



**Republika e Kosovës**  
**Republika Kosovo-Republic of Kosovo**  
*Kuvendi - Skupština - Assembly*

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**LAW No.04/L-001**

**ON BUDGET OF REPUBLIC OF KOSOVO FOR YEAR 2011**

**Assembly of Republic of Kosovo,**

Based on paragraphs (1) and (5) of Article 65 of the Constitution of Republic of Kosovo,  
and Article 21 of the Law on Management of Public Finances and Accountabilities;

In order to define the Budget of Republic of Kosovo for fiscal year 2011,

Adopts:

**LAW ON BUDGET OF REPUBLIC OF KOSOVO FOR YEAR 2011**

**Article 1**  
**Definitions**

1. Terms used in this Law have the following meaning:

1.1. **Budget of Republic of Kosovo** - the legally authorized amount that is made available for expenditure from the Kosovo Fund for a specific program or purpose or, where a specific purpose is not identified, for an expenditure category of a Budgetary Organization, as foreseen in this Law on the Budget of Republic of Kosovo.

1.2. **Allowances** - the supplementary payment taken in consideration for:

1.2.1. specific work assignments with special responsibilities;

1.2.2. work assignments which are hazardous; and

1.2.3. night work that is not paid as overtime.

1.3. **Balances** - the amounts of unexpended commitments, unallocated budgetary appropriation, uncommitted allocations and any revenues of a sum larger than the sum of expenditures and unexpended commitments carried forward from the previous Fiscal Year;

1.4. **Budgetary Organizations** - all Ministries, Municipalities or Agencies which receive budgetary appropriation from the Kosovo Fund under this Law on the Budget of Republic of Kosovo.

1.5. **Own Source Revenues of the Central Budgetary Organization** - any type of public money that has been lawfully assessed on a cost recovery basis and collected as fees and charges by Central Budgetary Organizations. However, this definition specifically excludes Dedicated Revenue for Independent Agencies.

1.6. **Central Budgetary Organizations** - all Budget Organizations excluding Municipalities.

1.7. **Commitments** - contemplated expenditures, for which a Commitment Payment Order has been duly completed in accordance with the Treasury Financial Rules and recorded in the Kosovo Financial Management Information System, whether or not subject to a legal obligation.

1.8. **Dedicated Revenue** - public money that is derived from a particular revenue source and is required by Law to be appropriated to an Independent Agency.

1.9. **Designated Entities** - those entities included in Schedule A of the LPFMA.

1.10. **Employee position** - a full time position or equivalent to full time position of employment as foreseen in Table 2 of this Law on the Budget of Republic of Kosovo.

1.11. **ERO** - the Energy Regulatory Office established in accordance with the Law no. 03/L-185 on the Energy Regulator.

1.12. **Expenditure categories** - the categories for expenditures that are in this Law on the Budget of Republic of Kosovo: Salaries and Wages, Goods and Services, Utilities, Subsidies and Transfers, Capital Outlays, and Reserves.

1.13. **Expenditures** - the payment of money from the Kosovo Fund.

1.14. **Fiscal Year** - the period from January 1<sup>st</sup> of a year to December 31<sup>st</sup> of the same year.

1.15. **Funds allocation** - the maximum amount of Expenditures and Commitments able to be made related to specific budgetary appropriation, as determined under the procedures included in Article 35 of the LPFMA and recorded in KFMIS.

1.16. **Independent Agency** - public bodies, authorities or agencies that have been designated as independent based on the Constitution or the Law and exercise regulatory, executive, legislative, public administrative or judicial powers.

1.17. **Kosovo Fund** - the fund established in the Central Bank of Kosovo and other commercial bank accounts that may be established by the Treasury where all public money, including the interest from these, are deposited and from which all Expenditures are made in accordance with this Law on the Budget of Republic of Kosovo.

1.18. **Kosovo Financial Management Information System (KFMIS)** - the accounting record established within the Treasury of the Ministry of Finance. KFMIS as used herein shall have the same meaning as the term “Treasury Accounting Record” which is defined in the LPFMA.

