

**Republika e Kosovës**

**Republika Kosova - Republic of Kosovo**

*Qeveria – Vlada - Government*

*Ministria e Punës dhe Mirëqenies Sociale*

*Ministarstvo za Rad i Socijalne Zaštite Ministry of Labour and Social Welfare*

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CONCEPT DOCUMENT

on

Social Assistance Scheme

Prepared by:

Ministry of Labour and Social Welfare

Department for Social Policy and Family

August, 2019

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# Summary of the Concept Document

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| **General information** | |
| Title | Concept Document on Social Assistance Scheme |
| Responsible Ministry | Ministry of Labour and Social Welfare; Department for Social Policy and Family; Social Assistance Division |
| Contact person | Mentor Morina – Director of the Department for Social Policy and Family; email: [mentor.morina@rks-gov.net](mailto:mentor.morina@rks-gov.net) |
| GAWP | 2.2 Review of legal framework concerning the Social Assistance Scheme |
| Strategic priority | MLSW Sector Strategy 2018-2022  Strategic Objective 3: Increasing the social welfare by expanding and increasing the quality of protection and social and family services, with a special focus on vulnerable groups and gender equality.  Specific Objective 3.1: Reduction of poverty and social exclusion by providing integrated services and benefits for women and men in social need and other vulnerable groups.  Activity 3. Review and supplementation-amendment of the legal framework concerning the Social Assistance Scheme. |

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| **The decision** | |
| Main issue | Currently, the main problem of the Social Assistance Scheme is the extremely limited impact of SAS on reduction of poverty, which is the main aim of this scheme. In 2016, SAS had an impact on poverty reduction with 1.9 percentage points, namely from 16.3% to 14.4%, and reduction of poverty gap with 1.6 percentage points, namely from 4.8% to 3.3%.  Some of the factors contributing to this limited impact include: (1) limited coverage of SAS; the programme covers only 35% of families in the poorest quintile of the population; (2) gradual deterioration of targeting, with a distribution of around 10% of expenses in two of the richest quintiles and selection of 68% of the poor in the poorest quintile in 2016; (3) problems in implementation and administration of the legal framework due to the selection criteria not being in compliance with the characteristics and the needs of poor families in Kosovo; (4) insufficiency of monthly amount of SAS to meet the basic needs of beneficiaries, in particular for large families, as well as low value of package of benefits and exemptions to which SAS beneficiaries are entitled; and (5) lack of coordination between SAS and social services and employment services, as well as non-adjustment of the latter to the needs and profile of SAS beneficiaries.  Most of problems related to Social Assistance Scheme result from inadequate legal framework, budget limitation, and lack of coordination and shortcomings in institutional and information technology capacities to provide integrated SAS, social and employment services for the purpose of activation and social-economic inclusion of vulnerable groups. |
| Summary of consultations | * During the work of the Working Group, the Department of Labour and Employment within MLSW raised the issue of removing Category II in reforming the Social Assistance Scheme, given that this pillar served as *a type* of short unemployment benefit for persons who are unemployed to avoid impoverishment/becoming social cases. * Department of Labour and Employment in MLSW recommended the inclusion in the Social Assistance Scheme reform of the activation of beneficiaries from this scheme through Active Labour Market Measures and other employment services.   + In order to encourage participation of SAS beneficiaries in vocational training sessions, it is recommended that the latter cover the participants' transportation and food costs while attending these training sessions. * For the new Means Test, the Working Group recommended:   + To not include revenues from students’ scholarships in this test – component of poverty test – as their aim is to promote human capital development.   + To calculate in this test only the half (50%) of revenues from pensions for persons with disability degree of 80% or more. (Note: disability degree is governed with the legislation concerning the field of disability). * For the new Proxy Means Test, the Working Group recommended the following items:   + Include in the Proxy Means Test the possession and use of arable land and agricultural equipment, and possession of livestock as they may generate significant revenues for the applicants/potential beneficiaries of SAS. The participants also recommended that these should be considered and quantity of each should be scored in order to enable an adequate assessment.   + Include in the Proxy Means Test questionnaire the questions on whether the household has members living abroad or not and whether a member of the household has deposits in a bank.   + Avoid duplication of questions and indicators that consist of questions related to the same issues in the questionnaire.   + Replace the indicator *Household has a colour TV* with *Household has an LCD TV,* as the latter coincides more with the reality on the field.   + Include in the verification of data for the Means Test an exchange of data with other municipalities as the latter provide grants and equipment for agriculture. * Participants from MLSW Control and Supervision Unit recommended that certificates of upper secondary school attendance should not be exclusion criteria in the phase of application for Social Assistance Scheme as they are resulting in ineligibility of poor families for the scheme. * The Working Group recommended the inclusion of eventual changes in the poverty test with reforms provided for in the collection of data from the Kosovo Agency of Statistics, namely with transition from collection of household consumption data (Household Budget Survey) into collection of household revenues data through EU-SILC survey[[1]](#footnote-1).   All these documents have been considered in the Concept Document (CD). The more detailed ones will be considered at the phase of drafting the primary and secondary legislation, in compliance with the Action Plan of this Concept Document. |
| [List the main public consultation activities that were conducted. Also enter the starting date and the end date of the written online public consultation. List the number of organisations that provided responses to this consultation, the number of comments received and the main conclusions from the public consultation process. Refer to the report on the public consultation that must be submitted together with the Concept Document for adoption by the Government.] |
| Proposed option | Option 3 for improving implementation and enforcement with legal amendments: Drafting the new Law on Social Assistance Scheme.  This option foresees the revision of the law and removal of categorical filters, revision of the beneficiaries selection/targeting procedure through the new poverty test, revision of the level of equivalence for calculating the SAS monthly amount based on the demographic structure and size of households (number of adults and number of children), namely use of optimal equivalence levels and allowances of EUR 10/month for every child under the age of 18. |

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| **Main expected impacts** | |
| Budget Impact | Additional expenses in the amount of EUR 18 million for payments from SAS, of which EUR 8 million will cover the legal reforms in SAS, whereas 10 million will be dedicated to allowances for children. Total annual expenses in the scheme are foreseen to be EUR 50 million comparing to EUR 32 million currently. These expenses do not include the budget implications for benefits and exemptions from other payments to which SAS beneficiaries are entitled. |
| Economic Impacts | Impact on making the finding of a job easier only for SAS beneficiaries. |
| Social impacts | Impact on poverty; Impact on access to social protection schemes; Impact on education; Impact on governance; Impact on public health and security. |
| Environmental impacts | No relevant expected impacts in this category |
| Impacts on fundamental rights | Impact on dignity; Impact on freedom – legal, economic or social protection of the family or the individual; Impact on personal data; Impact on equal treatment; Impact on children rights; Impact on good administration. |
| Crosscutting impacts | Gender impact; Impact on social equality; Impact on youth. |
| Administrative burdens for companies | Not applicable. |
| SME Test | SME Test has not been applied as is not applicable to this field. |

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| **Next steps** | |
| Short-term | Drafting of primary and secondary legislation concerning the Social Assistance Scheme |
| Medium-term | Building capacities for implementation of new legal framework concerning the Social Assistance Scheme; Development of the model for the provision of integrated services and case management and building capacities for its administration; Development of Social Register; Drafting of rules and procedures for activation of SAS beneficiaries and development of relevant IT infrastructure. |

# Introduction

Table 1 Table with background information on the Concept Document

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| --- | --- |
| Title | Concept Document on Social Assistance Scheme |
| Responsible Ministry | Ministry of Labour and Social Welfare; Department for Social Policy and Family; Social Assistance Division |
| Contact person | Mentor Morina – Director of the Department for Social Policy and Family; email: [mentor.morina@rks-gov.net](mailto:mentor.morina@rks-gov.net) |
| GAWP | 2.2 Review of legal framework concerning the Social Assistance Scheme |
| Strategic priority | MLSW Sector Strategy 2018-2022  Strategic Objective 3: Increasing the social welfare by expanding and increasing the quality of protection and social and family services, with a special focus on vulnerable groups and gender equality.  Specific Objective 3.1: Reduction of poverty and social exclusion by providing services and integrated benefits for women and men in social need and other vulnerable groups.  Activity 3. Review and supplementing-amending of the legal framework concerning the Social Assistance Scheme. |
| Working Group | 1. DSPF- Ylfete Ramosaj-Abazi, Responsible Officer  2. DSPF- Fehmi Ibrahimi, Member  3. DSPF - Valbona Rrahmani, Member  4. DLE - Leunora Zylfijaj, Member  5. DP – Veli Lecaj, Member  6. EARK- Shpëtim Kalludra, Member  7. DEIPC – Alban Sadiku, Member  8. LD - Zemrie Limaj, Member  9. LD- Gjylinaze Gola, Member  10. DBF - Nexhat Syla, Member  11. DPC – Ismail Gashi, Member  12. DLE – Ylber Aliu, Member  13. DSPF – Labinot Zogjiani, Member  14. LO/OPM – Nehat Pllana, Member  15. GCS- Mirlinda Lushtaku, Member  16. MF – Atifete Jakupaj, Member  17. OGE – Leonora Selmani, Member  18. MEST - Merita Jonuzi, Member  19. MoH – Arsim Qavdarbasha, Member  20. HCS “Nëna Terezë” – Zef Shala, Member  21. UNICEF- Dren Rexha, Member  22. UNDP – Alban Kryeziu, Member  23. World Bank – Erëblina Elezaj (expert), Member  24. MDHSW – Vlora Limani, Member  25. MDHSW – Osmon Veliu, Member  26. CSW – Kimete Mehana, Member  27. CSW – Ibrahim Gashi, Member |
| Additional information | Kosovo Agency of Statistics and World Bank. April, 2017. Consumption Poverty in the Republic of Kosovo 2012-2015. <http://ask.rks-gov.net/media/3186/stat-e-varferise-2012-2015.pdf>  Kosovo Agency of Statistics. Social Welfare Statistics 2017. <http://ask.rks-gov.net/media/3964/statistikat-e-mir%C3%ABqenies-sociale-2017.pdf>  World Bank. 2019. *Kosovo Social Assistance Scheme Study: Assessment and Reform Options*. Washington, D.C. : World Bank Group. <http://documents.worldbank.org/curated/en/994991557470271998/Kosovo-Social-Assistance-Scheme-Study-Assessment-and-Reform-Options>  World Bank (2018b). Exemptions from Social Health Insurance Contributions. Capacity Assessment of Kosovo’s Centres for Social Work (CSWs) in Kosovo.  Ministry of Labour and Social Welfare (MLSW). Sector Strategy 2018-2022. <https://mpms.rks-gov.net/wpdm-package/strategjia-sektoriale-2018-2022/>  Other data used in CD:  Ministry of Labour and Social Welfare (MLSW). Administrative data from the SAS database, 2016, 2017 and 2019.  Kosovo Agency of Statistics. Household Budget Survey (HBS) 2016, database. |

# Chapter 1: Problem definition

This Concept Document (CD) is aimed at reforming the Social Assistance Scheme in order to improve the impact of the scheme on reduction of poverty and expansion of the coverage of poor families in the scheme. Reform of the legal framework concerning the Social Assistance Scheme has been included as an activity even in the MLSW Sector Strategy 2018-2022 along with other activities, in order to achieve the third strategic objective in this document: “*Increasing social welfare by expanding and increasing the quality of protection and social and family services, with a special focus on vulnerable groups and gender equality*”*.*

The main problem in the Social Assistance Scheme is the extremely limited impact of SAS on reduction of poverty, which is the main aim of this scheme. In 2016, the SAS had an impact on the reduction of the poverty rate with 1.9 percentage points (from 16.3% to 14.4%) and reduction of the poverty gap with 1.6 percentage points (from 4.8% to 3.3%).

Some of the factors contributing to this limited impact of SAS: (1) limited coverage of SAS; the programme covers only 35% of families in the poorest quintile of the population; (2) gradual deterioration of targeting, with a distribution of around 10% of expenses in two richest quintiles and selection of 68% of the poor in the poorest quintile in 2016; (3) problems in implementation and administration of the legal framework due to the selection criteria not being in compliance with the characteristics and the needs of poor families in Kosovo; (4) insufficiency of the level of benefit to cover basic needs of beneficiaries, in particular for large families, as well as low value of the package of benefits and exemptions to which SAS beneficiaries are entitled; and (5) lack of coordination between SAS and social and employment services, as well as non-adjustment of the latter to the needs and profile of SAS beneficiaries.

In addition to the limited budget of SAS, which decreased in the last decade, the limited coverage, insufficiency of the monthly amount (in particular for large families) for the fulfilment of the most basic needs, as well as issues with the accuracy of the selection of beneficiaries mainly result from the inadequate design of the legal framework concerning the SAS, which is not compliant with the characteristics and the needs of the poor in Kosovo.

Some of the main issues with the legal framework include exclusion criteria of selection, in particular for Category II, namely for the family to have at least one child under the age of 5 and only one member family able to work and registered as unemployed, which exempt many poor families from the possibility of benefiting from SAS. These two criteria are also causing problems in the implementation of the legal framework as many families from the Category II of beneficiaries are obliged to change the status of the members of the family to shift into Category I as the small child reaches the age of 5 and/or to not work or work in the informal economy in order to not lose the right to benefit when the biggest child in the family reaches the age of 18. Also, the Means Test is not compliant with the poverty profile in Kosovo or the needs of the poor, thus affecting the limitation of the coverage and non-inclusion of many poor families in the scheme. Monthly amount of SAS reduces proportionally with the increase of the family, thus making the coverage of basic diet needs impossible, in particular for these families. Low value of the package of exemptions, services and other benefits, to which SAS beneficiaries are entitled, in combination with the low monthly amount, are not sufficient to put beneficiary families above the poverty threshold.

Some of other factors affecting the main problem are related to the shortcomings in the institutional and information technology capacity not only in the aspect of implementation and administration of SAS, but also the provision of integrated employment services, social services and SAS in order to enable the activation of beneficiaries and socio-economic integration, as well as prohibition of dependence on SAS. Activation of SAS beneficiaries, in addition to the abovementioned reasons, is also hampered by budget limitations for Active Labour Market Measures and mismatch between the programmes and needs and characteristics of SAS beneficiaries.

