment</b>	During 2020 there was a decrease in own source revenues and tax revenues compared to the previous year, but these then, according to research data have increased in 2021.
<b>Infrastructure and Connectivity</b>	Health care, drinking water, waste collection, sanitary services have been at a satisfactory level in urban area while as for transport some rural areas were most affected.



### Crisis response and recovery measures

The support of the municipality is mainly focused on providing assistance to the most vulnerable sections of the population through the provision of necessary medical supplies and medicines, food and essential means of functioning during quarantine. In cooperation with the Municipality, civil society organizations and local NGOs have developed a number of solutions aimed at economic response to crisis. In addition to advisory services, they provided assistance to the population in the form of distribution of protective equipment, donations of technology for uninterrupted monitoring of online teaching etc.

### Instead of conclusions



The Municipality of Zvečan/Zvečan has not adopted a crisis management plan. According to the officials of this municipality, in the framework of the recovery plan, the main focus should be the support for the agriculture sector, as the main sector operating in this municipality.\







# 5

## CONCLUSIONS AND RECOMMENDATIONS

Realized surveys and regional workshops for the purposes of this study shows experiences of municipalities during the COVID-19 crisis and helps identify lessons in the form of useful practices.

**The socio-economic effects of pandemic situation (Covid-19) were many and diverse. As a result, regular collaborations between central and local governments were practices that all municipalities employed. Aiming to address their issues in an expeditious manner, the Kosovo Government and municipalities also introduced various interaction tools, such as e-platforms, social media, etc. to keep local businesses and citizens informed. The economic and financial impact of the pandemic had a negative effect on municipal revenues – own source revenues, intergovernmental transfers, tax revenues and municipal funds transferred from the state budget.**

Although the government allocated emergency funds to municipalities to deal with the pandemic, they were pressured to increase public expenditure to mitigate the worst consequences of the crisis and to ensure continued delivery of essential public goods and services while also increasing support to vulnerable populations. This could not be done without reprioritizing and reprogramming the budget, and this necessity affected mostly capital investment programmes.

**Municipalities delivered a broad range of economic and non-economic services, which are fundamental to any city's economies. The pandemic period increased the need for public services. Health facilities were needed, cleaning and disinfection services in public facilities and spaces used to conduct business multiplied. The volume of socio-economic support to vulnerable groups as well as financial and nonfinancial support to businesses affected the municipalities. Due to the reduced economic activities, many people lost their jobs. In the most difficult situation were particularly those outside public sector employment, or those employed by small and medium enterprises. The findings indicate that the COVID-19 pandemic situation posed an unprecedented economic challenge. Government and municipalities are willing to undertake the recovery measures. But appropriate interventions and management is needed to resolve this situation.**

This report provides an opportunity for central and local institutional leaders - as well as other stakeholders - to reflect on their management, identify omissions and improve the implementation of effective post-pandemic recovery measures. It is shown that the Covid-19 pandemic generated significant changes on local governance, business sphere and the way of life of the Kosovo citizens. Thus, it can be concluded that the COVID-19 pandemic affected all areas of society directly or indirectly, which is facing health and socio-economic crisis, as well as different responses implemented by local and central government(s).

**The private sector and small businesses have been more affected by the pandemic crisis. Many businesses are closed, as a result, unemployment rates soared, financial crisis occurred and had major implications, especially for vulnerable population groups and households, some of which are already bordering on poverty.**

**As far as the recovery measures are concerned, none of the municipalities had a long-term recovery measure from the impact of COVID-19 pandemic, and this is highlighted as a challenge for all municipalities. Only two municipalities reported to have drafted plans for economic recovery. The municipality of Prishtina/Priština has drafted a mid-term plan for the recovery of small businesses and public transport, whereas the Municipality of Vushtrri/Vučitrn has drafted a plan for economic recovery, aiming, amongst other, at fighting informality in the economy, albeit having no sufficient funds for its implementation. The other municipalities are not even working on drafting plans for long-term recovery measures.**

The findings indicate that the Kosovo Municipalities had no dedicated budget to address the problems and the crisis resulting from the pandemic, hence all supplies were provided from the regular budget. Subsidies were higher in the municipality of Prishtina/Priština, mainly because of having larger opportunities than other municipalities, but at the same time greater burden than other municipalities due to the larger services and number of inhabitants.

