

Structuring the Unstructured: How to reform the Government structure to comply with principles of efficiency and accountability?

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A Main Note on the Following Analysis and Policy Recommendations

Government restructuring is a challenging process of addition and subtraction which involves merging, eliminating or creating institutions and reallocating governmental and policymaking powers. The process often meets with resistance from stakeholders with vested interests in maintaining existing power structures. Ensuring adequate political willingness to ratify and implement a restructuring scheme (and accompanying legislation) which limits the number of ministries, deputy-ministers, deputy prime-ministers and political positions available may prove particularly difficult. Currently, there is only one government regulation act which addresses the areas of administrative responsibility including the total number of political appointees within the office of the Prime minister and Ministries.

This report advocates for a government restructuring process in Kosovo accompanied with legislation which can enhance institutional coordination, efficient public spending, and greater accountability in public administration. As the analysis in this report demonstrates, many ministries in Kosovo have overlapping responsibilities; policymaking powers on various policy issues are spread out amongst a number of ministries; there is weak horizontal coordination between ministries; accountability is low. Given these shortcomings of the current government structure in Kosovo and on the basis of three factors including a) more effective and efficient institutional coordination, b) more efficient public spending, and c) enhanced accountability and work efficiency in public administration – this report recommends and provides extensive justification for the following evidence-based policy interventions:

- The government should accelerate procedures to adopt the Law on Government to regulate the government structure and areas of responsibility within the office of the Prime Minister and ministries. Given that, the structure of the government will not be the sole competence of the prime minister, but the parliament will also be vested with the authority to decide on the government structure.
- The Law on Government should be consistent and in harmony with the package of three laws in public administration reform including the Law on Organization and Functioning of the State Administration and Independent Agencies, the Law on Public Officials, and the Law on Salaries.
- Each government mandate of Kosovo should have few fixed policy priorities including military, foreign affairs, internal affairs, education, health, economy, justice, and social benefits.
- A government restructuring plan should be developed in line with the following recommended modifications, resulting in a maximum of fourteen ministries:
 - The Ministry of Regional Development and Ministry of Innovation and Entrepreneurship should be ceased.
 - The Ministry of Diaspora and Strategic Investment should be ceased. Specific departments from this ministry should be moved to the Ministry of Culture, Youth, and Sports and Ministry of Trade and Industry.
 - The Ministry of European Integration should be merged with either the Ministry of Foreign Affairs or should function as an independent body within Office of the Prime Minister.
 - The Ministry of Finance should be merged with the Ministry of Economic Development.
 - The Ministry of Agriculture, Forestry, and Rural Development should be merged with the Ministry of Environment and Spatial Planning.
 - The Ministry of Local Government Administration should be merged with the Ministry of Public Administration.
 - This form of government restructuring would save €3.498.113 annually to the budget, which would represent €13.993.252 for a four-year government cycle. These numbers, however, do not include the effects of closing existing departments or units, which would further decrease expenditures.
- The number of deputy prime ministers should be limited to two as this number would be sufficient to cover the responsibilities of this office in accordance with Regulation No.02/2011.
- Each ministry should have only one deputy minister, with the exception of specific ministries including the Ministry of Foreign Affairs due to the nature of its work in the Kosovo context and struggle to seek international recognition among countries and international organizations.

Introduction

After long and intensive negotiations among political parties in Kosovo, the 23-party PAN coalition managed to reach agreement and form a coalition government under Prime Minister Ramush Haradinaj in September 2017. In order to satisfy the terms of agreement and promises to all coalition parties, the government was forced to 'expand the pie' by creating a number of new political positions and ministries. The current government structure, the largest ever in Kosovo, includes 5 deputy prime ministers, 21 ministries, four national coordinators and around 80 deputy ministers.¹

As there is no law in place to regulate the number of ministries, deputy ministers, or deputy prime ministers, these numbers can fluctuate depending on the preferences, compromises and backroom deals among political parties. The only applicable policy regulation is foreseen in Kosovo's Constitution; Article 96 on Ministries and Representation of Minorities underlines the following:

1. The number of members of Government is determined by an internal act of the Government.
2. There shall be at least one (1) Minister from the Kosovo Serb Community and one (1) Minister from another Kosovo non-majority Community. If there are more than twelve (12) Ministers, the Government shall have a third Minister representing a Kosovo non-majority Community.
3. There shall be at least two (2) Deputy Ministers from the Kosovo Serb Community and two (2) Deputy Ministers from other Kosovo non-majority Communities. If there are more than twelve (12) Ministers, the Government shall have a third Deputy Minister representing the Kosovo Serb Community and a third Deputy Minister representing another Kosovo non-majority Community.²

This constitutional article regulates the representation of minorities in the government; however, it does not regulate the total number of ministers/deputy ministers, allowing the Government to determine these numbers via internal acts. As it stands, there is only one government regulation act which addresses the areas of administrative responsibility including the total number of political appointees within the office of the Prime minister and Ministries.³ Though, this regulation can be easily changed to accommodate the needs of each incoming government mandate during a government meeting. In accordance with this regulation, the prime minister can appoint up to 12 political advisors; each deputy prime minister, that also covers a ministry, can appoint up to 6 advisors; a minister can also appoint up to 6 advisors, any of which can be allocated to a deputy-minister.

