



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

**REGULATION (GRK) NO. 34/2024 ON REGIONAL PERFORMANCE AND
MONITORING OF BALANCED REGIONAL SOCIO-ECONOMIC DEVELOPMENT¹**

¹ Regulation (GRK) No. 34/2024 on Regional Performance and Monitoring of Balanced Regional Socio-Economic Development, was adopted at the 230-th session of the Government of the Republic of Kosovo, by decision No. 03/230, dated 13.11.2024.

The Government of the Republic of Kosovo

Pursuant to Article 94 (4) of the Constitution of the Republic of Kosovo, in accordance with Article 19, paragraph 1.4, of Law No. 08/L-190 on Balanced Regional Development, (Official Gazette No. 18/7 August 2023), Article 8 paragraph 4 (4.5), of Law No. 08/L-117 on the Government of the Republic of Kosovo as well as based on Regulation No. 14/2023 on the Areas of Administrative Responsibility of the Office of the Prime Minister and Ministries (August 16, 2023).

Approves:

REGULATION (GRK) NO. 34/2024 ON REGIONAL PERFORMANCE AND MONITORING OF BALANCED REGIONAL SOCIO-ECONOMIC DEVELOPMENT

CHAPTER I

GENERAL PROVISIONS

Article 1

Purpose

1. This Regulation aims to define the areas, criteria and indicators for evaluating the performance of balanced regional socio-economic development and to offer recommendations for improving the regional development process.
2. This regulation is in compliance with EU Regulations 1299/2013 and 1303/2013.

Article 2

Scope

This Regulation includes the design and implementation of methodology and criteria for evaluating the performance of balanced regional socio-economic development, identifying and defining the important areas and their use for monitoring the performance of development regions. It also includes the analysis of the collected data, the interpretation of the results and the drafting of recommendations to improve regional development.

Article 3

Definitions

Expressions, terms and abbreviations used in this Regulation shall have the same meaning as in the relevant Law on Balanced Regional Development; additional expressions used shall have the following meaning:

1. **Regional performance** – means the assessment of the progress and efficiency of regional development and of the growth of economic development in a given development region, such as the level of employment, quality of life and other factors important for the performance of development regions.

2. **Average** – is the overall value of a set of numerical data of a certain indicator that is calculated by adding all the values and then dividing by the number of those values.

3. **Median** – is the middle value of a set of numerical data of a certain indicator within the indicators, ordering the data from the lowest number to the highest and vice versa.

Article 4 **Principles of Balanced Regional Development**

During the measurement of Regional Performance and Monitoring of Balanced Regional Socio-Economic Development, the principles defined by the relevant Law on Balanced Regional Development shall apply.

Article 5 **Socio-Economic inclusion policies**

1. Socio-economic inclusion policies are part of strategies and measures that address challenges, reinforce balanced regional development and aim to include all social groups in socio-economic development. These policies affect the increase in the level of employment, the improvement in education and health and help to create a favorable environment for the socio-economic development of the developing region, through measurements in:

- 1.1. Investments in infrastructure;
- 1.2. Education policy and increase of capacities of human resources;
- 1.3. Stimulation of entrepreneurship and business development;
- 1.4. Employment policy;
- 1.5. Social welfare policy.

Article 6 **General Objectives**

1. The general objectives with an impact on the improvement of socio-economic performance at the level of the development region are as follows:

- 1.1. Increasing economic development to stimulate economic growth in all developing regions, using appropriate tools and policies to improve productivity and competitiveness;

- 1.2. Improving social inclusion to promote social inclusion, addressing inequalities and ensuring that all social groups benefit from regional development;
- 1.3. Assistance for marginalized groups to address the specific needs of marginalized groups through policies and measures that improve their socio-economic conditions;
- 1.4. Promoting education, educational, cultural, youth and sports activities to increase access and quality, including training and programs necessary to strengthen human resources at the level of the development region;
- 1.5. Developing infrastructure to have investments in infrastructure thus improving the conditions of transport infrastructure, energy, and technology in developing regions and other sectors;
- 1.6. Careful use of natural resources to promote sustainable development by addressing environmental issues;
- 1.7. Monitoring and reporting results to ensure a permanent system, guaranteeing transparency and accountability in the implementation of the regulation.

Article 7

Areas, Criteria and Performance Indicators

1. The performance areas shall include the basic areas of performance analysis of the development regions; the criteria are used to evaluate this performance while the indicators serve as a tool for monitoring and evaluating the regional performance.
2. Examining the areas, criteria and performance indicators separately, shall provide an accurate overview of all the areas, criteria and indicators that are used to evaluate the socio-economic development of the developing region and shall enable the understanding of the changes and development trends of socio-economic performance in a certain developing region.
3. The Ministry shall reserve the right to set priority areas and time periods for measuring regional performance.

