



UNITED NATIONS
KOSOVO TEAM
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COMMON KOSOVO ANALYSIS

SUMMARY REPORT



EXECUTIVE SUMMARY

Kosovo¹ made progress on its development journey over the past decade, achieving upper-middle-income status in 2018 and showing improvements across social, economic, and governance indicators. Between 2010 and 2019, it experienced an average annual GDP growth of 4.6% leading to a steady rise in living standard and reducing poverty by 35%.² The economy, driven by services, industry, and agriculture, was bolstered by remittances and direct investment from the diaspora, sustaining domestic consumption and alleviating poverty. Despite being one of Europe's smaller and less developed economies, Kosovo demonstrated resilience. The private sector expanded through micro, small, and medium enterprises, which to a modest degree supported job creation and economic dynamism.

Kosovo sees its future in the European Union (EU) and actively pursues a reform agenda with this aim. A key milestone in Kosovo–European Union relations came with visa liberalization, granting visa-free access to Schengen from 1 January 2024. In addition, the EU Growth Plan for the Western Balkans—backed by a €6 billion Reform and Growth Facility—could strengthen the region's economies and advance socio-economic convergence with the EU.³ Kosovo's indicative allocation is €882 million, through a Reform Agenda targeting five policy areas: Governance, Public Administration and Financial Management, Green and Digital Transition, Private-sector Development and Business Environment, Human Capital Development, and Rule of Law.⁴ The Growth Facility is expected to accelerate key reforms while concomitantly advancing objectives of the Sustainable Development Goals (SDGs). However, disbursement of funds depends on progress towards normalisation in the Pristina-Belgrade relationship.

Despite a decade long effort facilitated by the EU towards normalising relations, tensions between Pristina and Belgrade remain high. Twenty-five years after the end of hostilities in 1999, there is scant progress towards reconciliation between Belgrade and Pristina and between the communities within Kosovo. The situation in Kosovo is still on the agenda of the United Nations Security Council. The crisis management mode characterising northern Kosovo hampers foreign investment, sustainable development, regional cooperation and integration. Political deadlocks in the negotiations around the establishment of the Association/Community of Serb-majority Municipalities in Kosovo, mutual recognition between Belgrade and Pristina, and the non-signature by either party of the 2023 Brussels and Ohrid Agreements— have served to polarise rather than normalise relations. The EU holds Kosovo responsible for escalating tensions in the north and imposed measures in June 2023, including freezing development assistance to Kosovo. These measures by Kosovo's largest donor have a stagnating effect on its efforts in attaining the goals of Agenda 2030.

¹ References to Kosovo in this document shall be understood to be in the context of United Nations Security Council resolution 1244 (1999).

² World Bank. (2022, December). [Project information document: PIDC33531](#)

³ European Commission. (2023). [Commission presents new growth plan for the Western Balkans, including €6 billion in grants and loans](#). European Commission.

⁴ European Commission. (2024). [Kosovo Report 2024](#).

While Kosovo made progress in democratic development, particularly with free elections and peaceful political transitions,⁵ it faced social, economic, and environmental vulnerabilities. Progress towards achieving objectives of the SDGs was slow and uneven. Persistent challenges remain in reducing poverty, improving healthcare and education, achieving gender equality, addressing the Triple Planetary Crisis - climate change, biodiversity loss, and pollution-related challenges - productive employment and decent work, and peace, justice and strong institutions. These challenges are compounded by a lack of data on many SDG indicators, hampering quantitative assessments.

The 2024 population and housing census⁶ revealed an 8.8% population decline compared to 2011⁷, from 1,739,825 to 1,602,515, largely due to emigration, particularly among youth.⁸ The average age of the population has increased from 30 years in 2011 to 35 years in 2024, with a share of the population aged 65+ rising from 6.7% in 2011 to 10.9% in 2024, indicating an ageing trend that calls for strengthened healthcare, education, and social protection systems to bolster human capital. Despite this demographic shift, Kosovo remains one of Europe's youngest populations.

Labour force participation is low, with only 40.7%⁹ of the working-age population active. Women's labour force participation is the lowest in Europe at 24.2%, compared to 57.8% for men, and youth unemployment high at 17.3%, with 14.4% unemployment among young men and 22.8% among young women. Many jobs, particularly in the informal economy, lack adequate social protections, leaving workers vulnerable to poor working conditions, low wages, and limited job security. Poverty in Kosovo has dropped, although the pace has slowed in recent years,¹⁰ and data on poverty is scarce. Wage increases have not in themselves improved the welfare of households below the poverty line.

Kosovo's energy sector is reliant on lignite, causing environmental degradation and severe air pollution, especially in urban areas. Although Kosovo embarked on the transition to renewable energy, particularly through the liberalization of the energy market, investments are needed to ensure a sustainable transition. Additionally, the impacts of climate change— including rising temperatures, floods, and droughts—threaten Kosovo's socio-economic stability, particularly in agriculture-dependent rural areas.

Governance stability improved with the Vetëvendosje party (VV) retaining office for a full term (2022-2025). However, insufficient administrative capacity hampered the effective implementation of an ambitious reform agenda. While Kosovo strengthened anti-corruption measures and improved transparency, corruption remains an obstacle to reducing inequalities, enhancing effectiveness, and fostering an environment conducive to sustainable economic growth. Upholding human rights and the rule of law for all communities and ensuring accountability in governance are

⁵ Transparency International. (2023). [Eastern Europe & Central Asia: Autocracy, weak justice systems, and widespread enabling of corruption hinder progress in the region.](#)

⁶ The census was boycotted by a part of the Kosovo Serb population.

⁷ Kosovo authorities (2024). [First final results of the Population Census 2024.](#)

⁸ In the municipalities of Leposavić/Leposaviq, Zubin Potok, Zvečan/Zveçan, and Northern Mitrovica/Mitrovicë, however, a substantial boycott led to an under-registration of the Kosovo-Serb community.

⁹ Kosovo authorities (2023). [Labour Force Survey in Kosovo 2023.](#)

¹⁰ World Bank (2024). Western Balkans Regular Economic Report No. 26 – Fall 2024

needed for Kosovo's long-term stability and development. The existing human rights framework is still to be fully implemented, in particular the Law on the Protection from Discrimination.

Kosovo's strategic location and proximity to EU markets offer opportunities for growth. To fully capitalize on these advantages, Kosovo needs to develop a competitive, innovation-driven economy, particularly in green sectors, ensuring that its progress is both equitable and inclusive. Agriculture holds potential for contributing to economic and social development, however informality, infrastructure challenges, and gender inequalities limit productivity across various sectors. Additionally, digital transformation will advance economic growth and improve public service efficiency; yet challenges such as the digital divide, skills gaps, and outdated and inadequate regulations on the use of digital tools and data sharing across systems must be addressed. As Kosovo advances on its path toward sustainable development, bridging these gaps will help achieve long-term, inclusive growth.

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Key Development Challenges, Opportunities, and SDG Pathways

1. EDUCATION

The education system faces interconnected challenges rooted in misalignment with labour market needs, underinvestment, capacity gaps, and slow policy process.¹¹ Public spending on education is relatively low compared to other regional economies, and with 3.9% of GDP in 2022, 4.1% of GDP in 2021, down from 4.6% in 2020, and 4.3% in 2019.¹² Insufficient funding affects infrastructure, teacher training, and equity and quality of early childhood education (ECE) services, particularly in underserved rural areas. This is exacerbated by slow policy processes and coordination gaps, which impede education reforms.

Kosovo faces¹² systemic challenges in education quality. The 2022 PISA assessment showed a decline in results for math, reading, and science compared to 2018, likely due to COVID-19 pandemic-related school closures. Only 15% of students demonstrate minimum proficiency in mathematics, 17% in reading, and 21% in science, with students across all income levels lagging behind OECD and regional economies.¹³ Low learning outcomes are rooted partially in early years. ECE is hampered by low enrolment rates and unequal access to quality preschools, contributing to persistent learning gaps. Only 35.9% of children aged 3 to 5 attend preschools, well below regional and OECD averages¹⁴, which directly impairs the participation of mothers in the labour market. Access to ECE is particularly limited in rural areas, where public preschools are scarce, and private options are unaffordable for low-income families. Diverse models, such as community-based ECE centres, are gradually being introduced and scaled up.

The [Education Strategy 2022–2026](#) aims to integrate digital learning and align skills with labour market needs.¹⁵ Digital learning is underdeveloped, as many rural and low-income students lack access to technology,¹⁶ a disparity that became increasingly critical as the pandemic underscored the importance of digital access for education and services.

While overall dropout rates are low, they are significantly higher among Kosovo Roma, Ashkali, and Egyptian communities, with preschool attendance at 7.6% and upper secondary participation at 31%.¹⁷ Children from these communities face discrimination, unfair treatment, and segregation within classrooms by teachers, or even potentially abuse or violence.¹⁸ Over 88% of children with disabilities are excluded from education, and those who attend school face inadequate conditions and limited support services.¹⁹

¹¹ European Training Foundation. (2023). Kosovo Rapid Education Diagnosis (RED): 'Addressing the weak links'.

¹² European Commission. (2023). [Kosovo 2023 Report](#).

¹³ OECD. (2023). [PISA 2022 Results \(Volume I and II\)](#)

¹⁴ Education Management Information System (EMIS), Annual Statistical Report with Education Indicators, MESTI, 2022-2023.

¹⁵ Kosovo authorities. (2022). [Education Strategy 2022-2026](#).

¹⁶ Ibid.

¹⁷ UNICEF Kosovo Programme. (2020). [Kosovo Multiple Indicator Cluster Survey 2020](#), Survey findings report.

¹⁸ UNKT. (2024). Focus group discussion with adolescents and youth from the Kosovo Roma, Ashkali and Egyptian communities,

¹⁹ European Commission. (2023). [Kosovo 2023 Report](#).

Technical and Vocational Education and Training (TVET) also has problems, such as mismatches between TVET programmes and labour market needs (horizontal, vertical, and skills gaps), outdated TVET curricula, limited work-based learning opportunities, insufficient career guidance, leading to uninformed and unrealistic career decisions, and lack of teacher training in technical and didactic skills.²⁰ Lifelong learning and adult education remain underdeveloped, limiting opportunities for individuals to acquire employable skills and adapt to economic changes. Addressing these gaps is crucial for fostering an inclusive, skill-oriented education system and to Kosovo's human capital.

