

KSDW 2020

KSDW
KOSOVO SUSTAINABLE DEVELOPMENT WEEK

CONCLUSIONS & RECOMMENDATIONS



Republika e Kosovës
Qeveria e Kosovës
Ministria e Ekonomisë dhe Ambientit



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KSDW BACKGROUND

Inspired by the European Sustainable Development Week – the wide European initiative supported by the European Sustainable Development Network aiming to encourage and highlight activities, projects and events that promote sustainable development, a group of local and international stakeholders in Kosovo organized the first Kosovo Sustainable Development Week (KSDW) in 2018, which has now become an annual event.

KSDW continues to be the biggest event on sustainable development and the environment organized in Kosovo. Since the first edition and onwards the KSDW is organized

in close cooperation between, the Ministry of Environment and Economy, European Union Office in Kosovo/EU Special Representative, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH on behalf of the German Government, Institute for Development Policy (INDEP) and the Balkan Green Foundation (BGF)

The main topics covered this year by KSDW 2020 panel discussions/roundtables are: 1. Green deal; 2. Transition to sound Resource Management and Circular Economy; 3. National Energy and Climate Plan; Just transition / energy poverty/ heating/biomass/air pollution/deforestation; 4. Energy Transition - Regional Approach). As the format of the conference was adjusted to online panel discussions, one panel discussion for each topic as organized.



1 PANEL DISCUSSION: GREEN DEAL

CONCLUSIONS & RECOMMENDATIONS

- 1.** All countries need to get an integrated and holistic approach to come up with an integrated document at a strategic level and all policies and strategy planning need to be viewed by the prism of sustainability. Regional approach is important in promoting and working toward liberalized and integrated market.
- 2.** Introduction of a Carbon border adjustment mechanism (carbon tax). Recommended that Kosovo discusses the inclusion of the Carbon tax price in the Law on Climate Change that is being drafted.
- 3.** Reduction of pollution from large combustion power plants (huge room for improvement in WB) LCPD. This could be done with effective transposition of EU legislation, so far has not been done but there is great space for improvement. With implementing the LCPD.
- 4.** 'Replace the stow' - make households efficient consumers. Households level. Least popular, but beneficent for consumers (replace outdated technology, small scale solar installations).
- 5.** Review the National Strategy on energy and the action plan in order to ensure coherence with the integrated national Energy and Climate Plan 2021-2030, which should be finalised by the end of this year.
- 6.** Kosovo is invited to continue investing in renewables and energy efficiency as sole alternatives for ensuring sustainable energy supply security. In this sense we advocate strongly for increasing the existing targets and to introduce a competitive process for supporting renewable energy production.
- 7.** Implementation of the legislation for energy performance of the buildings and energy services is also an urgent priority;
- 8.** Kosovo should implement its Climate Change Strategy, not only by mainstreaming climate targets in all policies, and to prepare a roadmap for progress in the direction of Climate Acquis. This also leads towards the reduction of air pollution and protection of health for Kosovo citizens.
- 9.** Kosovo would need to implement jointly the agreed conclusions of the SAA with regard to the environment, energy, transport and regional development.
- 10.** Take forward the robust implementation of the national legislation on environment already harmonised with the Acquis, in order to address many environmental issues. As Kosovo is facing serious problems like air and water pollution, inadequate waste management, illegal construction, degradation of agricultural land and protected zones enforcement of existing legislation and inspection will be crucial to tackle these challenges. In addition,

tion, both central and local institutions shall be both involved in this process.

11. Draft a Strategy for Low Emission Development that would derive from the Law on climate Change. (law is being drafted and is expected to be finalised in 2021) – donors support is needed on this.

12. Coal regional transitions; A priority for Kosovo now is to go back and revise its energy and its electricity strategies, what are going to be Kosovo's next steps for the supply with electricity.

13. Public consultations should be widened to other institutions the regulatory agencies and institutions as well to have wider coverage of issues that are consulted.

14. The civil society needs to put pressure on politicians to base their policies on the unconventional concepts which are more realistic making the coal-based industry not competitive in the market.

15. Raising public awareness will greatly assist Kosovo in proper implementation of the environmental policies, and on this crucial is the role of the civil society.

2 PANEL DISCUSSION: TRANSITION TO SOUND RESOURCE MANAGEMENT & CIRCULAR ECONOMY

The panel brought together a diverse group of speakers with extended experience and knowledge in the sector of waste management and circular economy, in order to address the topic of Kosovo transition towards resource recovery & circular economy, how can Kosovo achieve the objectives of circular economy.