Table 2 Relevant policy documents, laws and bylaws

|  |  |  |  |
| --- | --- | --- | --- |
| Policy documents, law or sub-legal act | Link to policy or planning document online or to legal acts in the Official Gazette | State institution (s) responsible for implementation | The role and tasks of the institution(s) |
| Law No. 2003/15 on Social Assistance Scheme in Kosovo  Law No. 04/L-96 on amending and supplementing the Law No. 2003/15 on Social Assistance Scheme in Kosovo | <https://gzk.rks-gov.net/ActDocumentDetail.aspx?ActID=2460>  <https://gzk.rks-gov.net/ActDocumentDetail.aspx?ActID=2826> | Ministry of Labour and Social Welfare (MLSW)  MoF  CSW | * Drafting of strategies and policies. * Drafting and approval of legal infrastructure. * Monitoring and auditing of SAS implementation. * Provision of the budget. |
| Administrative Instruction No. 04/2013 for Submission of Claims Procedures for Social Assistance | <https://gzk.rks-gov.net/ActDetail.aspx?ActID=10204> | MLSW  MDHSW  CSW | * Regulation and establishment of procedures for the social assistance application. * Application of the same procedures for recognition or non-recognition of the right to social assistance. |
| Administrative Instruction (MLSW) No. 11/2013 on the Work of the Medical Commission Procedure for the Social Assistance Application in the First Category | <https://gzk.rks-gov.net/ActDocumentDetail.aspx?ActID=10310> | MLSW  MC  CSW | * Regulation of the procedures, criteria and methodology of examining and determining the health status of applicants for social assistance in the first category. * Application of procedures for evaluation and application for social assistance in the first category. |
| Administrative Instruction No.15/2012 on the Calculation of Monthly Social Assistance Amount  Administrative Instruction (MLSW) No. 04/2017 for the Amending and Supplementing the Administrative Instruction No. 15/2012 on Calculation of the Monthly Amount of the Social Assistance | <https://mpms.rks-gov.net/ëpdm-package/udhezimi-administrativ-nr-15-2012-pdf/>  <https://gzk.rks-gov.net/ActDetail.aspx?ActID=14579> | MLSW  MoF  Municipality  CSW  Banks contracted for SAS distribution | * Budget planning. * Provision of budget. * Harmonization of the monthly social assistance amount with the consumer price index and issuance of a decision on the amount of the monthly amount for families receiving social assistance. * Administration of the Social Assistance Scheme. * Distribution of social assistance. |
| Administrative Instruction (MLSW) No. 06/2013 to Calculate Material and Non-Material Goods and Calculated Revenue and Non-Accountable | <https://gzk.rks-gov.net/ActDetail.aspx?ActID=10230> | MLSW  CSW | * Determination of the criteria for calculating material and non-material goods, as well as calculable and non-calculable revenues * Assessment of the socio-economic status of families applying for social assistance. |
| Administrative Instruction No. 16/2013 Determining the Conditions and the Criteria for Acquisition of Social Assistance for the Foreigners in Republic of Kosovo  Administrative Instruction No. 05/2017 for the Amending and Supplementing the Administrative Instruction No.16/2013 to Determining the Conditions and Criteria for Realisation of the Social Assistance for Foreigners in the Republic of Kosovo | <https://gzk.rks-gov.net/ActDetail.aspx?ActID=10350> | MLSW | * Regulation and determination of the procedures to apply for social assistance for foreigners living in the Republic of Kosovo * Implementation of the same procedures for recognizing or not recognizing the right to social assistance for foreigners living in the Republic of Kosovo |
| Administrative Instruction No. 08/2010 for Administrative Procedures by the Repayment of Beneficiaries of Social Assistance Scheme Gained without Legal Base  Administrative Instruction No. 03/2017 for the Amendment and Supplementing the Administrative Instruction No.08/2010 for the Administrative Procedure of Returning the Payment from the Users of the Social Assistance Scheme Obtained without Legal Bases | <https://gzk.rks-gov.net/ActDetail.aspx?ActID=7904> | MLSW  MoJ  CSW | * Checking and inspection of social assistance beneficiaries. * Establishment of ad-hoc committees to identify families using social assistance without legal basis, to terminate social assistance after official ascertainment and to initiate procedures for the return of illegal payments. |
| Administrative Instruction No. 12/2013 for Determination of Paying Procedure for Exceptional Needs | <https://mpms.rks-gov.net/wpdm-package/udhezimi-administrativ-nr-12-2013-pdf/> | MLSW  CSW | * Taking the decision to meet current ad-hoc requirements for families and individuals in social need. * Budget planning for one-time assistance. * Applying the same criteria and procedures to all applicants for one-time assistance. |
| Administrative Instruction No. 08/2014 for Composition, Responsibilities and Operation of Commissions to Consider Second Instance and Location of Complaints and Appeals | <https://mpms.rks-gov.net/wpdm-package/udhez-adm-nr-08-2014-pdf/> | MLSW | * Designation of commissions for managing and administrating complaints and appeals of applicants, whose rights defined by the applicable laws have been violated by the MLSW. |
| Administrative Instruction No. 01/2010 on Procedures Delegation of Responsibilities of Social Welfare Scheme | [www.kryeministri-ks.net/repository/docs/UA\_nr.01-2010\_per\_procedurat\_per\_delegimin\_e\_pergjegjesive\_per\_skemen\_e\_ndihmes\_sociale.pdf](http://www.kryeministri-ks.net/repository/docs/UA_nr.01-2010_per_procedurat_per_delegimin_e_pergjegjesive_per_skemen_e_ndihmes_sociale.pdf) | MLAW  MLGA  MoF  Municipalities  CSW | * Delegation of responsibilities to municipalities for the administration of the Social Assistance Scheme * Annual budget planning * Coordination of the overall process for delegating social assistance services to municipalities under the applicable legislation. * Administration of the Social Assistance Scheme under the supervision of MLSW. |
| Administrative Instruction No. 12/2007 for Implementation and Functioning of Complaint Commission in II Level Regarding Social Assistance | <https://gzk.rks-gov.net/ActDetail.aspx?ActID=7534> | MLSW  CSW | * Establishment of a Commission for reviewing the second instance appeals regarding social assistance * Implementation of the decisions of the second instance Appeals Commission within the legal deadline |
| Administrative Instruction No. 05/2013 for Procedure and Manner of Submission of the Unemployed and Jobseekers in the Employment Offices and Evidence for the Commitments to Found Work by Deadline | <https://gzk.rks-gov.net/ActDocumentDetail.aspx?ActID=10217> | MLSW  Department of Labour and Employment (DLE)  EO | * Information of the unemployed of the employment opportunities and conditions. * Provision of the following services: identification of unemployed and jobseekers, professional employment counselling and career guidance, employment preparation and mediation, self-employment support, harmonizing supply and demand for vacancies, issuance of unemployment statement, and information and counselling for vocational training and rehabilitation. |
| Administrative Instruction No. 03/2013 on Procedures for Registration, Certification, and Active Job Search for the Unemployed that Apply for the Social Assistance Scheme | <https://gzk.rks-gov.net/ActDocumentDetail.aspx?ActID=10158> | MLSW  (DSPF, DLE)  Employment Offices  CSW | * Verification that the duration and commitment to finding a job from the unemployed (SAS Second Category beneficiary) is three months and will include active labour market measures (CSW). * Identification and registration of the unemployed through the issuance of the Unemployment Statement to all interested in applying for SAS (EO). * Preparation and undertaking of active employment and vocational training measures for all unemployed applying to SAS (EO). * Provision of support to the unemployed (SAS Second Category beneficiaries) for engaging in employment and vocational training programs (EO). * Management and administration of data on the unemployed and job-seekers throughout the territory of Kosovo. * Taking a decision on recognizing or not the right to benefit the social assistance. |

## Main problem

The Social Assistance Scheme (SAS) is the main social assistance program in Kosovo. In 2017, 88%[[2]](#footnote-2) of social assistance expenses[[3]](#footnote-3) were spent on this scheme. SAS is the only program aimed at reducing poverty in Kosovo and, above all, is the only program that uses household income and assets to identify beneficiaries.

The main problem with the Social Assistance Scheme currently is the very limited impact of the SAS on poverty alleviation, which is the main purpose of this scheme. In 2016, SAS reduced the poverty rate by 1.9 percentage points, from 16.3% to 14.4%, and reduced the poverty gap by 1.6 percentage points, from 4.8 to 3.3% (World Bank, 2019, p.43).

Due to the inadequate legal framework (and in some respects due to budget constraints), SAS coverage is limited, the targeting method does not match with the characteristics and needs of poor people and families, and the monthly amount is insufficient to cover the basic needs of the beneficiaries, especially given that the latter differ by age groups, boys/men and girls/women.

Shortcomings in legislation and enforcement capacity (human, administrative, technological and infrastructural) also result in problems with adequate identification of persons and families in need as well as monitoring, evaluation and drafting of policies based on evidence.

Coordination and integration of SAS with employment and social care services are ineffective and prevent beneficiaries' activation, their gradual 'independence' from SAS, and sustainable socio-economic integration.

## Effects

**SAS coverage in 2016 was 35.5% of the first quintile of consumption[[4]](#footnote-4), being low compared to the absolute poverty rate in the country and thus leaving many poor families without financial support.** SAS coverage is low even in comparison with other countries. Most countries in Eastern Europe and Central Asia report significantly higher coverage of the poorest quintile of the population by various social assistance programs. Countries with a design of LRIS[[5]](#footnote-5) benefits similar to SAS in Kosovo report higher coverage (Georgia (46.3%), Albania (38%)) of the poorest quintile, while Armenia has the same coverage (35%) (World Bank, 2019, p. 27).

Figure 1 Coverage of the poorest quintile (Q1) with LRIS programs, some countries, last year available %

Source:  *World Bank. 2019. Social Assistance Scheme Study: Assessment and Reform Options.*

**SAS targeting accuracy is good. In 2016, the poorest quintile represented about 70% of SAS beneficiaries and 68% of SAS benefits were distributed to this quintile.** The percentage of SAS beneficiaries in each quintile of the population is progressive. More than 85% of SAS beneficiaries belong to the poorest 40%. The percentage of benefits (SAS transfer to the poorest quintile as part of total SAS transfer) is also progressive.Between 2006 and 2016, 68 - 78% of all SAS benefits were received from the poorest quintile. **However, the percentage of benefits distributed to the lower quintile has dropped significantly, reaching its lowest level in 2016. Over 10% of benefits in 2016 were taken from the richest 40 per cent,** proving that the scheme has a problem with the selection of beneficiaries. The targeting methodology includes the Proxy Means Test since 2012, but this has not improved the accuracy of the SAS. On the contrary, the percentage of beneficiaries and benefit incidence declined somewhat after 2012 (World Bank, 2019, p. 29).

Figure 2: Percentage of SAS beneficiaries (left) and SAS benefit (right) by consumption quintiles, direct and indirect beneficiaries, 2006-2016, percentage

**The accuracy of SAS targeting is a result of narrow coverage rather than the accurate identification of beneficiaries.** SAS design excludes poor families that do not meet the criteria of Category I (all family members are dependent) or Category II (only one family member is able to work and registered as unemployed, the other members are dependent, and the family to have at least one child under 5 of age or an orphan under the 15 of age under permanent care). Therefore, high accuracy in targeting is a result of the high poverty rate and the low beneficiary base rather than the accuracy in targeting the poor.

**Due to the exclusionary nature of categorical criteria, many SAS beneficiaries move from Category II to Category I to avoid selection criteria, thus resulting in non-implementation and administration of relevant legislation.** Implementers of the scheme attribute the gradual decline of beneficiaries in Category I following legislative changes in 2012 to the transition of families from Category II to Category I.[[6]](#footnote-6) This transition usually occurs when Category II families lose entitlement to SAS when the youngest child reaches the age of 5 or the older child reaches the age of 18 and is considered able to work. Interviews with SAS implementers suggest that those who lose eligibility for SAS in Category II seek ways to qualify as dependents by certifying relevant members as incapable of work and/or in need of care. Although not directly, this phenomenon is evidenced by the data on the characteristics of SAS beneficiaries according to the categories as shown in Table 3. Persons over 18 years old unable to work with over 80% constitute one of the three largest categories of beneficiaries, 15.3% of woman beneficiaries and 15.1% of man beneficiaries. The category of caregivers of dependent persons is also high, about 13% of men and 28.4% of women.

Table 3 Characteristics of SAS beneficiaries according to legal selection criteria

|  |  |  |
| --- | --- | --- |
| Criteria | Boy/man | Girl/woman |
| Children with permanent disabilities (1-18 years old) | 0.2% | 0.1% |
| Children under the age of 5 years | 14.9% | 13.1% |
| Unemployed | 16.8% | 0.7% |
| Orphan under the age of 15 years | 0.2% | 0.2% |
| Caregiver | 12.8% | 28.4% |
| Caregiver –Person with Basic Pension (PBP) | 0.0% | 0.0% |
| Caregiver - Person with Disability Pension (PDP) | 0.1% | 0.0% |
| A person aged 15-18 in regular schooling | 7.6% | 7.5% |
| Single person - over the age of 18 years, unable to work above 80% | 1.4% | 2.2% |
| Person over the age of 18 years, unable to work above 80% | 15.1% | 15.3% |
| Person with Basic Pension (PBP) | 0.9% | 1.1% |
| Person with Contributory Pension (PCP) | 0.0% | 0.0% |
| Person with pension from the blind scheme | 0.0% | 0.0% |
| Person with disabilities pension (PDP)) | 1.7% | 0.6% |
| Person in closed-type institutions (hospital, prison, nursing home, residential school) | 0.2% | 0.0% |
| Persons up to the age of 14 years | 27.5% | 27.0% |
| Single parent | 0.7% | 3.6% |
| Total | **100.0%** | **100.0%** |

*Source: MLSW, Administrative Data from the SAS IT System, 2017.*

**The criterion that no adult should be employed produces a negative effect as many SAS beneficiaries cannot afford the cost of living if they do not work and therefore they are forced to work in the informal economy.** HBS data (2016) indicate that 52% of households benefiting from SAS have at least one family member who works. This number is particularly unexpected as these households should be legally excluded from being qualified for the SAS. This situation is problematic for several reasons: First, it pushes SAS beneficiaries who have employment relationship into the informal economy and may even decrease working hours since formal employment would jeopardize their right to benefit from the SAS. Second, SAS credibility is impaired as formal criteria are not implemented, thus adding an element of arbitrariness and ambiguity to SAS approval decisions (World Bank, 2019, p. 23).

**The SAS benefit covers a lower share of the consumption needs of large families compared with smaller families.** By design, the equivalence scale of the SAS assumes disproportionally high economies of scale for larger families. Beyond the second family member, the incremental benefit amount is only EUR 7.5 per month for adults and EUR 12.5 for children[[7]](#footnote-7), being insufficient to meet the basic needs of most beneficiaries given that one-member families comprise only 7% and two-member families only 13% of SAS beneficiaries (MLSW, 2019)[[8]](#footnote-8) (see Table A1 in the Annex).

As a result, the incremental benefit amount in response to an additional family member is smaller than that envisaged by the most common equivalence scales and does not reflect adult equivalent family size. Most other countries in the region apply more generous scales[[9]](#footnote-9). Comparison of current SAS benefit levels by family size and characteristics with benefit levels based on OECD modified scales[[10]](#footnote-10) in Figure 2 shows that the adequacy of the SAS decreases with family size. The SAS benefit covers 88 per cent of consumption needs of families with 2 adults and 1 child based on the modified OECD equivalence scales and for families of 4 adults and 2 children SAS coverage of consumption needs diminishes to 66 per cent (World Bank, 2019, p. 26).