The law guarantees educational opportunities for non-majority communities and the right to native language instruction in public school education under the [Law on the Use of Languages](#) and the [Law on the Protection and Promotion of the Rights of Communities and Their Members in Kosovo](#). However, there is a lack of appropriate curricula, textbooks, and other school material for non-Albanian-speaking students. Students following the Serbian curriculum experience challenges with diploma recognition, affecting their access to employment.²¹ In 2023, the Independent Commission for Diploma Verification expanded its mandate to include high school diplomas issued by institutions run by the government of Serbia in Kosovo,²² helping bridge the gap between communities, considering that only 0.11% of all children engaged in the Kosovo education system come from the Kosovo-Serb community.²³

Addressing educational disparities is critical for achieving SDG 4 (Quality Education) and SDG 10 (Reduced Inequalities) and has the potential to accelerate progress in SDG 1 (No Poverty), SDG 5 (Gender Equality), and SDG 8 (Decent Work and Economic Growth). Improving investment and quality education, digital access, and inclusive policies will help to create a more equitable education system that better supports Kosovo's economic and social development goals.

²⁰ KEEN (2019). [Vocational Education and Training In Kosovo: Challenges And Opportunities](#).

²¹ UNKT (2024). Focus group discussion with adolescents and youth from the Kosovo Serb community of North Kosovo.

²²United Nations. (2024). [Report of the Secretary-General on the UNMIK \(S/2024/282\)](#).

²³ Education Statistics in Kosovo 2023-2024

2. HEALTH

The health system faces persistent weaknesses, stemming from underfunding, low absorption of public funds, insufficient governance and technical capacity. These weaknesses are exacerbated by inadequate infrastructure - unavailability of certain types of medicine in health facilities and low health insurance coverage.

Public health spending, estimated at 3.69% of GDP in 2021,²⁴ is the second lowest in the region, and far below the EU average of 11%.²⁵ Low spending on health stands in the way of essential infrastructure upgrades, the introduction of modern treatment and diagnostic technologies, and the delivery of comprehensive quality healthcare services, particularly in rural areas. Life expectancy has increased for both women and men, but it is considerably lower for men, and it lags behind the EU-27 average by 3.7 percentage points for women and 3.5 percentage points for men.²⁶ Prenatal care is characterized by high access to services and high rates of births in medical facilities, with 94.4% of women receiving prenatal care, and 99% of births attended by skilled health staff.²⁷ However, Kosovo ranks among the lowest in Europe in terms of physicians, nurses, and hospital beds indicators, putting additional strain particularly on primary healthcare level, and leading the population to seek medical treatment outside of Kosovo.²⁸

The absence of universal health insurance exacerbates financial vulnerabilities, with out-of-pocket expenses comprising about 38% of health expenditures.²⁹

A 2024 WHO study found that 84% of patients face barriers to accessing healthcare due to financial constraints,³⁰ with only 6.8% of the population having private health insurance.³¹ Despite longstanding pledges to introduce universal coverage, delays persist due to myriad factors and gaps in full implementation of Health Information System (HIS). Climate-related health risks, including emerging diseases and extreme weather impacts, disproportionately affect vulnerable groups, including children, older persons, and persons with disabilities. These impacts are compounded by gender-specific health challenges, with women facing barriers in accessing reproductive health services, maternal care, and mental health support.

²⁴ Kosovo authorities. (2024). [Public Consultation on Health Accounts Report 2021](#).

²⁵ Eurostat. (2023, November). [Healthcare expenditure statistics - overview](#).

²⁶ World Bank (2024). [Report number: 34349960](#)

²⁷ Ibid.

²⁸ See, for example: Eurohealth, [Health Care Reform in Kosovo](#), Vol 23 (1) 2017). Health-care indicators for Kosovo's children remain among the lowest in the region, pointing to gaps in access to and quality of care. Source: UNICEF Kosovo Programme, [Analysis of the Situation of Women and Children in Kosovo](#), 30 September 2019.

²⁹ World Bank. [Kosovo - Comprehensive Approach to Health System Strengthening Project](#) (English). Washington, D.C. : World Bank Group.

³⁰ WHO Regional Office for Europe (2024). Can people afford to pay for healthcare in Kosovo.

³¹ Kosovo authorities. (2022). P.14.

While Kosovo's health legislation is partially aligned with respective EU acquis (most notably on health emergency preparedness and response), major gaps persist in areas such as regional health.³² Key areas needing reform include management and prevention of communicable diseases, mental health service provision, maternal, neonatal and child health, sexual and reproductive health, HIV and TB management and prevention, recognition of pollution-caused health issues as well as cancer screening for early detection and treatment of preventable cancer diseases. With an aging population, Kosovo's health care system must start to incorporate the needs of chronic, geriatric, palliative care, and non-communicable diseases, requiring reforms in preventative care and long-term health services.

Another critical issue is the shortage of healthcare professionals, particularly in rural areas, due to migration and low salaries offered to health providers. While urban centres like Pristina have somewhat better healthcare access (most notably at private level), rural populations are disadvantaged by fewer specialists and facilities.³³ A lack of comprehensive health data and a fully functional HIS, impede decision-making and sectoral planning. Child mortality is high, with 10 out of every 1,000 live births – more than triple the EU average.³⁴ Progress in maternal and child health, cancer screening, and non-communicable disease prevention is slow, with key strategic plans still unimplemented.³⁵

To build a more resilient and inclusive health system, Kosovo must strengthen technical and institutional capacity as well as enhance coordination. Investments in digital health infrastructure, increased public healthcare funding, and policies that foster effective regional health collaboration are vital. Gender-specific health interventions are essential. These reforms will support progress toward achieving SDG 3 (Good Health), SDG 5 (Gender Equality), SDG 10 (Reduced Inequalities), and SDG 16 (Peace, Justice, and Strong Institutions), helping to develop a health system that equitably serves all communities.

³² European Commission. (2023). [Kosovo 2023 Report](#).

³³ UNKT (2024). Focus group with rural populations, and with rural women.

³⁴ United Nations Inter-agency [Group for Child Mortality Estimation. \(2023\). Levels & trends in child mortality: Report 2023](#). United Nations Children's Fund.

³⁵ European Commission. (2023). [Kosovo 2023 Report](#).

3. POVERTY AND SOCIAL PROTECTION

Despite positive economic growth over the past two decades, poverty is persistent. Approximately 21.4% of the population was estimated to live in poverty in 2023, based on a \$6.85 (2017 PPP) poverty line.³⁶ Rural and female-headed households are disproportionately affected, with the poor overrepresented in female-headed households, those where the head has not completed secondary education, larger households, and those with more children.³⁷

Marginalized groups, such as Kosovo Roma, Ashkali, and Egyptian communities, experience high poverty levels, given limited access to formal economic opportunities and social services. The COVID-19 pandemic worsened these disparities, despite 49.7% of non-Albanians and non-Serbs already being in the poorest quintile.³⁸ Although remittances from the diaspora provide temporary relief, they also highlighted the economy's vulnerability to external shock, as the inflow of funds fluctuates with global economic conditions.

Low-income households are, and will remain, vulnerable to increases in energy prices, with a growing portion of the population at risk of falling into poverty due to energy price shocks.³⁹ Kosovo's energy poverty affects approximately 40% of households and is rooted in a combination of low-income, high-energy costs, and poor energy efficiency, with energy prices making up a large percentage of household income, particularly for low-income families.⁴⁰ In some cases, poor households spend up to 29.7% of their annual income on electricity.⁴¹ This creates significant barriers for these groups, exacerbating existing inequalities and increasing reliance on more polluting energy sources like firewood and coal.

Kosovo lacks a comprehensive social protection strategy, and the full range of social security schemes typically established in comparable contexts. The existing social security system consists of non-contributory benefits funded by the general budget, benefits provided directly by employers as paid leave and defined-contribution pensions based on mandatory savings. As a result of its historical development, the system depends heavily on budget-funded benefits. Notably, social insurance schemes that pool risk collectively, based on contributions from employers and workers—among the most commonly adopted schemes worldwide—are entirely absent in Kosovo.

Kosovo allocated around 8% of its 2024 forecasted GDP to social protection (6.8% in 2019, around 10 points less than the average in Europe and Central Asia),⁴² and its impact on poverty

³⁶ World Bank Group. (Fall, 2024). [Western Balkans regular economic report: Retaining the growth momentum](#). Poverty line is at \$6.85 2017 PPP.

³⁷ World Bank (2022). [Western Balkans Social Protection Situational Analyses: Kosovo](#).

³⁸ UNICEF (2020) Kosovo MICS 2019-2020.

³⁹ World Bank. (2024). [Report number: 194436](#)

⁴⁰ Energy Community. (2021). [Study on addressing energy poverty](#).

⁴¹ GIZ. (2022) [Energy Poverty in Kosovo: Impact Assessment of Energy Poverty on Vulnerable Groups in Kosovo](#).

⁴² UNICEF Kosovo. (2024). [Social Protection Budget Brief: Kosovo](#).

reduction is limited due to systemic inefficiencies and fragmentation. Spending towards transfer programmes targeting poverty and vulnerability dropped from an estimated 11.8% of social protection expenditure in 2021 to a budgeted 6.6% in 2024. Over 90% of cash transfers go to old-age pensions and conflict-related benefits, while only 0.45% of GDP is allocated to the Social Assistance Scheme (SAS), which covers just 7% of the poorest population. Over the past decade, the SAS budget shrunk by 8.4% in real terms, and strict eligibility criteria exclude many working poor and families with children.⁴³ The government, with World Bank support,⁴⁴ has initiated the SAS reform. A new draft law aims to improve targeting and coverage through a comprehensive social registry and poverty-based eligibility, covering six different social programmes.⁴⁵

Social services have been underfunded for years, with only 1.7% of the total social protection budget in 2023.⁴⁶ The [Law on Social and Family Services](#) seeks to regulate and clarify the roles of public and private bodies, but decentralization has left Centres for Social Work underfunded and overstretched. The centres, crucial for vulnerable groups like children, older persons, and persons with disabilities, rely heavily on organisations of persons with disabilities (OPDs) and civil society organizations (CSOs) but face funding and sustainability challenges.⁴⁷ Although disability pension spending has increased, only those declared 100% disabled are eligible, leaving partially disabled individuals at risk of poverty.⁴⁸ Notably, a new law on disability is being drafted to address these gaps. The dual system in Kosovo Serb-majority municipalities, combined with limited access to public services, language barriers, and insufficient outreach, hinders Kosovo Serbs' participation in Kosovo's welfare system. The recent closure of Serbia supported institutions has further restricted access to key services for the community.