**During the panel the
below points were discussed:**

1. Main features of the Waste Framework Directive (including the obligations on developing waste management and prevention plans, obligations relating to separate collection, provisions on EPR, targets for recycling and landfilling

2. Options for resource recovery in Kosovo on national level: EPR, DRS in Kosovo, advantages, costs & benefits, challenges and a way forward to implement

3. Challenges at municipal level with a provision of waste Separation at Source

4. Regional inter-municipal cooperation as a way to reduce and share the costs of operating a modern integrated waste management system, infrastructure and services

5. Needs of the private sector for setting up businesses on recycling

Background:

1. Kosovo is facing many challenges in relation to the management of waste: amount of waste is increasing, while the waste management system and its infrastructure are not providing adequate solutions to the growing problems.
2. The waste management sector is characterized by low levels of efficiency, limited private investment and inadequate experience in the use of modern technology.
3. Municipalities are responsible for organizing and financing waste management activities. Waste tariff from citizens is used to cover all the costs of the waste management system.
4. Recycling is taking place only in a small scale in a few municipalities.
5. EPR is still at an early stage of implementation.

Conclusions:

1. Resource recovery and waste fractions separation remains a challenge and an inter-municipal cooperation that could be beneficial to the municipalities still to be implemented.
2. An introduction of an integrated waste management system in Kosovo (aligned with EU acquis) offers an opportunity for Kosovo municipalities to improve the situation.
3. Recycling infrastructure could be economically viable via inter-municipal cooperation and sharing the costs. This would open a path towards financially sustainable integrated waste management in Kosovo & circular economy.

4. Private sector faces challenges with access to recyclables, which results in recyclable resources being disposed at landfill as waste rather than being recycled.

Recommendations:

1. PUCs and municipalities are recommended to collect the recyclables separately and make them accessible to private sector for further process.
2. Private sector must have access to recyclables from the municipalities, various forms of cooperation should be considered: tender for recyclables, direct contract between the municipality & private recyclables processor, PPP.
3. Inter-municipal cooperation offers a solution in regard to financial sustainability of operating the waste separation at source system in a region: municipalities can thereby share the costs of operating necessary SAS infrastructure at the regional level.
4. Public awareness on proper separation is crucial to ensure the waste is separated correctly and well, which increases the quality of recyclables.



3 PANEL DISCUSSION: NATIONAL ENERGY & CLIMATE PLAN

Brief description of the discussion

Some of the thematic groups of the National Energy and Climate Plan (NECP), such as that of the greenhouse gases, may have shortcomings as a result of non-participation of external, local and regional expertise, as well as for the innovation group there is no regional expertise. NECP is supposed to be complete by the end of this year. NECP faces 6 challenges:

1. There is a lack of long-term economic de-

velopment documents - No economic development forecasts have been made that coincide with the term of the NECP document, e.g. the long-term de-carbonization strategy covers the period till 2050.

2. There is a significant lack of information on this type of document from different economic sectors which have a direct impact on energy consumption - This does not provide a complete overview of energy supply for all

consumers, therefore the first draft of the NECP remains a challenge.

3. The current analytical capacities that Kosovo has are insufficient to perform complex analyses according to the requirements of the relevant EU regulations for drafting the NECP - As a result, support is required from international organizations, such as GIZ who has supported the NECP process in Kosovo.

4. Identification of socio-economic capacities and their resources - This should serve as a condition for setting affordable national targets for consumers and taxpayers, which are in line with the goals of the European Union. However, this is a complex process that requires advanced studies. This process requires resources, time and expertise; however such studies are being conducted by the Energy Community, the European Commission, the NCC, and the World Bank, the results of which have not been finalized yet.

5. Preliminary data are still being structured - e.g. the thematic group on greenhouse gases, lacks expertise, both local and foreign.

6. The situation with COVID-19 and pandemic management measures - remains challenging, although the working group has held numerous virtual meetings.

Relevant institutions have started with the Energy Strategy review, which represents a very good momentum to have both documents aiming at the same goal and align the requirements derived from the Energy Community or the European Commission.

In the NECP drafting process, certain civil society groups were involved in the working group from the very beginning of the planning process. Members of civil society proposed that Kosovo should consider recommendations, such as re-creation of reserves for the full balance of the system, reserves (back-up)

of batteries and pumps, aggressive penetration of prosumers in the energy market, including electric cars, approximately 100,000 kW by 2040, which are not directly involved in policy.

Smart grid management through the digitalization of the electricity grid was also a proposal, in addition to replacing decommissioned capacities with clean energy (natural gas of about 3% megawatts and renewable resources of 1,200 megawatts - especially from the wind) and developing TSO capacities.

Meanwhile, the academy emphasizes that the main problem in Kosovo lies in the lack of a long-term energy strategy and not consistency in investments and priorities on the energy sector by governments.

