

Sustainable Development Indicators in Kosovo

Trends, challenges and opportunities



Introduction

Driven by the idea to promote sustainable development at all levels of policy making, Institute for Development Policy (INDEP) collected data for the designing of the Sustainable Development Indicators (SDI) dataset. The essence of this dataset is to identify trends, challenges and opportunities from the perspective of the three main pillars of sustainable development in the country, respectively the economic, social and environmental ones.

The identification and listing of these indicators is important towards grasping an overview of national progress with regards to key areas that are important within these three sectors. Our SDI dataset contains more than 150 indicators classified in 19 main themes and 47 sub themes. The selection of indicators has been conducted through a combination of the SDIs identified by the United Nations (UN) and other compiled indicators based on the data provided by the Kosovo Agency of Statistics (KAS) and other reliable sources.

Social	Environmental	Economic
Equity Health Education Housing Security Population Social Benefits Migration	Atmosphere Land Fresh Water Biodiversity	Budget Economic Structure Consumption and Production Patterns Employment Entrepreneurship Duties and Taxes Energy

INDEP's engagement in this regard is also in line with the main outcome of the United Nations Conference on Environment and Development in 1992, whereby it was established that the SDIs could be a strategic tool in aiding governments and countries to engage in informed decision making across different sectors of policy making with a special focus on promoting sustainable development.

As a result, Chapter 40 of Agenda 211, the action plan that was adopted at the United Nations Conference on Environment and Development in Rio de Janeiro in 1992, specifically appeals to countries, governments, and non-governmental organizations to engage in developing SDIs as a mean to offer a sound basis for educated decision making in the long run.

Moreover, on September 25th, 2015, the countries worldwide adopted a list of 17 goals intended to ensure prosperity, fight poverty and protect the environment. As each of the goals are expected to be achieved within the next 15 years, this calls for the joint commitment of all stakeholders in the process. Despite the fact that Kosovo is not yet a member of the United Nations, aspiring to become one and as well pledged to meet the European Union (EU) acquis requirements, its commitment towards the establishment of sustainable development practices becomes an imperative.

It is therefore that INDEP decided to commit in this regard and compile a list of SDIs, which has not been done before, and hence ensure a platform for reference by all interested parties and stakeholders, which in turn can serve as an effective tool to monitor overall sustainable development performance of the country.

Methodology

Considering the breadth of UN indicators for Sustainable Development and the haphazardness of Kosovo Statistical Agency's (KAS) publications, it was necessary to consider and juxtapose data from several reliable sources; internal and external.

Despite its shortcomings, KAS is the epicentre of available data and the national responsible authority when it comes to reporting it. Therefore, this report has, with the exception of some indicators that were not available, utilised the data available gathered by KAS itself. Data not available from the national authority was collected from other reliable and legitimate sources. Below is a table highlighting the sources of data:

Databases Utilised	Kosovo Statistical Agency
	Euromonitor Passport
	World Bank
	Ministry of Agriculture
	Ministry of Environment and Spatial Planning
	Kosovo Environmental Protection Agency
	Kosovo Energy Corporation (KEK)

Table 1: Data Sources

The data in this report are collected for the period 2008-2015. The analysis period coincides with the period of Kosovo's independence and existence as an independent state unit. It is important to highlight that each of the data sets is complemented with a section in which commentary about most interesting trends is provided.

Ultimately, while initially, the idea was to collect the data on quarterly basis, due to limited availability of statistics, the SDI for Kosovo will be published only once per year.

SDIs – the social dimension

While the economic and environmental dimension of sustainable development have been widely discussed and generally well comprehended in societal circles, the social sustainability remains one of the most vaguely defined aspects as it is the least elaborated overall. As per our list of selected SCIs, social sustainability relates to topics such as: equity, health, education, housing, security, population, social benefits and migration.

Social sustainability is the least defined and least understood of the different ways of approaching sustainability and sustainable development. Social sustainability has had considerably less attention in public dialogue than economic and environmental sustainability.

Although, the discourse in the public is as such that all dimensions of sustainability have a social component, as indeed social sustainability is ingrained in all human activities.

Recently, different organizations and institutions have tried to define social sustainability. One of the most comprehensive definitions is the one provided by Social Life, according to which, social sustainability is “a process for creating sustainable, successful places that promote well-being, by understanding what people need from the places they live and work. Social sustainability combines design of the physical realm with design of the social world – infrastructure to support social and cultural life, social amenities, and systems for citizen engagement and space for people and places to evolve.”

In order to understand the developments that fall within the framework of the above presented definition, we have compiled the SDIs for the social dimension that are presented below:

Equity

Social Indicators		2008	2009	2010	2011	2012	2013	2014	2015
Poverty	<i>Percent of Population Living Below Poverty Line</i>	39%	34.50%	29.20%	29.70%	28.10%	27.40%	26.65%	25.80%
	<i>Gini Index of Income Inequality</i>	/	31.78%	33.25%	27.83%	29.40%	26.71%	/	/
	<i>Unemployment Rate</i>	47.50%	45.40%	38.20%	34.20%	30.90%	30%	35.3%	32.9%
Gender Equality	<i>Ratio of Average Female Wage to Male Wage</i>	/	/	/	/	/	/	/	/

In the general, as well as, the economic discourse, equity pertains to the quality of being impartial and fair. In our case, the idea behind the equity theme is to measure the quality of life and level of equality among the Kosovo’s population. In order to better check the situation in this area, this theme has been divided in two sub-themes, which have been measured by 4 (four) different SDIs. While Poverty is measured through the Percent of Population living below poverty line, Gini Index of income inequality and unemployment rate, the second sub-theme is measured by the ratio of average female wage to male wage. The latest indicator is unfortunately not available in our country, therefore, there are no listed statistics on this matter

Nonetheless, what we can see from the data presented in the table above, the national poverty rate has been reduced by approximately 13% since 2008. This indicates that, we are experiencing a subtle but significant progress towards poverty alleviation. In other words, while the percent of population living below poverty line was 39% in 2008, in 2015, it was recorded to be 25.80%.