1.19. **KPA** - the Kosovo Property Agency established in accordance with UNMIK Regulation No. 2006/10 of the date 4 March 2006, as amended by UNMIK Regulation No. 2006/50 of the 16 October 2006 and the Law No.03/L-079 on amending UNMIK Regulation 2006/50 on the Resolutions of Claims Relating to Private Immovable Property, Including Agricultural and Commercial Property.

1.20. **LPFMA** - the Law on Management of Public Finances and Accountabilities, No.03/L-048.

1.21. **Minister** - the Minister of Finance.

1.22. **Municipal Own Source Revenues** - any item of public money that has been lawfully assessed and collected by municipalities from sources specified in Article 8 of the Law No. 03/L-049 on Local Government Finance.

1.23. **New Municipalities**- the municipalities established under the Law No. 03/L-041 on Administrative Boundaries.

1.24. **Obligation** - a legal agreement, such as the contract or purchase order, entered into by a Budget Organization, that requires the Budget Organization to make expenditure in the future;

1.25. **Undisposed Funds** - the amount of money that has remained either unappropriated or unexpended in the Kosovo Consolidated Fund till December 31 of the previous Fiscal Year.

1.26. **RTK** - the Radio Television of Kosovo established in accordance with Law No. 02/L-047 on Radio Television of Kosovo.

1.27. **Treasury** - the Department of the Treasury within the Ministry of Finance.

1.28. **Treasury Financial Rules** - the Financial Management and Control Rules as defined in the LPFMA.

1.29. **Trust Fund** - the public money that is held by a budgetary organization for the benefit of a person, body or enterprise that is not a budgetary organization.

2. Any terms that are used in this Law on the Budget of Republic of Kosovo that are not defined herein shall have the meaning assigned to them in the LPFMA.

## **Article 2**

### **Approval of the Kosovo Budget for Fiscal Year 2011**

The Kosovo Budget for Fiscal Year 2011 as determined in Table 1 is hereby approved based on this Law.

## **Article 3**

### **Budgetary appropriation of Kosovo General Budget**

1. Budgetary appropriation from the Kosovo Fund for the Fiscal Year 2011, as presented in Table 3.1 and Table 4.1 attached to this Law shall be approved based on this Law.

2. The Minister shall maintain a record of all approved budgetary appropriation, budgetary appropriation transfers or other approved adjustments to budget appropriations made during Fiscal Year 2011 through the KFMIS, and supplemented if it is necessary by other records. For mid-year Budget review for the year 2011 and for the final report within three (3) months after the closure of the Fiscal Year 2011. Any time when it is requested by the Assembly, the Minister shall, on behalf of the Government, present to the Assembly a comprehensive report detailing and reconciling the approved budgetary appropriation for 2011, all subsequent transfers and other changes and the final budgetary appropriation for the Fiscal Year 2011.

## **Article 4**

### **Privatization Decisions with Fiscal Impact**

The Government's Decision No.02/03 dated 9 March 2011, on the privatization of Post and Telecommunications of Kosovo J.S.C attached to this law as Annex, shall be considered as adopted by the Assembly from entrance into force of this law. This adoption fulfils the request for adoption by the Assembly defined in Article 9.1 of the Law on Public Enterprises.

## **Article 5**

### **Municipal Budgetary Appropriation**

1. Notwithstanding Article 3 of this Law, Budgetary Appropriation in Table 4.1 that are based on the Municipal Own Source Revenues are only authorized to the extent such revenues are deposited in the Kosovo Fund and duly recorded in the KFMIS.

2. In cases when during the Fiscal Year, a Municipality's Own Source Revenue amounts, which have been deposited into the Kosovo Fund and recorded in KFMIS, exceed the amounts of

revenue appropriated in Table 4.1 of that municipality, the Treasury shall record these funds as available balances of the respective municipalities. These balances shall be available to fund additional appropriations of the respective municipality in current or future years approved in accordance with procedures set out in the LPFMA.

3. Municipal Own Source Revenue from education shall be recorded separately and such revenue may only be authorized and utilized by the municipality for education purposes. Municipal Own Source Revenue from primary health care co-payments shall be recorded separately, and such revenue may only be authorized and utilized by the municipality for primary health care purposes.