- Similarly as with the NECP, the inclusion of civil society in the process of drafting strategic documents and policies in general should be from the beginning. Their inclusion at later stages in these processes minimizes the potential contribution they can make.

Recommendations

- The Academy suggests that the Government should reduce or completely eliminate VAT or taxes on green energy capacities for a certain period of time, e.g. for a year or so. Similarly, the energy mix should include green energy, but also a small percentage of lignite, because it is assumed that Kosovo cannot meet the requirements of the economy and households only with renewable energy. Meanwhile, with the decommissioning of Kosovo A, which is the largest source of pollution in Kosovo (whose production capacity can be replaced by solar or wind energy), the air situation will improve.

- It is proposed that the Government should facilitate procedures for businesses and

households to participate in the generation of renewable energy. The government could change policies, regulations, and perhaps even the law to allow businesses and households to install renewable energy capacities.

- In addition to NECP, a sustainable and aligned energy strategy with the environmental standards is needed. Likewise, development strategies should have an integrated approach to development in general, both for energy and environmental aspects.

- The situation with the pandemic can serve as a momentum to make efforts towards economic recovery and redesign of economic development strategies in line with the environmental strategies.

4 PANEL DISCUSSION: ENERGY TRANSITION & REGIONAL APPROACH

Brief summary of the discussion:

Kosovo's energy generation is characterized by a long-standing reliance on fossil fuels, limited hydropower and biomass capacities and an identified potential for wind and solar energy generation. Kosovo is a signatory country of the Energy Committee Treaty, upon which comes the responsibility to reform the energy sector and draft legislation framework based on the Acquis for energy. This reforming process falls in line with the Energy Committee requirements and plays a contributing role in EU integration process.

To develop a pathway for a smooth energy transition, recent developments within Kosovo's energy sector include:

- **Renewable Energy** - Agreement made for a new scheme for renewables (competition process, auctions) to address possibilities for investments to have new targets for renewables, with the support of ERD. A secondary legislation framework to build concept docu-

ments for renewables is in the works. These planned new structures and strategies to be put into place will also include supporting projects in wind and solar energy generation and ensuring back up for renewable sectors: batteries, having reserves, or finding security of supply for back up renewables through cooperation (ex: Albania).

- **Energy efficiency** - By the end of 2018, the new law on energy efficiency in line with the Directive 2012/27 was set in place, so the current Directive that Kosovo is a contracted party in the energy committee put forth the foundation for the implementation of measures for energy efficiency in different sectors including energy efficiency agency and energy efficiency fund.

- **Heating sector** - Not much development in this sector nor decentralized heating. Study planned upon agreement with EBRD through Western Balkans Investment Framework – to explore the introduction of decentralized

heating to establish this system into place in Prishtina, Prizren, Gjakova, Gjilan, Peja – with primary source based on biomass, secondary source gas, and on selective location like Drenas, waste heating.

- Transmission Grid and Possibility of Integration of Renewables - KOSTT, transmission system operator company situated in Kosovo, has secured a strong interconnection with neighboring TSOs. For better and larger scale regional integration of renewables, KOSTT has developed a high voltage network, which will help lower investment costs. Developments in the renewable integration include marked capacity in operation 32.5 megawatts and 30.2 megawatts connected in the distribution level. Next year expectations lie with the launching of the largest wind power plant in Kosovo Selaci Power plant with 105 megawatts and there is application as well for other plants, applications for the connection to the grid from the powerplants with more than 500 megawatts and PV 210 megawatts.

- Emission Reduction:

In line with Large Combustion Plants Directive and IED Industrial Emission Directive – beginning of 2028 Kosovo's power generation should be in line with IED. Study being done on measures – in line with IED and LCO, can be implemented in Kosovo B, energy efficiency measures extend 20 years the life of powerplants.

RECOMMENDATIONS

- The underlying objective to endeavours looking forward stand in the process of revising energy sources, energy strategy and the current energy strategy is not only in attaining security of supply, but also aligning to social economic elements, exploiting approaches to more diversified energy supply sources in line with the EU directive and instilling good national frameworks that allow
- Explore gas as a new energy source – to contribute to security of supply and reducing CO₂ levels. In this regard, it is important to build capacities and approaches based on this new possibility, particularly in the regional level.
- Regional cooperation is an important milestone towards in maximizing security of supply, spanning across the energy resources and transmissions to the creation of a common energy market.
- Introduce the option for capacity backup / capacity market mechanism
- As energy generation is largely dependent on coal, increasing flexibility is important to move forward in order to accommodate for investments for accommodating integration of renewables. This involves having mechanisms in place that effectively increase the attractiveness of renewables but also other resources that can bring in market flexibility (storages, thermo storages, battery storages and any other sources).