On the other hand, the Gini Index, which measures the magnitude of deviation of the distribution of income among individuals or households within an economy from a perfectly equal distribution, has also improved. In 2013, when last available data have been traced, Gini Index for Kosovo stood at 26.71%. This indicates that the level of inequality is gradually decreasing.

Ultimately, the unemployment rate has also decreased by 14.6%, from 47.5% in 2008 to 32.9% in 2015. These numbers are striking for a country facing slow economic development, especially when compared to the average unemployment rate of 9.6% in EU. This indicator clearly represents the poor economic performance of the country and the immediate need for undertaking concrete measures to ensure economic revival across all sectors.

Health

Social Indicators		2008	2009	2010	2011	2012	2013	2014	2015
Poverty	<i>Nutritional Status of Children</i>	/	/	/	/	/	/	/	/
Mortality	<i>Infant Mortality (per 1000)</i>	46	45	44	42	41	39	38	36
	<i>IMortality Rate Under 5 Years Old (per 1000)</i>	44	52	34	62	25	41	24	23
	<i>Life Expectancy at Birth</i>	69.397	69.648	69.9	70.148	70.497	70.797	71.097	71.33
Sanitation	<i>% of Population with Adequate Sewage Disposal Facilities</i>	/	/	/	/	/	/	/	/
Drinking Water	<i>Population with Access to Safe Drinking Water (Unit mil m3)</i>	/	/	56.08	52.68	53.9	53.75	55.84	/
Healthcare Delivery	<i>% of Population with Access to Primary Health Care Facilities</i>	/	/	/	/	/	/	/	/
	<i>Immunization Against Infectious Childhood Diseases</i>	/	/	/	/	/	/	/	/
	<i>Contraceptive Prevalence Rate</i>	/	/	/	/	/	/	/	/
	<i>Total Health Expenditure (% of GDP)</i>	8.4	7.0	/	1.8	5.9	2.9	7.2	2.3

Health sector is one of the most fragile and vaguely managed sectors in the country, highly eradicated by limited investments and characterized by poor reforms to meet the needs of the society. In order to understand the conditions of the health sector in the country, a list of 8 indicators has been compiled.

Nonetheless, currently, based on the data available from all of our sources, there is a limited availability of them.

As we can see from the data, infant mortality in the country is at well manageable levels. The number of infants dying before the age of 1 per 1000 live births has decreased. The statistics for 2015 indicate that the infant mortality rate is 36. Comparing this to the world average of 32 in 2015, and the UN average of 49.4, we realize that the level of health, nonetheless, is significantly improving with years passing by. On the other hand, the mortality rate under 5 years old, refers to probability of dying before age 5 and it is expressed as deaths per 1,000 live births. As can be seen from the numbers in the table, the study period has been characterized by various fluctuations, yet the trends have remained steady. In 2013, the mortality rate under 5 years old per 1000 live births was 41, which is well below the world average of 73.7 as reported by the UN.

In terms of life expectancy at birth, although it has increased by approximately 2 years, from an average of 69.3 in 2008 to 71.33 in 2015, Kosovo is still lagging behind the region, with an average of 5 years less than then life expectancy of the citizens of the neighboring countries. Ultimately, in 2014, only 55.84% of the population had access to safe drinking water. Seemingly the poor grid infrastructure is depriving many of safe drinking water access, as the number is lower compared to 56.08% in 2010.

Education

Social Indicators		2008	2009	2010	2011	2012	2013	2014	2015
Education Level	<i>Number of Children Attending Pre School Education</i>	23,826	24,033	24,655	24,945	26,431	28,483	26,245	26,154
	<i>Primary and lower secondary</i>	319,154	306,299	302,253	294,419	286,677	282,918	275,887	29,516
	<i>Upper secondary education</i>	96,765	104,806	108,503	109,513	107,303	103,038	86,219	87,847
	<i>University Education Attendance</i>	21,564	37,839	45,725	49,844	65,315	52,159	69,220	120,429
	<i>Budget for Education (% of GDP)</i>	8.20%	5.70%	4.06%	4.03%	4.60%	4.38%	4.4%	4,5%
Literacy	<i>Adult Literacy Rate</i>	/	92.7%	/	96%	94%	95.8%	/	/

Education on the other hand, although highly significant for measuring the prosperity of a society, is yet another sector in Kosovo that is facing many challenges and difficulties and has been 'deprived' of major investments needed to improve the infrastructure and the quality.

It is increasingly being claimed that the number of children attending preschool education is a highly important measure to improve the children's physical, social, intellectual and emotional development. In this regard, in Kosovo, we see a positive trend. While the number in 2008 reached 23,826 children, it improved by approximately 10% and reached 26,154 in 2015.

As far as university education attendance is concerned, the number of registered students has increase by 6 fold compared to 2008. While, at first glance, this would be perceived as a highly positive trend, the current development circumstances do not allow for such an overestimation of the situation. Amongst others, this is just a temporary measure used by the Government to fictionally fight high unemployment levels, rather than do these numbers indicate an overall performance in the quality of gained skills of the graduates.

Ultimately, the Budget for Education as % of GDP has been reduced by almost 50% compared to 2008. This is rather highly contradictory, since the number of students across all categories has significantly increased. These data lead us to believe that the budget per pupils/students is continuously decreasing, hence directly affecting the level of quality of education provided to them. It is important to highlight that poor performance of the education sector has spillover and long term effects across all other areas of society.