The system also lacks coverage for the informal economy, which accounts for 36% of the workforce,⁴⁹ including vulnerable groups such as refugees. There is no social insurance scheme providing short-term benefits for unemployed persons, families with children, or unemployment benefits. While the system provides cash benefits related to sickness and disability, it does not include an employment injury benefit scheme based on social insurance principles. Although Kosovo provides relatively generous maternity leave of 12 months, exceeding the International Labour Organization's (ILO) minimum standard, the limited three days of paternity leave and the lack of affordable, high-quality childcare facilities create challenges, reinforcing gender disparities in caregiving and the labour market. Employers face the risk of extended staff absences and potential non-return of employees after maternity leave, which can discourage the hiring of women. New programmes introduced in 2021, such as a universal child grant and maternity benefits for unemployed women, show progress, however broader social insurance mechanisms and improved case management are still needed to strengthen the social protection system. Improving Kosovo's social protection framework is essential for advancing SDG 1 (No Poverty), SDG 3 (Good Health and Well-being), SDG 5 (Gender Equality), and SDG 10 (Reduced Inequalities).

⁴³ World Bank. 2022. Western Balkans Social Protection Situational Analyses: Kosovo.

⁴⁴ World Bank. (2020). Kosovo Social Assistance System Reform Project (P171098).

⁴⁵ Kosovo authorities (2023). [Legislative Programme for the year 2024](#).

⁴⁶ UNICEF Kosovo. (2024). [Social Protection Budget Brief: Kosovo](#).

⁴⁷ European Commission. (2023). [Kosovo 2023 Report](#).

⁴⁸ Ibid.

⁴⁹ World Bank. (2017). Kosovo Jobs Diagnostic.

4. GENDER EQUALITY AND WOMEN EMPOWERMENT

Kosovo has made progress in advancing women's political participation, with the Law on Gender Equality mandating gender parity in public life. Women currently hold around 36% of parliamentary seats, and in the 2021 general elections, 35 out of 44 women members of the Assembly were elected without a quota - a notable achievement. Women occupy one-third of cabinet positions, and Kosovo has elected its second female president. However, barriers persist at the local level, with only three women having served as municipal mayors since 2008.

Women's representation in public administration and decision-making positions is disproportionately low (22.5%),⁵⁰ with women holding fewer senior roles compared to men.⁵¹ Entrenched gender norms, particularly in rural areas,⁵² hinder women's access to leadership roles, despite improving public perceptions of women as capable leaders.⁵³ Public policies and gender-sensitive legislation need to be fully implemented and monitored to ensure that women can effectively participate in all spheres of public and political life.

Kosovo has initiated efforts toward gender-responsive planning and budgeting. While gender-responsive budgeting (GRB) is mandated by the Law on Gender Equality, it has not been fully integrated into the 2024 budget. Currently, 17 out of 38 municipalities in Kosovo apply GRB mainstreaming to policies and plans. Full implementation is expected in the 2025 budget and will require Gender Impact Assessments and clear gender-related objectives within the Medium-Term Expenditure Framework. Strengthening capacities to embed gender perspectives in planning, budgeting, and monitoring processes is essential. This includes ensuring that gender-responsive policies are linked to measurable outcomes and that budget allocations are tracked to assess their impact on gender equality objectives.

Kosovo needs to transform the care economy, ensuring that both men and women can share caregiving responsibilities. Women in Kosovo spend 6.2 hours on unpaid care work per day - 44% more than men, who spend 3.5 hours⁵⁴ - reflecting deeply rooted gender disparities. Unaffordable childcare, limited parental leave, and societal expectations regarding women's unpaid domestic work exacerbate these inequalities. Obstacles related to data collection remain, particularly in measuring and collecting quality data on women and girls time use and unpaid care work. Employment and financial literacy gaps further hinder economic empowerment, especially for older women and rural populations.⁵⁵ The care economy requires comprehensive reforms guided

⁵⁰ UN Women. (2024). [Kosovo Gender Profile](#).

⁵¹ Kosovo authorities (2020). [Kosovo Program for Gender Equality 2020-2024](#).

⁵² UNKT (2024) Focus group discussion with rural women.

⁵³ National Democratic Institute (USA). (2021). [Kosovo's vibrant democracy: Closing the deficit in women's full participation](#).

⁵⁴ Instituti Musine Kokalari (2022), Who Cares? Unpaid Care work in Kosovo.

⁵⁵ High level event (focus groups discussions with women voluntary Kosovo Serb returnees)

northern part of Kosovo. 54% of women report having experienced psychological, physical, or sexual violence from an intimate partner. In 2022, 81.5% of domestic violence victims were women, with 47% of the cases involving violence from spouses.⁶⁷ Despite strides made through efforts in this regard like local incorporation of provisions of the [Istanbul Convention](#) and adoption of the [Strategy on Protection Against Domestic Violence and Violence Against Women \(2022–2026\)](#), limited enforcement hinders their effectiveness. The root causes of GBV are deeply embedded in entrenched gender norms, inequality, societal attitudes, poverty, lack of access to support services and legal awareness, and ineffective law enforcement. Authorities are implementing the first “Programme for the Treatment of Perpetrators of Violence against Women”⁶⁸ and developing five new regulations following the adoption of the [Law on Prevention and Protection from Domestic Violence, Violence against Women and Gender-Based Violence](#).

Addressing these disparities requires stronger enforcement of gender laws, including gender-responsive budgeting, which would ensure the allocation of resources for initiatives aimed at enhancing women’s economic and social participation. The implementation of robust data systems and the collection of sex-disaggregated data is key to better understand the specific needs of women and girls. Targeted workforce interventions, community empowerment through voluntary activities, and comprehensive systems to prevent and respond to GBV are essential. These efforts align with SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), and SDG 10 (Reduced Inequalities), supporting Kosovo’s progress towards a more inclusive society.

⁶⁷ UN Women. (2024). [Kosovo Gender Profile](#).

⁶⁸ Council of Europe. (n.d.). [Programme for treatment of perpetrators of violence against women in Kosovo](#).

5. ECONOMIC TRANSFORMATION

Kosovo's economy has made progress toward modernisation, particularly since the stabilisation and association agreement with the EU took effect in 2016. Classified as an upper-middle-income economy, growth has been driven by domestic consumption, supported by diaspora inflows and FDI. In 2024, GDP growth is projected at 3.8%,⁶⁹ reflecting recovery but still below pre-pandemic levels.

The services sector, contributing 60-70% of GDP, remain dominant, with retail, travel, telecommunications, and ICT as key areas. Kosovo's diaspora, which contributes 39% of the GDP, plays a vital role in economic stability. This includes remittances (13.7%), diaspora travel services (19.9%), and foreign direct investment in real estate (5.3%). In 2023, diaspora contributions totalled around €4.5 billion, with €1.4 billion from remittances, €2.2 billion from visitor spending, and €840 million from investments, mostly in real estate.⁷⁰

Kosovo has built key economic structures, a stable financial sector, and macroeconomic stability. From 2000 to 2023, GDP per capita grew at an average annual rate of 3.1%, reducing the income gap with the EU.⁷¹ However, it remains the lowest in Europe at \$5,943,⁷² equal to 65.7% of the regional average, and 27% of the EU average in 2023.⁷³ Global crises, such as energy price hikes following Russia's full-scale invasion of Ukraine, have constrained growth, impacting household real disposable incomes and consumption.

The private sector employs 75% of the workforce, mainly through micro, small, and medium enterprises (SMEs), is the engine of economic growth. However, SMEs often struggle to access financing, business support services, financing, and scaling up, limiting their competitiveness and integration into global value chains. Women own 21.9% of all businesses and 30% of new enterprises registered annually are women led.⁷⁴ In 2021, 70% of women-led businesses were micro-enterprises, and only 5% were medium-sized.⁷⁵ Women entrepreneurs in Kosovo face barriers such as societal biases, household responsibilities, lack of property ownership and limited access to financing. Among Kosovo's non majority communities, 15.8% own businesses, with women owning 21% and men 79%.⁷⁶

⁶⁹ International Monetary Fund. (2024). [Second Reviews Under the Stand-By Arrangement and the Arrangement Under the Resilience and Sustainability](#).

⁷⁰ Kosovo authorities (2022). [Annual Migration Profile 2022](#). MIA.

⁷¹ International Monetary Fund. (2024). [Article IV consultation and third reviews under the stand-by arrangement](#).

⁷² World Bank. [GDP per capita](#) - Development Indicators.

⁷³ European Commission. (2024). Kosovo 2024 Report.

⁷⁴ Kosovo authorities (2022). Statistical Repertoire of Enterprises.

⁷⁵ KABR, Basic Performance Indicator Reports.

⁷⁶ World Bank (2024). [Report number 191904](#).

FDI accounts for 8.7% of GDP in 2023,⁷⁷ mainly in real estate, construction, and financial services. Attracting further investments in strategic sectors such as renewable energy, digital transformation, tourism, mining, and manufacturing, is critical for job creation. The 2024 Sustainable Investments Law aims to enhance the investment climate in these sectors.

The informal economy, accounting for up to 30% of GDP,⁷⁸ is a major barrier, with unregistered businesses and undeclared work, especially in services, agriculture, and construction. The root causes of this informality include weak governance, corruption, and a lack of trust in public services, limiting government revenues and hampering private-sector growth. Despite a simple tax system, barriers like access to finance and competition from informal firms persist. The informal economy exacerbates inequality by limiting tax revenues, creating unfair competition, and restricting access to social protections for informal workers. The authorities have implemented measures to combat informality, with success during the COVID-19 pandemic, but still need to make the transition from detection to proactive formalization support.