5 PANEL DISCUSSION: REINVENTING ENVIRONMENTAL CSR IN THE NEW “POST-COVID19 NORMAL” SYNOPSIS & RECOMMENDATIONS

The global spread of the COVID-19 pandemic has posed different challenges to corporations and organizations with regard to corporate social responsibility (CSR). The crisis has put many companies under test for their commitments to ethical practices and inclination to adapting to a new and unknown reality. It is understandable that the crisis has significantly reduced their CSR investment due to lack of resources or pressure for survival. Moreover, we have witnessed a spread of profiteering practices, mainly by price hikes and misleading product descriptions.

However, a large number of companies have proven their ability to adapt their CSR commitments to “the new normal” - banks extended interest payment deadlines, textile manufacturers transformed their plants to produce masks and other PPE (often by donating, rather than selling), hospitality sector donated food to medical staff and telecommunication companies offered cheaper data and minutes’ packages.

In this workshop, we aim at exploring new opportunities for a more mindful CSR approach and establish new rules going forward in a post-pandemic reality. On the second part of the workshop, the guest from CSR Europe, will advise the participating companies on the activities they may take to uphold their envi-

ronmental CSR agendas within the corporation.

Objectives of the workshop

- Gather various stakeholders (Kosovo CSR Network members, CEOs, environmental experts, CSR experts, HR managers) inputs on how the pandemic impacted their CSR strategies
- Corporation's role during a health and social crisis
- Rebuilding environmental CSR strategies in accordance to “the new normal”

Intended audience

Management, CSR and Environmental experts of corporates and SMEs - Kosovo CSR Network representatives - GIZ Kosovo representatives - CSR Europe representative

Conclusions

- CSR activities are intended for the general public, but it starts firstly from the employees of the companies.

— Most of the companies have taken precautionary measures for most of their employees to work from home and use masks and washing hands with sanitizers frequently for those working under emergency duty.

— The industry and especially private sector are currently facing one of its greatest challenges, however it is expected that within the next 3-4 years economy will rebound and set on the upwards trajectory.

Recommendations

— The learning from this crisis must be effectively leveraged to inform the future planning.

— Meticulous strategic planning is must if companies aim to endure during this challenging period.

— Recovery efforts must be designed to take into account sustainable and environmental aspects of development.

6 PANEL DISCUSSION: ENERGY EFFICIENCY: CURRENT STANCE & FUTURE PLANS FOR KOSOVO

Kosovo Agency of Energy Efficiency (KAEE)

It continues to be responsible in the implementation of national energy efficiency policies for monitoring and development of energy efficiency projects, as well as for their verification. The Government of the Republic of Kosovo has prioritized the energy sector, mainly energy efficiency. Being part of the Energy Community Treaty and the SAA, Kosovo has aligned its legislation on energy with the European Union directives. Also, the sub-legal acts deriving from the Law on Energy Efficiency, together with the national energy efficiency policies and municipal energy efficiency plans are in line with the EU directives. The Law on Energy Efficiency was adopted in 2018, but its implementation faces difficulties because it requires the mobilization of all energy sectors at the national level.

KAEE has completed the Energy Efficiency National Plan 2010 - 2018, which according to the monitoring has achieved around 4.6% energy savings (from 9% that was planned in advance). KAEE has developed a 3-year plan that covers 2018 - 2020 and has received an additional obligation of 3% for energy savings (from 9 as it was previously to 11%). In previous years, KAEE could not reach the set target because it worked only with the public sector, the services sector, which is a small energy consumer.

One of the main points of the Law is the mandatory schemes. Mandatory schemes which include energy companies (such as KEC, KEDS, KOSTT, ERO, major oil importers, etc.) will have to oblige them to spend 0.7% of their annual revenues on energy efficiency and in this case the price of energy to the consumer

will increase. Therefore, mandatory schemes are not an option to be implemented in Kosovo and KAEE supports the sector with alternative schemes.

KAEE is addressing the Government for approval of alternative measures where the energy potential can be quite large and through which businesses, citizens and public institutions can benefit. These alternative measures are foreseen in efficient products e.g. to products imported in Kosovo and those produced in Kosovo. Those that are imported and are not efficient then a tax may be imposed, while the efficient ones are subsidized by the Government through exemption from customs duties. In order to know which products are efficient, KAEE in cooperation with The University of Prishtina is working towards the establishment of a laboratory that will test such products.