Housing

Social Indicators		2008	2009	2010	2011	2012	2013	2014	2015
Living Conditions	<i>Floor Area per Person</i>	/	/	/	/	/	/	/	/

In terms of housing, we were interested to assess the living conditions in the country measured by the floor area per person indicator as provided by the Methodology used by the United Nations.

Unfortunately, these data are currently not available for our country.

Security

Social Indicators		2008	2009	2010	2011	2012	2013	2014	2015
Crime	<i>Number of Recorded Crimes (convicted)</i>	12,472	12,652	9,503	17,811	20,406	15,832	18,330	/

The indicator selected for measuring the level of security in the country is the number of recorded crimes which have also been convicted. Based on the collected data, we see that the number of convicted crimes has experienced different fluctuations during the study period. While compared to the base year, 2008, the number of convicted crimes has increased by almost 6,000, we can also identify a positive and highly significant improvement in this regard from 2012 to 2014. In this period, the number of convicted crimes has been reduced by almost 5,000.

Population

Social Indicators		2008	2009	2010	2011	2012	2013	2014	2015
Population Change	<i>Population Growth (Annual %)</i>	0.8032%	0.8031%	0.8032%	0.8566%	0.7921%	0.7129%	0.2763%	/
Literacy	<i>Population of Urban Formal and Informal Settlements</i>	/	/	/	/	/	/	/	/

The United Nations SDIs platform, as part of its indicators partaking in the social sustainability division, also included measurement with regards to the trends related to the country's population. In this case, we have identified two main indicators to see the developments in this area. However, based on the available sources, we were only able to collect the data for the annual % of population growth. As can be seen from the table, Kosovo is experiencing a serious decline in terms of population growth. While annual population growth expressed in % terms was 0.803% in 2008, this has been reduced to 0.276% in 2014. Many factors can be identified as contributors in this regard, starting from the increased life expenses to the improvements achieved in the area of family planning.

Migration

Social Indicators		2008	2009	2010	2011	2012	2013	2014	2015
Migration Flows	<i>Number of Emigrants</i>	/	14,925	14,500	10,695	10,335	20,246	45,333	74,434
	<i>Number of Immigrants</i>	/	/	/	/	/	3,864	5,720	18,862

One of the main plagues of the Kosovo society is migration. For decades migration has been shaping the Kosovar society. Although there are no regular reporting on the number of emigrants and immigrants in the country, what we can submit are the reported numbers by the media outlets. As reported in our study 'An overview of migration of Kosovars into the EU: Migration as a multifaceted phenomenon.', from 2008 until 2014 around 120,000 people have left Kosovo, out of which approximately 90,000 moved to EU member states, while the rest migrated to the US or Canada. This number is not entirely accurate, since many Kosovars have appeared in immigration offices with Serbian passports. This fact has led to inconsistent data gathered regarding the exact number of Kosovar migrants.

Social Benefits

Social Indicators		2008	2009	2010	2011	2012	2013	2014	2015
Pension Contributions	<i>Basic Pensions</i>	138,847	112,553	109,858	107,145	113,043	117,049	125,883	132,000
	<i>Pension Contributions</i>	/	/	30,641	31,415	34,722	36,051	38,651	40,365
	<i>Pensions for Invalids</i>	19,746	18,533	19,392	18,594	17,531	12,240	18,318	19,056
	<i>Pensions for Martyrs and Invalids</i>	11,509	12,285	12,994	13,109	13,232	13,196	13,097	12,652

Due to the high unemployment levels, we have decided to expand our list of social sustainability indicators by also including social benefits as a mean to check the policies of the Government to aid its citizens cope with living challenges.

It is interesting to note that the trends in each of the categories have been fluctuating in different directions from one year to the other.

The number of beneficiaries of basic pensions has decreased from 138.847 in 2008 to 132.000 in 2015. While, on the other hand, the number of pension contributors has increased from 30.641 in 2008 to 40.364 in 2015. This hints to the fact that the number of unemployed has decreased as the number of contributors to the pension scheme has increased- hence marking a positive trend in this area.

On the other hand, the number of beneficiaries of invalid pensions has decreased from 19,746 in 2008 to 19,056 in 2015.

Ultimately, due to the war in 1999, Kosovo Government has allocated special funds for martyrs and invalids. The number of beneficiaries in this category has increased from 11,509 in 2008 to 12,652 in 2015. The reasons for this could be many, however, the general perception is that there has been a mismanagement and abuse with these funds, something that represents a

SDIs – the environmental dimension

Sustainable development is closely interlinked with environment preservation and in the public discourse it is normally related to all undertakings by different actors towards the protection of the environment surrounding us.

The environmental dimension of sustainable development relates to the idea that all the demands we have towards the environment can be met without sacrificing the opportunity of other people and future generations.

Based on the latest developments, we have reached a level of environmental degradation that is threatening our earth capacities. The increasing deforestation, the ever increasing pollution levels, the increased global temperature, climate change, etc. are only some of the main indicators that lead us to believe that our behavior towards the earth is hostile.

In order to ensure environmental sustainability, there is a need for constant monitoring of the developments in this area. For the sake of estimating the environmental trends in Kosovo, we have selected various indicators, including: atmosphere, land, fresh water, and biodiversity.

To stand any chances of preserving environmental sustainability, all stakeholders, including policy makers, businesses, citizens, etc. need to move away from the sense of fully exploiting the environment for self and short term benefits, towards, the sense of mutual regional and global interdependence.

There are different measures that could be adopted by all of us that would lead us to a greater level of environmental sustainability. These measures include: dramatically reduce CO₂ emissions; stop forest destruction; combine contraction (in carbon use for affluent parts of the world) and convergence to align carbon footprints internationally, etc.