Trade is marked by a significant deficit of more than 30 per cent of GDP.⁷⁹ The root cause lies in Kosovo's narrow economic base, with a heavy dependence on consumption and low-value exports. In 2023, total exports amounted to €863 million, while total imports reached €5.9 billion.⁸⁰ Services exports are significantly larger than goods exports, dominated by growing travel services, followed by ICT service, which have risen even faster in recent years. The EU is Kosovo's largest trading partner. In 2023, Kosovo's main goods export destinations were North Macedonia (14.1%), Albania (13.3%), and Germany (10.8%), while its main goods import sources were Türkiye (14.8%), Germany (12.8%), and China (11.0%).⁸¹

Poor infrastructure, particularly in energy and telecommunications, hinder Kosovo's integration into European supply chains and negatively affect foreign investment. While road network has improved considerably, the railway sector still lacks key regional connections. Outdated energy infrastructure causes frequent power outages, impacting businesses. Addressing these gaps with targeted investments in transport, energy, and digital infrastructure is crucial for Kosovo's economic growth. Wealth distribution is uneven, with rural areas facing higher poverty rates and limited access to services. Vulnerable groups, including rural communities, women, and non-majority communities, are disproportionately affected by economic inequalities. Kosovo's fiscal policies aim to mitigate these inequalities, but the narrow tax base and reliance on indirect taxes limit fiscal space. This restricts investments in social protection, education, and health. Income inequality is also an issue, with the Gini coefficient at 29.0 (estimated, 2017 PPP), reflecting moderate but persistent inequality.⁸² Many rural households and communities, such as Kosovo Roma, Ashkali, and Egyptians, are vulnerable due to limited access to formal economic opportunities and social services. While remittances support many households, they exacerbate inequality by excluding those without diaspora connections and being underutilised for productive investments. Rural

⁷⁷ World Bank. (n.d.). [Foreign direct investment, net inflows \(% of GDP\) - Kosovo](#).

⁷⁸ European Commission. (2023). Kosovo Report 2023.

⁷⁹ Ibid.

⁸⁰ Kosovo authorities (2023). [International Trade Statistics in goods \(ITS\), 2023](#).

⁸¹ Ibid.

⁸² World Bank. (2024). [Kosovo profile](#).

communities, especially marginalized groups, face additional vulnerabilities due to climate-related shocks and economic stressors.⁸³

Kosovo's fiscal policies aim to mitigate the impacts of economic shocks, including rising energy costs. In 2022, the authorities introduced temporary support measures for vulnerable households and businesses, equating to 3.5% of GDP. However, the narrow tax base, reliance on indirect taxes, and tax exemptions continue to limit fiscal space. While the government prioritizes infrastructure, social protection, and defence spending, tax revenue at 25.9% of GDP in 2023⁸⁴ - well below EU averages - significant increases in social investments remain constrained. The 2024 budget allocates 26% to welfare programme,⁸⁵ but, improving fiscal policy efficiency and effectiveness is critical for securing investments in social protection, education, health and climate resilience.

Structural reforms could further enhance Kosovo's growth potential, enabling it to surpass current projections and achieve more sustainable development. Priority should be given to advancing green reforms and implementing policies to increase female labour force participation, attracting foreign capital, and accelerating digitalization, crucial for achieving SDGs 5 (Gender Equality), 8 (Decent Work and Economic Growth), 9 (Industry, Innovation, and Infrastructure), and 13 (Climate Action).

⁸³ World Bank. (2024). [Report number 192577](#)

⁸⁴ 25.9% in 2023 using revised 2023 GDP and MOFLT data on tax revenues.

⁸⁵ UNICEF Kosovo. (2024). Social Protection Budget Brief: Kosovo.

6. UNEMPLOYMENT AND LABOUR MARKET

Kosovo's steady GDP growth has yet to translate into significant improvements in employment outcomes. The labour market has persistent structural flaws, including low participation rates, high unemployment, and limited inclusion of women and youth. The economy is also hampered by insufficient job creation and a mismatch between job seekers' skills and market demands.

Labour force participation is low, with only 40.7%⁸⁶ of the working-age population active. Women's participation is particularly deplorable at 24.2% compared to 57.8% for men,⁸⁷ limited by childcare, unpaid domestic work, and insufficient family-friendly policies like paid parental leave and flexible work options. These barriers prevent women from balancing caregiving and professional responsibilities, limiting their economic independence and entrenching gender inequity. Unemployment figures mirror these gaps, with 18.2% of women unemployed compared to 7.7% of men. Youth are also underrepresented in the labour force, with 33.4% classified as NEET (Not in Employment, Education, or Training). This exclusion disproportionately affects young women (33.9%) compared to young men (32.9%).⁸⁸ For those in rural areas, limited job prospects and low wages drive migration to urban centres and abroad, exacerbating labour shortages and turnover rates.

Kosovo needs targeted programmes to support women re-entering the job market, expand access to affordable childcare, and improve work-life balance through gender-responsive budgeting and supportive policies. The *Employment Strategy 2024–2028* addresses labour market challenges by combining short-term poverty alleviation measures with medium-term initiatives to create more and better jobs. Additionally, it seeks to strengthen the capacity of public authorities to minimize labour market distortions. Various reforms are underway, including restructuring the Employment Agency, increasing staffing levels, providing ongoing training, drafting employment promotion legislation, developing a new regulation on active labour market measures, and implementing the Youth Guarantee.⁸⁹

Social dialogue⁹⁰ is limited. The tripartite Social and Economic Council (SEC) has been non-functional for over two years. Employers' and workers' organizations have limited capacity to

⁸⁶ Kosovo authorities (2023). [Labour Force Survey in Kosovo 2023](#).

⁸⁷ Ibid.

⁸⁸ Kosovo authorities (2023). [Labour Force Survey in Kosovo 2023](#).

⁸⁹ Youth Guarantee in the EU was launched by the European Commission in 2013 and reinforced in 2020 as a political commitment of all EU Member States to give all young people under the age of 30 a good quality offer of i) employment, ii) continued education, iii) an apprenticeship or iv) a traineeship, within 4 months of either leaving formal education or becoming unemployed. It was extended to the Western Balkans in 2023.

⁹⁰ Social dialogue is defined by the ILO to include all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy. It can exist as a tripartite process, with the government as an official party to the dialogue or it may consist of bipartite relations only between labour and management (or trade unions and employers' organizations). Workplace cooperation, collective bargaining at company, sector or cross-industry levels, and tripartite consultation processes are common forms of social dialogue.

engage in social dialogue. As a result, discussions on major economic and social issues now take place in the Council for the Economy and Investments. This platform, established under the Prime Minister's Office in 2015 and supported by the EBRD since 2018, facilitates dialogue between the government and private sector representatives.

Informal employment is staggering, with 36%⁹¹ of workers, especially in agriculture, construction, and low-wage sectors, employed informally. Informality limits workers' access to social protection, income stability, and safe working conditions. It also inhibits tax revenue to finance public services and a functioning social welfare system. Weak enforcement of labour laws, particularly in occupational health and safety, leads to frequent workplace injuries. Although the Labour Inspectorate has approved of its [Development Strategy 2023-2027](#) and expanded its workforce, challenges persist that must be addressed to protect workers from exploitation, deter violations, ensure fair competition among businesses complying with labour standards, and support economic growth and social justice. Currently, the absence of an approved list of occupational diseases and inadequate data hinders the implementation of targeted interventions.

In recent years, Kosovo has become increasingly reliant on foreign migrant workers to address labour shortages. The Authority on Migration's Thematic Group on Labour Mobility and Regular Migration works on policies that assess labour market needs, promote fair recruitment, and support migrant integration, though efforts are ongoing to ensure they complement the domestic workforce.

The **Administrative Instruction on Youth Volunteerism** highlights Kosovo's formal framework for volunteerism, contributing to youth empowerment through opportunities for professional development and informal education. The process was formalised in 2010, supported by the Platform and Database for Volunteerism to manage and recognise voluntary work. Youth under 18 can gain one year of recognised voluntary experience by completing over 222 hours of work.⁹² While education and training remain crucial for employment outcomes - with tertiary-educated individuals five times more likely to secure jobs than low-skilled workers - ⁹³ public investment in education has yielded suboptimal returns. Many young people leave the education system unprepared for the labour market, leading to emigration and hindering private sector development. Reforming education and vocational training to match emerging industry demands is essential to address skills mismatches.

Kosovo has significant potential for job creation in green sectors, such as renewable energy, waste management, and sustainable agriculture. By 2030, thousands of jobs could be created, but success depends on robust policy frameworks, targeted investments, and public-private collaboration. A Just Transition is important to ensure that the shift to a green economy is inclusive, protecting workers in traditional sectors, supporting reskilling and upskilling efforts, and providing social protections for affected communities. Investments in vocational training and better access to finance for SMEs are key to fostering innovation and job creation in emerging green industries.

⁹¹ World Bank. (2017). [Kosovo Jobs Diagnostic](#).

⁹² As highlighted in European Union–Council of Europe youth partnership. Dr. Elda Zotaj. 2021. Page 15.

⁹³ Kosovo authorities. (n.d.). ASK data.

7. DIGITAL TRANSFORMATION

Kosovo's economic growth is tied to its ability to leverage digitalisation, with the Digital Agenda 2030 serving as the blueprint for comprehensive transformation across sectors. The strategy focuses on enhancing e-governance, aligning ICT infrastructure with EU standards, and fostering a competitive digital economy. Key objectives include digitalizing public services, strengthening cybersecurity, expanding broadband connectivity, and improving digital skills.

The ICT sector contributes 6% to GDP,⁹⁴ with over 80% of tech companies exporting services internationally.⁹⁵ Kosovo has the highest use of digital/online services in the region,⁹⁶ with 97.9% of households having internet access 100% broadband coverage by 2022.⁹⁷

The “e-Government Strategy, 2023-2027” outlines challenges in implementing the Digital Agenda 2030, addressing gaps in digital skills, government enterprise architecture, and cybersecurity, while introducing proactive services based on life event approach. The strategy complements the Public Administration Reform Strategy 2022-2027 and the Administrative Burden Prevention and Reduction Programme 2022-2027. The Digital Transformation Unit (DTU) coordinates digital government initiatives, including the implementation, monitoring, and evaluation of the e-Government Strategy.