Article 8

Fields of application for performance measurement

1. The fields of application shall include key data with a direct impact on the performance of socio-economic development in the developing region. The areas that will be analyzed and monitored in the implementation of this regulation, but which are not limited, are:
 - 1.1. Demography;
 - 1.2. Healthcare;

- 1.3. Employment, poverty and social assistance;
- 1.4. Education, culture, youth and sports;
- 1.5. Economic development;
- 1.6. Businesses;
- 1.7. Trade;
- 1.8. Agriculture;
- 1.9. Industry, ore and mining;
- 1.10. Infrastructure;
- 1.11. Capital projects;
- 1.12. Tourism.

Article 9

Criteria and Indicators for monitoring socio-economic development in the developing region

1. The performance evaluation criteria shall constitute an important aspect that helps evaluate the performance of balanced regional socio-economic development.
2. Indicators for monitoring socio-economic development in the developing region shall be specific data used to measure, describe and evaluate performance in a certain context.
3. Criteria and Indicators for performance measurement shall include but are not limited to, data in the following areas:
 - 3.1. Demography - includes the following criteria and indicators: total population, population movements, number of births and deaths, population structure by age groups and sex, population density;
 - 3.2. Healthcare - includes the following criteria and indicators: health infrastructure, human resources;
 - 3.3. Employment, poverty and social assistance – includes the following criteria and indicators: data related to the rate of unemployment and employment, wage level, poverty level, and social assistance level;
 - 3.4. Education, culture, youth and sport - includes the following criteria and indicators: educational, cultural and sports infrastructure, human resources, number of pupils/students by levels, cultural and sports activities;

3.5. Economic development - includes the following criteria and indicators: economic growth, investment rate, level of foreign investment, creation of new jobs;

3.6. Businesses – includes the following criteria and indicators: number of registered companies, growth rate of the number of small and medium-sized businesses, contribution to the labor market and economic growth;

3.7. Trade - includes the following criteria and indicators: data related to the value of import and export of goods;

3.8. Agriculture - includes the following criteria and indicators: the surface of agricultural land, agricultural productivity, the percentage of workers in the agricultural sector, the contribution to the gross domestic product;

3.9. Industry, ore and mining - includes the following criteria and indicators: as regards industrial production, investments in the industrial sector, the number of employees in the industrial sector, the level of development of ore and mining infrastructure;

3.10. Infrastructure - includes the following criteria and indicators: infrastructure investments, the impact of infrastructure investments on the increase of socio-economic development;

3.11. Capital projects - include the following criteria and indicators: the number and value of capital investments, the impact of projects on socio-economic development;

3.12. Tourism - includes the following criteria and indicators: the number of visitors, the identification of tourist areas, the growth rate of tourism development, the contribution to the gross domestic product, the level of development of the tourist infrastructure, the number of employees in the tourism sector.

CHAPTER II

ANALYSIS AND REPORTING OF REGIONAL PERFORMANCE FOR BALANCED REGIONAL SOCIO-ECONOMIC DEVELOPMENT

Article 10

Purpose and importance of regional development analysis and performance reporting

1. MRD aims to carry out an in-depth and objective analysis of regional performance in socio-economic terms, to provide a complete overview of the developing region including the main areas for a development region.
2. The analysis of performance areas shall intend to identify challenges, opportunities and potentials for the growth and improvement of the socio-economic situation at the level of the developing region. For this purpose, specialized methods and techniques are used to evaluate and monitor regional performance.

3. The reporting of results shall be structured and precise to help design policies and strategies for the development region. The analysis and reporting aims to be an effective tool for decision-making and planning of the development region in a sustainable and balanced manner.

Article 11

Methods for monitoring and reviewing the performance of the socio-economic development of the developing region

1. The methods and techniques used to monitor and review the performance of the socio-economic development of the development region, deal with statistical methods, data analysis techniques, and the way of evaluating trends and changes in the developing region.

2. In order to achieve the goal and provide a clear summary of the process of monitoring and reviewing performance in the development region, the following methods shall be used:

2.1. the method of descriptive statistical analysis includes the use of statistics to describe the data clearly and understandably, and it includes statistical data such as the average and median, as well as the graphic presentation of the data;

2.2. the method of regression analysis is a statistical method used to study and describe the relationship between two or more indicators;

2.3. the time series analysis method used to study changes in a series of data such as economic growth, unemployment reduction, demographic changes and others, for regular intervals, where it includes the identification of patterns and changes, as well as the use of techniques for predicting future values and time periods;

2.4. the method of data integrity analysis, includes data sources, data content, data formats, data privacy and security, data availability and access. This method is used to analyze patterns and changes within complex data, using data analysis tools and technologies.