4. Budgetary Appropriation for the Performance Payment Programs in Table 4.1 may only be used by the municipalities for the payment in health sector, which are interrelated with the implementation of the program for performances in health and in accordance with principles established by the Ministry of Health, in cooperation with the Ministry of Finance, and included in the Memorandum of Understanding signed with each municipality.

4.1. These budgetary appropriations may only be spent with a prior authorization by the Ministry of Health, confirming the performance goals determined in the Memorandum of Understanding;

4.2. If for any reason the Memorandum of Understanding is not signed by the 30<sup>th</sup> June 2011, the budgetary appropriation for the respective municipality shall automatically be appropriated for the Program of Primary Health in Table 4.1 and cannot be spent for other purposes.

5. Budget Appropriation for New Municipalities in Table 4.1 may be expended only for issues benefiting the communities within Cadastral zones of the New Municipalities.

5.1. After establishing a New Municipality as a Budget Organization in accordance with the Law No. 03/L-041 on Administrative Municipality Boundaries, , the Minister may issue administrative instructions on the governance, financing, administration and internal control for these Municipalities in consultation with the Minister of Local Government Administration, International Civilian Representative, and respective municipalities;

5.2. Until a new municipality is established in accordance with the Law No. 03/L-041 on Administrative Municipality Boundaries, these budgetary appropriation may only be spent by existing new municipalities for purposes of benefiting the communities within Cadastral zones of the New Municipalities and in consultation with relevant stakeholders, including the Ministry of Local Government Administration, International Civilian Representative Office, and representatives of the population of the Cadastral zones.

6. Budgetary appropriations for New Municipalities in Table 4.1 are provisional and as such may be subject to a review and changes after the establishment of the respective municipalities as a Budgetary Organization. Budgetary appropriation may be amended by the Mayor through a budget review process in accordance with applicable regulations determined in the LPFMA and within the financing limits determined for the municipality in this Law. Changes in budgetary

appropriation shall, after approval by the Municipal Assembly, be delivered to the Minister to record them in KFMIS.

7. Upon the establishment of a New Municipality as a Budgetary Organization in accordance with the Law No. 03/L-041 on Administrative Municipal Boundaries, appropriation for the New Municipality presented in Table 3.1 and 4.1 shall be automatically transferred to that New Municipality in accordance with the Article 31 of LPFMA.

### **Article 6** **Own Source Revenues of Central Budgetary Organizations**

1. All Own Source Revenues for Central Budgetary Organizations shall be deposited by the Central Budget Organizations into the Kosovo Fund and recorded in KFMIS in accordance with the Treasury Financial Rules.

2. The Minister is hereby authorized to sign a Memorandum of Understanding with a Central Budgetary Organization which will share its Own Source Revenues, provided that the amount of revenues that will be appropriated may not exceed the amount collected during current fiscal year or which has been appropriated and unspent during the previous year.

### **Article 7** **Dedicated Revenue to the Independent Agencies**

1. All Dedicated Revenue shall be deposited by the Independent Agencies into the Kosovo Fund and recorded in KFMIS in accordance with the Treasury Financial Rules. All Independent Agencies are also required to submit cash flow plan to the Treasury.

2. All Dedicated Revenue are hereby appropriated to each of the Independent Agencies according to the Constitution and Laws into force. Budget of Republic of Kosovo includes all Dedicated Revenue as it is received during Fiscal Year 2011.

3. All unexpended balance of Dedicated Revenue from Fiscal Year 2010 is hereby appropriated and authorized for Fiscal Year 2011 to the Independent Agencies according to the Constitution and Laws into force. However, provided that the maximum amount of Dedicated Revenue that is hereby appropriated through this Law may not exceed the amount specified in Table 3.1 of this Law and any excess shall no longer be considered as Dedicated Revenue.

4. The sum of Dedicated Revenue appropriated in paragraphs 2 and 3 of this Article shall not exceed the maximum appropriation for the Independent Agencies specified in Table 3.1 of this Law.

5. If at any time during Fiscal Year 2011 there are insufficient funds collected and available, under paragraphs 2 and 3 of this Article, to fulfill the requirements determined in the cash flow plan submitted to the Treasury, other public means from the Kosovo Fund are hereby authorized to be appropriated in an amount which is sufficient to fulfill the deficit. However, at all times

Dedicated Revenues shall be used as a first priority funding source for payment of Independent Agency's Expenditures before other funding sources are appropriated and used.