Despite progress, poor digital skills affect both individuals and SMEs. The digital divide is pronounced along income, age, and gender lines. Women, marginalized communities, persons with disabilities and older persons face barriers in accessing digital opportunities. Although younger women (16-24) have a 5.7% advantage over men in basic digital skills, the gap shifts in favour of men in older age groups, reaching 12.2% for those aged 25-54.⁹⁸ Fewer women use digital payments, with only 47.4% having a financial account compared to 68.9% of men, and only 25.2% of women made digital payments in 2021, compared to 39.4% of men.⁹⁹ Limited financial inclusion, lack of skill development support, and insufficient flexible work arrangements exacerbate these disparities. Kosovo's digital payments ecosystem is underdeveloped, with only half the population holding bank accounts.¹⁰⁰ The government aims to equip 80% of the adult population with basic digital skills by 2030 and ensure that 90% of SMEs reach a minimum level of digitalization.¹⁰¹

⁹⁴ Emerging Europe. (2023). [A booming ICT sector is helping Kosovo maintain solid growth levels.](#)

⁹⁵ Kosovo authorities, (n.d.). [Kosovo ICT value chain study.](#)

⁹⁶ Balkan Barometer 2024

⁹⁷ European Commission. (n.d.). [Kosovo closes the digital divide.](#)

⁹⁸ World Bank (2024). [Report No.: 191904.](#)

⁹⁹ Ibid.

¹⁰⁰ UNDP Kosovo. [Digital Household Survey.](#)

¹⁰¹ Kosovo authorities (2023). [Kosovo is committed to transformative action for sustainable development.](#)

While e-governance infrastructure is evolving, with the electronic government platform improving access to public services, technological constraints and capacity gaps remain. However, vulnerable groups such as refugees, asylum seekers, and stateless persons are excluded from accessing the platform and exercising their rights provided by Kosovo legislation. The government's target is to digitalize 65% of key public services by 2027, enhancing both access and efficiency.¹⁰²

Regulatory/policy gaps and inadequate data-sharing frameworks hinder effective digital transformation. Addressing these challenges through investments in infrastructure, skills development, and policy reforms will enable Kosovo to fully harness digitalisation for sustained economic growth, innovation, and improved quality of life for all its communities crucial for achieving SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation, and Infrastructure), SDG 10 (Reduced Inequalities), and SDG 16 (Peace, Justice, and Strong Institutions).

¹⁰² Ibid.

8. AGRICULTURE

Agriculture is a key sector for Kosovo's economy, accounting for 7.8%¹⁰³ of its GDP in 2023 and 2.4% of formal employment (1.2% for women and 2.9% for men).¹⁰⁴ However, its contribution to exports is low at 18%.¹⁰⁵ Despite rich natural resources and favourable land conditions, agricultural productivity is hindered by land fragmentation, outdated farming technology, limited irrigation infrastructure, and insufficient access to financial resources.¹⁰⁶

The sector is dominated by small-scale, subsistence farms, with nearly half of all farms under one hectare, limiting investment in modern equipment and irrigation systems.¹⁰⁷ Currently, only about 10% of arable land is irrigated, making farmers highly vulnerable to climate shocks like drought. The *Strategy for Agriculture and Rural Development 2022 – 2028* emphasizes the need for substantial irrigation investment through its Master Plan for Irrigation.¹⁰⁸

The sector is gradually shifting from low-value cereals to higher-value crops, but agri-enterprises struggle to meet EU standards on food safety, hygiene, animal welfare, and environmental protection. About 64% of rural households engage in agricultural activities, yet only 0.3% of agricultural holdings are formally registered as businesses. This informality impacts access to capital, training, and land, further impeding sectoral growth.

Gender disparities in agriculture further limit inclusivity and productivity. Although women make up 49% of the agricultural workforce, they own only 4.9% of farms and land.¹⁰⁹ They face added barriers in accessing grants, subsidies, and loans due to limited land ownership and are twice as likely as men to engage in unpaid agricultural labour, limiting their financial independence. Poor rural infrastructure, particularly in energy, water supply, and transportation, also hinder women's access to markets, training, and extension services.¹¹⁰ Targeted, gender-sensitive policies are needed to enhance rural infrastructure and support women-led agricultural enterprises.

The EU's 2023 Report on Kosovo highlights slow progress in agricultural reform and rural development. Although Kosovo is making efforts to align with EU standards, including the Green Agenda and sustainable agricultural practices, barriers such as weak rural infrastructure, limited technical capacity, and inadequate access to digital tools persist. Investment in capacity-building

¹⁰³ World Bank. (n.d.). [Agriculture, forestry, and fishing, value added \(% of GDP\) - Kosovo](#).

¹⁰⁴ Kosovo authorities. (2023). [Labour Force Survey in Kosovo 2023](#).

¹⁰⁵ FAO. 2024. Kosovo gender profile of agriculture and rural livelihoods.

¹⁰⁶ Kosovo authorities, (2022). [Strategy for agriculture and rural development 2022-2028](#).

¹⁰⁷ Kosovo authorities. (n.d.). [ASKdata database](#).

¹⁰⁸ Kosovo authorities, (2022). [Strategy for agriculture and rural development 2022-2028](#).

¹⁰⁹ FAO. 2024. [Kosovo gender profile of agriculture and rural livelihoods](#). Budapest.

¹¹⁰ UNKT (2024). Focus group discussion with rural women.

and sustainable agricultural methods are crucial for improving Kosovo's ability to cope with competitive pressures and market forces within the EU.¹¹¹

Digital transformation is yet to reach the agricultural sector. Both rural women and men report a lack of digital skills necessary for modernizing agricultural activities. During the past years some progress has been achieved in developing IT infrastructure for managing food control and traceability, and the laboratory information management system. But digital literacy remains low. Only 23% of rural women and 20% of rural men feel confident in using digital technology, reducing their ability to integrate into the evolving agricultural market.¹¹² Prioritizing investments in rural infrastructure, digitalization, and capacity-building - particularly for women and marginalised groups – can help make agriculture more resilient and inclusive. Such efforts directly contribute to achieving SDG 1 (No Poverty), SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation, and Infrastructure), and SDG 10 (Reduced Inequalities).

¹¹¹ European Commission. (2023). Kosovo 2023 Report.

¹¹² FAO. 2024. Kosovo gender profile of agriculture and rural livelihoods.

9. ENVIRONMENT AND CLIMATE CHANGE

Kosovo's environmental and climate challenges threaten its economic development, public health, and social well-being. Climate change impacts, such as extreme weather events, floods, droughts, fires, and rising temperatures, are already evident and expected to intensify. These hazards disproportionately affect vulnerable communities and have the potential to undermine long-term economic productivity. While Kosovo is developing policies to adapt to climate change and transition to a greener economy, it has not yet integrated gender-sensitive perspectives and legislation does not consider gender-specific impacts.¹¹³

Key¹¹³ strategies include the Energy and Climate Plan (ECP) and “Kosovo's first and voluntary Determined Contribution” (DC),¹¹⁴ aligning Kosovo with EU targets for 2030, including the [Green Agenda for the Western Balkans](#) and objectives of the [Energy Community Treaty](#). The [Energy Strategy 2022-2031](#) and the [Law on Climate Change \(2023\)](#) set milestones for transitioning to renewable energy, improving energy efficiency, and phasing out lignite-fired power plants by 2050. The Decarbonization Roadmap of the Energy Community of the EU in the Balkans aims to reduce greenhouse gas (GHG) emissions by 16.3% by 2030 compared to 2016 levels.¹¹⁵ However, Kosovo's heavy reliance on lignite hampers progress, requiring substantial investment in renewable and energy efficiency.

The voluntary DC outlines a potential 43% reduction in emissions by 2030 compared to 2016, conditional on securing necessary financing. According to World Bank, an estimated \$2.8 billion, representing 0.6–0.9% of GDP annually until 2050, are needed over the next decade for adaptation alone.¹¹⁶ These investments offer substantial benefits, including avoided losses, economic growth, and enhanced social and environmental outcomes. Key areas for adaptation include agriculture, and the energy sector, where transitioning away from lignite and investing in renewable energy are essential to achieving net-zero emissions by 2050. The energy transition will require substantial investments - \$760 million by 2030 and \$4.7 billion by 2050 - largely in the power sector, alongside increased energy efficiency across industries, buildings, and transport.¹¹⁷

Air pollution is particularly high in urban areas during winter due to unsustainable use of firewood in inefficient stoves and boilers, which also contribute to deforestation. Alongside coal-based power plants and limited residential coal use, these practices result in high levels of PM2.5 pollution, posing serious health risks for vulnerable groups, including pregnant women, children,

¹¹³ UN Women. (2024). [Kosovo Gender Profile](#).

¹¹⁴ Voluntary DCs entail a proactive commitment to addressing climate change, showcasing efforts to reduce greenhouse gas emissions and build climate resilience, even in the absence of a legal requirement to do so. For more: Platform for public consultation (2025). [Kosovo's first and voluntary Determined Contributions](#).

¹¹⁵ Energy Community. (2021). [Decarbonisation Roadmap for the Contracting Parties of the Energy Community](#).

¹¹⁶ World Bank. (2024). [Report No.: 194436](#)

¹¹⁷ Ibid.

older persons, and those with pre-existing conditions. Although 67% of the population considers air pollution as a top environmental concern,¹¹⁸ and efforts to introduce cleaner energy and improve air quality monitoring are underway, enforcement of pollution controls is insufficient. Kosovo's GHG emissions account for 8% of total emissions in the WB6, with 63% from electricity/heat production and 13% from transport.¹¹⁹

Kosovo relies on lignite for over 93% of its electricity generation.¹²¹ The infrastructure of power plants is outdated, inefficient, and contributes to environmental degradation. While there have been modest investments in renewable energy, including solar and wind, accelerated efforts are needed to meet the targets set in the Energy Strategy and Green Agenda for the Western Balkans. By 2022, Kosovo had installed 276.2 MW of renewable capacity, but simplifying permitting and expanding energy efficiency are needed to reduce coal dependence. Ensuring a Just Transition will be essential to protect workers and communities affected by the shift from fossil fuels. This involves reskilling and upskilling the workforce, providing social protections, and fostering dialogue between stakeholders to ensure that climate policies leave no one behind.