KAEE, in cooperation with various partners (among them MCC), is working hard in the resident and business sectors with the aim of creating a long-term scheme on which these two categories of consumers will be supported. The residential, business and transport sectors are also prioritized by the National Energy and Climate Plan, which includes scenarios of how the energy efficiency component will continue until 2030.

a. Obstacles of KAEE:

The Law on Energy Efficiency, on public procurement, requires products to be highly efficient but also to be lower priced, therefore this is often a problem for the energy efficiency sector. KAEE has informed the central and local level to implement the Law, but for the products to be efficient. When KAEE verifies and monitors projects, often sees that they are not always efficient. This also undermines the goal of the energy efficiency sector. On the issue of public procurement, assistance has been requested from the Energy Secretariat in order for KAEE to address the

Government to remove public procurement barriers and to support projects that are really efficient.

Regarding ESCO companies, KAEE has initiated a request to the World Bank to conduct an analysis of the implementation of ESCOs in Kosovo, as well as 3 model contracts together with the drafting of the Administrative Instruction for ESCO. However, ESCO companies face some barriers in the laws in force, such as the one on public procurement, management of finances, etc. By next year, it is expected that the Administrative Instruction for ESCO companies will be drafted, which AI falls under the competencies of KEEF.

Kosovo Energy Efficiency Fund (KEEF)

KEEF financial support instrument for municipalities has started from which KEEF has received many draft-proposals from municipalities until the end of June 2020. Most projects have included the provision of efficient measures and photovoltaic panels in public buildings, public lighting, etc. A total of 21 municipalities are beneficiaries of this scheme (a total of 55 projects), which have already been signed with the respective mayors, while in the second half of the year, the companies that will do energy auditing, design and supervision of these projects will be selected.

a. Financial stability of KEEF:

According to the Law on Energy Efficiency, these funds and investments will be returned to KEEF, so that KEEF can continuously support the municipalities. This will also measure and verify savings and evaluate good practices which can be extended to the resident sector. This will assist the Government to generally achieve the targets for which it is committed.

The law in question also governs the issue of KEEF self-financing and its sustainability, taking into account the circulating component, which implies that the donor funds are invested in municipalities, which over the

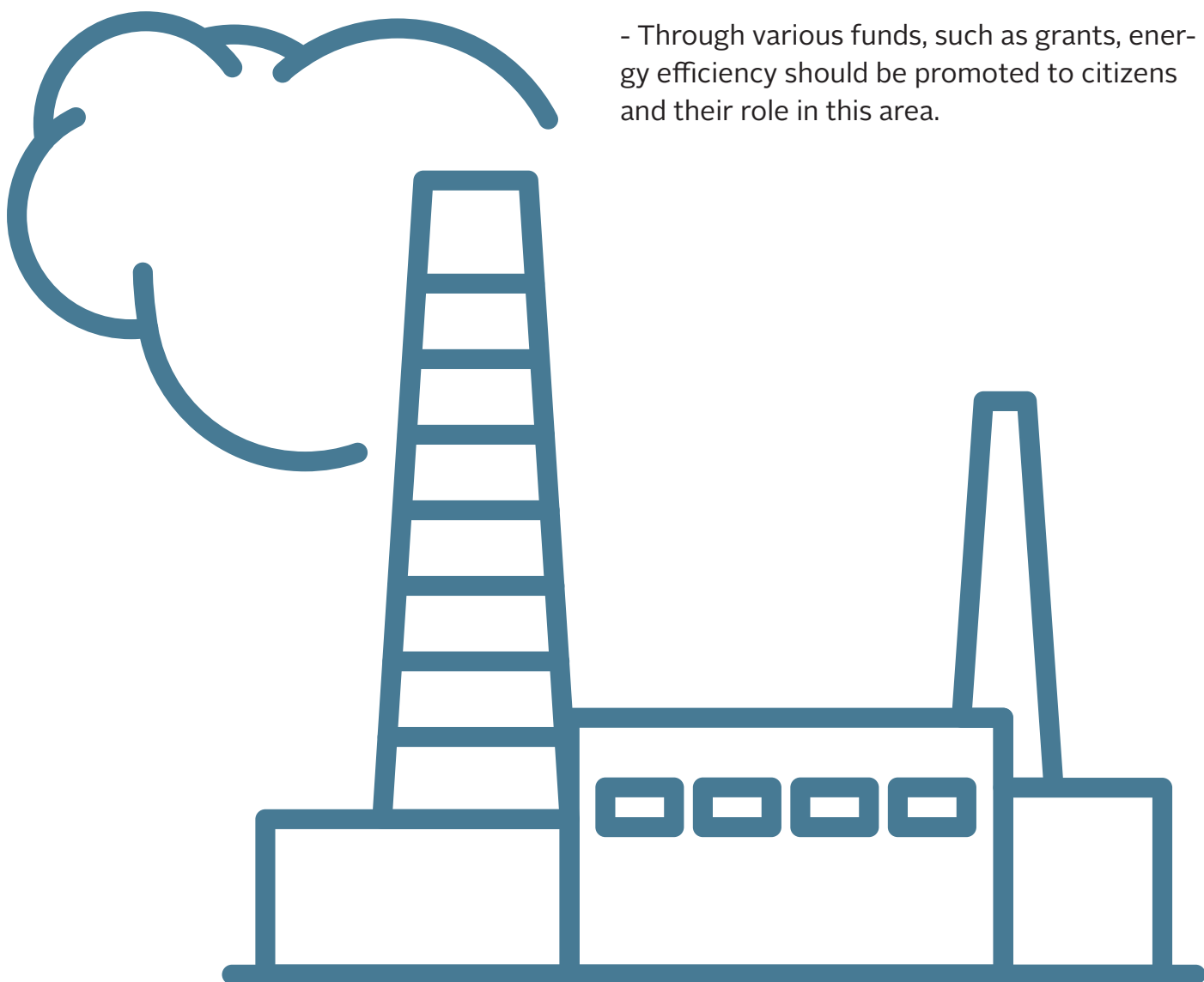
years will be returned to the KEEF. This is achieved in such a way that each municipality has its budget line where, among others, electricity costs are paid. From the total savings incurred, return on investment will be made up to 15 years. The funds returned to KEEF will be available again for the municipalities, meaning that KEEF serves as supporting institution for the municipal level.