Figure 3 Lower adequacy of SAS benefit for larger families

Source: World Bank, 2019, p. 26. Authors' calculations using the modified OECD rate, SAS legislation and MLSW administrative data.

**SAS benefit adequacy has decreased over time** – from 43-44 per cent of the consumption of the poorest quintile in the first decade of the 2000s, to 33-37 per cent in 2011-2016, in contrast to the benefit adequacy increase from an average of 25 per cent to over 30 per cent in most of the comparator countries.[[11]](#footnote-11) The present (implicit) equivalence scale is well below the scales typically used in comparator countries and discriminates against larger families – which account for about 80% of the beneficiaries or 24,480 of the 30,662 beneficiary families in 2017 – due to its strong assumption of economies of scales. (World Bank, 2019, p. 38) (see Table A1 in the Annex).

**Lack of coordination between employment services and SAS greatly reduces the potential for activation and (re)integration of SAS recipients into the labour market, while the lack of sanctions increases long-term benefit dependence**. Category II SAS recipients are rarely treated with activation measures, and even more rarely sanctioned for refusing to take part in activation programs. The sole formal linkage with SAS is the requirement for able-bodied SAS Category II family members and who are not (defined by law as dependent) to register as unemployed. There are no legal provisions for specifically targeted employment measures, even Public Work Programs (PPP)[[12]](#footnote-12). About 70% of the beneficiaries have been registered as unemployed for between 4 and 9 years (long-term unemployed), and less than 2.5% reported having any type of previous work experience. Only 25% of them show interest and willingness to participate in vocational training (World Bank, 2019, pp.61-63).

**Employment services and active measures are not yet sufficiently adapted to the needs of specific groups of jobseekers and their effectiveness is limited**. Several groups of the unemployed such as women or minorities, are currently underrepresented among beneficiaries of employment services and activation programs. Due to the legal provisions, particularly the SAS eligibility criteria for Category II, 95% of SAS beneficiaries registered as unemployed are men, which prevent women from being treated with active labour market measures as they do not appear in the lists of the EARK and Employment Offices (EO). About 70% of registered unemployed SAS beneficiaries hold at most a primary education degree compared with approximately 50 per cent of the unemployed registered with the EARK in general, indicating that effective activation of this group requires adaptation of the approach to their needs (World Bank, 2019, pp.61-63).

**SAS link to employment and social care services is not effective and does not enable socio-economic integration of beneficiaries.** Weak linkages with social services increase administrative burden and reduce the effectiveness of delivering public services in an integrated manner. They also undermine the government’s ability to target poverty in a multifaceted manner.

## Causes

**The distribution of SAS across population categories does not correspond to the country’s poverty profile, proving that SAS design in terms of beneficiary selection does not take into account the characteristics of poverty in Kosovo and does not contribute to reducing gender inequality in terms of social inclusion.** Poverty in Kosovo is highest for occasionally employed (26%), people with disabilities (24%), women-led households (24%) and large households with more than two children (KAS, 2017) (see Figure A1 in the Annex). On the other hand, MLSW administrative data on SAS beneficiaries by selection and gender criteria show that 0.7% of woman beneficiaries in SAS are registered as unemployed compared to 17% of men. On the other hand, the number of woman beneficiaries registered as caregivers of older persons, children or persons with disabilities, 28%, is more than double the number of man beneficiaries in this category, approximately 13%. Persons with disabilities over 80% make up 15% of woman and man beneficiaries, while the category of single mothers is around 4% (MLSW, 2017) (see Table 3 above).

**The SAS Category II criterion that the youngest child is younger than five[[13]](#footnote-13) results in the exclusion of poor families with school-age children.** The use of this criterion is not found in other social assistance programs in the region or the EU and is not based on research findings or evidence. Its choice seems counterintuitive as there is no reason to believe that the cost of raising a child decreases or the family becomes less poor once the child turns 5 and starts preschool. On the contrary, the poverty rate increases with the number of children in a household, as the recent poverty profile in Kosovo proves. The poverty rate for households with no children is 13%, for households with one child is 17%, for households with two children is 18%, and for households with 3 or more children is 22% (KAS, 2017).

**The Category II criterion that the family cannot have an employed family member further excludes many poor families.** Figure A1 in the Annex shows that poverty is highest among the occasionally employed (26%) (KAS, 2017). However, SAS Category II criteria prohibit any work for SAS recipients. Furthermore, once a child turns 18 the family loses eligibility for Category II even if he/she is still in secondary education or university. These conditions create incentives to work in the informal economy and/or obtain disability or dependent member status in order to maintain the right to benefit from the scheme. This phenomenon is evidenced by the high figure of beneficiaries with disabilities with over 80% - over 15% for women and men 18+ years old, while less than 2% of man beneficiaries and 0.6% of woman beneficiaries receive a permanent disability pension (see Table 3 above).

**The poverty test does not necessarily ensure targeting SAS to the poorest households.** First, there is no evidence that the current scoring formula was developed using a statistical model. Second, two indicators in the Proxy Means Test (PMT) have exclusionary power - ownership of a vehicle [[14]](#footnote-14) and land ownership/rent of land above 0.5 hectares - even though possession of these assets does not make a household *non-poor*. In addition, the means test does not assess whether the household has sufficient income to meet basic needs against any set (minimum) threshold, but it ambiguously assigns scores for each source of income regardless of household composition. While there is a standard questionnaire for assessing household characteristics in the PMT, some issues reducing the PMT’s objectivity remain. Questions about assessing the quality and the type of windows, basic furniture and appliances as well as other living conditions leave room for subjective scoring (World Bank, 2019, p. 23). These and other concerns were also raised in recent interviews with SAS Units Heads and staff in the Centres for Social Work (CSW)[[15]](#footnote-15).

**Caveats in the institutional capacity for implementing SAS also affect the accuracy of beneficiary selection.** Capacity constraints in the SAS Units of the CSW include: understaffing; limited number of SAS able to use the SAS Information Technology (IT) database and an overall shortage of staff with data management skills; unfulfilled training needs on implementation of the targeting system, using the SAS database and understanding amendments to the legal framework; insufficient technology, equipment and other physical infrastructure; low salaries and limited career development prospects of SAS staff (World Bank, 2018).

**There are also weaknesses in the functioning of the SAS information system with respect to informing policymaking and implementation of the SAS targeting method.** While the SAS IT system is linked and exchanges data with most MLSW social transfer schemes and the Tax Administration of Kosovo (TAK), there is no data exchange with other programs either due to lack of IT systems in certain institutions or lack of formal agreements for data exchange where such systems exist. Some of them, which are very important for the implementation of the SAS, are the civil register, the vehicle register, the pupil and student register, etc. CSWs have many concerns as regards system implementation even though the SAS database is electronic, it does not significantly reduce the administrative burden, and some PMT items are still verified manually in some CSWs. As noted above, the CSWs staffs lack significantly knowledge and capacity to use the IT system (World Bank, 2019, p. 40).

**Compared to other Western Balkan countries, the value of the SAS package is low.** Combined with only sporadic benefit indexation of the monthly benefit amount, this further reduces the ability of the SAS to tackle poverty effectively[[16]](#footnote-16) (World Bank, 2019, p. 27). The SAS benefits package includes[[17]](#footnote-17): (i) covering a part of the electricity bill, (ii) exemption from payment of primary and secondary health services, (iii) free books for elementary and high school students[[18]](#footnote-18), (iv) semester fee coverage for students, (v) exemption from payment of other utilities, and (vi) exemption from payment of municipal administration tax. On the other hand, in Montenegro - depending on the characteristics of the beneficiaries - the package can include up to ten different benefits, among them a monthly child allowance if the claimant has children, benefits for care (in the case of disability of the recipient), one-off assistance payments, electricity subsidies, free textbooks, free meals in kindergarten, coverage of costs for children’s summer and winter camps, funeral grants and municipal transfers. Furthermore, all members of LRIS families are provided with free health insurance (World Bank, 2019, p.27, p.57).

**The importance of the SAS in Kosovo's social protection system has declined, and as a result, the budget allocated to the scheme has declined, thus preventing substantial changes in program design to increase coverage or the level of monthly payments, that is, the effect on poverty.** Although the SAS is a minor component of the social protection system in Kosovo (accounting for only 7.7% of annual expenditures on social transfers[[19]](#footnote-19)), the program represents the only instrument in the country aimed at alleviating poverty**.** Overall spending on social protection has increased over the past decade, while the relative spending on SAS has decreased. Spending rose most for old-age pensions and war-related benefits, and these contributed most to increases in overall spending on social protection. Specifically, between 2009 and 2016, spending on SAS fell by 12.3 per cent in real terms, from 19 per cent of total social protection spending to 8.13 per cent or from 0.69 to 0.48 per cent of Gross Domestic Product (GDP). At the same time, the number of beneficiaries declined from over 40,000 households in 2005 to 26,000 in 2017 (World Bank, 2019, p. 37). It should also be noted that while almost 70% of SAS beneficiaries are poor, other social protection programs, such as war benefits or age pensions[[20]](#footnote-20), transfer much smaller portions of the budget to the poorest 20 or 40 per cent of the population (see Figure A2 in the Annex). A relatively sizable share of the poorest 40 per cent receives remittances, which is important for these household given the limited scope of public social assistance (World Bank, 2019, p. 29-31).

**The design of SAS discourages the employment of beneficiaries.** Working formally and receiving SAS exclude one another. Only two categories of families can qualify for SAS: (i) households with no able-bodied members (Category I) and those with one able-bodied member if the household has at least one child under 5 or orphan under the age of 15 under foster care (Category II). Able-bodied household members must register as unemployed and not work in the formal economy otherwise their household loses the right to benefit from SAS. The main work and activation incentives in SAS are *requirements* (for job search, participation in public works programs, and mandatory registration in the employment service) and *sanctions* (non-compliance with requirements is sanctioned with discontinuation of eligibility for SAS), but the latter are often not implemented (World Bank, 2019, p.39).

**Public financing for activation measures in Kosovo has been consistently low, thus constraining the government’s ability to serve and activate a large number of unemployed, including SAS beneficiaries.** Kosovo's spending on Active Labour Market Programs (ALMPs) stood at 0.08% of GDP in 2016, a very small fraction of the spending on pensions, social assistance and other social protection schemes spending. Despite high levels of inactivity and unemployment, public spending on employment services and active measures has remained almost the same, or saw only minimal growth since 2009. Spending is also very low compared to other countries in the region (see Figure 4). In particular, government spending is extremely low, making the availability of activation programs almost entirely dependent on donor funding. Active measures reach only a small share of registered unemployed (9.4% in 2017) and inactive. The total number of people placed in jobs through 'job matching' service and ALMPs is reported to be around 6,000, or about 6% of the registered unemployed (World Bank, 2019, p. 58).

Figure 4 Spending on employment services and active measures in Kosovo and selected Europe and Central Asia countries

*Source*:World Bank ASPIRE and SPEED data.

**There are no explicit legal regulations for integrated social service provision or for complementing the SAS cash assistance with other care services.** As a result, the links between SAS and other social care services are weak. SAS and social services are delivered by separate units of the CSWs and as a result cases are not managed in an integrated manner (World Bank, 2019, p.27).

The following table includes identified stakeholders and indicates whether they have been affected by the causes, effects or both. In addition, the last column in the summary shows how they are affected. Chapter 5 provides information on how these stakeholders were consulted.

Table 4 Overview of stakeholders based on problem definition

|  |  |  |
| --- | --- | --- |
| Name of stakeholder | Cause(s) and/or effect(s) to which the party is associated | Manner in which the party is related to this cause(s) or effect(s) |
| Ministry of Labour and Social Welfare | Inadequate legal framework, insufficient budget | Drafts the legal framework for SAS; provides the budget. |
| Ministry of Finance | Level of benefit/adequacy, indexation, coverage | Provides the budget allocated to the scheme and the additional benefits/exemptions to which the beneficiaries are entitled. |
| Ministry of Health | Coverage | Funds health services from which SAS beneficiaries are exempted. |
| Health Insurance Fund | Coverage | With the implementation of health insurance, the Health Insurance Fund will administer the exemption of SAS beneficiaries from the payment of premiums, co-payments and other payments of health care services. |
| Ministry of Education, Science and Technology | Coverage in the context of supporting social cases in terms of education | Provides proactive policies in supporting and proper handling of beneficiary social cases of the education system (scholarships, exemptions, dormitory enrolment), and participates in institutional coordination in dealing with cases in need. |
| Poor families | Insufficient level of benefit; Exclusion from the scheme as a result of non-compliance with the legal selection criteria | Beneficiary - current or potential - of SAS. |
| Municipalities (CSWs) | Implementation of SAS in practice, including IT system administration | Implementation and administration of SAS at local level. |
| Non-Governmental Organizations | Limited SAS coverage, insufficient level of benefit for large families, targeting method, SAS administration and implementation at the central and local level, SAS impact on poverty alleviation and socio-economic integration of beneficiaries, especially vulnerable groups | Support poor families with services and/or material assistance (in goods) as well as advocate for the rights of certain vulnerable groups. |
| Agency for Gender Equality | Targeting, coverage, poverty alleviation | Proposes to the Government to amend/supplement the laws and sub-legal acts, as well as to adopt other measures for the implementation of the Law on Gender Equality, in accordance with the legal provisions in force.  Participates in the preparation of laws, sub-legal acts, strategies and programs to ensure the inclusion of gender mainstreaming and gender budgeting.  Responsible for monitoring the implementation of the Law on Gender Equality, including Article 19. Prohibition of gender discrimination in access to and supply of goods and services, including those provided by the public sector. |

# Chapter 2: Objectives

This Concept Document aims to reform the Social Assistance Scheme to improve the impact of the scheme on poverty alleviation and expand the coverage of poor families by the scheme. As an activity, reforming the legal framework of the Social Assistance Scheme is also included in the MLSW Sector Strategy 2018-2022, along with other activities, to achieve the third strategic objective in this document: *“Increasing social welfare by expanding and enhancing the quality of social and family services and protection, with a particular focus on vulnerable groups and gender equality”.*

Some of the reforms outlined in the Concept Document also address components of one of the objectives of the Government Program 2017-2021, *"reducing the number of households in Category II social assistance by engaging in active labor market measures"*.