Environmental degradation disproportionately affects marginalized groups, including rural and non-majority communities, low-income households, persons with disability, women and older persons. Poor air quality exacerbates health inequalities, while environmental hazards like droughts and floods reduce agricultural productivity, especially for subsistence farming. Children in Kosovo are especially vulnerable to these climatic extremes.¹²³ Furthermore, environmental factors are closely linked with other drivers of migration. Low-income households relying on polluting heating

¹¹⁹ World Bank. (2024). [Report No.: 194436](#)

¹²⁰ Kosovo authorities. (2022). [Policy strategy on forestry development in Kosovo 2022-2030](#).

¹²² Dutch Risk Reduction Team. (2023). Reducing the risk of water-related disasters: Kosovo 2023. Netherlands Enterprise Agency.

systems face rising energy burdens, with 22% of households spending 10% of their income on energy bills.¹²⁴ Decarbonization must be accompanied by targeted measures to protect the most vulnerable.¹²⁵

The January 2023 floods had a major impact on vulnerable communities. According to the UNKT Flood Response Plan, an estimated 21,500 people and 3,580 households were affected across 11 municipalities. Low-income households and those in substandard were the hardest hit, facing displacement and increased vulnerability. 35% of the territory and 18% of the population is at significant flood risk.¹²⁶ Around 85% of surveyed farmers in nine flood affected municipalities reported some damage from the 2023 floods. 66% reported losses in open-field crops, and 22% in greenhouse crops with economic losses averaging 56% per farm.¹²⁷ Several municipalities were unprepared for the scale of flooding, due to limited preparedness and a lack of tailored disaster response and recovery plans, while at the government level efforts should be made for better coordination, including among donors.

Kosovo's environmental challenges are rooted in weak governance, insufficient administrative capacity, limited funding, and low public awareness. With a climate resilience score of 36.5 out of 100, Kosovo ranks well below the regional average (52.0).¹²⁸ Local authorities often lack the financial and technical resources to enforce environmental laws, and fragmented responsibilities between central and local authorities exacerbates these challenges. Kosovo's lack of access to global vertical funds,¹²⁹ which support climate and environmental projects, limits its ability to fund critical initiatives. By addressing environmental challenges and accelerating green investments, Kosovo can achieve SDG 3 (Good Health), SDG 6 (Clean Water), SDG 11 (Sustainable Cities), SDG 13 (Climate Action), SDG 14 (Life Below Water), and SDG 15 (Life on Land), fostering a sustainable and resilient future.

¹²⁴ World Bank. (2024). [Report No.: 194436](#)

¹²⁵ Ibid.

¹²⁶ Kosovo vDC 2024.

¹²⁷ FAO Agricultural Voucher Monitoring Final Report (2024, internal research)

¹²⁸ [IMCCS, Climate Security Snapshot on the Balkans, 2022](#)

¹²⁹ Green Climate Fund (GCF) and Global Environment Facility (GEF).

10. GOVERNANCE AND RULE OF LAW

Kosovo's democratic system has made steady progress, yet political polarisation and community divisions persist. Prime Minister Albin Kurti and his Vetëvendosje! (VV) party mark the first government to complete a full term, reflecting political system maturity. Political stability has allowed the government to advance EU-related reforms, but progress is hindered by a lack of cross-party cooperation. The Serbian List Assembly members' boycott delayed key legislation requiring a two-thirds majority, including development financing arrangements, and the adoption of provisions of the Convention on the Rights of Persons with Disabilities (CRPD). This deadlock delayed over €400 million in development financing, eventually resolved in 2024 when the opposition party, PDK, voted to approve these arrangements. Internal divisions within the ruling majority also contributed to gridlock, with key legislations such as the Civil Code still stalled.

The government initiated several key reforms, including the Social Assistance Scheme reform with World Bank support. Strengthening implementation efforts and ensuring inclusive stakeholder engagement will help maintain momentum and accelerate progress. Public administration reform has seen initial progress by improving accountability, transparency and efficiency, while advancing e-governance and addressing human resource gap. However, advancing merit-based recruitment is vital to establishing a professional and stable civil service.¹³⁰ The lack of political consensus in the Assembly of Kosovo, co has also led opposition parties to refer several important laws to the Constitutional Court, further slowing the reform process.

The EU-facilitated dialogue between Pristina and Belgrade has stagnated. Despite the 2023 Agreement on the Path to Normalization, implementation is slow, and resistance by both sides to key provisions has deepened political tensions. The 2023 local elections in the Kosovo Serb-majority municipalities in northern Kosovo saw a low turnout of just 3.47%, which resulted in Kosovo Albanian mayors assuming leadership and complicating governance in these municipalities. The withdrawal in November 2022 of Kosovo Serb representatives from local governments, the police, and judiciary has created a governance and protection vacuum, further worsening tensions.

Kosovo was ranked “Partly Free” in the Freedom in the World 2024 report, reflecting steady improvements in political rights and civil liberties.¹³¹ Additionally, in the 2024 Freedom House report classifies Kosovo as a “Transitional or Hybrid Regime,” highlighting governance challenges. While democratic consolidation is ongoing, issues such as corruption and media freedom continue to affect overall progress.¹³²

¹³⁰ Ibid,

¹³¹ Freedom House. (2024). [Freedom in the world 2024: Kosovo](#).

¹³²Freedom House. (2024). NIT 2024.

The rule of law shows gradual improvements but faces challenges. Kosovo ranks 3rd regionally in the 2024 World Justice Project Rule of Law Index,¹³³ performing well in order and security (0.83) and fundamental rights (0.61). However, it struggles with corruption (0.47) regulatory enforcement (0.47) and criminal justice (0.47). The 2024 EU report highlighted the need for judicial independence, timely case processing, and stronger anti-corruption measures. Efforts to strengthen judicial transparency and accountability continue, but delays in justice reforms and insufficient stakeholder consultation hinder alignment with European standards.¹³⁴ The government has introduced key reforms aimed at improving the efficiency and independence, including proposals for judicial vetting and the confiscation of assets gained through corruption. However, enhancing stakeholder consultation and aligning reforms with European standards will help maximize their impact.¹³⁵

The Transparency International Corruption Perceptions Index (CPI) score improved from 33 in 2015 to 41 in 2023, though it remained unchanged between 2022 and 2023.¹³⁶ According to the European Commission's progress report of 2024, Kosovo has increased final judgments and convictions, including in high level cases. The legal frameworks for combatting corruption are in place, but implementation gaps persist. The Agency for the Prevention and Corruption has an expanded mandate which is constrained by limited administrative capacity, particularly in addressing high-profile cases. The government is drafting the Anti-Corruption Strategy while the recently adopted [Law on the Special Prosecution Office \(SPO\)](#) provides greater clarity on addressing high-level corruption.¹³⁷

Kosovo's legal framework provides robust human rights protections, but implementation is uneven, particularly for Kosovo Roma, Ashkali, and Egyptian communities, as well as Kosovo Serbs. These groups face barriers to education, healthcare, and employment. In the northern part of Kosovo, addressing their service access is essential to foster basic socio-economic rights. Furthermore, continued efforts are needed to fully implement language equality standards as outlined in constitutional provisions. The Office of Language Commissioner faces resource shortages. In municipalities and basic courts, challenges include lack of qualified translators, inadequate budget allocation, and inconsistent application of legal provisions by municipal bodies and courts.¹³⁸

The Kosovo constitution establishes Kosovo as secular and neutral, provides for freedom of thought, conscience and religion, and prohibits discrimination on religious grounds.¹³⁹ Draft amendments to the Law on Freedom of Religion in Kosovo aimed at allowing religious communities to register and obtain legal status, have been pending approval in the Assembly of Kosovo since January 2023.

¹³³ World Justice Project. (n.d.). [Rule of law index](#).

¹³⁴ European Commission. (2024). [Kosovo 2024 report](#).

¹³⁵ European Commission. (2024). [Kosovo 2024 report](#).

¹³⁶ Transparency International. (2023). [Corruption Perceptions Index 2023](#).

¹³⁷ European Commission. (2024). [Kosovo 2024 report](#).

¹³⁸ OIK. (2024). [Implementation of the Law on the Use of Languages in Municipalities and Basic Courts](#). Office of the Language Commissioner.

¹³⁹ According to the 2024 census data, 93.4% of Kosovo population identifies itself as Muslim, 2.3% as Orthodox, and 1.7% as Catholic. Kosovo Agency of Statistics. (2024). [First final results of the Population Census 2024](#).

The LGBTQI+ community faces challenges, including social stigma and gaps in legal recognition for same-sex partnerships which continues to limit their access to rights.¹⁴⁰ While legal advancement exists, human rights organizations have called for greater political commitment to advance LGBTQI+ rights and close legal gaps.

The government adopted its first Strategy on Transitional Justice 2024-2034 in 2024. Legislation on civilian conflict victims covers events from February 1998 to June 1999, potentially excluding survivors of conflict-related sexual violence (CRSV). The Commission for the Verification and Recognition of Sexual Violence Victim Status in Kosovo had granted CRSV survivor status to 1,671 applicants (1,580 women and 91 men). Recent legal amendments extended the Commission's mandate to May 2025, though UN Special Rapporteur recommended an open-ended period for status recognition due to stigma concerns.¹⁴¹ As of September 2024, there were 1,612 open cases of missing persons. The Declaration on Missing Persons, adopted in May 2023, aims to address the issue as a humanitarian priority.