Municipality of Klina

It has drafted the Municipal Action Plan for Energy Efficiency which has been approved by the Municipal Assembly and the plan is being implemented. The Municipality of Klina is the beneficiary of the 4 projects highlighted above by KEEF, which focus on facilities that consume a lot of electricity and those that are not in very good condition (at this stage, they are mainly schools).

Recommendations

- KAEE proposes that the Law on Energy Efficiency should be revised and amended and aligned in the context of the situation in Kosovo.
- KAEE shall recommend and push forward to the Ministry of Finance the alternative measures, such as subsidies through VAT or customs.
- The Law on Public Procurement is in the draft and KAEE suggests that for efficient products the lowest price should not be the main criterion. It is recommended that in this law, in addition to the lowest price, other product parameters shall be taken into account, such as energy performance, quality, etc.
- Through various funds, such as grants, energy efficiency should be promoted to citizens and their role in this area.



7 PANEL DISCUSSION: EMPOWERING WOMEN INCLUSION IN ENERGY SECTOR

The panel brought together a diverse group of speakers with extended experience and knowledge in Kosovo's political, institutional, non-governmental, economic and international donor landscape, in order to address the opportunities and obstacles for the empowerment of women's inclusion in the Energy Sector.

Recommendations:

1. Review of legal framework and policies from a gender perspective in the energy field in order to ensure consideration of (including a cross-sectorial approach to education, health, economic empowerment)
2. Review of policies and strategies to include gender-sensitive budgeting and women's access to financial resources, and overall affirmative actions
3. Create opportunities for women's inclusion in decision-making processes towards better use of human capacities in policy development and implementation, governance (including corporate), the market and employment, health, education and access to justice.
4. Create better understanding of the Law on Gender Equality on the part of state and non-state actors
5. Build and support affirmative actions and mentoring programs for women to receive the support and build capacity for leadership positions in the energy sector
6. Continue monitoring and reporting on the implementation of law on Gender Equality, Law on Protection from Discrimination, Law for Business Organizations
7. Create more initiative – e.g. specific code for grants to women entrepreneurs – that can tackle long-standing stereotypes on women's participation in the energy sector
8. Enable early education opportunities (formal and informal education) for boys and girls in fields (STEM, environment) relevant to the energy sector
9. Depoliticization of board selection processes for public enterprises
10. Support inter-sectorial and governmental and non-governmental organizations to build a network of professionals, experts, practitioners, academics, policy makers, towards coordination and exchange on issue in the energy sector
11. Support to human resource departments in public and private organizations to ensure implementation of relevant legislation (gender equality and non-discrimination) in hiring, maternity leave, promotion of staff.
12. Support to life-long educational and capacity building opportunities for women interested in the energy sector

8 PANEL DISCUSSION: ECONOMIC RECOVERY FROM COVID-19 THROUGH CLEAN ENERGY

Summary of the German-Kosovar Business Association and Network for the Clean energy Businesses (N4CEB)