6. As Dedicated Revenues for Fiscal Year 2011 are received and appropriated, they will replace all appropriations and funding made in accordance with paragraph 5 of this Article to the extent that the deficit funding from the Kosovo Fund has not been expended yet.

## **Article 8**

### **Appropriation and Re-Appropriation of Carried Forward Fund**

1. No later than thirty (30) days after issuance of full budgetary appropriations for Fiscal Year 2011, the Government shall submit to the Assembly a preliminary Schedule indicating the composition of Treasury and Kosovo Fund balances from Fiscal Year 2010, including:

1.1. Unexpended balances of Central Government Own Source Revenues;

1.2. unexpended balances of Municipality Own Source Revenues;

1.3. unexpended balances of Designated Donor Grants;

1.4. balance of Trust Funds held by Budgetary Organizations;

1.5. Funds that shall be kept as Retained Saving;

1.6. unexpended loans for Designated Entities;

2. Not later than thirty (30) days after issuance of full budget appropriations for Fiscal Year 2011, the Government shall submit to the Assembly, a Table indicating changes made to the attached Tables 3.2 and 4.2, required for Budgetary Organizations to fulfill outstanding financial obligations associated with multi-year capital projects. Changes to the Tables 3.2 and 4.2 shall be limited as follows:

2.1. The total budget Appropriation for capital projects presented in Tables 3.1 and 4.1 for any Budgetary Organization or program shall not increase as a result of these changes;

2.2. Any new project added to Tables 3.2 and 4.2 must be a capital project that was a part of Table 3 of the Law on Budget Appropriations for the year 2010;

2.3. However, provided that new capital projects may be added to Table 3.2 or 4.2 when the capital project is funded entirely by unexpended balances that are foreseen in paragraph 1 of this Article and appropriated in Fiscal Year 2011.

3. Unexpended balances of Own Source Revenues of the Central Budgetary Organizations from Fiscal Year 2010, deposited in the Kosovo Fund and recorded in KFMIS as Budgetary appropriations for a Central Budgetary Organization, through this they are appropriated for

Fiscal Year 2011, if these funds are included in the Memorandum of Understanding described in Article 6 of this Law.

4. Unexpended balances of “Municipal Own Source Revenues” from Fiscal Year 2010 and previous years deposited in the Kosovo Fund and recorded in KFMIS as Budgetary appropriation to a municipality are appropriated for Fiscal Year 2011.

5. Unexpended balances of designated donor grants recorded in KFMIS are appropriated for Fiscal Year 2011 if there is a legally binding agreement into force.

6. Unexpended Trust Fund balances from Fiscal Year 2010 recorded in KFMIS are appropriated for Fiscal Year 2011.

### **Article 9 Appropriation of Donor Grants**

1. In accordance with the LPFMA all donor grants shall be deposited into the Kosovo Fund, unless it is required otherwise by the Donor and if there is an agreement in writing by the Minister. All donor grants must be recorded in KFMIS.

2. After completion of the procedures according to the Treasury Financial Rules, the donor grants shall be appropriated for the specified purpose(s), and may be allocated and expended for such purpose(s).

3. Where a Donor grant agreement expressly requires the Donor to reimburse certain expenditures incurred by a Budgetary Organization, the full amount of the Grant is hereby appropriated after the execution of the grant agreement.

### **Article 10 Other Budgetary Appropriations**

1. All public money held by the Kosovo Property Agency (KPA) in the exercise of its responsibility to design, implement and administer the Rental Scheme for the properties that the KPA has in its inventory and any respective payments from the KPA account are to be duly recorded in KFMIS and accounted for as part of the Kosovo Fund in accordance with the KPA legislative framework, the LPFMA and the Treasury financial rules. Such public money held by the KPA shall be considered to have been appropriated for the specific purpose(s) authorized under the applicable law and the KPA Rental Scheme, and may be allocated and expended for such purpose(s).

2. All public broadcast fees transferred to the Kosovo Fund by RTK which comprise that five percent (5%) of the Public Broadcasting Fees, and which is designated for the support of Minority, Multiethnic, and disadvantaged Media, is hereby appropriated to the Office of the Prime Minister according to paragraph 11 of Article 20 of the Law on Radio Television of Kosovo (RTK).