In order to understand the level of environmental sustainability in the country, next you'll find the list of the selected SDIs:

Atmosphere

Environmental Indicators		2008	2009	2010	2011	2012	2013	2014	2015
Air Quality	<i>Emissions of Greenhouse Gases (GG CO2 approx.)</i>	9,500	10,500	9,780	9,700	9,526.7	9,568.4	/	/
	<i>Kosovo A Emissions (mg/NM3 Co2)</i>	/	/	/	/	261.83	262.62	262.91	259.67
	<i>Kosovo B Emissions (mg/NM3 Co2)</i>	/	/	/	/	250.44	238.2	216.04	220.7
	<i>Industry Emissions</i>	/	/	/	/	/	/	/	/
	<i>Transport Emissions</i>	/	/	/	/	/	/	/	/
	<i>SO2 emissions (For Kosovo A + B / mg/NM3)</i>	/	/	/	/	1145.17	1468	929	616
	<i>NOx emissions (For Kosovo A + B/ mg/NM3)</i>	/	/	/	/	1481.3	1536	1529	1546
Waste	<i>Municipal Waste (in 1000 tons)</i>	351	405	515	582	607	575	247	/
	<i>Municipal Waste per Person (in KG/Inhabitants)</i>	167	193	297	335	334	317	140	/
	<i>Industrial Waste (Generated in Ton)</i>	/	/	566,566	/	412,704	302,205	302,205	/

Kosovo is criticized by many international reports for the level of performance in the area of pollution. In order to measure the country performance in this regard, we have selected 10 indicators which are clustered in two sub themes, air quality and waste.

As far as air quality is concerned, Kosovo Greenhouse Gas emissions have increased compared to the base year, as in 2008 GG CO2 emissions reached approximately 9.500 while in 2013 they were estimated at somewhat 9.568,7. The peak of GG CO2 emissions was reached in 2009, with an estimated level of 10,500 GG CO2.

The biggest polluters in the country are the two operational power plants, respectively, Kosovo A and Kosovo B. The level of Kosovo A Emissions in 2015 was 259.67 mg/NM3 CO2, while the contribution of Kosovo B in this regard during the same year was 220.7 mg/NM3 CO2. On the other hand, SO2 emissions for Kosovo A and B expressed in mg/NM3 terms were 616 and 1,546 respectively.

Regarding waste, the level of municipal waste in 1000 tons has been reduced, from 351 in 2008 to 140 in 2014. Similarly has the waste per person decreased, otherwise expressed in KG/Inhabitants. The numbers for 2008 indicate a level of 167 kg/inhabitant, while in 2014, the data refer to a level of 140kg/inhabitant. One can easily note a significant improvement in this area compared to 2013.

Ultimately, in terms of industrial waste generated in ton, we have a decreasing trend, from 566,566 in 2010 to 302,205 in 2014, reasserting the degradation of the industrial sector in the country.

Fresh Water

Environmental Indicators		2008	2009	2010	2011	2012	2013	2014	2015
Water Quality	<i>BOD in Water Bodies</i>	/	/	/	/	/	/	/	/
	<i>Concentration of Faecal Coliform in Freshwater</i>	/	/	/	/	/	/	/	/
Water Quantity	<i>Annual Withdrawal of Ground and Surface Water as a Percent of Total Available Water</i>	/	/	/	/	/	/	/	/

Although, based on the reference list of SDIs provided by the UN, fresh water was measured by water quality and water quantity through the identification of three different indicators, we have unfortunately not been able to identify any of these data by the referring statistical sources.

Therefore, commitments in the collection of these data by Kosovo relevant institutions, such as the Ministry of Environment and Spatial Planning and the Kosovo Statistical Agency are necessary.

Land

Environmental Indicators		2008	2009	2010	2011	2012	2013	2014	2015
Agriculture	<i>Arable and Permanent Crop Land Area (in ha)</i>	261,165	267,147	/	/	277,364	296,830	180,381	/
	<i>Use of Fertilizers (Weight in 1000 Euro: 17.706)</i>	182.3	174.5	100	126	142.4	146.1	139.19	/
	<i>Use of Fertilizers (Weight in 1000 Euro: 17.706)</i>	99.8	99.4	100	98.5	99.6	129.7	159.35	/
Forests	<i>Forest Area as a Percent of Land Area (Only in ha; approx. 44.7%)</i>	512	830	239	302	545	538	/	/
	<i>Forest Area as a Percent of Land Area (Only in ha; approx. 44.7%)</i>	/	/	/	/	/	/	/	/
Desertification	<i>Land Affected by Desertification</i>	/	/	/	/	/	/	/	/
Urbanisation	<i>Area of Urban Formal and Informal Settlements</i>	/	/	/	/	/	/	/	/

As part of the environmental sustainability indicators we also investigated into the performance of the country in the area of agriculture, forests, desertification and urbanization. A list of 7 indicators has been selected to measure the developments in these areas

As we can see from the table above, the total arable and permanent crop area in Kosovo expressed in 2013 was 180,381 ha. At the same time, we can see that while there is a decreasing trend in terms of the use of fertilizers, there is an increasing usage of agricultural pesticides in agriculture.

As far as forests are concerned, the forest area as a percent of land area in 2013 was 538 ha. While, data for wood harvesting intensity are not available.

Ultimately, we were not able to derive any information regarding land affected by desertification nor any data regarding the area of urban formal and informal settlements, as statistics on these matters are not available.

Biodiversity

<i>Environmental Indicators</i>		2008	2009	2010	2011	2012	2013	2014	2015
Eco System	<i>Area of Selected Key Ecosystems</i>	/	/	/	/	/	/	/	/
	<i>Protected Area as a % of Total Area</i>	10.90%	10.90%	10.90%	10.90%	10.90%	10.90%	10.90%	10.90%
Species	<i>Abundance of Selected Key Species</i>	/	/	/	/	/	/	/	/

Ultimately, as far as biodiversity is concerned, we have selected three main indicators to measure the level of progress and the stage of developments in this area. Nonetheless, after the conducted research, we have come to understand that there is lack of available data and information in this regard.