It is important to note that there has been a Draft Law on Government of the Republic of Kosovo since 2009 which has never made it to the parliament due to the high political costs of implementation. In May 2018, a new parliamentary commission was established to work on this

¹ Kabineti Qeveritar. Available at <http://kryeministri-ks.net/zyra-e-kryeministrit/kabineti-qeveritar/> Telegrafi (2018). "Armata e zevendesministrave e kalon provimin opozita mendon ndryshe" Available at <https://telegafi.com/armata-e-zevendesministrave-e-kalon-provimin-opozita-mendon-ndryshe/> Telegrafi (2018). "Kordinatorët e Qeverisë Haradinaj me paga sa të ministrave". Available at <https://telegafi.com/koordinatorete-e-qeverise-haradinaj-page-sa-te-ministrit/>

²Constitution of the Republic of Kosovo (2008). Article 96 (2,3,4) on Ministries and Representation of Minorities.

³Regulation No. 02/2011 on the Areas of Administrative Responsibility of the Office of the Prime Minister and Ministries. Available at http://www.kryeministri-ks.net/repository/docs/Rregullorja_02-2011-e_miratar nga_Qeveria_finale.pdf

Draft Law on Government.⁴ Bearing in mind this agenda, the below analysis evaluates the current government structure and possibilities for government restructuring and provides recommendations for a more efficient and effective government structure with greater limitations on the ever-increasing number of offices.

Discussion on Government Restructuring

The current government structure includes the 21 ministries listed below in Table 1. This number of ministries is gigantic when considering three contextual elements: a) the socio-economic situation (3356€ GDP per capita)⁵, b) the number of inhabitants (1.7 million)⁶, and c) the total country budget (2,080,480,837 €)⁷. Each ministry has a budget which ranges from 2 million to 408 million and staff sizes range from 52 to 10,558.⁸ As noted the difference in budgets and staff sizes between ministries is enormous. All the ministries are responsible for planning, monitoring, creating, developing, managing, and promoting policies, and setting standards, amongst other responsibilities, in accordance with the Regulation on the Areas of Administrative Responsibility of the Office of the Prime Minister and Ministries (henceforth, regulation No. 02/2011).⁹

⁴Telegrafi (2018).“Themelohet komisioni per hartimin e projektligjit per qeverine”. Available at <https://telegrafi.com/themelohet-komisioni-per-hartimin-e-projektligjit-per-qeverine/>

⁵ Statistical Agency of Kosovo. (2018). Yearly Statistics about the Republic of Kosovo.

⁶ Yearly Statistics about the Republic of Kosovo. (2017). Statistical Agency of Kosovo. Available at http://ask.rks-gov.net/media/4032/vjetari_statistikor_i_republik%C3%ABs_-s%C3%AB_-kosov%C3%ABs_-2017_-final.pdf

⁷ Law no. 06/L-020 on Budget of the Republic of Kosovo for year 2018. Available at <https://mf.rks-gov.net/desk/inc/media/668E7D87-490C-4229-881B-E66CE614F4C1.pdf>

€1,589,198,065 out of the total budget are allocated at the central level, while €491,282,772 are allocated at the local budget.

⁸ This number also includes the budget and the number of employers in independent agencies that fall under the framework of each ministry.

⁹ Regulation No. 02/2011 on the Areas of Administrative Responsibility of the Office of the Prime Minister and Ministries. Republic of Kosovo.

Table.1. The List of Ministries in the Republic of Kosovo

Nr	Ministries	Budget Allocated	Number of Employees	Minister's Cabinet	Budget Allocated for Minister's Cabinet
1.	Ministry of Foreign Affairs (MFA)	30,201,939	309	12	812,457
2.	Ministry of European Integration (MEI)	2,294,293	96	17	240,425
3.	Ministry for Community and Return (MCR)	8,387,806	120	17	233,952
4.	Ministry for Kosovo Security Force (MKSF)	53,667,393	3324	20	326,646
5.	Ministry of Infrastructure (MI)	247,572,759	298	17	287,400
6.	Ministry of Health (MH)	65,526,649	1158	10	273,938
7.	Ministry of Culture Youth and Sport (MCYS)	36,523,904	775	17	228,029
8.	Ministry of Diaspora and Strategic Investment (MDSI)	2,018,592	82	17	365,501
9.	Ministry of Education Science and Technology (MEST)	58,003,626	2142	15	288,150
10.	Ministry of Justice (MJ)	22,164,917	2069	18	268,052
11.	Ministry of Labor and Social Welfare (MLSW)	408,741,593	855	17	264,083
12.	Ministry of Trade and Industry (MTI)	4,154,339	54	18	182,996
13.	Ministry of Economic Development (MED)	24,305,435	175	17	204,046
14.	Ministry of Finance (MF)	35,192,284	1801	17	248,054
15.	Ministry of Internal Affairs (MIA)	123,769,325	10,558	19	282,761
16.	Ministry of Environment and Spatial Planning (MESP)	49,893,885	342	20	255,488
17.	Ministry of Local Government Administration (MLGA)	5,102,461	154	17	184,943
18.	Ministry of Public Administration (MPA)	21,967,100	277	10	179,272
19.	Ministry of Agriculture, Forestry and Local Development (MAFLD)	57,973,660	398	14	200,118
20.	Ministry of Regional Development (MRD)	4,154,339	54	18	182,996
21.	Ministry of Innovation and Entrepreneurship (MIE)	9,817,043	52	17	365,501

Source: Author's Compilation based on Kosovo Budget¹⁰

¹⁰ See Law No. 06/L-020 on the Budget of the Republic of Kosovo for year 2018. Available at <https://mf.rks.gov.net/desk/inc/media/ED82668F-DF99-42A3-A3ED-DE85125C56BC.pdf>

When compared to countries in the Western Balkans, Kosovo has the highest number of ministries and of deputy prime ministers, as shown in Table 2. This is in part the result of the complex and extensive coalition-building which took place and the backdoor compromises needed to accommodate all coalition partners during the formation of the new government. This excessive size of Kosovo’s government not only indicates inefficiency with regard to institutional coordination and public spending but also leaves room for weak accountability. Given that, it is common to pass the buck from one other when issues come into public discourse, as powers and responsibilities are not clearly delineated and are scattered among ministries.