3. All Trust Funds are to be duly recorded in KFMIS and accounted for as part of the Kosovo Fund in accordance with the LPFMA and the Treasury Financial Rules. Such Trust Funds are hereby appropriated for the use by or on behalf of the defined beneficiaries.

## **Article 11**

### **Limits on Commitments and Expenditures**

1. Each Budgetary Organization is required to ensure that the number of its employee positions does not at any time during Fiscal Year 2011 exceed the total number of employee positions specified in Table 3.1 or 4.1 attached to this Law.

2. Provided that the number of employees assigned to a program in Table 3.1 or 4.1 may be adjusted by Government decision in the following circumstances:

2.1. Number of employee positions set out in the Table 4.1 for all new municipalities created in 2009, 2010 and 2011, can be changed by the Mayor, provided that such a change does not exceed twenty percent (20%) of total number of positions approved by the Municipality according to Law. All changes to the staff must be approved by Municipal Assembly. All these approved changes, relating to the staff, shall be delivered to the Minister who will update them in Table 4.1.

3. Failure to comply with the limits on the number of employee positions is a breach of this Law and of the LPFMA.

4. Expenditure of public moneys from the Expenditure Category Subsidies and Transfers shall be limited to circumstances where there is a clear legal basis under this Law and a law other than this Law for such expenditures.

5. Expenditure of public moneys from the Expenditure Category Goods and Services is not permitted for payment to Employees either as allowances or as contributions in goods, including meals or gifts.

6. A Budgetary Organization shall not issue an invitation for tender for an approved capital project identified in Tables 3.2 and 4.2 after 31 October 2011, for potential expenditure in Fiscal Year 2011 unless that expenditure is projected for such capital project for 2012 or 2013 in Tables 3.2 and 4.2.

7. Expenditures relating to expropriation must be approved by the Government before being expended.

8. In the event an individual or entity receives a payment from the Kosovo Fund by mistake, error or omission, such funds shall be returned to the Kosovo Fund within five (5) days after receipt of a written notice from the Director of Treasury notifying the receiving party that such payment was made in error. In cases when a budgetary organization notes an unfair payment, immediately informs the Director of Treasury and immediately there is given the order for return.

## **Article 12**

### **Advance Payments**

1. Budgetary Organizations may make advance payments to contractors for capital projects and for goods and services up to a maximum of fifteen percent (15%) of the value of the contract. Such advance payment shall only be made in accordance with a legally binding contract, with a value greater than ten thousand (10,000 €) Euros that is achieved in accordance with the Law on Public Procurement. For advance payments for capital projects the contract must contain a performance guarantee and clearly define a complete payment schedule that includes the work required to be completed before each payment is made.
2. In exceptional cases, Government may approve advance payment of up to thirty (30%) percent of the contract value for capital projects. Government may also approve advanced payment more than thirty percent (30%) of the contract value upon the consent of the Committee for Budget and Finance of the Assembly of Republic of Kosovo, for specific cases.
3. For November there will be no advance payments more than ten (10%) percent and for December not more than five (5%) percent of the contract value and after the approval by the Minister of Finance.
4. Budgetary Organizations may make advance payments to employees who travel abroad in accordance with the rules that are actually into force for travel abroad and in accordance with Treasury financial rules. Such advances shall be closed, and unspent amounts will be returned to the Kosovo Fund, in accordance with the Treasury Financial Rules.
5. If advances for petty cash or travel made in 2010 are not closed before 15 January 2011 in accordance with Treasury financial rules, the expenses associated with such advances shall be recorded in relation to appropriations for 2011.