Kosovo's civic space is generally open, with CSOs promoting democratic governance, human rights, and anti-corruption efforts. However, their effectiveness is often limited by financial constraints, donor dependency, and restricted influence on policymaking.¹⁴² Volunteer participation remains low at 8.9% in 2023, with higher participation among Kosovo Serbs (12.4%) compared to Kosovo Albanians (9.4%).¹⁴³

Journalists, while generally free, face harassment, particularly when reporting on politically sensitive issues like corruption and organized crime. In northern Kosovo, where tensions are high, the risks to journalists are even greater. According to the 2024 Reporters Without Borders' World Press Freedom Index, Kosovo dropped from 56th to 75th,¹⁴⁴ reflecting diminishing media freedom, the division of media along ethnic lines, journalists' physical insecurity and censorship

Local governance has gradually improved, with municipalities enhancing their operational capacities and service delivery. In 2024, municipal budgets increased by 12%, though municipalities are heavily dependent on central government grants, limiting their fiscal autonomy and capacity.¹⁴⁵ The 2024 census results will impact municipal resource allocation, as over 40% of municipal budgets are based on the General Grant, largely determined by population size. In northern Kosovo, ongoing security tensions and political dynamics paralyze local governance. Building trust and ensuring effective cooperation is critical to improving local governance and addressing service gaps in these areas.

¹⁴⁰ Focus group discussion with the LGBTQI+ community, 6th of November 2024.

¹⁴¹ [Visit to Serbia and Kosovo* - Report of the Special Rapporteur on the promotion of truth, justice, reparation and guarantees of non-recurrence. Fabián Salvioli.](#)

¹⁴² BTI Report 2024. Kosovo.

¹⁴³United Nations Development Programme. (2018). Public Pulse XIV.

¹⁴⁴ Reporters Without Borders. (n.d.). [Kosovo](#).

¹⁴⁵European Commission. (2024). Kosovo 2024 report.

Annex 1: Overview of key development trends/indicators

Population: 1,585,566 (according to 2024 census)
Male: 795,552 (according to 2024 census)
Female: 790,014 (according to 2024 census)
Average net income: 521 EUR (2022, as per EU Kosovo report 2024)
Unemployment rate: 12.5% (age 15-65) (2022, as per EU Kosovo report 2024)
Youth unemployment: 21.4% (age 15-24) (2022, as per EU Kosovo report 2024)
GDP growth: 4.3% (2022, as per EU Kosovo report 2024)
GDP: EUR 8 896 million (2022, as per EU Kosovo report 2024)
Inflation: 11.6% (2022, as per EU Kosovo report 2024)
Current account balance: -8.7% of GDP (2022, as per EU Kosovo report 2024)
Net Foreign Direct Investment (FDI): 8,7% of GDP (2023, World Bank)
Remittance inflows: 14% of GDP (2023, as per EU Kosovo report 2024)

While Kosovo has shown stronger performance in relation to SDG objectives on economic development, its performance relating to SDG objectives on social well-being continue to lag, largely due to underperformance and data limitations. Gaps persist in areas such as poverty reduction, healthcare, education, gender equality, and inequality. Access to healthcare is limited, and education outcomes are low, indicating deeper systemic challenges in these sectors. Gender equality is far off, with low female labour force participation and a rising incidence of gender-based violence, despite various policy interventions. Income inequality and the continued exclusion of marginalized groups, including persons with disabilities and Kosovo Roma, Ashkali, and Egyptian communities, further undermine broader socio-economic progress. Based on current trends, Kosovo is unlikely to fully achieve its 2030 SDG targets without drastically accelerating efforts to address these gaps.

	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
	SDG 1	SDG 2	SDG 3	SDG 4	SDG 5	SDG 6	SDG 7	SDG 8	SDG 9	SDG 10	SDG 11	SDG 12	SDG 13	SDG 14	SDG 15	SDG 16	SDG 17
1.1.1	2.1.1	3.1.1	4.1.1	5.1.1	6.1.1	7.1.1	8.1.1	9.1.1	10.1.1	11.1.1	12.1.1	13.1.1	14.1.1	15.1.1	16.1.1	17.1.1	
1.2.1	2.1.2	3.1.2	4.2.1	5.2.1	6.2.1	7.1.2	8.2.1	9.1.2	10.2.1	11.2.1	12.2.1	13.1.2	14.2.1	15.1.2	16.1.2	17.1.2	
1.2.2	2.2.1	3.2.1	4.2.2	5.2.2	6.3.1	7.2.1	8.3.1	9.2.1	10.3.1	11.3.1	12.2.2	13.1.3	14.3.1	15.2.1	16.1.3	17.2.1	
1.3.1	2.2.2	3.2.2	4.3.1	5.3.1	6.3.2	7.3.1	8.4.1	9.2.2	10.4.1	11.3.2	12.3.1	13.2.1	14.4.1	15.3.1	16.1.4	17.3.1	
1.4.1	2.3.1	3.3.1	4.4.1	5.3.2	6.4.1	7.a.1	8.4.2	9.3.1	10.5.1	11.4.1	12.4.1	13.3.1	14.5.1	15.4.1	16.2.1	17.3.2	
1.4.2	2.3.2	3.3.2	4.5.1	5.4.1	6.4.2	7.b.1	8.5.1	9.3.2	10.6.1	11.5.1	12.4.2	13.3.2	14.6.1	15.4.2	16.2.2	17.4.1	
1.5.1	2.4.1	3.3.3	4.6.1	5.5.1	6.5.1		8.5.2	9.4.1	10.7.1	11.5.2	12.5.1	13.a.1	14.7.1	15.5.1	16.2.3	17.5.1	
1.5.2	2.5.1	3.3.4	4.7.1	5.5.2	6.5.2		8.6.1	9.5.1	10.7.2	11.6.1	12.6.1	13.b.1	14.a.1	15.6.1	16.3.1	17.6.1	
1.5.3	2.5.2	3.3.5	4.a.1	5.6.1	6.6.1		8.7.1	9.5.2	10.a.1	11.6.2	12.7.1		14.b.1	15.7.1	16.3.2	17.6.2	
1.5.4	2.a.1	3.4.1	4.b.1	5.6.2	6.a.1		8.8.1	9.a.1	10.b.1	11.7.1	12.8.1		14.c.1	15.8.1	16.4.1	17.7.1	
1.a.1	2.a.2	3.4.2	4.c.1	5.a.1	6.b.1		8.8.2	9.b.1	10.c.1	11.7.2	12.a.1			15.9.1	16.4.2	17.8.1	
1.a.2	2.b.1	3.5.1		5.a.2			8.9.1	9.c.1		11.a.1	12.b.1			15.a.1	16.5.1	17.9.1	
1.a.3	2.c.1	3.5.2		5.b.1			8.9.2			11.b.1	12.c.1			15.b.1	16.5.2	17.10.1	
1.b.1		3.6.1		5.c.1			8.10.1			11.b.2				15.c.1	16.6.1	17.11.1	
		3.7.1					8.10.2			11.c.1					16.6.2	17.12.1	
		3.7.2					8.a.1								16.7.1	17.13.1	
		3.8.1					8.b.1								16.7.2	17.14.1	
		3.8.2													16.8.1	17.15.1	
		3.9.1													16.9.1	17.16.1	
		3.9.2													16.10.1	17.17.1	
		3.9.3													16.10.2	17.18.1	
		3.a.1													16.a.1	17.18.2	
		3.b.1						Progress							16.b.1	17.18.3	
		3.b.2						Regress								17.19.1	
		3.c.1						Not comparable								17.19.2	
		3.d.1						Stagnation									
								No data									
								Not relevant									

Figure 1 Kosovo SDG Indicator Status Performance 2024.

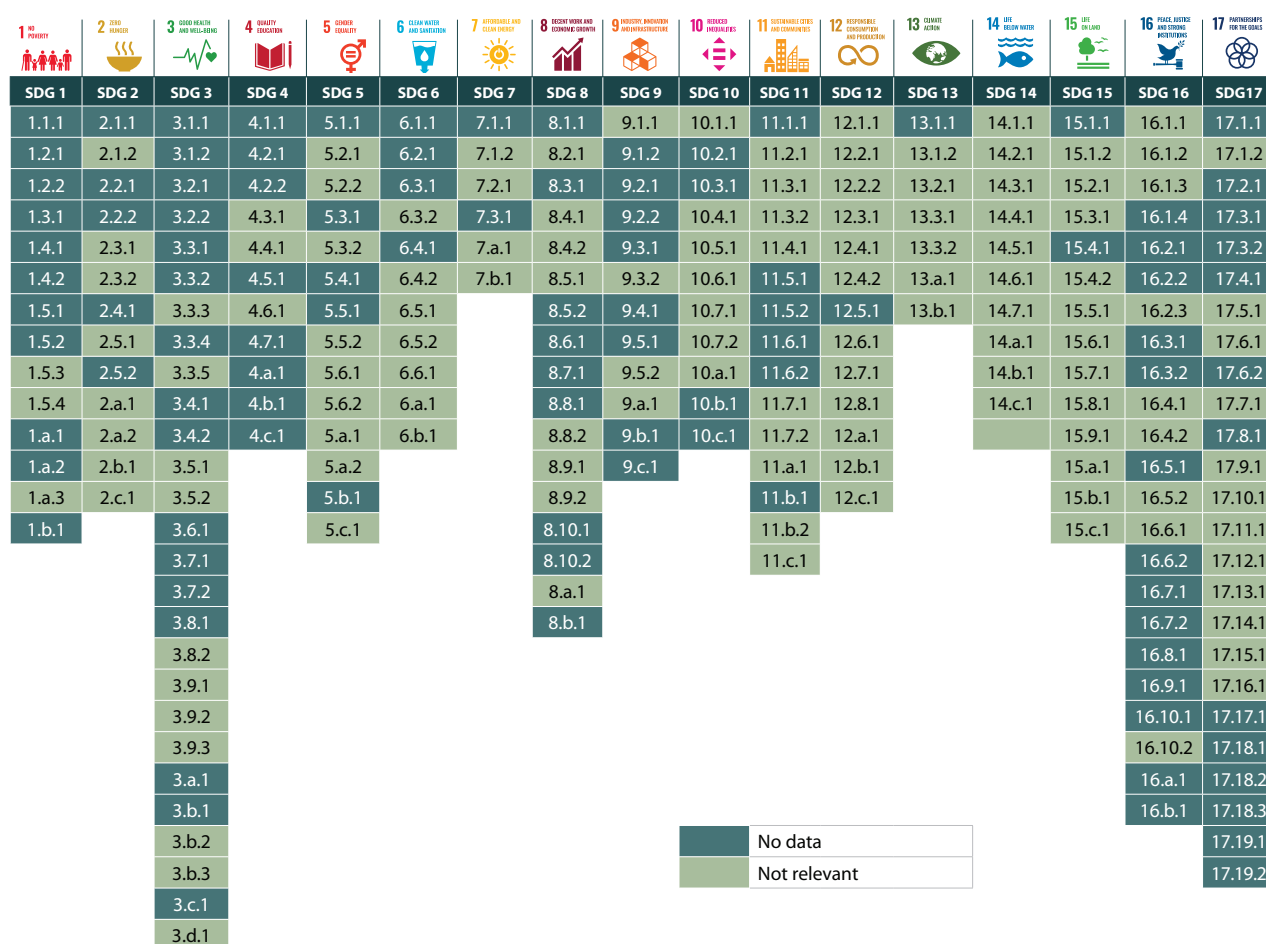


Figure 2 SDG Indicator Data Availability in Kosovo, September 2024.