Table 1: Government relevant objectives

|  |  |
| --- | --- |
| **Purpose of the policy** | **Name of the relevant planning document (source)** |
| Strategic objective / Specific objective |  |
| Increasing social welfare by expanding and enhancing the quality of social protection, achieving gender equality, and enhancing the quality of social and family services with a particular focus on vulnerable groups (Strategic Objective) | Sector Strategy of Employment and Social Welfare 2018-2022 (<https://mpms.rks-gov.net/wpdm-package/strategjia-sektoriale-2018-2022/>) |
| Alleviating poverty and reducing social exclusion by providing integrated services and benefits for women and men in social need and other vulnerable groups (Specific Objective) | Sector Strategy of Employment and Social Welfare 2018-2022 (<https://mpms.rks-gov.net/wpdm-package/strategjia-sektoriale-2018-2022/>) |
| Employing one member for each household that has no people employed and reducing the number of households in Category II social assistance by engaging in active labour market measures | Program of the Government of the Republic of Kosovo 2017-2021 (<https://www.min-rks.net/repository/docs/programi_i_qeverise_se_republikes_se_kosoves_2017_2021.pdf>) |

# Chapter 3: Options

This Concept Document reviews and compares four possible options to address problems and effects with the Social Assistance Scheme. *Option 1* does not foresee any changes in the legal aspect or in improving the implementation and enforcement of existing law. *Option 2* foresees improvement in implementation and enforcement without legal changes. *Option 3* foresees improvement in implementation and enforcement through legal changes. This option involves removing two filters of categories (Category I and II), revising the beneficiary selection/targeting procedure through the new poverty test, revising the method of calculating the SAS monthly amount by size and demographic structure of household (number of adults and number of children) using optimal equivalence scales and child allowances of EUR 10/month for each child under the age of 18, and change in current provisions with a view to activating beneficiaries of SAS.

*Option 4* foresees the same reforms as *Option 3*; the only difference is the method of calculating the SAS monthly amount and excluding child allowances of EUR 10/month for each child under the age of 18. The option proposes using the modified OECD equivalence scale to calculate SAS benefits.

## Chapter 3.1: Option no change

This option does not foresee changes to the SAS legal framework or administrative structure to improve legislation without changes. As such, the option provides that the SAS will continue to have exclusion criteria in the selection method; in Category I to select all households consisting of dependent members where none of them are capable of working, while in Category II to be selected and to benefit from SAS all households consisting of only one family member whom is capable to work and is registered as unemployed in EO, all other members to be dependent, and the household to have at least one child under the age of 5 or one orphan under the age of 15 under permanent care. With the same legal framework and the same administrative structure in place, the effectiveness of the poverty alleviation program will remain extremely limited and will not achieve its main purpose. The SAS will continue to have an impact of only 1.9 percentage points on reducing the poverty rate (from 16.3% to 14.4%) and 1.6 percentage points on reducing the poverty gap (from 4.8% to 3.3%). Targeting accuracy will continue to be 64%, the poor people coverage only 26%, while SAS monthly amount will continue to cover 39% of SAS beneficiaries' basic consumer needs (World Bank, 2019, p. 46).

## Chapter 3.2: Option to improve implementation and enforcement without legal changes

The option to improve the implementation and administration of SAS envisages investments in human capacity building at CSW level for implementation of SAS, advancement of IT infrastructure, especially in terms of interconnection of SAS system with other institutions' systems, and changes to the SAS administrative structure, namely monitoring and performance measurement processes, to improve accountability at the municipal level.

Considering that all these interventions would have an impact on improving the accuracy of the targeting, this option is not foreseen to have a significant increase in poverty alleviation (rate and gap) or the proportion of SAS coverage. In the best-case scenario, targeting accuracy can increase from 64% to 80% (or 25% improvement) and the funds currently allocated to the two richest quintiles - 10% of SAS expenditures – would be reallocated to poor families. However, these figures are only preliminary estimates and cannot be taken for granted as they depend on behavioural changes after human capacity building and inter-institutional coordination following investment in the IT system for data exchange.

## Chapter 3.3: Option to improve implementation and enforcement with legal changes

Drafting of the new Law on Social Assistance Scheme

This option foresees revising the law and removing categorical filters, revising the beneficiaries selection/targeting procedure through the new poverty test, revising equivalence scales for calculating the SAS monthly amount based on the size and demographic structure of the households (number of adults and number of children), namely the use of optimal equivalence scales, and child allowances of EUR 10/month for each child under the age of 18.

The drafting of the new Law on Social Assistance Scheme will be based on the concept that there will be no exclusion filters of poor household at the application and selection stage such as categorization of families based on ability to work, number of children of any certain age, number of dependent family members, and so on, as in current law. Namely, criteria such as a 5-year-old child, only one member able to work and registered as unemployed for Category II, etc., will not be in the new law. Consequently, there will be no Category I or Category II of beneficiaries in the new law, and all households who consider themselves poor and unable to meet basic consumer needs will be eligible for application, selection and benefit, which will be determined by this law. The rules and procedures for applying for SAS will be determined through secondary legislation after the approval of this CD and the approval of the new law.

The first step of the new SAS beneficiary selection procedure is the means test that accounts for all household members and their formal revenues which are ‘monitored’ in the official data system. This new means test counts all household members, including those who receive pensions and other benefits. This represents a change from the current model that excludes the beneficiaries of basic age pensions, persons receiving permanent disability pension, occupational disability pension, family pension, children aged 0-18 receiving benefits under the Law No. 03/L-022, and children in foster care. The second change is that the test will calculate all formal revenues through data exchange with the Tax Administration of Kosovo (TAK) and other MLSW programs - including the aforementioned programs. Households with financial income for the adult equivalent of above the poverty threshold are excluded from qualifying for SAS. It should be noted that the calculation of financial revenues will include the last six (6) months each time the data is verified (monthly) to 'normalize' the distribution of household financial income, namely not excluding those that generate irregular revenues (from time to time, one time, or only during certain seasons). The adult equivalent poverty threshold as well as the verification of data on family members and financial revenues through the exchange of data with IT systems will be regulated by separate secondary legislation. The latter will also include provisions on data collection instruments (surveys) to be used to set the poverty threshold for the means test and the frequency of updating this threshold.

In the second step of selection of beneficiaries, households that are below the poverty threshold are ranked on the basis of the Proxy Means Test (PMT) scores. Given the high rate of informal revenues in Kosovo such as remittances, formal revenues are not a perfect measurement of the overall living conditions of households. Therefore, the beneficiary selection procedure involves PMT as the second step of beneficiary targeting. The PMT assigns scores to each household based on asset ownership, housing conditions and certain demographic characteristics related to poverty. With the application of the PMT, households can be ranked according to the projected poverty status and, consequently, the possibility of being selected in the SAS (See Table A2 in the Annex to see the preliminary list of indicators that may be included in the PMT test). The final list of indicators to be included in the PMT, the relevant scores, and the administration of the PMT test in the field will be determined after piloting and validating the PMT and are regulated by separate secondary legislation.

The new law also introduces a new method of calculating the monthly amount of SAS benefit in order to increase the level in line with the size of households. This option envisages the use of optimal equivalence scales which have been calculated by simulating different combinations of coefficients for adults and children to achieve the largest reduction in poverty[[21]](#footnote-21). Table A3 in the Annex contains the new monthly SAS benefit amounts based on size and demographic structure of household (number of adults and number of children). A child allowance of EUR 10/month for each child under the age of 18 in accordance with Kosovo Assembly Resolution No. 06-R-014 for Child Allowances is added to the monthly amount of this option. The calculation of the SAS monthly amount as well as the indexation rules will be regulated by separate secondary legislation following the approval of this CD and primary legislation.

In addition to the monetary benefit - the monthly amount of SAS and child allowances - SAS beneficiaries will also be entitled to a number of other benefits and exemptions, including: i) subsidizing a certain amount of electricity costs; ii) subsidizing water and district heating costs; iii) exemption from payment of health insurance premiums, co-payments, and other payments of health care services; iv) exemption from the payment of textbooks for children in primary and secondary education; v) exemption from semester fees for students pursuing higher education at public universities in the country; (vi) exemption from payment of other municipal services, and (vii) exemption from payment of municipal administration tax. The package of benefits, exemptions, and subsidies to which SAS beneficiaries are entitled will be governed by separate secondary legislation following the approval of this CD and primary legislation.

Given that most of the indicators included in the new poverty test - financial means and procy means - will be verified through the IT system (while the field verification will mainly involve the PMT and the assessment of other social issues), to alleviate the administrative burden on the CSW, the new law provides for an extension of the re-application period to one (1) year compared to 6 months as currently applicable to Category II of SAS. The rules and procedures for the application and re-application for SAS will be regulated by separate secondary legislation following the approval of this CD and primary legislation.

In order to activate SAS beneficiaries in the labour market, increase of gender equality in labour market participation, gradually exit SAS and sustainable socio-economic integration of beneficiaries, the new Law on SAS envisages some reforms. First, in the new law all persons of working age, 18-64 years old who are able to work, will be obliged to register with the Employment Offices. Second, compared to current law, the new law provides for the removal of disincentives for employment or participation in activation measures, including vocational training. SAS beneficiaries who participate in public employment programs, vocational training, internships, salary subsidies, etc., or other government employment programs under the new law will continue to receive SAS benefits for a certain period depending on the level of salary and the program in which they are engaged. Third, the new law provides for stricter sanctions and their application to SAS beneficiaries who refuse to participate in active labour market measures or employment services provided by the EARK Employment Offices, central and local institutions or other contracted providers of employment services (e.g. NGOs, social enterprises, private providers, etc.).

Details of these reforms will be incorporated in the separate secondary legislation for the activation of SAS beneficiaries. Undoubtedly, in order to fully operationalize and implement these reforms, further reforms in the field of employment must be made, including (i) capacity building and functioning of the EARK, (ii) adequate profiling of SAS beneficiaries to understand barriers to their transition to work, and (iii) designing new targeted measures and/or adapting existing programs to the specific needs of SAS beneficiaries, but these are outside the scope of this CD. Boxes A1 and A2 in the Annex describe good and successful practices in the EU and elsewhere in the activation of long-term unemployed and those characterized as 'hard-to-employ' (World Bank, 2019, p. 63).

To simplify the administration and enforcement procedures of the new Law on Social Assistance Scheme, improve targeting and verification, and harmonize with other benefits and services - social and employment - in order to provide integrated services, the Unified Social Registry will be developed. The latter envisages linking the new SAS module to other IT systems (except those with which the SAS already exchanges data) such as civil registry, vehicle registry, agricultural grant and subsidy registry, registry of data in the field of education and health (health insurance fund), social services, employment services, etc., which will be complemented by investment in information technology infrastructure at central and local level as well as capacity building of system users after finalization. In the future, in addition to SAS, this registry will enable the identification and selection of beneficiaries of other targeted government programs such as exemption from premium payments and other payments in the health insurance system, energy subsidies, utility subsidies, etc. , as well as other programs in which SAS beneficiaries are eligible. The development of the new SAS database, forms of data exchange with other systems, data updating and protection, etc., will be regulated by separate secondary legislation following the approval of this CD and primary legislation.

To facilitate the implementation of all reforms foreseen in this CD, considerable investments are foreseen in capacity building of CSWs, SAS Division, Control and Supervision Unit, as well as Centres for Social Work (CSWs). The development of the new SAS module and its integration into the Social Registry following its development will also be complemented by reforms in integrated service delivery and case management. The latter envisages the development of a new client-centred business model, the development of a case management module, operational guidelines, and training of all the above parties in their implementation. All these reforms as well as the roles and responsibilities of all institutions in implementing the new SAS legal framework will be regulated by a separate administrative instruction following the adoption of this CD and primary legislation.

World Bank simulation of this option using the Kosovo Agency of Statistics (KAS) 2016 Household Budget Survey (HBS) data while applying the following reforms: removal of categorical criteria, 2015 overall poverty threshold[[22]](#footnote-22) for means test, optimal equivalence scale for calculating SAS monthly amount and child allowances of EUR 10/month for each child under the age of 18 (see Table A3 in the Annex for the monthly amounts of the Social Assistance Scheme by family size and composition, with and without child allowances), indicates that this option will have the following impacts:

* Poverty alleviation from 16.3% to 11.5%;
* Poverty gap reduction from 4.8% to 2.5%;
* Targeting accuracy would increase from 64% in the current scheme to 68%;
* Coverage would increase from 26% to 44%;
* Benefit level adequacy would increase from 39% to 63%;
* The number of beneficiaries would increase from 106,416 to 167,766 persons;
* The number of children under the age of 18 who benefit from allowances would increase from 55,285 to 68,521;
* Spending on SAS would increase by 18 million euros a year, from 32 million to 50 million. Of the EUR 18 million increases in expenditures per year, EUR 10 million will be allocated to child allowances, while EUR 8 million will be spent on SAS reforms which will result in increased monthly benefit amounts for large households as well as increases in number of beneficiaries.

## Option 3.4: Option to improve implementation and enforcement with legal changes

This option foresees all the reforms included in Option 3. The only difference is with the calculation of the monthly amount of SAS benefit. In this option, the calculation method is foreseen with modified OECD equivalence scales [[23]](#footnote-23) and no child allowances are foreseen.

World Bank simulation of this option using the Kosovo Agency of Statistics (KAS) 2016 Household Budget Survey (HBS) data while applying the following reforms: removal of categorical criteria, 2015 overall poverty threshold[[24]](#footnote-24) for the means test, modified OECD rates for calculating the SAS monthly amount (see Table A3 in the Annex for SAS monthly amounts by family size and composition, with and without child allowances), indicates that this option will have the following impacts:

* Poverty alleviation from 16.3% to 11.8%;
* Poverty gap reduction from 4.8% to 2.6%;
* Targeting accuracy would increase from 64% in the current scheme to 76%;
* Coverage would increase from 26% to 38%;
* Benefit level adequacy would increase from 39% to 80%;
* The number of beneficiaries would increase from 106,416 to 128,193;
* Spending on SAS would increase by EUR 13 million per year, from 32 to 45 million.

# Chapter 4: Identifying and assessing future impacts of options

The table below presents the most important impacts that have been identified, while the following paragraphs explain in detail the impacts for each option using different statistics and data based on existing analyses as well as analyses that were made for the purpose of this CD. Some of the data sources and studies used include: (1) World Bank SAS Study: Assessment and Reform Options (2019); (2) Assessment of CSWs and MLSW for implementation of programs with targeting method by the World Bank (2018); (3) Consumption Poverty in the Republic of Kosovo in 2012-2015 by KAS (2017); (4) Administrative data on SAS beneficiaries from the scheme database; (5) Administrative data on the work, employment and activation by EARK; and (6) Household Budget Survey (HBS) data by KAS (2006-2016).