The German-Kosovar Business Association (KDWV) was founded by the German Embassy, and it represents the interests of the German community. Currently, it has 115 member companies that employ a total of 14,000 people in Kosovo. That is, in addition to advising, supporting, and representing German companies in Kosovo seeking to develop or expand their business in Kosovo. The KDWV also supports and advises Kosovo companies wanting to export to the German market. The list of priorities of the association is also green economy - which is in line with the German example and getting the best experiences from Germany; Therefore, in close cooperation with the German Government, in this case with GIZ in Kosovo, KDWV is working towards the promotion of green economy policies in Kosovo, meaning clean energy, energy efficiency and topics related to the protection of the environment. Therefore, the KDWV to help and to promote and be a worthy partner of the Government of Kosovo in this regard, also represents the companies that deal with these sectors. Together with the GIZ Energy Efficiency Project, the network for clean energy businesses - N4CEB was established to serve as an umbrella for the representation of all those companies, associations but also institutions of higher education that deal precisely with the field of renewable energy and energy efficiency. The establishment is a German example that was followed in Germa-

ny. There are networks where companies, institutions, and organizations of different fields representing these two sectors have gathered together at their initiative in the form of networks – and in Kosovo's case, it means that the KDWV advocates for its members. The KDWV invites all the companies, NGOs, institutions to become a member of the N4CEB. The membership is free.

Recommendations by the panel discussion

1. Avoid environmentally harmful short-term economic development objectives - instead synchronize the long-term development objectives and environmental protection.
2. Inclusion of clean energy sector in the economic recovery package would have long term impact
3. Consider the recycling sector as a concrete measure towards green energy and environment protection.
4. Cooperation between all stakeholders, including government, financial institutions, energy institutions, civil society and private sector to establish effective clean energy measures in the state's recovery plan.
5. Investment incentivisation needs grant support for the investors in the clean energy sector.

6. Suitable re-organisation towards implementation of green policies in various sectors, such as transport, building/constructions, utilities, and the like.
7. Given the big number of sunny days in the country, stimulate the use and increase of the solar energy
8. The private sector could be incentivised in the form of grants or tax incentives by reducing or lift the VAT for a certain period of time solar projects in the household sector.
9. Simply municipal administrative procedures for the solar projects in the household sector

9 ROUNDTABLE: THE WAY TOWARDS A GREEN RECOVERY IN KOSOVO

Brief summary of the discussion:

The COVID-19 pandemic produced political, economic, and social disruption all over the world. In Kosovo, the Economic effects of the pandemic have affected the family economies, businesses, and corporates. Different countries around the world laid the paths of economic recovery in different fields of life and industries. Whilst, Kosovo's economic recovery is the number one agenda, and also how the economic recovery will look like. Different countries laid out different plans for economic recovery by focusing on different industries.

Kosovo's economic recovery from the COVID-19 and the lock-down imposed by the health institutions to contain the spread of the virus include:

- **Green Concept** – The green concept is a wider concept that covers from lowering the CO₂ emissions to different activities to protect the environment. The World Bank supports different investments that are feasible and have different impacts on the environment and the return in investment is in 5-6 years.

- **European Green Deal** – Kosovo's ambition to join the EU means also aligning Kosovo's legislation with the EU. In this context, Kosovo's policies for the environment should be in line with EU directives and other supplementary policies such as green tax to engage the environment agenda locally. With this in mind, the actual hurdles in presenting a green tax violate Public Finance laws.

- **Economic Recovery** – Even though the government is late with introducing and approving the economic recovery package, there is a need to separate the business community more thoroughly. The economic Recovery package should be seen as an incentive to the community to shift the economic development by helping different industries and especially the manufacturing businesses. World Bank is offering different incentives for businesses for investing in environmentally friendly capital investments. Because of the short time frame, it was close to impossible to incorporate the environmental agenda into the Economic Recovery plan in Kosovo.

- **New possibilities** – The Economic Recovery can be seen as a chance to shift from businesses exporting the raw materials to a more complex and more profitable business model by processing the raw materials and exporting the final product.