However, as can be seen in the table, we have come to understand the % of protected area in the country compared to the total area. This statistics has remained the same throughout the study period. Therefore, in Kosovo, the protected area as % of total area is estimated at 10.90%.

SDIs – the economics dimension

Certainly the most discussed and yet the most strategic dimension of sustainable development is considered to be the economical sustainability.

Although, it is frequently submitted that economic development and sustainable development can't go hand in hand, as one has to sacrifice one in order to succeed with the other. However, all investment and research is now precisely in the direction of ensuring that these two components go and in hand, in order to safeguard a promising future even for the generations to come.

In our designed SDI platform, we have selected a number of 22 sub themes to evaluate Kosovo's economical sustainability. These sub themes have been measures by a various indicators which has helped us understand Kosovo's economic structure, its consumption and production patterns, the levels of employment and unemployment, etc.

All these indicators combined serve us the purpose of understanding the level of progress that country has marked in the area of economic development since 2008.

Kosovo is currently in a very critical stage of its development, having to find the adequate level to balance its economic development endeavors vis-à-vis the social pressure to ensure that this is done in accordance with sustainable development principles.

While this task seems not easy to be achieved, we have initially decided to offer a status check of main indicators, in order to offer informed recommendations through our research and policy work.

In order to understand the level of economic sustainability in the country, below is the list of the selected SDIs:

Economic Structure

Economic Indicators		2008	2009	2010	2011	2012	2013	2014	2015
Economic Performance	<i>GDP (€ millions)</i>	3,882.8	4,069.6	4,402	4,814.5	5,058.8	5,326.6	5,567.5	5,771.5
	<i>GDP per Capita (Current \$US)</i>	3254.8606	3209.6941	3283.2119	3736.8409	3600.8870	3890.3006	4051.6483	/
	<i>Investment Share in GDP</i>	/	/	/	/	/	/	/	/
	<i>CPI Inflation rate (Annual %)</i>	9.35%	-2.41%	3.48%	7.33%	2.47%	1.76%	0.43%	0.50%
	<i>PPP (\$ millions)</i>	12,664	13,219	13,823	14,726	15,419	16,201	16,920	17,930
Trade	<i>Balance of Trade in Goods and Services (€ millions)</i>	-1729.8	-1770.2	-1861.8	-2173.2	-2231.5	-2155.2	-2213.8	-2309.4
	<i>Exports (€ millions)</i>	198.5	165.3	295.9	319.2	276.1	293.8	324.5	325.3
	<i>Imports (€ millions)</i>	1,928.2	1,935.5	2,157.7	2,492.4	2,507.6	2,449.1	2,538.3	2,634.7
	<i>Export to Import Ratio</i>	10.3%	8.5%	13.7%	12.8%	11.0%	12.0%	12.8%	12.3%
	<i>Current Account (€ millions)</i>	-925	-522	-684	-917	-488	-450	-586	-505
	<i>Capital Account (€ millions)</i>	10.45	100.28	21.3	42.04	12.96	34.7	/	/
	<i>Financial Account (€ millions)</i>	288.5	109.05	275.86	376.82	130.31	123.5	/	/
Financial Status	<i>Debt to GNP Ratio</i>	/	/	/	/	/	/	/	/
	<i>NET ODA Given or Received as a % of GNI</i>	/	13.62%	8.91%	8.51%	8.46%	7.85%	7.68%	/
Investments	<i>FDI (BoP, Current €)</i>	500,230,652	393,488,927	454,181,772	539,305,295	72,977,856	319,350,167	164,301,885	/
	<i>FDI Net Inflows % of GDP</i>	9.43%	7.21%	8.34%	8.16%	4.51%	4.85%	2.7%	/
	<i>Local</i>	/	/	/	/	/	/	/	/
Remittances	<i>Remittances (% of GDP)</i>	18.32%	18.66%	17.09%	16.75%	16.29%	15.86%	16.14%	/

It is no surprise that the availability of data for economic sustainability indicators is significantly higher compared to the data available for the two other areas, the social and the environmental sustainability, respectively. The economic aspect is highly significant for cross sectorial policies and hence are the developments in this area of highest importance. In order to evaluate the economic structure of the country we have classified a set of 18 indicators.

As can be seen, compared to the base year in 2008, the country's GDP has increased from 3,882.8 € millions to 5771.5 € millions in 2015. So has the GDP per capita increased in positive terms and similarly so the Purchasing Power Parity (PPP). Nonetheless, although real GDP growth was estimated at 3.5% for 2015, it is still not sufficient for the level of economic development in the country. At this stage of the country's development, it is commonly known that in order to fight unemployment and ensure a stable economic performance, the country is supposed to enjoy a GDP growth of approximately 7%. On the other hand, the CPI inflation rate expressed in percentage terms has undergone a significant improvement, being reduced from 9.35% in 2008 to 0.50% in 2015. As part of this section, data regarding investment share in GDP were not available.

On the other hand, in order to measure the trade performance of the country, we have selected 7 indicators. What stands out is the trend of continuous negative trade balance. Despite the fact that Kosovo's trade balance has been dominated from exports, it is striking to see that the negative trade balance is continuously increasing. Hence, even though the exports have increased by almost double the number compared to the base year in 2008, their proportion to the imports is almost incomparable. The imports have increased from 198.2 € millions in 2008 to 2634.7 € millions in 2015.