Table.2 Government structure related statistics in the Western Balkans

States	No. of Ministries	Ministries without portfolio	Deputy prime-ministers
Kosovo	21	-	5
Albania	11	2	1
Macedonia	14	7	3
Montenegro	16	1	3
BiH	16	-	2
Serbia	18	3	4

Source: Author’s Compilation

The following section will discuss a government restructuring plan on the basis of three overarching principles:

- I. more effective and efficient institutional coordination,
- II. enhanced accountability in public administration, and
- III. more efficient public spending,

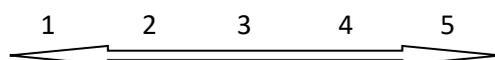
Based on these three overarching principles we developed the following list of criteria against which we evaluate the case for maintaining, merging, or eliminating an existing ministry:

1. **Institutional overlapping:** ministries which share a number of responsibilities and functions with other existing institutions receive lower scores in this category. In order to minimize cost and duplication, we recommend in the majority of cases that ministries whose competencies partially or considerably overlap with those of other institutions are merged or eliminated.
2. **Necessity versus priority:** as mentioned below, certain policy areas must be represented in nearly every functioning government structure, such as foreign affairs, education, economy, etc., while other policy areas, for example European integration or local government administration, may reflect short or long-term country priorities. Ministries whose core mandate is not essential to government functioning or does not directly support Kosovo’s development and advancement in a current and high-priority area receive a low score in this category.
3. **Cost versus output:** a ministry’s output should relatively correspond with its size and annual budget. Ministry’s judged to have low or disappointing levels of annual output and/or work efficiency, considering their current annual budgets as well as the expenses of the minister’s cabinet receive a low score in this category. In order to improve the

overall cost-impact ratio of government in Kosovo, we commonly recommend that ministries with low scores in this category are eliminated or that their key departments are transferred to other government institutions.

4. **Policy reach:** A ministry's scope of work should be comprehensive enough to address a variety of needs of constituents and institutions in all regions of Kosovo. Ministries with too narrow a scope, particularly those which could be easily integrated into other existing institutions, receive a low score in this category.
5. **Contribution to policy coordination:** as a number of initiatives and priorities require coordination across a range of policy areas, ministries must demonstrate capacity to constructively engage and coordinate with other agencies, ministries, and institutions. Ministries which demonstrate low levels of engagement with other government institutions receive a low score in this category and may better serve their function if integrated into another existing ministry.
6. **Capacity to implement policies:** while ministries which play a coordinating role serve a valid function, in order to justify these ministries as stand-alone institutions, they must also demonstrate the capacity and accountability needed to fully implement policies and programmes relevant to their unique scope of work.

In order to quantitatively evaluate the rationale for maintaining or eliminating each ministry, we attribute a numerical value (1-5) to each criterion.



The closer the overall index (the average of the values given for the six criteria listed above) is to one the harder it is to justify the existence of that ministry, while ministries with a score closer to five should remain intact. From a policy perspective, there is a lack of sufficient rationale for maintaining a ministry with an overall score that falls below two.

There are a number of policy areas that are institutionally represented in the government structure in nearly every functioning country regardless of territorial or economic size. As shown in fig.1 these include military, foreign affairs, internal affairs, education, health, economy, justice, and social benefits. The Kosovo ministries which correspond with these eight policy areas are considered to be indispensable and are therefore not assessed in line with the aforementioned criteria. The following sections evaluate the remaining ministries based on the six criteria outlined above and provide a rationale for maintaining, merging, or eliminating each of these ministries.

Fixed Policy Priorities

- I. Military
- II. Foreign Affairs
- III. Internal Affairs
- IV. Education
- V. Health
- VI. Economy
- VII. Justice
- VIII. Social Benefits

I. Ministry of Regional Development:

This ministry is one of the two ministries established in the aftermath of the 2017 government formation and is headed by a minister from a non-majority community. According to its organizational structure, the ministry has the following four departments:

- a. Department for EU Integration and Policy Coordination
- b. Department of Finance and General Services
- c. Department for Regional Development
- d. Department for Planning and Socio-Economic Regional Analysis

Indicator	Score
Minimizing Overlapping	1
Necessity vs. Priority	1
Optimal cost vs. intended output	2
Policy reach	1
Contribute to policy coordination	2
Capacity to implement	2
Total score:	1.5

The first two departments are part of the organizational structure of nearly all existing ministries in Kosovo and serve the ministry in terms of functioning and coordination with other institutions, while the latter two departments are chiefly responsible for managing the ministry's scope of work. According to the Regulation on the Internal Organization and Systematization of Jobs, these departments have, amongst others, the following responsibilities:

Department on Regional Development

Contributes to the co-ordination of regional development activities, line ministries, municipalities, regional development agencies, and other actors; contributes to the coordination of activities to support economic development and regeneration of new jobs, with line ministries, municipalities, regional development agencies as well as other actors; co-ordinate activities with line ministries for development and participation in regional initiatives; cooperates with line ministries, municipalities, regional development agencies, and other stakeholders to support and promote businesses; coordinates the implementation of IPA Programs related to regional development, in cooperation with relevant institutions and other stakeholders; identifies and coordinates the activity of donor cooperation. ¹¹