The 2024 Population and Housing Census, conducted from April to May 2024 set a foundation for improved data systems and evidence-based policymaking. The results indicate a decline in the total population, now at 1.6mill residents, with a nearly equal gender distribution.¹⁴⁶ Compared to the 2011 census, there is an 8.8% drop in residential population (around 154,000), driven by emigration despite natural population growth. The average age rose from 30 in 2011 to 35 years in 2024. However, Kosovo still has one of the youngest populations in Europe. As of 2022, the child population (aged 0-17) was just over 0.5 million.¹⁴⁷

The first census results indicate a decline in fertility from 2.3 in 2011 to 1.8 in 2024, along with an increase in the proportion of older persons. These demographic shifts necessitate adjustments in healthcare, social services, and workforce planning to address the implications of an ageing population. They underscore the need for policies that focus on enhancing “demographic resilience”- adapting to these changes in ways that support sustainable development. Strengthening human capital, employment opportunities, and social infrastructure is critical

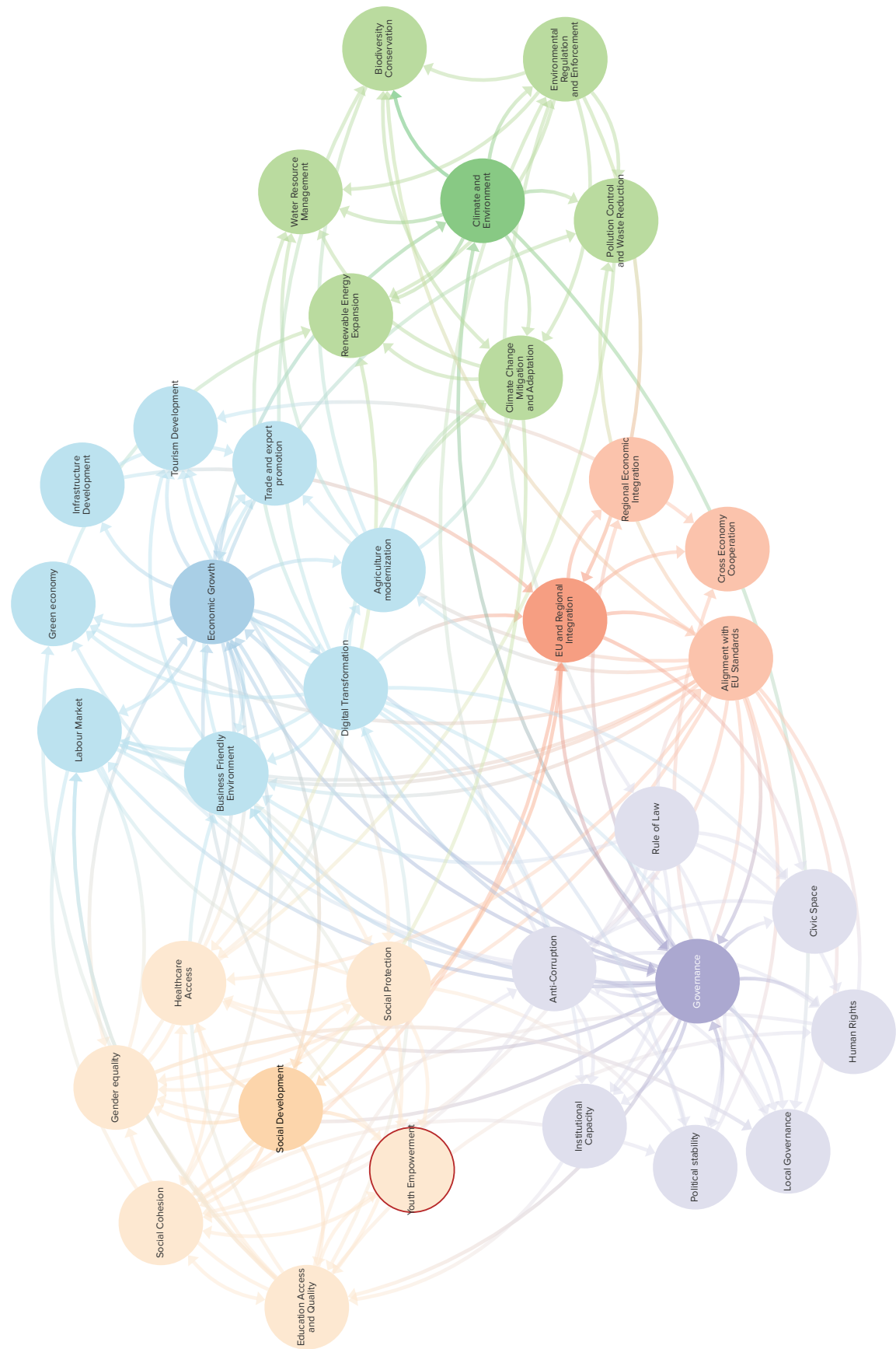
¹⁴⁶ In the municipalities of Leposavić/Leposaviq, Zubin Potok, Zvečan/Zveçan, and Northern Mitrovica/Mitrovicë, however, a substantial boycott led to an under-registration of the Kosovo Serb community. Check also: Kosovo authorities. (2024). [First final results of the Population Census 2024](#).

¹⁴⁷ UNICEF, ‘TransMonEE Dashboard: Monitoring Child Rights Data in Europe and Central Asia’, accessed 1 October 2024, <https://www.transmonee.org/dashboard>.

for ensuring that Kosovo can mitigate the effects of demographic shifts and continue to foster economic growth and improved wellbeing.

Kosovo's population has urbanized, with nine municipalities, including Pristina, showing population growth, while 29 municipalities recorded population declines. The population density in urban areas contrasts sharply with the depopulation in rural municipalities, highlighting regional imbalances. The census data exposes critical disparities that need targeted policy interventions. Urban-rural population shifts call for balanced regional development strategies, while the rise in the average age calls for adjustments in social protection and healthcare planning. Changes in family structure, with the average household size decreasing from 5.9 to 4.5, further influence housing and social policies.

Annex 2: Systems Mapping of Development Dynamics in Kosovo



Legend
 ---- Opposite

Annex 3: Methodology

The Common Kosovo Analysis (CKA) is a forward-looking, independent, and evidence-based development assessment conducted by the United Nations Kosovo Team (UNKT). It serves as an integrated evaluation of Kosovo's sustainable development landscape, with reference to objectives of the 2030 Agenda for Sustainable Development. The CKA is a cornerstone for designing the upcoming UN Strategic Plan for Sustainable Development 2026–2030. The CKA anticipates emerging trends, prioritizes inclusion, and applies systems thinking to address complex development challenges. It integrates insights from 17 of UNKT's entities¹⁴⁸ and diverse stakeholders to ensure it accurately reflects Kosovo's realities and aspirations.

The purpose of the CKA is to guide the UN's development assistance in Kosovo by aligning its work with Kosovo's socio-economic priorities. The analysis is anchored in key UN principles, including Leave No One Behind (LNOB), the Human Rights-Based Approach (HRBA), and Gender Equality and Women's Empowerment. The LNOB framework is also used to identify groups at risk of exclusion and to analyse intersecting inequalities and the root causes of disparities.

The CKA uses a structured, multi-layered methodology, integrating qualitative and quantitative data sources to provide a holistic view of Kosovo's development landscape.

- It applies systems thinking to map the interconnections between economic, social, environmental, and governance domains.
- It evaluates Kosovo's unique conflict dynamics to identify trust-building and social cohesion opportunities.
- In addition, strategic foresight analysis used scenario planning to identify potential future trends and challenges, helping to anticipate how emerging developments might impact Kosovo's SDG trajectory.
- A risk-informed perspective is central to the CKA, assessing economic, social, environmental, and governance risks while emphasizing resilience-building.

Inclusivity lies at the heart of the CKA methodology. To identify the challenges faced by the vulnerable groups the UNKT conducted fourteen focus group discussions with: (i) Persons with disabilities, (ii) Women, (iii) Adolescents and youth, (iv) Rural populations, (v) People on the move, (vi) Older persons and (vii) lesbian, gay, bisexual, transgender, queer, and intersex (LGBTQI+) individuals. Insights from these discussions were complemented by ongoing and continuous contributions from government entities, municipalities, bilateral donors, international financial institutions (IFIs), civil society, academia, the private sector. These interactions are not limited to periodic consultations but form part of regular engagement to ensure alignment with evolving priorities and needs

The CKA draws on inputs from UNMIK and from UNKT entities, whether or not with physical presence in Kosovo, which operate under the framework of UN Security Council resolution 1244 (1999) which mandates, inter alia, the deployment of an international civil presence in Kosovo. Fourteen entities with such presence address Kosovo's most pressing needs, while others provide

expertise in specialized areas. The World Bank plays a vital role in financing long-term policies, fostering economic growth and resilience. The UNKT also works closely with the United Nations Interim Administration Mission in Kosovo (UNMIK), ensuring that rule of law, and trust-building efforts complement broader development strategies.

The CKA is designed to be a dynamic and evolving document. An annual horizon-scanning process allows it to adapt to Kosovo's changing context by incorporating new data, addressing shifting priorities, and integrating emerging trends. This approach ensures the CKA remains a flexible and reliable tool for evidence-based planning and decision-making.



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