Similar is the situation in terms of the current and the capital amount. The current account and the capital account are the two main components of a nation's balance of payments. With a current account of -505 € millions in 2015, we can defer that Kosovo is a huge net borrower. While, the sum of foreign direct investment (FDI), portfolio and other investments, plus changes in the reserve account, summed up in the capital account, indicate that in 2013 have reached a level of 34.7 € millions. On the other hand, the financial account for 2013 reached 123.5 € millions.

Further on, in 2014, Net official development assistance (ODA) consisting of disbursements of loans made on concessional terms and grants by official agencies of the members of the Development Assistance Committee (DAC), by multilateral institutions, and by non-DAC countries reached a level of 7.68% of GNI.

Ultimately, the investment climate has been impacted heavily in a negative sense. In 2014, FDI Net Inflows % of GDP were 2.7% down from 9.43% in 2008. While the remittances still constitute a great portion of GDP. Although their contribution has been reduced, in 2014, remittances

Consumption and Production Patterns

Economic Indicators		2008	2009	2010	2011	2012	2013	2014	2015
Consumption per Sector	<i>Industry</i>	/	/	/	/	/	/	/	/
	<i>Household</i>	/	/	/	/	/	/	/	/
	<i>Services</i>	/	/	/	/	/	/	/	/
	<i>Agriculture</i>	/	/	/	/	/	/	/	/
	<i>Transportation (in %)</i>	5%	5%	6%	6%	4%	4%	5%	4%
Overall Consumption	<i>Households (Urban)</i>	6,894	7,429	7,588	7,492	8,015	8,050	8,041	7,894
	<i>Households (Rural)</i>	6,536	6,426	6,763	6,671	7,370	7,279	7,281	7,215
	<i>Households (Total) (€ Per Household)</i>	6,707	6,847	7,110	7,010	7,657	7,625	7,611	7,503
Material Consumption	<i>Intensity of Material Use</i>	/	/	/	/	/	/	/	/
Waste Generation and Management	<i>Generation of Industrial and Municipal Solid Waste (in Ton)</i>	/	/	/	1,162,154	1,012,704	877,205	/	/
	<i>Generation of Hazardous Waste (in Ton)</i>	/	/	/	/	/	/	/	/
	<i>Generation of Radioactive Waste</i>	/	/	/	/	/	/	/	/
	<i>Waste Recycling and Reuse</i>	/	/	/	/	/	/	/	/
Transportation	<i>Total Road Distance Travelled (in km)</i>	1.925,1	1.925,1	1.925,1	1.963,1	1.985,5	2.005,5	2.005,5	2012,0

As can be easily seen from the table, many of the indicators classified in this category are not monitored in Kosovo. Therefore, no data are available for them. Nonetheless, what we can infer as far as consumption and production patterns in the country are concerned, is the overall consumption at the household level both in urban and rural areas. What we can see is that in both cases, the overall consumption has increased. While in the urban parts it has moved from an average of 6894 € per Household in 2008 to 7894 € per Household in 2015, same applies to the urban area, where the level of consumption in terms of € per Household, has increased from somewhat 6536 in 2008 to 7215 in 2015.

Other data lack consistency in measurement throughout the years. However, it is interesting to refer to one of the indicators in this category, respectively the total road distance travelled in km, which has increased from 1.925,1 km in 2008 to 2.012,0 km in 2015.

Employment

Economic Indicators		2008	2009	2010	2011	2012	2013	2014	2015
Employment Statistics	<i>Employment Rate</i>	24.3%	26.4%	/	/	25.6%	28.4%	26.9%	25,2%
	<i>Unemployment Rate</i>	47.5%	45.4%	38.2%	34.5%	30.9%	30%	35.3%	32,9%
	<i>Youth Unemployment</i>	73%	73%	/	/	55.3%	55.9%	61%	57,7%
	<i>F vs. M Employment Ratio</i>	39.66	42.89	/	/	32.25	35.04	/	/
Gender Employment	<i>Male</i>	38%	40.2%	/	/	39.9%	44%	41.3%	38,7%
	<i>Female</i>	10.6%	12.6%	/	/	10.7%	12.9%	12.5%	11,5%
Employment per Sector	<i>Agriculture</i>	8%	6.2%	/	/	4.6%	5.9%	2.6%	2,3%
	<i>Mines</i>	1.5%	1.1%	/	/	1.2%	1.3%	1.1%	0,8%
	<i>Industry (Production)</i>	8.7%	9.9%	/	/	14.3%	12.6%	13.8%	14,6%
	<i>Energy</i>	5.2%	4.5%	/	/	2.3%	1.7%	1.7%	1,8%
	<i>Water supply, sewerage, waste management</i>	/	/	/	/	/	/	1,0%	1,5%
	<i>Construction</i>	8.6%	7.9%	/	/	9.5%	11.4%	10.9%	9,5%
	<i>Trade</i>	17.1%	17.4%	/	/	13.4%	12.8%	14.4%	14,3%
	<i>Accommodation and Hotelier</i>	4.5%	4.6%	/	/	4.8%	5.3%	6%	6,6%
	<i>Information and communication</i>	/	/	/	/	/	/	2,9%	3,2%
	<i>Transport</i>	5.6%	5.8%	/	/	3.5%	3.2%	3.4%	2,8%
	<i>Finance</i>	1.8%	2.2%	/	/	2.2%	2.2%	1.8%	2,0%
	<i>Professional, scientific and technical activities</i>	/	/	/	/	/	/	2,0%	1,8%
	<i>Administrative and support service activities</i>	/	/	/	/	/	/	3,4%	3,6
	<i>Business</i>	2.6%	2.9%	/	/	/	/	/	/
	<i>Public Administration</i>	9.7%	9.8%	/	/	9.7%	8.7%	9.8%	7,4%
	<i>Education</i>	13.6%	13.4%	/	/	12%	11.1%	11.9%	12,2%
	<i>Health</i>	6.5%	7%	/	/	7.5%	8.1%	7.2%	6,2%
	<i>*Activities of households as employers</i>	/	/	/	/	/	/	2,9%	2,4%
	<i>Arts, entertainment and recreation</i>	/	/	/	/	/	/	1,5%	1,5%
	<i>Other</i>	6.7%	7.5%	/	/	5.9%	5.5%	4.9%	5,4%