Department Planning and Socio-Economic Regional Analysis

Coordinates with municipalities the activities for regional economic development planning, strengthening the economic and social links; encourages the communication of municipalities within the regions, in order to stimulate balanced regional socio-economic development; develops a system for measuring and monitoring balanced regional socioeconomic performance; creates and maintains the reporting system related to balanced regional socio-economic development; collaborates with line ministries and other institutions regarding the drafting of analyzes for balanced socio-economic development; prepares the analysis of capital investments of central institutions realized in municipalities by region; prepare profiles of socio-economic regions; prepare analyzes for balanced regional socio-economic development; It prepares, coordinates and ensures the implementation of the annual development and management plan for regional development projects from the category of Capital Investments and Subsidies and

¹¹ Regulation (GRK) No. 04/2018 on the Internal Organization and Systematization of Jobs in the Ministry of Regional Development. Government, Republic of Kosovo.

Transfers for Municipalities, Businesses and CSOs; launches the Regional Development Program Balanced: Capital Investments and Subsidies and Transfers. ¹²

The two paragraphs above which outline the responsibilities of the Ministry reveal that the work of Ministry of Regional Development largely revolves around ‘coordination’ of activities. This suggests that the Ministry plays primarily an administrative and cooperative role, weakening the rationale for maintaining this ministry as a stand-alone institution. Secondly, the primary role of this ministry is to support balanced regional socio-economic development which seems nonessential considering Kosovo’s development context and that Kosovo is not a region-divided-economy.¹³

At the time of writing, this ministry has yet to sponsor or even to present a plan to sponsor a piece of legislation in 2018.¹⁴ Moreover, the Ministry has only developed one administrative instruction since its inception,¹⁵ which may indicate low productivity and work intensity. This low work intensity can also be observed in relation to the number/type of activities, mainly of courtesy nature, held thus far in 2018¹⁶. Overall, there seems to be little rationale for the existence of this ministry. The closure of this ministry would completely eliminate the need for the EU integration and finance departments and the Minister’s cabinet (which currently spends 182,996 euro on a yearly basis), while some of the responsibilities of the Department for Regional Development and the Department for Planning and Socio-economic Analysis could be transferred to the Ministry of Agriculture, Forestry and Rural Development whose responsibilities also cover the analysis and creation of policies for sustainable development.

II. Ministry of Innovation and Entrepreneurship:

This ministry was established by the Haradinaj government in 2017 and is run by a representative of the majority community. The Ministry has one of the largest cabinet expenditures (365,501 EUR) and has four departments:

- a. Department of Innovation
- b. Department of Entrepreneurship
- c. Legal Department
- d. Department of Finance and General Services ¹⁷

¹² Regulation (GRK) No. 04/2018 on the Internal Organization and Systematization of Jobs in the Ministry of Regional Development. Government, Republic of Kosovo.

¹³ In Kosovo, poverty statistics are not measured based on regions, but only in two categories – rural and urban. According to the Kosovo Agency for Statistics, poverty levels are more dependent on variables including age, level of education, employment status, social benefit, pensions, or remittances (and whether a respondent lives in an urban or rural area). There is no correlation between poverty and regional. This supports our argument that Kosovo is not a region-divided economy, but rather that economic differences between persons/families within Kosovo’s territory are more dependent on other variables than on regional affiliation. For more read statistics of the Kosovo Statistical Agency on Consumption Poverty <http://ask.rks-gov.net/add-news/varf%C3%ABria-n%C3%AB-konsum%C3%AB-n%C3%AB-kosov%C3%AB-2011/>

¹⁴ Legislative Program 2018. Legal Office, Office of the Prime-minister, Government of Kosovo. Available at <http://kryeministri-ks.net/wp-content/uploads/2018/06/PROGRAMI-LEGJISLATIV-PER-VITI2018-iperditsuar-me-14.06.2018.pdf>

¹⁵ Administrative Instruction – No. 01/2018 on the Conditions and Criteria for Support of Businesses/Enterprises (young) from the Balanced Regional Development Program. Republic of Kosovo.

¹⁶ See the website of the Ministry for Regional Development. Available at <https://mzhr.rks-gov.net/language/en/>

¹⁷ Regulation No. 02/2017 on Internal Organization and Systematization of Jobs in the Ministry of Innovation and Entrepreneurship. Available at https://www.min-rks.net/repository/docs/rregullorja_e_min_pdf0217.pdf

The Legal Department and Department of Finance and General Services are part of the organizational structure of almost all other existing ministries in Kosovo and serve ministries in terms of functioning and coordination with other ministries. The Department of Innovation and Department of Entrepreneurship cover the following area:

Indicator	Score
Minimizing Overlapping	1
Necessity vs. Priority	1
Optimal cost vs. intended output	1
Policy reach	2
Contribute to policy coordination	2
Capacity to implement	2
Total score:	1.5

- a) *proposes, creates and ensures the implementation of decisions and strategies in the field of innovation, and proposes policies that promote and favor development of innovative activities and initiatives; collaborates with other government institutions to promote products and services in the innovation field; proposes structures and runs programs for innovation and entrepreneurship; proposes policies for regulation of the internal market on entrepreneurship including fiscal and non-fiscal measures*¹⁸
- b) *proposes and establishes the implementation of policies and strategies in the field of small and medium entrepreneurship; proposes and supports the implementation of the legislation in the field of entrepreneurship; analyzes and proposes measures for improving the medium small entrepreneurs; offers institutional support for development of economic zones; proposed and implements projects in the field of small medium entrepreneurs.*¹⁹

This ministry's scope of work and volume of responsibilities compare more to that of a department than of an average-sized ministry. While innovation and entrepreneurship are valuable contributing factors for economic development, there is not sufficient justification to maintain this ministry as a stand-alone institution. We suggest that these two departments are combined and that the resulting Department of Innovation and Entrepreneurship be transferred into the Ministry of Economic Development (MED). As the MED already has departments tasked with managing legal affairs and finance and general services, as well as departments focused on mining, telecommunications, and energy, the MED's Legal Department and Department of Finance and General Services (as well as the MED Minister's cabinet) would expand their scope of work to incorporate issues relating to innovation and entrepreneurship. This merger would save the government at least 365,501€ on a yearly basis, while also strengthening the Ministry of Economic Development and contributing to the consolidation of powers and responsibilities relating to economic development under the purview of the MED.