Table 5: The most important impacts identified for the impact category

|  |  |
| --- | --- |
| **Impact categories** | **Relevant impacts identified** |
| Economic Impacts | Yes. The impact identified in terms of job search facilities for beneficiaries of SAS with adequate reforms in the area of providing employment and vocational training services, capacity building of the EARK, and increased budget for active labor market programs/measures. |
| Social impacts | Yes |
| Environmental impacts | No |
| Impacts on Fundamental Rights | Yes |
| Gender impact | Yes |
| Social Equality Analysis | Yes |
| Youth Impact Assessment | Yes |
| Impacts on Administrative burdens | Yes |
| SMEs impact | No |

## Economic impacts

### The effect on facilitating the finding of a job

The effective interconnection of SAS with employment services and activation of beneficiaries for the purpose of socio-economic integration and the gradual removal from SAS (welfare improvement) is listed as one of the main problems with this program. Some of the causes include: 1) Problems with the current legislation design of SAS, especially with the selection criteria for Category II that foresee (inter alia) that the family may have only one family member that is able to work, who is registered as unemployed and creates disincentives for the participation of these beneficiaries in the labour market (especially the formal economy) as this would result in exclusion from the scheme; 2) Lack of sanctions that punish registered unemployed if they refuse to participate in active labour market programs (ALMPs) and the application of existing sanctions; 3) Lack of prioritizing SAS beneficiaries in ALMPs and adjusting the services to the specific needs of this group; and ) Budget constraints in the field of ALMPs in general, including capacity building for officials and the EARK to provide more quality employment services.

*Option 1*. In this option the situation would remain the same: (1) SAS beneficiaries will continue to remain out of the labor market for a long time due to lack of initiatives; 70% of current SAS beneficiaries have been registered as unemployed for between 4 and 9 years; gender inequality in activation would also remain drastically high given that SAS selection criteria resulted in 95% of persons registered as unemployed from Category II are men and only 5% women, while women constitute a higher figure of the category of caregivers for persons in need (29% of SAS women beneficiaries compared to 13% of men beneficiaries) and have a higher unemployment overall rate than men (33.4% in compared to 28.5%)[[25]](#footnote-25) and extremely high levels of inactivity (81.6% of women compared to 36.7% of men[[26]](#footnote-26)); Vocational training of SAS beneficiaries with the aim of preparing for the labour market will continue to stagnate and, most of these persons (70%) will continue to have completed only primary education and this prevents them from participating in the labour market as a result of lacking skills, and there will also be no increase in the proportion of those willing to participate in vocational training (25% of SAS beneficiaries registered as unemployed) (World Bank, 2019, p. 61-63).

*Option 2:* Considering that changes to this option are focused on improving SAS implementation and administration capabilities, the only indicator where change is expected is the accuracy of targeting SAS beneficiaries, while improvements in activation of this group are not expected to be significant. With a 25% targeting accuracy in the most optimistic scenario - from 64% to 80% - may be increased the number of persons registered as unemployed at the Employment Office, to whom, could be offered potentially employment services with the purpose of activating, but the exact figures cannot be calculated as it impossible to predict whether these 'new/meritorious' beneficiaries will belong to Category I or Category II beneficiaries.

*Option 3.* The design of the new law on SAS envisages a fundamental change over the current law; the registration of all persons aged 18-64 years[[27]](#footnote-27) who are unemployed in the Employment Offices during the application phase. This provision of SAS will have a high impact on the potential of activation of SAS beneficiaries because the number of registered in the EARK registries who can be treated with active labour market measures will increase significantly compared to the current situation, and the impact on increasing gender equality in activation will improve drastically. Currently, 17% of men benefiting from SAS are registered as unemployed compared to only 0.7% of women, and this has prevented the treatment of the latter with activation measures because they are not listed in the Employment Agency of the Republic of Kosovo (EARK). This option envisages that the number of beneficiaries in the SAS of working age to be registered at the EO will increase from 10,597 in 2017 (administrative data from the SAS database) to 90,712 persons[[28]](#footnote-28), of whom 50.1% will be women (45,460 persons), while 49.9% will be men (45,252 persons) (World Bank calculations, CD).

Another positive impact will also be the removal of disincentives for labour market participation (up to a certain level of income) or labour market participation, whereby SAS beneficiaries will not be automatically excluded from the scheme. In this way, SAS will be more effective in supporting families to gradually exit the scheme and improve their social welfare. Adapting employment services and (if budget allows) activation measures to the profile and needs of SAS beneficiaries will also have an impact on their effective activation, given the increase in the number of beneficiaries who will be registered as unemployed. The inclusion and application of sanctions in case of refusal to participate in active labour market measures (including training and vocational training) will also have a high impact on activating SAS beneficiaries.

*Option 4:* The impact on this option will be the same. The only difference will be in the number of registered unemployed at EOs, a number that will increase from 10,597 of SAS beneficiaries in 2017 (administrative data from SAS database) to 68,993 persons, of whom about 51% (34,999 persons) will be women, while 49.3% (33,994 persons) will be men (World Bank calculations, CD).

## Social impact

### Social inclusion: Impact on poverty

*Option 1:* The limited impact on poverty of the Social Assistance Scheme is one of the major problems with this program due to the legal framework design. Due to the exclusionary selection criteria, especially for Category II which allows the scheme to benefit only if the family has at least one (1) child under the age of five (5) (or orphan under the age of fifteen (15) under permanent care) and only one member is able to work and registered as unemployed while all other family members are dependent. A number of families may not benefit from SAS. Also, the benefit-level determination formula does not match the needs of the family by size and demographic structure, resulting in a lower level of benefit for large families. As such, the SAS in this option alleviates the poverty rate by only 1.9 percentage points, from 16.3% to 14.4%, while the effect on reducing the poverty gap is 1.6 percentage points, from 4.8% to 3.3% (Bank World, 2019, p. 43).

*Option 2:* This option does not anticipate a significant increase in poverty alleviation (scale and gap) because in the best-case scenario, targeting accuracy can increase from 64% to 80% (or 25% improvement) and funds that are currently allocated to the two richest quintiles - 10% of SAS expenditures - would be reallocated to poor families. However, these figures are only preliminary estimates and cannot be taken for granted as they depend on behavioural changes after human capacity building and inter-institutional coordination following investment in the IT system for data sharing. The impact on poverty alleviation in this option is not expected to be higher than in Option 1; 1.9 percentage points on the poverty rate, from 16.3% to 14.4%, while the effect on reducing the poverty gap 1.6 percentage points, from 4.8% to 3.3%.

*Option 3:* With the removal of the selection criteria, namely the removal of Categories I and II, the implementation of the new Poverty Test, and the use of optimal equivalence scales and child allowances in an amount of sum of EUR 10/month for each child for calculating the monthly amount of SAS, the impact of this option on reducing the poverty rate may reach 4.8 percentage points (from 16.3% to 11.5%), while the poverty gap will be reduced by 2.3 percentage points (from 4.8% to 2.5%) (World Bank calculations for CD using HBS 2016 data).

*Option 4:* If all of the reforms provided for in Option 3 are also applied, but for the calculation of the monthly amount of SAS are used modified equivalence scales of OECD, the impact of this option on poverty alleviation will be as follows: poverty headcount reduction by 4.5 percentage points (from 16.3% to 11.8%), and poverty gap reduction by 2.6 percentage points (from 4.8% to 2.3%) (World Bank simulations for CD using HBS 2016 data).

### Social inclusion: Access to social protection schemes

*Option 1:* SAS Category Criteria - Categorization of beneficiaries in Category I and Category II - are incorrect indicators of poverty, strong exclusion filters, and incentives for beneficiaries to claim the status of dependent household member (who is not obliged to work). Currently, the SAS excludes all poor families with more than a sole family member able to work and who do not have at least one (1) child under the age of five (5) or an orphan under the age of fifteen (15) under permanent care. A family member who is able to work cannot be employed and must be registered as unemployed with EARK and comply with the job search requirements. These criteria have resulted in extremely limited SAS coverage; in 2016, only 26% of families in poverty (below the general poverty line) could benefit from SAS. In other words, the access of 74% of poor families in the SAS is impeded by the selection criteria provided by law.

*Option 2:* This option may have a very low impact on improving the access of “meritorious” families that meet the SAS selection criteria on the assumption that law enforcement will be more effective with changes in administration and capacity building of the implementers of the scheme. However, given that access to the SAS is limited by the current legislation governing the scheme, the impact of this option will be low.

*Option 3:* With the amendment of legislation, the removal of Categories I and II and the removal of selection criteria, the modification of the poverty test, the use of optimal equivalence scales and child allowances, access to SAS would be significantly improved. The percentage of the poor who will benefit from SAS will increase from 26% to 44%, or from 106,416 to 167,766. It should also be noted that with this method of calculating the monthly amount of SAS, the number of children receiving allowances will increase from 55,284 to 68,521, and the monthly allowance value will be EUR 10/month instead of EUR 5/month (as it currently stands) (World Bank simulations for CD using HBS 2016 data).

*Option 4:* With the amendment of legislation, the removal of Categories I and II and the removal of selection criteria, the modification of the poverty test, and use of the OECD modified equivalence scales, access to SAS would be significantly improved. The percentage of the poor who will benefit from SAS will increase from 26% to 38%, or from 106,416 to 128,193 persons (World Bank simulations for CD using HBS 2016 data).

### Education: Impact on primary, secondary, tertiary education, vocational training and lifelong learning

*Option 1:* The SAS benefit covers a smaller portion of the consumption needs of larger families compared to smaller families. By design, the equivalence scale of the SAS assumes disproportionally high economies of scale for larger families. Beyond the second family member, the incremental benefit amount is only EUR 7.5 per month for adults and EUR 12.5 for children. As a result, the incremental benefit amount in response to an additional family member is smaller than that envisaged by the most common equivalence scales and does not reflect adult equivalent family size. The SAS benefit covers 88% of the consumption needs of families with 2 adults and 1 child based on the modified OECD equivalence scale and for families of 4 adults and 2 children SAS coverage of consumption needs diminishes to 66 % (World Bank, 2019, p. 23). As such, the SAS in this no-change option has a limited impact on the attendance of primary, secondary, tertiary and vocational training given that the SAS monthly amount only covers the basic needs of families with fewer members.

Furthermore, the selection criteria have a negative impact, especially for Category II, as families are excluded from the scheme when the adult child in the family reaches the age of 18 and is considered as able to work, and these impacts will remain the same.

Finally, the link of SAS beneficiaries to the active labour market measures in the current implementation there is plenty of room for improvement since it has so far failed to provide adequate vocational education and training services to beneficiaries in line with labour market requirements since the beneficiaries are no longer entitled to benefit if they generate revenues of more than EUR 80. Administrative data from the EARK show that 70% of SAS beneficiaries are long-term unemployed (between 4 and 9 years), and only 25% are willing to participate in vocational training. The situation will remain the same without changes to the SAS legal framework and abundant investment in the area of employment and capacity building of the EARK (World Bank, 2019, p. 58). For women, the negative impact will be even greater considering that only 0.7%[[29]](#footnote-29) of current SAS beneficiaries are registered as unemployed, which will continue to fail in providing professional training from the EBRD and its employment services, as most SAS beneficiaries do not appear in the registers of registered unemployed.

*Option 2:* Given that this option does not provide for changes in the legal framework as well as the value of the monthly SAS amount, the impact of the SAS on primary, secondary and tertiary education and vocational training will remain limited as in Option 1 and followed by the same problems.

*Option 3:* This option is expected to have an impact on all levels of education, vocational training and life-long education.

First, by removing Category I and II (by removing the existing selection criteria), families will be able to benefit from SAS regardless of the number of children, the age of family members, or their status in the labor market as long as they pass the Poverty Test. In this option, the SAS coverage will be expanded from 26% to 44% of the poor. In other words, 167,766 persons, out of whom 68,521 children, will be able to benefit from SAS, including child allowances in the amount of EUR 10/month. Considering that families will have no beneficial restrictions due to the demographic structure (age of members, ability to work, etc.) and that monthly amounts will fulfil the needs of the families based on composition (number of children and of adults) and family size (increasing adequacy from covering 39% of beneficiaries' consumption needs to 63%), the reformed SAS will have a positive impact on attending all levels of education.

Secondly, the new Proxy Means Test includes additional scores for family members by age group, in order to increase the chance of SAS benefit if the family has more children, especially of school age (see Table A2 in the Annex).

Thirdly, legislative changes to this option envisage the introduction of modern elements in SAS design in order to make the program more stimulating, promote the activation of beneficiaries able to work and reduce dependency on benefits, which will have a direct impact on the attendance of all levels of education including vocational training, as beneficiaries are enabled to benefit from SAS even if they receive income from employment (below the specified level) or are undergoing vocational training. The fact that all persons able to work, aged 18-64, will be required to register with the EO and be sanctioned by the SAS in case they refuse to participate in active labour market measures may have a high impact on training beneficiaries (with reforms in the area of employment service provision) and life-long education. The highest effect will be on women given that currently only 0.7% of SAS beneficiaries (or 461 women) able to work are registered with Employment Offices compared to 17% of men[[30]](#footnote-30).

The effect is further enhanced by the exemptions and other benefits to which SAS beneficiaries are entitled: free textbooks for pupils in primary and secondary education and exemption from semester fees for students.

*Option 4:* The effect will be high on this option considering that it includes most of the reforms envisaged in Option 3. By using the OECD modified equivalence scales, the SAS monthly amount will cover 80% of the SAS beneficiaries' consumption needs and the number of the individual beneficiaries would increase from 106,416 to 128,193 (World Bank calculations for CD using HBS 2016 data).

The effect is further enhanced by the exemptions and other benefits to which SAS beneficiaries are entitled: free textbooks for pupils in primary and secondary education and exemption from semester fees for students.

### Governance: Impact on treating every person equally

*All options:* The current legal provisions of the SAS require the equal treatment of every resident and citizen of the Republic of Kosovo, including foreign nationals with residence permits, asylum seekers, refugees and persons who enjoy provisional or complementary protection. All of these groups are eligible to apply to SAS and benefit if they meet the selection criteria. As the analyses for this CD have not proven to face any problems in this area, no impact differences are foreseen between the options.

### Governance: Informing the public about certain issues

*All options:* Current SAS legal provisions and existing regulations regulate the aspect of informing the public about their rights and obligations regarding SAS. As the analyses for this CD have not shown any problems in this area, no differences in impact in this area are foreseen between the options.

### Public health and safety: Impact on people's lives, such as life expectancy or mortality rates

*Option 1:* Limited impact, given that the current SAS meets only 39% of the beneficiaries' consumption needs, as well as limited scheme coverage (only 26% of families in poverty). The greater effect may be attributed to the SAS beneficiaries' exemption from payment of services in primary and secondary health care, but this effect is also limited given that 'out-of-pocket expenses' in the health system are high and often impoverishing.

*Option 2:* Limited impact, given that the current SAS meets only 39% of the beneficiaries' basic needs, as well as limited scheme coverage (only 26% of families in poverty). The greater effect may be attributed to the SAS beneficiaries' exemption from payment of services in primary and secondary health care, but this effect is also limited given that 'out-of-pocket expenses' in the health system are high and often impoverishing.

*Option 3:* Low impact given that the monthly benefit amount will cover 63% of the beneficiaries' basic needs compared to 39% currently and that coverage will increase from 26% to 44% of the poor, or from 106,416 to 167,766 (the World Bank calculations for CD using HBS 2016 data). These changes are expected to improve the diet changes of beneficiaries as the monthly amount of SAS will increase in accordance to household needs based on size and structure, and persons who generate income to a certain limit will not be removed from the scheme, so families will be allowed to have higher financial income.