Article 12

Validation and transparency of analysis

1. In order to guarantee the accuracy and reliability of the regional performance analysis, a structured process for ensuring results and transparency throughout the process is important. This includes verifying the data used for analysis, evaluating the methodology, and ensuring that all stakeholders have access to the data and methods used.

2. This process ensures that the analysis is accurate, reliable and serves as a basis for making decisions on the development of policies at the regional level.

3. Validation methods ensure that the analysis results are accurate and reliable, as follows:
 - 3.1. data verification ensures that the data is accurate, complete and appropriate for the purpose of the analysis;
 - 3.2. methodology evaluation helps in defining and evaluating statistical methods and techniques for data analysis,
 - 3.3. the repetition of the analysis includes the realization of the analysis by a cycle of different controls within the responsible institution to confirm the results and to identify any errors during the design of the analysis;
 - 3.4. results verification involves checking the accuracy and reliability of results from different sources and verifying them through alternative methods to ensure that the results are consistent and reliable;

Article 13 Data collection

1. MRD shall handle the creation, operationalization and advancement of mechanisms for data collection from line ministries, development regions, the Kosovo Agency of Statistics and other relevant actors, according to the objectives in Article 6 of this regulation, as well as the periodic reporting of results, ensuring transparency and accountability.
2. The collection of data for analysis shall be carried out through the electronic system and other official forms.

Article 14 Data processing and updating

1. Data processing and updating are two key processes in the management and monitoring of collected information. Data processing involves collecting, analyzing and interpreting data to draw important conclusions and undertake analysis-based decisions, while data updating is the process of refreshing, supplementing and changing data in a database to ensure that information is accessible and accurate.

Article 15 Analysis of the socio-economic development performance in the balanced development region

1. The performance analysis of socio-economic development in the balanced development region addresses the need to understand how changes and progress at the regional level can be assessed and analyzed to ensure sustainable and equitable development in the seven (7) developing regions.
2. The performance analysis includes the assessment of indicators and main socio-economic changes at the regional level, the identification of challenges and the determination of the impact

of the policies and measures undertaken, to ensure a stable basis for designing balanced regional development strategies, as necessary.

3. The analysis of regional development performance shall make it possible to identify areas in the development regions with significant development and those showing potential for the future.

4. The information and results of the analysis shall help the central and local authorities in designing appropriate policies and measures to help increase regional performance and improve the socio-economic conditions of the population.

Article 16

Formula for measuring the performance of balanced regional socio-economic development

1. This regulation shall define three key indices to evaluate balanced regional development, which are used to evaluate regional development achievements sustainably and approximately, as follows:

1.1. Socio-economic index;

1.2. The demographic index, based on the main indicators, and

1.3. Development index.

1.1.1. The socio-economic index includes four main indicators:

1.1.1.1. Gross domestic product per capita by development regions;

1.1.1.2. Budget income per capita;

1.1.1.3. Increase of the added value of the non-financial sector, and

1.1.1.4. Unemployment rate.

1.1.2. Socio-economic index formula:

1.1.2.1. for the indicator of gross domestic product per capita by developing regions, a coefficient of 0.3 is defined, which indicates that gross domestic product has a weight of 30% in the index.

1.1.2.2. for the indicator of budget income per capita, a coefficient of 0.2 is defined, which indicates that budget income has a weight of 20% in the index.

1.1.2.3. for the increase in added value, a coefficient of 0.3 is defined, which indicates that the increase in added value of the non-financial sector has a weight of 30% in the index.

1.1.2.4. for the unemployment rate, a coefficient of 0.2 is defined, which indicates that the unemployment rate has a weight of 20% in the index;

1.2.1. The demographic index is based on the main indicators:

- 1.2.1.1. natural growth;
- 1.2.1.2. aging index;
- 1.2.1.3. migration balance per one thousand (1000) inhabitants, and
- 1.2.1.4. number of graduate students per one thousand (1000) inhabitants.

1.2.2. Demographic index formula:

- 1.2.2.1. for the index of natural growth, a coefficient of 0.25 is defined, which indicates that natural growth has a weight of 25% in the index.
- 1.2.2.2. for the aging index, a coefficient of 0.2 is defined, which indicates that aging has a weight of 20% in the index.
- 1.2.2.3. in the index for migration balance per one thousand (1000) inhabitants, a coefficient of 0.3 is defined, which indicates that the balance of migrations per one thousand (1000) inhabitants has a weight of 30% in the index.
- 1.2.2.4. for the index of graduated students per one thousand (1000) inhabitants, the coefficient 0.25 is defined, which indicates that graduate students per one thousand (1000) inhabitants has a weight of 25% in the index.