¹⁸ Ministry of Innovation. Ministry of Innovation and Entrepreneurship. Available at <http://www.min-rks.net/sq/departamenti-per-inovacion>

¹⁹ Department of Entrepreneurship. Ministry of Innovation and Entrepreneurship. Government of the Republic of Kosovo. Available at Government of the Republic of Kosovo. Available at: <https://www.min-rks.net/2/home>

III. Ministry of Diaspora & Strategic Investment:

Kosovo has a large diaspora which is considered to be the third key pillar for economic development in Kosovo (since independence, remittances have averaged 17.1 percent of GDP).²⁰ Thus, channeling the economic power of the diaspora power should be of strategic priority. As such, in 2011, the Government established the Ministry of Diaspora and Strategic Investment which is composed of five departments, as follows:

- a. Legal Department;
- b. Department of Finance and General Services;
- c. Department on Cultural Centers;
- d. Department on Saving and Cultivating Education and Culture in Diaspora;
- e. Department on Supporting Diaspora Investment.²¹

Indicator	Score
Minimizing Overlapping	1
Necessity vs. Priority	2
Optimal cost vs. intended output	2
Policy reach	3
Contribute to policy coordination	1
Capacity to implement	1
Total score:	1.5

The first two departments listed are part of the organizational structure of almost all other existing ministries in Kosovo and serve the Ministry in terms of functioning and coordination with other ministries. The latter three departments are responsible for carrying out the Ministry's unique competencies relating to diaspora affairs.

The Department on Preserving and Cultivating Education and Culture in Diaspora and the Ministry of Education have overlapping responsibilities with regard to the promotion, protection, and cultivation of culture. Additionally, the Department on Preserving and Cultivating Education and Culture in Diaspora includes a division on culture, youth and sports which has overlapping responsibilities with the Ministry of Culture, Youth, and Sports. The responsibilities of the Department on Preserving and Cultivating Education and Culture should move under the purview of the Ministry of Education.

The Department on Supporting Diaspora Investment is responsible for designing, implementing and monitoring activities that promote investment of capital by the diaspora, for monitoring and implementing initiatives relating to diaspora investment, and for monitoring experiences and practices of other countries, particularly those in the region and those with large diaspora populations.

Similarly, the Ministry of Trade and Industry, particularly the Kosovo Investment and Enterprise Support Agency (KIESA), is responsible for promoting and supporting all forms of investment. As such, the responsibilities of the Department for Supporting Diaspora Investment could be moved under the purview of KIESA or the Department could be transferred intact, becoming a new department under the Ministry of Trade and Industry.

The two remaining departments on legal and on financial services, as well as the minister's cabinet, will be discontinued. This ministry's' cabinet expenditures are one of the largest

²⁰ World Bank Group (2017). "Republic of Kosovo Systematic Country Diagnostic" Available at <http://documents.worldbank.org/curated/en/282091494340650708/pdf/Kosovo-SCD-FINAL-May-5-C-05052017.pdf>

²¹ Regulation No. 03/2018 for Internal Organization and Systematization of Working Positions in the Ministry of Diaspora and Strategic Investments. Available at https://mdis.rks-gov.net/wp-content/uploads/2018/08/RREGULLORE_ORK_NR.03_2018_P%C3%8BR_ORGANIZIMIN_E_BRENDISH%C3%8BM_DHE_SISTEMATIZIMIN_E_VENDEVE_T%C3%8B_PUN%C3%8BS_N%C3%8B_MINISTRIN%C3%8B_E_DIAPOR%C3%8BS_DHE_INVESTIMEVE_STRATEGJIKE.pdf

amongst all ministries, totaling 365,501€ (see table 1). As such, eliminating this cabinet alone would save the government approximately 1,462,004€, over a four-year term.

IV. Ministry of European Integration:

The Ministry of European Integration was established in 2010 and is the body responsible for coordinating Kosovo’s EU integration process. The mission of this ministry is to support Kosovo’s EU integration by enacting necessary reforms and harmonizing policies and laws with the EU Acquis (in close coordination with other ministries and institutions).

This ministry has a minister’s cabinet with a budget of 240,425€ and is composed of the following departments:

- a. Department of Coordination of the Stabilization and Association Process,
- b. Department of Political Criteria,
- c. Department of Economic Criteria and Internal Market,
- d. Department of Sectorial Policies,
- e. Department of Development Assistance,
- f. Department of EU Law,
- g. Department of Financial Services.²²

Indicator	Score
Minimizing Overlapping	3
Necessity vs. Priority	2
Optimal cost vs. intended output	3
Policy reach	4
Contribute to policy coordination	1
Capacity to implement	1
Total score:	2.3

The primary role of each department is to coordinate with other institutions in terms of preparing, implementing, monitoring and reporting on various aspects of Kosovo’s EU integration process. The nature of this coordination role, and the fact that the MEI’s scope of work includes no specific or measurable tasks apart from coordination related activities, makes it challenging to hold the Minister and Ministry of European Integration individually accountable. As such, we find it difficult to justify the existence of this ministry and provide two options for restructuring, both of which would save the government at least 240,425€ on yearly basis.