The exemption from the payment of health insurance premiums and other payments for health services may also have an impact, considering the purpose of this law in the financial protection of Kosovo citizens in the health sector and in improving the quality of services. Health insurance legislation requires SAS beneficiaries to be automatically exempt from the abovementioned.

*Option 4:* High impact, given that the monthly benefit amount will cover 80% of the beneficiaries' basic needs compared to 39% currently, and that coverage will increase from 26% to 38% of the poor, or from 106,416 to 128,193 persons (World Bank calculations for CD using HBS 2016 data). These changes are expected to improve the diet changes of beneficiaries as the monthly amount of SAS will increase in accordance to household needs based on size and structure, and persons who generate income to a certain limit will not be removed from the scheme, so families will be allowed to have higher financial income.

The exemption from the payment of health insurance premiums and other payments for health services may also have an impact, considering the purpose of this law in the financial protection of Kosovo citizens in the health sector and in improving the quality of services. Health insurance legislation requires SAS beneficiaries to be automatically exempted from the abovementioned.

### Public health and safety: Public health and safety: Impact on the lifestyle, diet changes

*Option 1:* Limited impact, given that the current SAS meets only 39% of the beneficiary's basic consumption needs, as well as limited scheme coverage (only 26% of families in poverty).

*Option 2:* Limited impact, given that the current SAS meets only 39% of the beneficiary's basic consumption needs, as well as limited scheme coverage (only 26% of families in poverty).

*Option 3:* Low impact, given that the monthly amount with child allowances will cover 63% of beneficiary's basic consumption needs compared to 39% currently and that coverage will increase from 26% to 44% for the families in poverty, or from 106,416 to 167,766 persons (World Bank calculations for CD using HBS 2016 data). These changes are expected to improve the diet changes, as the monthly amount of SAS will increase in accordance with household needs based on size and structure, and persons who generate income to a certain limit will not be removed from the scheme, so families will be allowed to have higher financial income.

*Option 4:* High impact, given that monthly benefit amount will cover 80% of the beneficiaries' basic consumption needs with 39% currently and that the coverage will increase from 26 in 38% of families in poverty, or from 106,416 to 128,193 persons (World Bank calculations for CD using HBS 2016 data). These changes are expected to improve the diet changes, as the monthly amount of SAS will increase in accordance with household needs based on size and structure, and persons who generate income to a certain limit will not be removed from the scheme, so families will be allowed to have higher financial income.

## Impacts on Fundamental Rights

### Dignity

Social security and social protection systems generally aim the social inclusion and ensuring the dignity of all persons who are faced with circumstances in which they do not have the capacity to fully exercise their rights. One way to achieve these goals is through social monetary transfers, social services and employment services is by raising the standard of living. The more inclusive social programs and services, the higher the likelihood of social inclusion.

*Option 1:* The very existence of Social Assistance Scheme and other benefits to which SAS beneficiaries are entitled - energy subsidies, exemptions from primary and secondary health services payments, exemptions and other obligations such as semester during studies - indicates that even in Option 1, the SAS has an impact on the dignity of the beneficiaries by providing them with financial income for the realization of at least their basic rights.

*Option 2:* Even without legal changes, SAS and the package of services and exemptions to which beneficiaries are entitled, affect the dignity of beneficiaries.

*Option 3: Reforms in this option will have a positive impact on the dignity of Kosovo's citizens and residents.* Primarily, with the changes foreseen in the program design, the SAS will cover a larger number of people who have a low standard of living, therefore they are socially and economically excluded, based on their characteristics and needs[[31]](#footnote-31), rather than arbitrary selection criteria such as age, ability to work, or economic activity. Coverage will increase from 26% to 44% of the families in poverty. Secondly, the SAS design reform stipulates that beneficiaries can continue to benefit from SAS despite their engagement in the labour market or participation in active labour market measures, thereby enabling gradual 'exit' from the scheme. The opportunity to increase financial income by being financially 'protected' will result in an even higher standard of living, i.e. the realization of basic rights to social participation. Thirdly, increasing the level of monthly benefit amounts, covering 63% of the basic needs of beneficiaries, especially for large families, will have a further impact on the dignity of SAS beneficiaries. Finally, the right to other benefits and exemptions from payments, such as, health insurance premiums and other payments in the health sector, exemption from payment of semester fee, free textbooks for primary school pupils, energy, water, and other utilities subsidies, etc., will also positively affect the dignity of SAS beneficiaries in this option.

*Option 4*: Reforms in this option will have a positive impact on the dignity of the citizens and residents of Kosovo as *in Option 3*. With the changes provided for in the design of the program, the SAS will cover a larger number of people with a low standard of living, that is, they are excluded in the socio-economic aspect, based on their characteristics and needs[[32]](#footnote-32), rather than arbitrary selection criteria such as age, ability to work, or economic activity. Coverage will increase from 26% to 38% of the poor people. Secondly, the reform of the design of SAS provides that beneficiaries can continue to benefit from SAS despite engaging in the labour market or participating in active labour market measures, thereby enabling gradual 'exit' from the scheme. The opportunity to increase financial income by being financially 'protected' will result in an even higher standard of living, that is, the realization of basic rights for social participation. Thirdly, increasing the level of monthly benefit amounts, covering 80% of the basic needs of beneficiaries, especially for large families, will have a further impact on the dignity of SAS beneficiaries. Finally, the right to benefits and other exemptions from payments such as health insurance premiums and other payments in the health sector, exemption from semester payment, free textbooks for primary school pupils, energy, water, and other utility subsidies, etc., will also positively affect the dignity of SAS beneficiaries in this option.

### Freedom - Legal, economic or social protection of individuals or families

*Option 1:* The purpose of the Social Assistance Scheme is to support families in poverty and to provide them with temporary financial assistance. As such, even without any reform in *Option 1*, the SAS affects the economic protection of individuals and families.

*Option 2:* The purpose of the Social Assistance Scheme is to support families in poverty and to provide them with temporary financial assistance. As such, even without any reform in *Option 2*, the SAS affects the economic protection of individuals and families.

*Option 3:* The reforms foreseen in this option will advance the economic protection of families given that they include: increasing the monthly amount of SAS based on family size and structure, increasing the number of individuals who will benefit from SAS, from 106,416 to 167,716, the integrated form of social, employment and SAS services, and the possibility of beneficiaries to participate in the labour market and active labour market measures while continuing to benefit from SAS.

*Option 4:* The reforms foreseen in this option will advance the economic protection of families given that they include: increasing the monthly amount of SAS based on family size and structure, increasing the number of individuals who will benefit from SAS, from 106,416 to 128,193 persons, the integrated form of social, employment and SAS services, and the possibility of beneficiaries to participate in the labour market and active labour market measures while continuing to benefit from SAS.

### Personal data

*Option 1:* The Social Assistance Scheme currently processes a considerable amount of personal data of applicants and beneficiaries to verify the selection criteria and socio-economic status of families. In addition to data such as date and place of birth, family members, employment status, education, ability to work, etc., the IT system of SAS also has access to the financial income data of applicants and beneficiaries through data exchange with TAK and other schemes of MLSW. The primary and secondary legislation concerning SAS protects the personal data of beneficiaries, so no change is provided for in this option.

*Option 2:* This option does not provide for changes in the type of personal data that is collected on beneficiaries or in the way they are handled under the primary and secondary legislation in force; therefore, no changes in impact are provided for compared to the current situation.

*Option 3:* Reform in law and in the administration of SAS provide for expanding access to and processing of personal data of applicants and beneficiaries given that the concept of reform is based on the digitization of the verification of socio-economic conditions of the beneficiaries through data exchange with many institutions, as well as the integration of IT systems for all schemes of MLSW in the Social Register. Except for the current systems with which SAS data is currently exchanged, it is also planned to be linked to the civil register, vehicle register, grants and subsidy schemes of MAFRD, health insurance fund, eventually even to the energy subsidy program, etc. Therefore, the legal framework will contain detailed provisions on the functioning of IT systems as well as the processing and protection of personal data of beneficiaries taking into account all these reforms.

*Option 4:* Same impact as *Option 3.*

### Equal treatment

*Option 1:* Existing legislation concerning SAS guarantees equal rights for access to SAS regardless of gender, ethnicity, or religion. With the amendments and supplements in 2012, access to SAS is also guaranteed to persons and families who are not citizens or permanent residents of Kosovo but who have residence permits, asylum seekers, refugees, and persons under temporary and subsidiary protection. The only criterion for application is age, in which case the applicant or his/her family member or guardian must be 16 years old. Therefore, this option has no impact on the aspect of equal treatment.

*Option 2:* Has no impact on equal treatment as no amendments are foreseen and the administration and implementation of SAS are not characterized by problems with equal treatment.

Option 3: This option does not provide for any change in access to SAS in terms of equality of treatment, as there is no evidence that this is a problematic issue in the current design of the program. So, the principle of equality before the law will be guaranteed in this option as well.

Option 4: This option does not provide for any change in access to SAS in terms of equality of treatment, as there is no evidence that this is a problematic issue in the current design of the program. So, the principle of equality before the law will be guaranteed in this option as well.

### Children's rights

*Option 1:* One of the selection criteria for Category II, that the family must have at least one child under the age of 5 is discriminatory because it excludes poor families from the scheme only on the basis of this criterion even if their socio-economic situation does not change. Given that household spending increases with the number of children, especially when the latter reach school age, the current scheme of SAS violates children's rights to social inclusion, as well as to education. *Option 1* shows no improvement on the exercise of these rights because as it is not provided for amendments in the legal framework.

*Option 2:* Has no positive impact on the exercise of children's rights to social inclusion and to education as it does not provide for amendments.

*Option 3:* Has a positive impact on the realization of children's rights by removing selection criteria, in particular, the fact that the family must have at least one child under the age of 5 so it can benefit from SAS. In addition, the Proxy Means Test (PMT) assigns extra scores to families with more school-aged children in order to increase their opportunity of benefiting from SAS. Then, the child allowance of EUR 10 per month aims to promote education and consequently the development of human capital. Lastly, exchanging data with other institutions and programs, including social services and data from MEST, will ensure that children belonging to vulnerable groups are monitored with cross-sectorial approaches to improve their social inclusion. The impact on children's rights in this option is also foreseen to be high given that the number of beneficiary children is foreseen to increase from 55,284 to 68,521 (World Bank calculations for CD using HBS 2016 data).

*Option 4:* Has a positive impact on the exercise of children's rights by removing selection criteria, in particular, the fact that the family must have at least one child under the age of 5 so it can benefit from SAS. In addition, the Proxy Means Test (PMT) assigns extra scores to families with more school-aged children in order to increase their opportunity of benefiting from SAS. Exchanging data with other institutions and programs, including social services and data from MEST, will ensure that children belonging to vulnerable groups are monitored with cross-sectorial approaches to improve their social inclusion.

### Good administration

*Option 1:* This option does not provide for amendments to the law or administration of SAS and therefore it has no impact on program administration.

*Option 2:* This option will have an impact on better administration of SAS and accountability through capacity building, investments in upgrading IT infrastructure for verifying applicants and beneficiaries of SAS, as well as regulation(s) to improve mechanisms for monitoring and measuring performance at the local level.

*Option 3:*  This option will have a major impact on improving the administration of SAS as it provides for harmonizing the program with other benefits and services (social and employment) and providing integrated services. To enable this, the reform provided for the development of a Unified Social Register which will link the new module of SAS to other IT systems in the MLSW, including benefits and social services, employment services, health insurance fund, and other databases through which the applicants and beneficiaries of SAS can be verified. This register will significantly improve the administration of SAS, as in the future it will also incorporate software modules that use targeting method for selecting beneficiaries, as well as data sharing with many other systems, thus making verification more efficient because there will be no need for manual/physical verification. The administration will also be improved through capacity building of CSWs, SAS Division, Control and Supervision Unit, and Centres for Social Work (CSWs), including the provision of integrated services by changing the model of service provision in the CSW.

Option 4: Same effects as *Option 3*.

## Gender impact

*Option 1:* The distribution of women and men beneficiaries by selection criteria in the SAS shows that the latter contribute to gender inequality, especially in terms of social inclusion of women and their participation in the labour market. Less than 1% of women beneficiaries of SAS are registered as unemployed and can potentially be treated with active labour market measures and be provided employment services, compared to 17% of men. Data from the EARK also show that the majority - 95% - of SAS beneficiaries registered as unemployed are men. This is contrary to the general profile of persons registered as unemployed, with almost half (45%) being women, as well as to labour market statistics showing that the unemployment rate is higher for women (33.4%) compared to men (28.5%)[[33]](#footnote-33) and that the rate of inactivity of women (81.6%) is extremely higher than that of men (36.7%) [[34]](#footnote-34). On the other hand, women are overrepresented in the caregiver category, with over 28% compared to 13% of men (see Table 3 in the Chapter on Problem Definition Chapter). Poverty profile in Kosovo, on the other hand, shows that the poverty rate among households where the head of the household is a woman is significantly higher, at 24%, compared to 17% of households headed by men (See Figure 2). Given that this option does not provide for reform in the design of SAS legislation, the impact on gender equality is low.

*Option 2:* Same as *Option 1*, it has no effect on gender equality because it does not provide for amendments in the legal framework.

Figure 5 Poverty rate among different groups

*Source:* Kosovo Agency of Statistics and World Bank (2017).

*Option 3:* Changes to the SAS legal framework will have a positive impact on gender equality in several respects:

1. By eliminating the selection criteria, especially for Category II where the family has the right to have only one adult family member who is able to work, registered as unemployed, in design of SAS will be eliminated these incentives for male registration only (as head of household in most cases) to prove that the criteria are met.
2. The registration of persons able to work in the new law is mandatory, so the number of women registered in the OE will increase significantly and be proportional to that of men. The number of persons registered as unemployed in this option will increase from 10,597 persons in 2017 to 90,712 persons[[35]](#footnote-35), of which 50.1% will be women (45,460 persons), while 49.9% will be men (45,252 persons) (World Bank calculations for CD using HBS 2016 data).
3. SAS reform envisages provides for integrated provision of SAS monetary transfers and social and employment services with a view to activation, allowing families to benefit from SAS at the same time, which may also have an impact on increasing women's participation in the labour market, their vocational training and employment;
4. The modified poverty test will also include the following indicators to ensure the correlation of benefit from SAS with the poverty profile in Kosovo which incorporates some gender elements. The Proxy Means Test as such ensures that female-headed households and single mothers have a higher chance of selection in SAS.
   1. Gender of the head of the family
   2. Marital status of the head of the family
   3. Age of the head of the family
   4. Level of education of the head of the family
   5. Number of dependents in the family.