**Gastronomy sector is identified as essential for municipal economies, especially in smaller ones. Accordingly, the municipal officials stated that, in the framework of the recovery plan, the main focus should be the support for the gastronomy sector. However, two exceptions were the small municipalities of Partesh/Parteš and Zvečan/Zvečan depending mainly on agriculture, whose support was considered vital for their economies.**

**The representative of the Association of Gastronomy of Kosovo in Prishtina identified several challenges related to the recovery measures. It is stated that 65% of the businesses did not benefit from the [emergency] package measures, due to them not being registered.**

The Association prepared a report for the Minister of Finance, Labor and Transfers, but the instructions included in the report were not taken into consideration and the government failed to respond. The shortage of labour inspectors was also identified as a problem; together with the government not properly supervising the payments intended for businesses. It is also reported that the police discriminated between businesses when enforcing the pandemic restrictions. It is worth noting that the women's businesses artificially increased, as women registered new businesses only to receive grants. However, as these newly opened businesses are based only on short-term projects aiming at benefiting from the subsidies, the amount of 2000–3000 euros support is insufficient to keep businesses active and to create sustainable local economies. In many cases, municipal officials reported that municipalities, especially the smaller ones, have no capacity for long term recovery, which they see as a responsibility of the central government. Accordingly, coordination with the central government is considered essential. The focus of municipalities is on implementing measures adopted by the central government, as well as on managing situations with their own human and financial resources and logistical capabilities.

Municipalities with Kosovo Serbs majority, namely Gračanica/Gračanica, Leposaviq/Leposavić, Mitrovica e Veriut/Severna Mitrovica, Novobërd/Novo Brdo, Ranillug/Ranilug, Zubin Potok/Zubin Potok, Zvečan/Zvečan, are in a disadvantaged position to tackle the challenges posed by the pandemic. Due to the limited capacities, the representatives of the abovementioned municipalities, declared of not having a crisis management plans.

The findings, strengths, challenges and lessons learned form the basis for some recommendations. In order to address the main challenges and to strengthen the perspective of post-pandemic recovery, the following general recommendations are offered:

- ✓ It is of essential importance for the leadership of MALP and Municipalities to take into consideration the findings of this report and to design effective, inclusive, as well as participatory plans for mobilising additional financial and nonfinancial resources for recovery measures.
- ✓ The Government should increase the budget for grants and subsidies for recovery measures. Provide extra financial support to affected municipalities prioritizing new funds on green agendas, digitalization, sustainable development as well as sustainable urban mobility and transport.
- ✓ The Government should initiate inter-institutional collaboration to support the inter-linkages of education, social policies, socio-economic and educational development for municipalities.
- ✓ The Government should support an adequate business environment, preserve functioning labour markets, create adequate financial conditions, and put in place effective economic governance arrangements.
- ✓ Experiences of municipalities during the COVID-19 pandemic, are a vivid testimony of the importance emergency recovery plans. These plans must possess detailed matrixes on actions, timelines, indicators, objectives, potential costs and donors or 'who, when, how' explanations.
- ✓ The Government should focus on digitalization of processes, i.e. update the list of the existing businesses, affected sectors and social schemes, by removing those that do not qualify for support, and save funds that could be used for sustainable development.
- ✓ The government, i.e. ministries in charge as well as municipalities should establish consulting offices to inform and support businesses applying for grants, which should be developed with criterial requirements that assures support for women in business, especially those in rural areas.
- ✓ Support for municipalities should be managed in a way that excludes the possibility of favouritism to businesses close to municipal officials, for instance by establishing a practice of advertising grants 'only' in the municipalities' websites, etc.
- ✓ Municipalities should consider digitalizing the public spaces via GIS, and identify locations for capital investments in additional green spaces (public parks, etc.)
- ✓ The Government and Municipalities should stimulate and support businesses for usage of the recycled materials.
- ✓ MPAL's support schemes should include these priorities.



# 6

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