Option A: Since Kosovo’s EU integration process is a foreign policy priority, the responsibilities of the Ministry of European Integration could be transferred to the Ministry of Foreign Affairs. The Department of Financial Service would be discontinued, while the other departments could be restructured and integrated into the Ministry of Foreign Affairs. This Ministry could then be named after the Ministry of Foreign and European Affairs.

Option B: The Ministry of European Integration could also be restructured as a largely independent office under the purview of the Office of the Prime Minister. Continuing its role as a coordinating body amongst institutions responsible for delivering on Kosovo’s EU integration agenda, the Office of European Integration could function under the leadership of the Prime Minister which would enhance its political power and responsibility and would result in lower budget expenditures.

²² Regulation GRK- No. 27/2013 Amending and Supplementing Regulation No. 32/2012 on Internal Organization and Systematization of Jobs in Ministry of European Integration. Available at <https://gzk.rks-gov.net/ActDetail.aspx?ActID=10575>

V. Ministry of Finance:

The Ministry of Economy and Finance was divided into two ministries the Ministry of Finance and the Ministry of Economic Development in 2011.

According to Regulation No.02/2011, the Ministry of Finance is tasked with the following responsibilities: to coordinate the development and ensure the realization of a balanced annual budget for the public administration; to create multi-annual budgets and long-term public investment programs in cooperation with public administration institutions; and, to coordinate with public administration institutions and, where appropriate, multilateral and bilateral donors on issues related to financing from donors and grant contribution, amongst others.

Indicator	Score
Minimizing Overlapping	1
Necessity vs. Priority	2
Optimal cost vs. intended output	2
Policy reach	3
Contribute to policy coordination	2
Capacity to implement	2
Total score:	2

The Ministry has the following departments:

- a. Budget department,
- b. Department of Macroeconomic Policies and International Financial Cooperation,
- c. Department of Fiscal Policies and Financial Market,
- d. Property Tax Department,
- e. Central Harmonization Department,
- f. Internal Audit Department,
- g. Legal Department,
- h. Department for European Integration and Policy Coordination,
- i. Department for Management of Information Technology Systems at MoF,
- j. General Services Department,
- k. Public Announcement Division.²³

The roles and responsibilities of this Ministry closely align with the core responsibilities of the Ministry of Economic Development. The separation of these two ministries resulted in a division of powers and responsibilities relating to economic development, making inter-minister coordination an added challenge and minimizing accountability. As such, the reintegration of these two ministries has several benefits including a) saving the Government of Kosovo's at least 248,054€, on a yearly basis, as a result of eliminating one of the minister of finance cabinet, b) eliminating overlap and the need for inter-ministry coordination between these two ministries on issues relating to economic development, thereby increasing efficiency and effectiveness, and c) reestablishing a single locus of responsibility for Kosovo's economic development, thereby enhancing accountability.

VI. Ministry of Agriculture, Forestry, and Rural Development:

According to the Regulation No. 02/2011, this Ministry has the following responsibilities: designs the agriculture policies to the aspect of the macro – economic measures (taxations, prices, trade exchange, stimulation measures etc.); creation policy and implementation of the laws for production and protection of plants, organic farming and promotion of productions – agriculture

²³ Ministry of Finance. Republic of Kosovo. Available at <https://mf.rks-gov.net/page.aspx?id=1,63>

products; promotion of the organization of producers, processors, traders, support and presents to the achievements of the associations and producers to the agriculture, forestry and livestock.

This ministry is composed of seven departments including:

- a. Department of European Integration and Policy Coordination;
- b. Legal Department;
- c. Department of Finance and General Services;
- d. Department of Rural Development Policy-Managing Authority;
- e. Department for Agricultural Policies and Markets;
- f. Department of Forestry;
- g. Department of Advisory and Technical Services;
- h. Department of Economic Analysis and Agricultural Statistics;
- i. Department for Vineyards and Wine.²⁴

Indicator	Score
Minimizing Overlapping	1
Necessity vs. Priority	2
Optimal cost vs. intended output	2
Policy reach	3
Contribute to policy coordination	2
Capacity to implement	2
Total score:	2

As one might note, the first three departments are part of the organizational structure of almost all other ministries and serve the Ministry of Agriculture in terms of administration and inter-institutional coordination. The remaining departments manage the Ministry’s unique scope of work, some with a very narrow focus, for example the Department for Vineyards and Wines. This department is responsible for proposing and drafting strategies for vineyards and wines. The mandates of departments like the Department of Economic Analysis and Agriculture Statistics are noticeably vague, including responsibilities such as “conduct[ing] activities related to research and structuring of economic analysis” and “conduct[ing] activities related to research and structuring of sectorial analyses of agro-rural sector”. We recommend that this ministry is merged with the Ministry of Environment and Spatial Planning whose scope of work is divided into eight departments including:

- a. Department of Environmental Protection;
- b. Department of Water;
- c. Department of Spatial Planning, Housing and Construction;
- d. Department of Depropertizing;
- e. Department of Central Administration;
- f. Department for European Integration and Policy Coordination;
- g. Department of Procurement;
- h. Department of Law.²⁵

These ministries have two departments in common, which could be merged, while the remaining departments could be merged to create fewer and larger departments which include a greater number of divisions. The agricultural and environmental domains overlap on a number of issues, for example water quality. This interdependence and interlinkage can be accounted for via government restructuring. Merging the Ministry of Agriculture, Forestry and Rural Development and the Ministry of Environment and Spatial Planning will allow for efficient intra-institutional coordination rather than horizontal coordination between the two ministries, and the cabinet of

²⁴ Ministry of Agriculture, Forestry and Rural Development. Available at <https://www.mbpzhr-ks.net/sq/departamentet>

²⁵ Regulation of (GRK) No. 05/2017 on Internal Organization and Job Systematization in the Ministry of Environment and Spatial Planning.

the Minister of Agriculture would be discontinued which would contribute to annual budget savings of around 200,118€. Overall, this merge would result in enhanced accountability and would centralize responsibilities relating to environmental and agricultural issues under one umbrella.