## **Article 13**

### **Contingent Expenditures and Reserves**

1. Means for contingent expenditures are appropriated within the program - Contingent Expenditures in Table 3.1. The amount may be transferred from the Contingent Reserve in accordance with Article 29 of the LPFMA. The amounts authorized for contingent expenditures may be used only for urgent and unforeseen requirements.
2. The Government, in accordance with paragraph 3 of Article 29 of the LPFMA, may authorize the Minister to approve transfers from the program - Contingent Expenditures in the other program in Tables 3.1 and 4.1 for individually requested amounts of up to twenty thousand (20,000 €) Euros. The total amount of the authorization granted to the Minister, may not exceed twenty percent (20%) of the total annual appropriation of the program - Contingent Expenditures.
3. Funds for contingent expenditures are appropriated to the Municipal Reserve for New Municipalities under the Ministry of Local Government Administration. This Municipal Reserve may either be expended for the benefit of communities within Cadastral zones in New

Municipalities by the Ministry of Local Government Administration in consultation with International Civilian Representative and respective municipalities or it may be transferred directly to New Municipalities after their establishment.

4. Funds for contingent expenditures are appropriated to the Brain Fund under the Ministry of Finance. This Fund may be transferred into a Budgetary Organization in the expenditure category for wages and salaries by the Minister in accordance with a plan approved by the Government, that specifies the employment positions and the amount of funds that are specifically needed for attracting and retaining highly skilled non-political staff in positions of national significance in areas of policy development. All such transfers are hereby approved and as such are not subject to the limitations on transfers included in Article 30 of the LPFMA or Article 14 of this Law.

5. Reserve Funds appropriated to the Ministry of Infrastructure and Ministry of Local Government Administration that are for the co-financing of municipal projects shall either be spent or transferred to municipalities, but all in accordance with the memorandum of understanding which has been signed by both the relevant Ministry and Mayor of the respective municipality.

6. Reserve Funds appropriated to the Ministry of Finance for capital projects of new municipalities which were unspent in 2010 shall be transferred to new municipalities in accordance with the prior government decision.

#### **Article 14**

#### **Transfer of Budgetary Appropriated Amounts**

1. The Minister may, if provided with valid justifications by the head of Budgetary Organization, authorize the transfer of one or more budgetary appropriations in accordance with Article 30 of the LPFMA.

2. Appropriation for the capital project “Merdare-Morine Motorway” in the Ministry of Infrastructure may be transferred to the program “Expropriation for the Highway Merdare-Morine” in the Ministry of Finance in an amount equal to that approved by the Government for expropriation for this project.

3. However, whenever a central Budget Organization has under spent in accordance with the cash flow plan submitted to the Treasury, the Minister may during the last quarter of this financial year and with the approval of the government, authorize a reduction in the appropriation for all the economic categories of such central Budget Organization and transfer such appropriation to another Budget Organization but the cumulative value of all such transfers must not exceed five (5%) percent of the total value of all budgetary appropriations.

4. Notwithstanding the provisions of paragraph 1 of this Article and paragraph 2 of Article 11 of this Law, no transfer of any Budgetary appropriation may be made into the Expenditure Category of Wages and Salaries from another economic category without the prior approval of the Assembly. Transfers of budgetary appropriation within the economic category of Wages and

Salaries may be made between programs of the same Budgetary Organization. Further, the prior approval of the Assembly is also necessary for any transfer between Budgetary Organizations.

5. After approval of any transfer an adjustment to the amounts appropriated in Tables 3.1 and 4.1 shall be made by the Minister and all this shall be recorded in KFMIS.

### **Article 15** **Changes in Amounts Allocated to Capital Projects within a Program**

1. Funds may only be allocated to capital projects listed in Table 3.2 .For capital projects set out in Table 3.2, the Minister may, if provided with valid justification by the head of the Budgetary Organization, authorize the movement of allocated funds from one capital project to another capital project within the same program of that Budgetary Organization provided that the carried forward amount is less than or equal to fifteen percent (15 %) of the total value of the capital economic category approved for that program.

2. For any capital project set out in Tables 3.2, the Minister may, if provided with valid justification by the Head of the Budgetary Organization, submit a request for approval to the Government for the movement of allocated funds from one capital project to another capital project within the same program of that Budgetary Organization in an amount greater than fifteen percent (15 %) but less than twenty-five percent (25 %) of the total value of the capital economic category approved for that program.

3. For each capital project set out in Table 3.2, the Minister may, if provided with valid justification by the head of a Budget Organization, submit a request for approval by the Assembly, for movement of allocated funds from one capital project to another capital project within the same program of that Budget Organization, in an amount equal or greater than twenty-five percent (25 %) of the total value of the of the capital economic category approved for that program.