Certainly employment is a good reference to see the dynamics of the job sector and the performance of the economy overall. Unfortunately, Kosovo has one of the highest unemployment rates, reaching as high as 32.9% in 2015, while the employment rate in 2014 was 25.2%. The unemployment amongst youth is staggering especially within a country known as the country of the 'Young Europeans' – in 2015, unemployment amongst this group was 57.7%. While, the female versus the male employment ratio in 2013 stood at 35.04%, indicating that the participation of women in the job market is still very low, standing at 11.5% in 2015 – otherwise a 1% decrease from 2014.

On the other hand, it is interesting to see what sectors generate the highest rate of employment. Same as in 2008, it is the trade sector that contributes the most to the employment, while its share in 2008 was at 17.1% it has been reduced to 14.3% in 2015, yet still dominating in this regard. Movements in other sectors have varied from one year to the other. However, it is interesting to note a positive trend in the industry (production) sector - its share as part of total employment level in 2015 rated second, at 14.6%.

Entrepreneurship

Economic Indicators		2008	2009	2010	2011	2012	2013	2014	2015
Number of Enterprises per Sector	<i>Mining and Quarrying</i>	206	199	204	201	229	149	149	/
	<i>Production</i>	4,065	4,103	4,112	4,246	4,598	3,736	4,052	/
	<i>Supply of Electricity, Gas, Steam and Air Conditioning</i>	46	52	63	59	68	28	28	/
	<i>Water Supply, Sanitation, Waste and Land Revitalization Activities</i>	1,414	1,449	1,874	1,546	1,685	144	139	/
	<i>Construction</i>	2,362	2,459	2,564	2,702	3,038	2,094	2,150	/
	<i>Wholesale and Retail Trade, Vehicle and Motorcycle Repairs</i>	20,815	21,125	19,775	19,791	20,509	16,091	16,142	/
	<i>Transportation and Storage</i>	1,213	1,228	1,135	1,168	1,160	1,166	1,185	/
	<i>Accommodation and Food Service Activities</i>	3,498	3,559	3,364	3,459	3,715	3,126	3,360	/
	<i>Information and Telecommunication</i>	3,615	3,706	3,731	3,696	3,563	626	693	/
	<i>Other Activities</i>	3,891	4,209	4,241	4,558	3,912	1,897	4,023	/
Number of Employees per Economic Sector Activity	<i>Mining and Quarrying</i>	2,943	3,796	3,694	4,297	3,027	2,636	2,920	/
	<i>Production</i>	16,183	16,748	17,827	19,204	25,213	22,932	22,257	/
	<i>Supply of Electricity, Gas, Steam and Air Conditioning</i>	7,444	8,031	8,251	8,946	9,104	9,025	8,470	/
	<i>Water Supply, Sanitation, Waste and Land Revitalization Activities</i>	4,158	5,062	5,381	5,345	5,645	4,047	4,530	/
	<i>Construction</i>	7,248	10,300	13,676	14,993	17,779	16,297	13,192	/
	<i>Wholesale and Retail Trade, Vehicle and Motorcycle Repairs</i>	27,207	31,461	35,358	39,459	47,302	57,379	54,295	/
	<i>Transportation and Storage</i>	5,672	6,765	7,186	7,677	9,203	7,043	6,316	/
	<i>Accommodation and Food Service Activities</i>	6,478	6,992	7,432	6,356	7,389	11,174	10,488	/
	<i>Information and Telecommunication</i>	4,286	5,199	5,527	5,722	6,806	7,056	7,314	/
	<i>Other Activities</i>	7,223	10,369	10,595	11,220	13,965	12,297	15,954	/
Average Salary per Economic Sector Activity (€ Gross)	<i>Mining and Quarrying</i>	348	357	382	383	561	461	470	/
	<i>Production</i>	228	228	227	248	275	332	326	/
	<i>Supply of Electricity, Gas, Steam and Air Conditioning</i>	486	469	555	557	564	608	610	/
	<i>Water Supply, Sanitation, Waste and Land Revitalization Activities</i>	197	197	210	214	219	360	361	/
	<i>Construction</i>	216	221	227	275	360	319	329	/
	<i>Wholesale and Retail Trade, Vehicle and Motorcycle Repairs</i>	218	207	206	252	274	305	305	/
	<i>Transportation and Storage</i>	257	260	262	263	263	366	379	/
	<i>Accommodation and Food Service Activities</i>	208	217	221	220	269	266	265	/
	<i>Information and Telecommunication</i>	776	782	792	829	852	707	708	/
	<i>Other Activities</i>	235	238	255	302	334	273	293	/

A complementary measure to what was presented beforehand is to also evaluate the level of performance of the country with regards to entrepreneurship developments. In this section, we have clustered the indicators in four categories: Number of Enterprises per Sector, Number of Employees per Economic Sector Activity, Average Salary per Economic, and Sector Activity.

What we were able to derive from the findings that the highest number of enterprises in Kosovo in 2014 were in the wholesale and retail trade, vehicle and motorcycle repairs (16,142), followed by production (4,052) and accommodation and food service activities (3,360). Almost similar was the situation in the base year in 2008. This also corresponds to the previous findings that the trade sector is the most dominant sector in Kosovo's economy.