VII. Ministry of Local Government Administration:

Public administration is currently managed at two levels, the central level – managed by the Ministry of Public Administration – and the local level – managed by the Ministry of Local Government Administration (henceforth, Ministry of Local Government). The justification for the existence of the Ministry of Local Government was an extensive process of decentralization in Kosovo which began in 2009.²⁶ However, a 2014 civil society study argues that the completion of the decentralization process eliminated the need for a stand-alone ministry focused on issues of local governance²⁷ The study further argued that the division of responsibilities between the two ministries has not contributed to work efficiency.

Indicator	Score
Minimizing Overlapping	1
Necessity vs. Priority	1
Optimal cost vs. intended output	2
Policy reach	2
Contribute to policy coordination	2
Capacity to implement	2
Total score:	1.6

According to the regulation No.02/2011, the responsibilities of the Ministry of Local Government include, amongst others, the following: *o coordinate and promote local government reform; to coordinate and support inter-municipal and cross-border cooperation; to develop policies and implement legislation for effective municipal self-governance; to promote the development of a professional municipal civil service, taking into account the responsibilities of the Ministry of Public Administration; to supervise the quality of municipal services; to identify and develop programs for developing the institutional capacities of bodies of local self-government.*

This ministry has five departments including:

- a. Department for General Administrative Services,
- b. Department for European Integration and Policy Coordination,
- c. Department for Municipal Performance and Transparency,
- d. Department for Legal Affairs and Monitoring of Municipalities,
- f. Department for Regional Cooperation and Development.²⁸

The Ministry of Public Administration has, amongst others, the following responsibilities: *to draft and oversee the implementation of civil service policies; to identify the priorities, propose and coordinate the process of public administration reform; to develop, promote and coordinate the implementation of policies for training and capacity development of civil service and public administration in Kosovo; to administer the payroll and payment system of civil service; to*

²⁶ Directorate General for External Policies, Policy Department. (2010). "The decentralization process in Kosovo and the creation of the new municipalities." European Parliament. Available at http://www.iris-france.org/docs/kfm_docs/docs/observatoire-voisinage-europeen/briefing-note-kosovo-decentralisation-process-published.pdf

²⁷ GAP Institute. (2014). "Ristrukturimi i Qeverisë: Propozim për zvogëlimin e posteveministore, për një Qeveri më pak të kushtueshme dhe më efikase". Prishtinë, Kosovo.

²⁸ Regulation No. 03/2013 on the Internal Organization and Systematization of Jobs in the Ministry of Local Government Administration. Available at http://www.kryeministri-ks.net/repository/docs/RREGULLORE_NR.PDF

maintain and administer a register of all public administration bodies in the Republic of Kosovo; to develop standards for information technology services including E-Government for the institutions of Kosovo, and coordinates the security of information technology services including electronic governance and the basic electronic registers for the institutions of Kosovo; to develop and coordinate the implementation of policies related to registration of NGOs.

The Ministry of Public Administration has the following departments:

- a. Department for European Integration and Policy Coordination,
- b. Legal Department,
- c. Department for Non-Governmental Organizations,
- d. Department for Public Administration Reform Management,
- e. Department for Civil Service Administration,
- f. Department for General Administrative Services,
- g. Department of Standards and Engineering Policy and Management of Government Buildings.

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Both ministries are responsible for overseeing civil service reforms, for coordinating processes of public administration reform, and for supervising the quality of public services, albeit one at the central level and the other at the local level. Merging these two ministries into one institution responsible for managing public administration at both the central and local level could contribute to greater accountability and enhanced work efficiency. The Departments for European Integration and Policy, Legal Departments, and Departments for General Administrative Services would be merged, and the cabinet of the Minister of Local Government would be eliminated saving the government around 184,943€ annually.

VIII. Other major policy interventions

Government restructuring in Kosovo should also include limitations regarding the number of deputy ministers and deputy prime ministers. Currently, there are five deputy prime ministers and around eighty deputy ministers. According to a budgetary assessment conducted by an online media, one deputy minister costs €32,520 to the country budget, in addition to other benefits such as phone charges, travelling outside the country, and is entitled to 70% of its wage upon leave.³⁰ Apart from the budgetary overload, their work efficiency and their responsibilities has been questioned and discussed in the public discourse.³¹ According to Regulation No. 02/2011, deputy ministers shall assist the minister with the determination of ministry priorities and implementation of policies and engage in drafting policies and other duties as assigned by the minister.³² Deputy prime ministers have similar responsibilities to a deputy minister, but their competencies are assigned directly by the prime minister and must fall within the scope of the Office of the Prime Minister.³³ One of the deputy ministers himself has recognized that the high

²⁹ Regulation (QKR) Nr. 41/2013 on the internal organization and systematization of jobs in the Ministry of Public Administration. Available at <https://gzk.rks-gov.net/ActDocumentDetail.aspx?ActID=8998>

³⁰ Radio Evropa e Lire, "Sa kushtojnë zëvendësministrat" December 2017. Available at <https://www.evropaelire.org/a/sa-kushtojne-zevendesministrat/28920215.html>

³¹ Kallxo.com "Sa kapunë për 70 zëvendësministrat e Qeverisë Haradinaj?" 07, May 2018. Available at <https://kallxo.com/sa-ka-pune-per-70-zevendes-ministrat-e-qeverise-haradinaj/>

³² Regulation No. 02/2011 on the Areas of Administrative Responsibility of the Office of the Prime Minister and Ministries. Article 13.