4. New capital projects may be added to Tables 3.2 and 4.2 provided that they are funded under the procedures authorized in paragraph 2 of Article 5, paragraph 2 of Article 8 of this Law and paragraphs 1, 2 and 3 of this Article and if they are added to the Public Investment Program in accordance with instructions issued by the Minister.

5. For the purpose of paragraphs 1, 2, 3 and 4 of this Article, a valid justification shall be prepared by the Head of the requesting Budget Organization which must include, at a minimum, evidence that the estimated cost of the capital project is greater than the available funds as determined in accordance with Article 9 of the Law on Public Procurement No. 03/L-241, or that a capital project requires less than the amount specified, as well as the description of the effect that request may have on the Public Investment Program.

6. Notwithstanding the above mentioned provisions of this Article, the change in allocated amounts in capital projects for the co-funding with the Budgetary Organizations, as reflected in Table 3.2 may be authorized by the Minister after the approval by Government for the Central Level.

7. Changes in allocated amounts in capital projects of Municipalities as presented in Table 4.2. shall be approved by Municipal Assembly. Such changes will be recorded in KFMIS by the Minister within five (5) days from the receipt of approval by Municipal Assembly.

### **Article 16** **Execution of Budget**

1. All Chief Financial Officers shall ensure that all obligations are recorded in the KFMIS in accordance with the LPFMA and the Treasury Financial Rules.
2. The Chief Financial Officer of every Budgetary Organization that is not a municipality or an Independent Agency shall submit to the Minister of Finance within three weeks of the close of each quarter a report detailing the progress on implementation of all capital projects with a value greater than ten thousand (10.000 €) euro.
3. The Chief Financial Officer of every municipality shall submit to the Mayor within three weeks of the close of each quarter a report detailing the progress on implementation of all capital projects with a value greater than ten thousand (10.000€) euro. A copy of such report shall be delivered to the Minister.

### **Article 17** **Budget Estimates for Proposed Legislation**

1. Whenever there is proposed any new law or amendment and supplementation of any existing law, the Ministry or proposing authority, preliminarily should submit the new law or the law on amending and supplementing the law together with a declaration on existing budgetary and economic impact to the Ministry of Finance, including a detailed impact assessment that the proposed legislation may have on overall Kosovo budget and Kosovo economy.
2. Department of budget, in cooperation with Department of Economic policies shall review this declaration and shall present their independent opinion regarding these issues in front of the Government or Assembly, when the proposing authority is the Assembly.
3. Any new expenditure initiative, including proposed new legislation, that does not have an appropriation contained in the attached tables, shall not receive a budgetary appropriation unless offsetting reductions in appropriation of equal value are implemented.

### **Article 18** **Credit to Designated Entities and Public Ownership Enterprises**

The Minister shall have the authority to provide to Designated Entities according to paragraph 2 Article 50 of the LPFMA, or to a Public Ownership Enterprise in accordance with the Law No.03/L-087 on Public Ownership Enterprises, a reimbursable credit and in compliance with the Terms and Conditions approved by the Government. The amounts approved for such credits are hereby appropriated according to this Law and set out in Table 1. The reimbursable credit or the credit shall be based on the agreement between the Designated Entity or Public Ownership

Enterprise receiving the loan or credit in one way and the Minister on the other way, whereas they shall only be used for capital expenditure purposes.

#### **Article 19**

#### **Expenditures incurred in absence of the Law on Budgetary Appropriations**

All expenditures incurred till the moment of entrance into force of the Law on the Budget of Republic of Kosovo for year 2011 shall be considered as a part of this Law in compliance with Article 24.4 of the Law on Public Financial Management and Accountability No. 03/L-048.

#### **Article 20**

#### **Expiry of the Budget of Republic of Kosovo**

All the Budget of Republic of Kosovo and means allocation made in Fiscal Year 2011 shall automatically expire at midnight of 31 December 2011.

#### **Article 21**

#### **Entry into Force**

This Law shall enter into force on 1 April 2011.

**Law No.04/L-001**  
**31 March 2011**

**Vice-President of the Assembly,**  
**Xhavit HALITI**