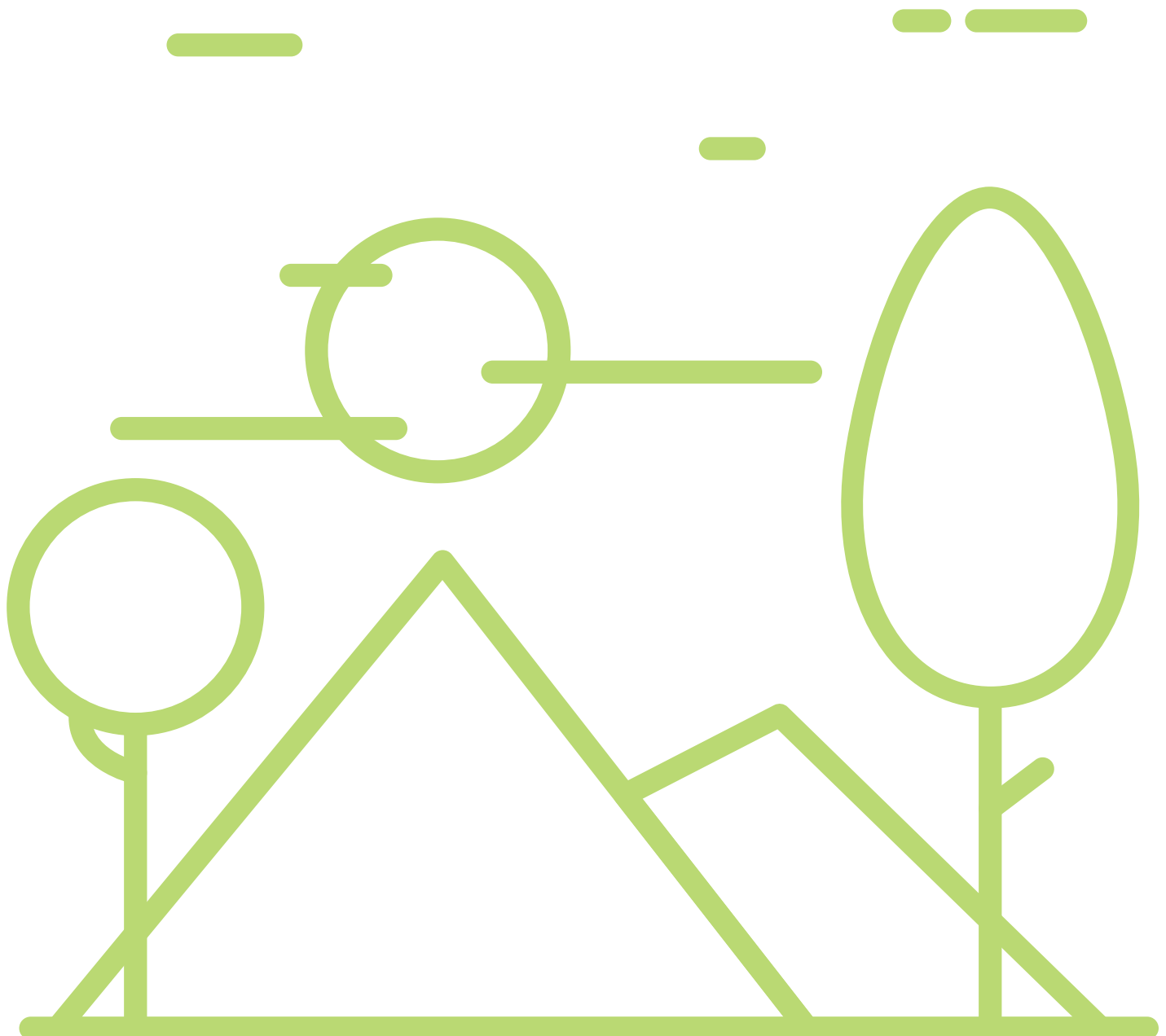
RECOMMENDATIONS

- The Economic Recovery package should be more detailed and more segmented in terms of the economic industries and should focus on manufacturing businesses.

- The environmental agenda should be reviewed in the economic recovery plan of the Government.

- Even though there is a short time frame for the approval and we are already late with the economic package to support the economy, Kosovo needs to rethink its strategy of economic recovery soon.

- The economic recovery should be concentrated in shifting from developing raw materials into producing the final product by incentivizing the manufacturing industry.



10 LECTURES

As a high level conference, Kosovo Sustainable Development Week has been dedicated to bring out topics of Circular Economy and Green Recovery as a key to our path to sustainable future. KSWD had a pleasure that during the 3 day lecture event host 7 national and international experts which held online lectures from fields of Economic Development and Sustainable Business Growth, Circular Economy essentials and potentials for implementations of circular economy in the country. Experts from different fields managed to deliver broader picture on how science, proper planning and management support development of modern systems with efficient resource utilization and reduction of environmental degradation.

All gesturing lectures emphasized the importance of Circular Economy as a rising topic and explaining correlation between economic development, production growth, consumption and living standards. Lectures presented the circular economy as a model of production and consumption, which involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products for as long as possible.

They were held in such an order and scope to provide to the audience an entire spectrum of information relevant to the field which included theoretical approach to new business models, importance and effects circular economy has on the environment and valuable information and experiences from European countries which already support this change. Lectures covered the topics from theoretical approach of the shift from linear to circular economy, Kosovo's current approach to the rising need for change and transition and how legal set up can be the start point of the change. Our international experts shared valuable information on new approaches and trends in the EU and presented us with the insight on what awaits Kosovo towards EU path while following the Green Deal.



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