*Option 4:* Has the same impacts as *Option 3.* The increase in the number of persons registered as unemployed with employment offices will also be high; from 10,597 in 2017 to 68,993 persons of which about 51% (34,999 persons) will be women, while 49.3% (33,994 persons) will be men (World Bank calculations for CD using HBS 2016 data).

## Impacts on social equality

*Option 1:* The systems of social security and social protection generally aim at social equality through social monetary transfers, social services, and employment services which provide an acceptable standard of living. Programs and systems of social protection that approximate to an adequate (and acceptable) standard of living have an impact on increasing social equality. The current Social Assistance Scheme aims to achieve social equality but there are shortcomings in some aspects such as coverage and adequacy. In 2016, the SAS managed to cover only 26% of the poor, the SAS monthly amount covers only 39% of the average consumption of the poorest households (beneficiaries), and the impact on poverty alleviation continues to be limited. The SAS reduces the poverty rate by only 1.9 percentage points (from 16.3% to 14.4%), while the poverty gap by 1.6 percentage points (from 4.8% to 3.3%). Without amendments to the legal framework - *Option 1* - the SAS will have limited impact on social equality.

*Option 2:* As the impacts of this option are mainly related to SAS targeting, the impact on social equality is limited, same as in *Option 1*.

*Option 3:* By removing the selection criteria, namely removing the Categories I and II, implementing the new poverty test, and using the optimal equivalence scales as well as child allowances, SAS in this option will increase coverage from 26% to 44% of the poor. Social assistance monthly amount adequacy will increase from 39% to 63% coverage of the consumption needs of the beneficiary families. *Option 3* will, therefore, have a high impact on advancing social equality through the provision of benefit to more individuals, as well as through increasing the monthly amount of benefit according to the size and demographic structure of families (World Bank calculations for CD using HBS 2016).

*Option 4:* The impact on social equality in this option is as high as in *Option 3* as the amendments will result in increased coverage from 26% to 38% of the poor and the SAS monthly amount will cover 80% of the basic needs of the beneficiaries compared to 39% in the current scheme (World Bank calculations for CD using HBS 2016).

## Chapter 4.1: Data collection challenges

The drafting of this CD has benefited from many administrative data which have been collected from the SAS database, as well as from the EARK. SAS assessment study by the World Bank conducted for the purpose of this study as well as reform simulations to assess Option 3 and 4 have been extremely useful. Some other sources of information include: (1) Assessment of the Capacities of CSWs and MLSW for implementation of programs with targeting method by the World Bank (2018) and (2) Consumption Poverty in Kosovo 2012-2015 by KAS (2017). In the absence of studies in the literature, as well as data, the discussion of impacts on equal treatment - on the basis of ethnicity, gender or other characteristics (at CSW and central level), in informing the public, and in diet or longevity could not have been sufficiently detailed. Assessment of some of the impacts of Option 2 could also not be quantitatively or qualitatively simulated because it involves a change in the behaviour of officials after capacity building and changes in enforcement procedures.

# Chapter 5: Communication and consultation

The chapter will be completed after the completion of public consultation activities.

Table 6 Summary of communication and consultation activities conducted for a concept document

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| The main purpose | Target group | Activity | Communication/notice | Dates/time periods | The person in charge |
| Open meeting for all stakeholders | All stakeholders | Public meeting | E-mail, social platform, in writing | Completed after completion of public consultation | Ylfete Ramosaj – Abazi, Ismail Gashi |
| Targeted consultations | 1. Municipalities, CSWs  2. Line Ministries (MoH, MoF, MEST, Health Insurance Fund, energy regulator, Water Services Regulatory Authority)  3. NGOs in the field of social protection and social services  4. Donors (UNICEF, World Bank, UNDP) | Consultation | Meeting | 26.03.2019 | Ylfete Ramosaj – Abazi, |
| Targeted consultations | * Municipalities (CSWs) * Line Ministries * Donors | Consultation | Meeting | 10.05.2019 | Ylfete Ramosaj – Abazi |
| Targeted consultations | * Municipalities (CSWs) * Line Ministries * Donors | Consultation | In writing - the draft of the CD has been distributed to the Working Group for comments | 13.06.2019 | Ylfete Ramosaj – Abazi |
| Targeted consultations | * Municipalities (CSWs) * Line Ministries * Donors | Consultation | In writing - the draft of the CD has been distributed to the Working Group for comments | 26.07.2019 | Ylfete Ramosaj – Abazi |
| Targeted consultations | * Municipalities (CSWs) * Line Ministries * Donors | Consultation | Workshop - Finalization of the draft CD was discussed with the members of the working group in a 3-day workshop in Tirana | 26-28.07.2019 | Ylfete Ramosaj – Abazi |
| Public consultation in writing | All stakeholders | Publication of the consultation on the portal for | In writing | Completed after the consultation process is completed | Ylfete Ramosaj – Abazi, Ismail Gashi |

# Chapter 6: Comparing options

*Option 1 –* does not provide for a change in the legal framework of the Social Assistance Scheme or the structure of administration and implementation of the scheme. With this option, the SAS will not have a significant impact on poverty alleviation in Kosovo. The poverty rate will continue to decrease by only 1.9 percentage points, thus remaining at 14.4%, while the poverty gap will continue to decrease by only 1.6 percentage points, from 4.8% to 3.3%. SAS will continue to exclude many poor families from benefiting from this scheme due to selection criteria and poverty test which are not based on the characteristics of poor people in Kosovo and program coverage will remain 26% of poor people. The SAS monthly amount will continue to cover only 39% of the basic needs of the beneficiaries and the scheme will have challenges in activating the beneficiaries - due to selection criteria, lack of sanctions and enforcement of current ones, and suspension of SAS with participation in ALMPs - especially that of women and other vulnerable groups.

*Option 2 –* this option provides for improvement in the implementation and administration of SAS through:

* Investments in capacity building at CSW level for implementation of SAS;
* Advancement of IT infrastructure, especially in terms of interconnection of the system of SAS with the systems of other institutions;
* Changes in the administrative structure of SAS, namely in the processes of monitoring and measuring performance through new regulations, to improve accountability at the municipal level.

Given that all of these interventions would have an impact on improving the accuracy of targeting; this option is not expected to have a significant increase in poverty alleviation (rate and gap) or the proportion of SAS coverage. In the best case scenario, the accuracy of targeting can increase from 64% to 80% (or 25% improvement) and the funds that are currently allocated to the two richest quintiles - 10% of SAS spending - would be reallocated to poor families. However, these figures are only preliminary estimates and cannot be taken for granted as they depend on behavioural changes after human capacity building and inter-institutional coordination following investments in the IT system for data exchange. The impact of poverty alleviation on this option cannot be much higher than in the current situation, thus, the poverty rate will continue to decrease slightly more than 1.9 percentage points. It should be noted that the exact figures for the impact of this option on poverty cannot be estimated because no change in the behaviour of implementers of SAS or the effectiveness of the IT system can be predicted.

*Option 3 –* ensures a radical change to the law on Social Assistance Scheme with a direct impact on alleviating poverty - reducing the poverty rate from 16.3% to 11.5%, reducing the poverty gap from 4.8% to 2.5%, increasing the coverage of poor families, from 26% to 44% as well as increasing the number of beneficiaries from 106,416 to 167,766 individuals, increasing the selection accuracy from 64% to 68%, increasing the adequacy level of SAS where the monthly amount will cover 63% of beneficiaries’ basic consumer needs compared to 39% of what the scheme currently covers, and promoting the fulfilment of children's rights in terms of social inclusion through the provision of child allowances of EUR 10 per month for each SAS beneficiary child under the age of 18. In addition to removing the exclusionary selection criteria, the reform of the legal framework provides for registration of all beneficiaries aged 18-64 years who are able to work in the EO of EARK, that will enable equal treatment of women and men with ALMPs, as well as non-suspension of SAS in case of participation in ALMP (up to a certain limit of income and for a certain period of time), which will result in even greater poverty alleviation and increased participation of SAS beneficiaries in the labour market through vocational training opportunities and gaining work experience while being financially protected also by SAS at the same time. The impact of poverty is likely to be even higher than what outlined above taking into account the investments envisaged in IT infrastructure, particularly with the development of the Unique Social Register, in the capacity building of CSWs for the implementation of SAS, as well as changes in the administrative structure, work processes and capacity building for the provision of integrated services of SAS, social services, and employment services. Compared to *Option 1* and *Option 2*, this option is expected to have a high impact on social inclusion, education, diet improvement, realization of children's rights, improvement of good administration of the scheme, gender equality, as well as social equality.

*Option 4 -* ensures a radical change to the law on Social Assistance Scheme and is expected to have the same impacts as *Option 3* in all areas of impact, exclusive of child rights as it does not provide for child allowances for SAS beneficiaries. The only differences in impact compared to *Option 3* relate to the degree of poverty alleviation, coverage, targeting accuracy and adequacy of the monthly amount of SAS. This option will have a direct impact on alleviating poverty - reducing the poverty rate from 16.3% to 11.8%, reducing the poverty gap from 4.8% to 2.3%, increasing the coverage of poor families from 26% to 38% and an increase in the number of beneficiaries from 106,416 to 128,193 individuals, increasing the selection accuracy from 64% to 76%, and increasing the adequacy level of SAS where the monthly amount will cover 80% of beneficiaries’ basic consumer needs compared to 39% of what the scheme currently covers.

## Chapter 6.1: Implementation plans for various options

Table 7 Implementation plan for Option 3

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Purpose of the policy | Reform the legal framework of the Social Assistance Scheme and administration of the scheme in order to reduce poverty | | | | | | | | Expected cost figure |
| Specific Objective 3.1:  Reduce poverty and social exclusion by providing integrated services and benefits to women and men in social need and other vulnerable groups | Increasing social welfare by expanding and enhancing the quality of social protection, achieving gender equality, and enhancing the quality of social and family services with a particular focus on vulnerable groups | | | | | | | |
| Output, activities, year, and responsible organization/department | | | | | | | |
| Output 1.1 | Law on Social Assistance Scheme, drafted and adopted | | | | | | |  |
|  | 2020 | 2021 | 2022 | 2023 | 2024 | Responsible institution/ department |  |
| Activity 1.1.1 Drafting the law | X |  |  |  |  | MLSW/DSPF | 10,000 |
| Activity 1.1.2 Inter-ministerial consultation | X |  |  |  |  | MLSW/DSPF |  |
| Activity 1.1.3 Public consultation | X |  |  |  |  | MLSW/DSPF |  |
| Activity 1.1.4 Prepare the material for inclusion in Government meetings | X |  |  |  |  | MLSW/DSPF |  |
| Output1.2 | Sub-legal acts drafted and adopted | | | | | | |  |
|  | 2020 | 2021 | 2022 | 2023 | 2024 | Responsible institution/ department |  |
| Activity 1.2.1 Drafting of AI for Submission of Claims Procedures for Social Assistance |  | X |  |  |  | MLSW/DSPF /Municipalities/CSW | 1,000 |
| Activity 1.2.2. Drafting of AI on the calculation of monthly social assistance amount |  | X |  |  |  | MLSW/DSPF /MoF | 1,000 |
| Activity 1.2.3. Drafting of AI on SAS poverty test |  | X |  |  |  | MLSW/DSPF | 1,000 |
| Activity 1.2.4. Drafting of AI on determining the conditions and the criteria for acquisition of social assistance for the foreigners in the Republic of Kosovo |  | X |  |  |  | MLSW/DSPF /Municipalities/CSW | 1,000 |
| Activity 1.2.5. Drafting of AI for administrative procedures by the repayment of beneficiaries of Social Assistance Scheme gained without legal basis |  | X |  |  |  | MLSW/DSPF /Municipalities/CSW | 1,000 |
| Activity 1.2.6. Drafting of AI for determination of procedures for exceptional needs |  | X |  |  |  | MLSW/DSPF /Municipalities/CSW | 1,000 |
| Activity 1.2.7. Drafting the AI on determining roles and responsibilities in implementing SAS |  | X |  |  |  | MLSW/DSPF /MLGA/Municipalities/CSW | 1,000 |
| Activity 1.2.8. Drafting of AI on determining procedures and levels of complaints in respect of SAS |  | X |  |  |  | MLSW/DSPF /MoJ/Municipalities/CSW | 1,000 |
| Activity 1.2.9. Drafting of AI on determining the model of integrated service provision by CSWs |  | X |  |  |  | MLSW/DSPF /DLE/EARK/EO/Municipalities/CSW | 1,000 |
| Activity 1.2.10. Drafting of AI on regulation of the functioning of the SAS's IT infrastructure, collection, processing, and protection of personal data |  | X |  |  |  | MLSW/DSPF EO/Municipalities/CSW | 1,000 |
| Output 1.3 | The new piloted, verified method of selecting beneficiaries, and completed preparations for its administration | | | | | | |  |
| Activity 1.3.1. Drafting the Operational Manual on implementation and administration of Poverty Test |  | X |  |  |  | MLSW/DSPF / Municipalities/CSW | X |
| Activity 1.3.2. Drafting the Guideline for field verification of socio-economic circumstance of households |  | X |  |  |  | MLSW/DSPF / Municipalities/CSW | X |
| Activity 1.3.3. Modification of IT system of SAS for the implementation of the new Poverty Test |  | X |  |  |  | MLSW/DSPF / Municipalities/CSW | X |
| Activity 1.3.4. Piloting the Guideline for field verification of socio-economic circumstances |  | X |  |  |  | MLSW/DSPF / Municipalities/CSW | X |
| Output 1.4. | Rules and procedures for beneficiaries of defined SAS and developed IT infrastructure | | | | | | |  |
|  | Activity 1.4.1. Drafting of AI on procedures of registration, certification, and activation of unemployed applying for social assistance scheme |  | X |  |  |  | MLSW/DSPF /DLE/EARK/EO/ Municipalities/CSW | 1,000 |
|  | Activity 1.4.2. Development of the interaction module between the SAS and EARK system to monitor the implementation of activation requirements for SAS beneficiaries |  | X |  |  |  | MLSW/DSPF /DLE/EARK | X |
| Output 1.5. | Capacity building for the implementation of the new legal framework concerning the Social Assistance Scheme | | | | | | |  |
| Activity 1.5.1. Training of SAS implementers on applying the new Poverty Test |  | X |  |  |  | MLSW/DSPF | X |
| Activity 1.5.2. Purchase of equipment for CSW (computers and laptops, office equipment, vehicles, internet connection) |  | X |  |  |  | MLSW/DSPF | X |
| Output 1.6. | Model for providing integrated services and advanced management of cases and capacity building | | | | | | |  |
|  | Activity 1.6.1. Develop a new client-centred operating model at CSW including Operations Manual, job descriptions and responsibilities for officers, and training |  |  | X |  |  | MLSW/DSPF / Municipalities/CSW | X |
|  | Activity 1.6.2. Develop a case management module (which integrates individual/household data so that the case manager has comprehensive data including education, health, employment, etc.). |  |  | X |  |  | MLSW/DSPF | X |
|  | Activity 1.6.3. Development of operational guidelines - components of the Operations Manual - and the training module for working with vulnerable groups (women, RAE communities) |  |  | X |  |  | MLSW/DSPF / Municipalities/CSW | X |
| Output 1.7. | Social Register developed | | | | | | |  |
|  | Activity 1.7.1. Development of technical and operational specifications of the Social Register |  | X |  |  |  | MLSW/DSPF | X |
|  |  | Activity 1.7.2. Development of the application/module of social register registration |  | X |  |  |  | MLSW/DSPF | X |
|  | Activity 1.7.3. Updating and development of the information system modules based upon the need to enable integration in Social Register |  |  | X |  |  | MLSW/DSPF | X |
|  | Activity 1.7.4. Integration of operational Social Register with IT system of SAS |  | X |  |  |  | MLSW/DSPF | X |