³³ Regulation No. 02/2011 on the Areas of Administrative Responsibility of the Office of the Prime Minister and Ministries. Article 7.

number of deputy ministers in some cases leads to work inefficiency. ³⁴ According to him, fewer ministries and deputy ministers would have contributed to a more functioning government.

Overall Findings and Policy Recommendations

Government restructuring is a challenging process of addition and subtraction. It requires merging and eliminating (and on occasion creating) institutions and reallocating powers and responsibilities. The process is expected to meet with resistance from stakeholders with vested interests in maintaining existing power structures. Ensuring adequate political willingness to ratify and implement a restructuring scheme (and accompanying legislation) which limits the number of ministries, deputy-ministers, deputy prime-ministers and political positions available may prove particularly difficult.

This report advocates for a government restructuring process in Kosovo which can enhance institutional coordination, efficient public spending, and greater accountability in public administration. As the analysis in this report demonstrates, many ministries in Kosovo have overlapping responsibilities; policymaking powers on various policy issues are spread out amongst a number of ministries, and there is weak horizontal coordination between ministries. Given these shortcomings of the current government structure in Kosovo and in line with the three key aims identified above – more effective and efficient institutional coordination, more efficient public spending, and enhanced accountability and work efficiency in public administration – this report argues for the following evidence-based policy interventions:

A government restructuring plan, resulting in a total of fourteen ministries, should be developed to include the following modifications:

- The government should accelerate procedures to adopt the Law on Government to regulate the government structure and areas of responsibility within the office of the Prime Minister and ministries. Given that, the structure of the government will not be the sole competence of the prime minister, but the parliament will also be vested with the authority to decide on the government structure.
- The Law on Government should be consistent and in harmony with the package of three laws in public administration reform including the Law on Organization and Functioning of the State Administration and Independent Agencies, the Law on Public Officials, and the Law on Salaries.
- Each government mandate of Kosovo should have few fixed policy priorities including military, foreign affairs, internal affairs, education, health, economy, justice, and social benefits.
- A government restructuring plan should be developed in line with the following recommended modifications, resulting in a maximum of fourteen ministries:
 - The Ministry of Regional Development and Ministry of Innovation and Entrepreneurship should be ceased.

³⁴ Kallxo (2018). “Sa punë ka për 70 zëvendës ministrat e Qeverisë” Available at <https://kallxo.com/sa-ka-pune-per-70-zevendes-ministrat-e-qeverise-haradinaj/>

- The Ministry of Diaspora and Strategic Investment should be ceased, but few of its departments should be moved to the Ministry of Culture, Youth, and Sports and Ministry of Trade and Industry.
 - The Ministry of European Integration should be merged with either the Ministry of Foreign Affairs or should function as an independent body within the Office of the Prime Minister.
 - The Ministry of Finance should be merged with the Ministry of Economic Development.
 - Ministry of Agriculture, Forestry, and Rural Development should be merged with the Ministry of Environment and Spatial Planning.
 - Ministry of Local Government Administration should be merged with the Ministry of Public Administration.
 - This form of government restructuring would save €3.498.113 annually to the budget, which would represent €13.993.252 for a four-year government cycle. These numbers, however, do not include the effects of closing existing departments or units, which would further decrease expenditures.
- The number of deputy-prime ministers should be limited to two as this number would be sufficient to cover the competences of this office in accordance with the regulation No.02/2011.
- Each ministry should have only one deputy minister, with the exception of specific ministries including the Ministry of Foreign Affairs due to the nature of its work in the Kosovo context and struggle to seek international recognition among countries and international organizations.

ANNEX A

Indicators ↓	MIE	MEI	MTI	MESP	MLGA	MPA	MDSI	MF	MAFRD	MRD	MYS	MI	MCR
Minimizing Overlapping	1	3	3	3	1	3	1	1	1	1	3	3	3
Necessity vs. Priority	1	2	3	4	1	4	2	2	2	1	3	3	3
Optimal cost vs. Intended output	1	3	3	4	2	4	2	2	2	2	3	3	3
Policy reach	2	4	4	4	2	4	3	3	3	1	4	4	4
Contribute to policy coordination	2	1	3	3	2	4	1	2	2	2	3	3	3
Capacity to implement	2	1	3	4	2	4	1	2	2	2	3	4	3
Total score:	1.5	2.3	3.1	3.6	1.6	3.8	1.6	2	2	1.5	3.1	3.3	3.1

Policy Analysis

Policy Analysis in general is a policy advice paper which particularly aims to influence the key means through which policy decisions are made in both local and central levels of government. The purpose of Policy Analysis is to address, more in-depth, a particular problem, to examine the arguments related to a concerned policy, and to analyze the implementation of the policy. Through Policy Analysis, Group for Legal and Political Studies seeks to stimulate wider comprehensive debate on the given issue via presenting informed policy relevant choices and recommendations to the key stakeholders and parties of interest.



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