1.3.1. Development index:

- 1.3.1.1. Combines the average socio-economic development, and
- 1.3.1.2. The demographic index to reflect the general development performance of a region.

1.3.2 Development index formula:

- 1.3.2.1. In a developing region, if the average coefficient for the socio-economic development index is determined to be 0.40, it indicates that socio-economic development has a weight of 40% of the index, and
- 1.3.2.2. If the demographic coefficient is classified as 0.60, it indicates that the demographic index has a weight of 60% of the index.

Article 17

Interpreting and reporting results

- 1. The interpretation and reporting of the results shall include the analysis and interpretation of the collected data to draw important conclusions and recommendations for socio-economic development in the developing region.

2. The presentation of the methods and techniques used for data analysis, as well as the manner of reporting the results to convey information clearly and effectively, are of great importance to the interested parties and users of this regulation.

Article 18 **Funding sources**

1. This Regulation shall determine the performance of the regional socio-economic development from the funding sources of the central level, the local level, donors as well as other funding sources:

- 1.1. Investments from the central and local level, which include investments in the regulation of infrastructure, investments in education, health, agriculture, tourism, social development and others;
- 1.2. Investments from external donors which include projects and funds from international organizations and internal inter-institutional co-founders;
- 1.3. Other funding sources which may come from the private sector, foundations and non-governmental organizations.

Article 19 **Parameters of regional performance evaluation**

1. The parameters for regional performance evaluation shall define the standards and criteria for measuring and evaluating the performance of regional socio-economic development. These parameters include different aspects of socio-economic life, according to the criteria provided in Article 9 of this Regulation.

2. The performance evaluation parameters of regional socio-economic development shall include these key aspects:

- 2.1. financial efficiency includes the effective management of the financial resources of a region, to achieve the goal of regional development, the evaluation of the performance of the public budget use and the use of funds for public services;
- 2.2. the impact on regional development determines the effect and changes that investment policies and measures undertaken at the general level have given in the socio-economic development of a region. This parameter analyzes the results of specific interventions in economic growth, the level of education, infrastructure and other factors that affect regional development.

CHAPTER III **DUTIES AND RESPONSIBILITIES FOR REGIONAL PERFORMANCE AND** **MONITORING OF BALANCED REGIONAL SOCIO-ECONOMIC**

DEVELOPMENT

Article 20 Responsibilities of the Ministry of Regional Development

1. The responsibilities of the Ministry of Regional Development for Regional Performance and Monitoring of Balanced Regional Socio-Economic Development are as follows:

- 1.1. is responsible for coordinating the design and implementation of policies for balanced regional development;
- 1.2. monitors and evaluates regional performance following the established criteria and standards;
- 1.3. prepares and presents reports on the socio-economic development of developing regions;
- 1.4. coordinates and cooperates with central and local authorities, agencies and Centers for Regional Development;
- 1.5. identifies and addresses challenges and problems specified in the regions to improve regional performance;
- 1.6. promotes cooperation with relevant actors to determine the priorities and necessary actions for regional development;
- 1.7. provides the necessary resources and capacities for the implementation of this regulation and for the support of regional development projects;
- 1.8. evaluates the effectiveness and impact of policies and measures undertaken for regional development;
- 1.9. communicates and makes the community aware of the improvement of policies and actions for regional development;
- 1.10. creates and maintains the balanced regional development database.

Article 21 Responsibilities of Centers for Regional Development

1. The responsibilities of Centers for Regional Development for Regional Performance and Monitoring of Balanced Regional Socio-Economic Development are as follows:

- 1.1.coordination and implementation of policies and strategies for regional development at the local level;
- 1.2.preparation and presentation of reports on the region's development progress;
- 1.3.identification and analysis of development challenges and opportunities at the local level;
- 1.4.cooperation with central and local institutions, non-governmental organizations and the private sector for the development of the region;
- 1.5.coordination of projects and initiatives, according to the performance criteria, defined in Article 8 of this Regulation;
- 1.6.providing information and data necessary for monitoring and evaluating the performance of the region;
- 1.7.promoting cooperation and coordination among all actors interested in the development of the region;
- 1.8.undertaking actions to address emergent issues and challenges that arise in their region of responsibility;
- 1.9.communicating policies and measures for regional development to the local community and other interested parties.

CHAPTER IV FINAL PROVISIONS

Article 22 Implementation

This Regulation shall be implemented by the Ministry for Regional Development, in cooperation and coordination with central and local institutions, agencies and Centers for Regional Development.

Article 23 Entry into force

This Regulation shall enter into force seven (7) days after its publication in the Official Gazette of the Republic of Kosovo.

Albin Kurti

Prime Minister of the Republic of Kosovo

Date 20/11/2024