On the other hand, we have also searched further to see which sector compensates its employees the highest. As we can see from the data presented above, it is the information and telecommunication sector that remunerates its employees with an average salary of 708 € gross (2014), followed supply of electricity, gas, steam and air conditioning sector with an average of 610 € gross and the mining and quarrying sector with an average of 470 € gross. This ranking of sectors in terms of average salary per economic sector activity, is also a pure reflection of the fact that these three sectors are indeed the most strategic sectors for Kosovo's economic development.

While, the average salaries have gone down compared to the base year, the ranking was similar even back then. Once more reasserting the strategic importance of these sectors for the overall economic performance and their contributions in this regard.

Duties and Taxes

<i>Economic Indicators</i>		2008	2009	2010	2011	2012	2013	2014	2015
Duties (€ million)	<i>VAT</i>	/	75,825,276	95,056,532	121,437,993	131,394,869	149,184,989	136,939,023	153,877,977
	<i>Personal Income Tax</i>	/	39,227,003	44,208,930	55,668,304	87,365,088	90,342,564	65,818,313	74,639,926
	<i>Corporate Tax</i>	/	55,355,226	51,945,804	54,564,163	65,138,976	65,924,379	100,937,655	103,763,147
	<i>Presumptive Tax</i>	/	2,793,667	283,649	868,983	409,839	70,831	157,832	8,602
	<i>Profit Tax</i>	/	8,407,044	582,999	1,792,756	117,480	163,273	15,513	672
	<i>Property Tax</i>	1.8	2.9	1.6	1.4	1.7	1.6	12.2	/
Customs	<i>Import Duties (€ millions)</i>	93.1	98	103.9	121	117.2	119.1	125.6	/
	<i>Excise Tax</i>								

Customs and duties represent a significant inflow for the country's budget. Currently in Kosovo, the categories of financial duties vary, however, we have selected a number of 7 fiscal indicators in order to measure the level performance of the country in this area.

What we can identify from the table above is that we are experiencing an increasing trend in terms of budget inflows from the collection of the existing fiscal duties. Compared to base year, except for the case of the presumptive tax, one can easily mark a positive trend in all other categories. It can be easily established that VET is the major fiscal income contributor in Kosovo.

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Energy

Economic Indicators		2008	2009	2010	2011	2012	2013	2014	2015
Energy Use	<i>Annual Energy Consumption (GWh Electricity)</i>	/	3,200.7	3,480.3	3,684.9	3,611.6	3,705.6	3,772.0	3,971.9
	<i>Share of Consumption of Renewable Energy Resources (excluding HYDRO)</i>	0	0	0	0	0	0	0	0
	<i>Intensity of Energy Use (MJ/\$2011 PPP GDP)</i>	7.06	7.53	7.48	7.25	6.61	/	/	/
Energy Use by Sector	<i>Household (GWh Electricity)</i>	/	1,768.7	1,873.2	2,007.7	2,084	2,130.2	2,050.3	2,113.7
	<i>Industry (GWh Electricity)</i>	/	227.5	226.6	244.4	240.9	239.4	229.8	262.7
Energy Production	<i>Kosova A (GWh Electricity)</i>	1,197	1,424	1,685	1,922	1,840	1,907	1,432	1,804
	<i>Kosova B (GWh Electricity)</i>	3,254	3,252	3,195	3,140	3,378	3,812	3,310	3,557
	<i>Hydro (GWh Electricity)</i>	76	122	158	105	96	143	102	142
	<i>Biomass (GWh Electricity)</i>	/	/	/	/	/	/	/	/
	<i>Solar (GWh Electricity)</i>	/	/	/	/	/	/	/	/
	<i>Wind (GWh Electricity)</i>	/	/	/	/	/	/	/	/
Energy Efficiency	<i>Public Buildings</i>	/	/	/	/	/	/	/	/
	<i>Private Buildings</i>	/	/	/	/	/	/	/	/

The final section of our analysis, pertains to the developments in the energy sector. Driven by the primary area of focus of our work, being the monitoring and contribution towards the progress marked in this sectors, we have decided to allocate a specific section to the performance of this sector in Kosovo.

As can be inferred from the table, the overall annual energy consumption for 2015 was 3971.9 GWh, which is almost 500 GWh higher compared to the base year. While this might be due to a higher integration of household in the grid, it is also a direct consequence of low grid and consumption efficiency. As far as intensity of energy use is concerned, the last available data date back to 2012, when it was 6.61 MJ.

In terms of the energy use by sector, we see a clear dominance of the household sector. In 2015, household consumption amounted to 2113.7 GWh, while the industry sector consumed a negligent 262.7 GWh – typical of a low industrially developed country.

On the other hand, in terms of energy production, coal continues to be the main source, which is also used for generation of electricity in the Kosova A and Kosovo B power plants, which jointly account for approximately 98% of generation in 2015, while hydroelectricity accounts for only 2%, or 142 GWh.

These figures once more reinforce the fact that Kosovo energy sector is heavily lignite based and characterized by poor energy efficiency and green energy performance.

Recommendations

Throughout our research, we have come across certain limitations in data collection. It is therefore that we are listing a set of recommendations that we are addressing to all the public agencies, the line ministries and the Kosovo Statistical Agency. Focused in offering our policy makers and strategy developers the space for complete and updated information for educated decision making, it would be advisable for:

- Kosovo Statistical Agency to review its set of publications and ensure that the database is complete with the missing data;
- Kosovo Statistical Agency to engage in ensuring that quarterly data are provided for all of the sectors and not for limited number of them as is the situation currently;
- Independent Agencies to publish their annual data collection report on regular basis in their respective websites;
- Ministries to ask for accountability from the Agencies when these data are not made available to the public through easy access;
- The Government to require from the Kosovo Statistical Agency to fulfill the list of indicators by incorporating all the suggested indicators as per the methodology offered by the UN;
- The Kosovo Statistical Agency to cooperate with the other huge international statistical databases, such as the ones used for the compiling of data in this SDI platform.