## Chapter 6.2: Comparison table with all three options

Table 10 Compare of options

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Comparison tool: Multi-Criteria Analysis (MCA)** | | | | | | | | | | |  | | |
| Options | Option 1: No change | | | Option 2: Improve implementation and execution | | | | Option 3: Draft the new Law on Social Assistance Scheme, optimal equivalence scales and child allowances to calculate monthly benefit amount | | | Option 4: Draft the new Law on Social Assistance Scheme, OECD modified equivalence scales to calculate monthly benefit amount | | |
| **Relevant positive impacts** | There will be no positive impact. | | | It can potentially have an impact but will be limited because the option may primarily impact on improving the accuracy of targeting (selection) of SAS beneficiaries. | | | | All problems identified, will be addressed at the beginning of 2022. | | | All problems identified will be addressed at the beginning of 2022. | | |
| Reduction of poverty | It will have limited positive impact. The poverty rate will be reduced by 1.9 percentage points, from 16.3% to 14.4%. | | | It will have limited positive impact. The poverty rate will be reduced by just over 1.9 percentage points, from 16.3% to 14.4% as a result of improved targeting accuracy. | | | | It will have a positive impact on poverty reduction. The poverty rate will be reduced from 16.3% to 11.5%, whereas the poverty gap from 4.8% to 2.5%. | | | It will have a positive impact on poverty reduction. The poverty rate will be reduced from 16.3% to 11.8%, whereas the poverty gap from 4.8% to 2.6%. | | |
| Increase coverage of poor families | It will have limited positive impact. Only 26% of the poor will benefit from SAS. | | | It will have limited positive impact. Just over 26% of the poor will benefit from SAS if the targeting accuracy is improved. | | | | It will have positive impact on increasing the SAS coverage. The percentage of the poor covered by SAS will be increased from 20% to 44% or from 106,416 to 167,766 persons. | | | It will have positive impact on increasing the SAS coverage. The percentage of the poor covered by SAS will be increased from 26% to 38% or from 106,416 to 128,993 persons. | | |
| Improve the accuracy of targeting SAS beneficiaries | It will have limited positive impact, 64% of beneficiaries will belong to the poorest quintile of consumption, whereas 10% of expenditures will be allocated to households in two richest quintiles of consumption. | | | It will have limited positive impact. In the most optimistic scenario, the percentage of SAS beneficiaries in the poorest quintile will increase from 64% to 80% (or by 25%), and 10% of spending will be re-allocated to the poor. | | | | It will have positive impact; the targeting accuracy is foreseen to increase from 64% to 68%. | | | It will have positive impact; the targeting accuracy is foreseen to increase from 64% to 76%; | | |
| Increase of adequacy level of the SAS benefit level | It will have limited positive impact; SAS will continue covering only 39% of basic consumption needs of beneficiaries | | | It will have limited positive impact; SAS will continue covering only 39% of basic consumption needs of beneficiaries | | | | It will have positive impact; monthly amounts of SAS are projected to cover 63% of basic consumption needs of beneficiaries compared to those covered currently by 39% | | | It will have positive impact; monthly amounts of SAS are projected to cover 80% of basic consumption needs of beneficiaries compared to those covered currently by 39%. | | |
| Impact on facilitating finding a job. | Limited. | | | Limited. | | | | Potentially high, with additional reforms in the field of employment services. | | | Potentially high, with additional reforms in the field of employment services. | | |
| Impact on access to social protection schemes. | Limited. | | | Low positive impact, with improvement in selection accuracy. | | | | Has positive impact. | | | Has positive impact. | | |
| Impact on education at all levels. | Limited. | | | Limited. | | | | Has positive impact. | | | Has positive impact. | | |
| Impact on public health and safety, including longevity and diet | Limited. | | | Limited. | | | | Has positive impact. | | | Has positive impact. | | |
| Impact on fundamental rights: dignity, children's rights, good administration | Limited. | | | Limited. | | | | Has positive impact. | | | Has positive impact, does not include children's rights since does not foresee child allowances in the reform. | | |
| Impact on gender equality | Negative due to selection criteria, especially for Category II. | | | Negative due to selection criteria, especially for Category II. | | | | Has positive impact. | | | Has positive impact. | | |
| Impact on social equality | Limited. | | | Limited. | | | | Has positive impact. | | | Has positive impact. | | |
| **Relevant negative impacts** | Existing issues will remain the same and worsen in case of an external crisis, as for example, financial crisis, which may worsen citizen(s) welfare and increase the poverty rate. | | | At a large extent, will retain the actual situation with existing issues, with limited impact on improving the targeting accuracy, but not in a cost-effective manner. | | | | There will be no negative impact. | | | There will be no negative impact. | | |
| **Relevant costs** | It will not result in additional costs. | | | It will have additional cost for human capacity building and advancing the IT system of SAS | | | | It will incur additional costs of EUR 18 million per year, out of which 10 million will be intended to child allowances, whereas 8 million to SAS payments under the new legal framework. The total spending in SAS will increase from EUR 32 million per year to EUR 50 million per year. | | | It will incur additional costs of EUR 13 million per year for the SAS payments under the new legal framework. The total spending in SAS will increase from EUR 32 million per year to EUR 45 million per year. | | |
| **Estimating the expected budgetary impact** | Year 1 | Year 2 | Year 3 | Year 1 | Year 2 | Year 3 | Year 1 | | Year 2 | Year i 3 | Year 1 | Year 2 | Year 3 |
| 0 | 0 | 0 | X | X | X | X | | X | Total spending of EUR 50 million, 18 million increases from current expenses | X | X | Total spending of EUR 45 million, 13 million increase from current expenses |
| **Conclusion** | Not recommended. | | | Not recommended. | | | | Recommended. | | | Not recommended. | | |

# Chapter 7: Conclusions and future steps

According to all analysis performed in this Concept Document, the only option ensuring addressing of all identified problems and achieving the Strategic Objective 3, is *Option 3* which involves the reforming of SAS's legal framework and removal of exemption criteria of selection, new poverty test, and use of optimal equivalence scales and child allowances for the calculation of the monthly SAS amount. This option has a high impact on poverty compared to other options: reduction of poverty rate from 16.3% to 11.5% and reduction of poverty gap from 4.8% to 2.5%. The impact on the coverage rate is also high in comparison to other options; this option foresees that the percentage of the poor covered by SAS to increase from 26% in *Option 1* to 44% and will be higher than the coverage rate in *Option 4* (36%). Even though the adequacy level of SAS will increase more in *Option 4* (80% compared to 63% in *Option 3* and 39% in *Option 1* and *Option 2*), and targeting accuracy will be higher in *Option 4* (76% compared to 68% in *Option 3*), this option is preferred also because it covers a significantly larger number of the poor 167,766 persons compared to 106,416 persons in *Option 1* and 128,193 persons in *Option 4*. Inclusion of child allowances in *Option 3* also marks advancement in realization of children's rights. As a result of foreseen reforms in the legal framework and higher coverage, *Option 3* has a potential to impact more SAS beneficiaries in terms of activation under the assumption that there will be further additional reforms in this field as well. Foreseen investments in information technology infrastructure and in capacity building in *Option 3* and *Option 4* have the potential to impact not only reduction of poverty but to more sustainable socio-economic integration of beneficiaries. The implementation plan of this Concept Document, provided that is approved under the Option recommended, is as follows:

Table 11: CD implementation plan

|  |  |
| --- | --- |
| Action | Timeframe |
| 1. Approval of Concept Document on Social Assistance Scheme | Q4 2019 |
| 2. Drafting the Draft Law on Social Assistance Scheme | Q2 2020 |
| 3. Approval of the Draft Law on Social Assistance Scheme | Q4 2020 |
| 4. Entry into force of the Law on Social Assistance Scheme | Q2 2021 |
| 5. Enforcement of the Law on Social Assistance Scheme | Q1 2022 |

## Chapter 7.1: Monitoring and evaluation provisions

The action plan on the implementation of the recommended option of this Concept Document will be reflected in the Work Plan of the Ministry of Labour and Social Welfare and the implementation of this plan will be monitored, through DSPF, by the management of the Ministry of Labour and Social Welfare.

# Annex 1: Form of economic impact

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Economic impact category** | **Key impact** | **Is this impact expected to occur?** | | **Number of affected organizations, companies and/or individuals** | **Expected benefit or cost of impact** | **Preferred level of analysis** |
| **Yes** | **No** | **High/low** | **High/low** |  |
| Jobs[[36]](#footnote-36) | Will the number of available jobs increase? |  | No |  |  |  |
| Will the number of available jobs decrease? |  | No |  |  |  |
| Will there be an effect on the level of payment? |  | No |  |  |  |
| Will there be an effect on the ease of finding a job? | Yes |  | Low - only for SAS beneficiaries with reforms and investments in the employment sector and in particular active labour market measures/programs for this group |  |  |
| Conducting business | Will there be an effect on the access to finance for business? |  | No |  |  |  |
| Will certain products be removed from the market? |  | No |  |  |  |
| Will certain products be allowed on the market? |  | No |  |  |  |
| Will businesses have to be closed down? |  | No |  |  |  |
| Will new businesses be created? |  | No |  |  |  |
| Administrative burdens | Will businesses be forced to meet the obligations of providing new information? |  | No |  |  |  |
| Are information obligations for businesses simplified? |  | No |  |  |  |
| Trade | Are the current import flows expected to change? |  | No |  |  |  |
| Are the current export flows expected to change? |  | No |  |  |  |
| Transport | Will there be an effect on how passengers and/ or goods are going to be transported? |  | No |  |  |  |
| Will there be a change in time that is needed to transport passengers and/or goods? |  | No |  |  |  |
| Investment | Are companies expected to invest in new activities? |  | No |  |  |  |
| Are companies expected to cancel or postpone investments? |  | No |  |  |  |
| Will investments by the diaspora increase? |  | No |  |  |  |
| Will investments by the diaspora decrease? |  | No |  |  |  |
| Will Foreign Direct Investment increase? |  | No |  |  |  |
| Will Foreign Direct Investment decrease? |  | No |  |  |  |
| Competitiveness | Will the price of business inputs, such as electricity, increase? |  | No |  |  |  |
| Will the price of business inputs, such as electricity, decrease? |  | No |  |  |  |
| Are innovation or research likely to be promoted? |  | No |  |  |  |
| Are innovation and research likely to be hindered? |  | No |  |  |  |
| SME Impact | Are the companies that are affected mainly SMEs? |  | No |  |  |  |
| Prices and competition | Will the number of goods and services available for business or consumers increase? |  | No |  |  |  |
| Will the number of goods and services available for business or consumers decrease? |  | No |  |  |  |
| Will the prices of existing goods and services increase? |  | No |  |  |  |
| Will the prices of existing goods and services decrease? |  | No |  |  |  |
| Regional economic impacts | Will a specific business sector be affected? |  | No |  |  |  |
| Is this sector concentrated in a certain region? |  | No |  |  |  |
| Overall economic development | Will future economic growth be affected? |  | No |  |  |  |
| Could there be an effect on the inflation rate? |  | No |  |  |  |

# Annex 2: Form of social impact assessment

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Social impact category** | **Key impact** | **Is this impact expected to occur?** | | **Number of affected organizations, companies and/or individuals** | **Expected benefit or cost of impact** | **Preferred level of analysis** |
| **Yes** | **No** | **High/low** | **High/low** |  |
| Jobs [[37]](#footnote-37) | Will the number of available jobs increase? |  | No |  |  |  |
| Will the number of available jobs decrease? |  | No |  |  |  |
| Are jobs in a specific business sector affected? |  | No |  |  |  |
| Will there be an effect on the level of payment? |  | No |  |  |  |
| Will there be an effect on the ease of finding a job? |  | No |  |  |  |
| Regional social impacts | Are the social impacts concentrated in a certain region or specific cities? |  | No |  |  |  |
| Working conditions | Are the rights of workers affected? |  | No |  |  |  |
| Are standards for working under dangerous conditions introduced or abolished? |  | No |  |  |  |
| Will there be an effect on how the social dialogue between employees and employers takes place? |  | No |  |  |  |
| Social inclusion | Will there be an impact on poverty? | Yes |  | High | High |  |
| Is access to social protection schemes affected? | Yes |  | High | High |  |
| Will the price of basic goods and services change? |  | No |  |  |  |
| Will there be an impact on the financing or organisation of social protection schemes? |  | No |  |  |  |
| Education | Will there be an effect on primary education? | Yes |  | Low |  |  |
| Will there be an effect on secondary education? | Yes |  | Low |  |  |
| Will there be an effect on high education? | Yes |  | Low |  |  |
| Will there be an effect on vocational training? | Yes |  | Low |  |  |
| Will there be an effect on education of workers and lifelong learning? | Yes |  | High - with reforms and investments in the employment sector in particular active labour market measures/programs for this group | High - with reforms and investment in the employment sector and in particular active labour market measures/programs for this group |  |
| Will there be an effect on the organisation or structure of the educational system? |  | No |  |  |  |
| Will there be an impact on academic freedom and self-governance? |  | No |  |  |  |
| Culture | Does the option affect the cultural diversity? |  | No |  |  |  |
| Does the option affect the funding of cultural organisations? |  | No |  |  |  |
| Does the option influence opportunities for people to enjoy cultural activities or participate in them? |  | No |  |  |  |
| Does the option affect the preservation of cultural heritage? |  | No |  |  |  |
| Governance | Does the option affect citizens’ ability to participate in the democratic process? |  | No |  |  |  |
| Is every person treated equally? | Yes |  | Low | Low |  |
| Will the public be better informed about certain issues? | Yes |  | Low | Low |  |
| Does the option affect the way that political parties operate? |  | No |  |  |  |
| Will there be an impact on civil society? |  | No |  |  |  |
| Public health and safety[[38]](#footnote-38) | Will there be an effect on the lives of people, such as life expectancy or mortality rates? | Yes |  | Low | Low |  |
| Will there be an effect on the quality of food? |  | No |  |  |  |
| Will the health risk increase or decrease due to harmful substances? |  | No |  |  |  |
| Will there be health effects due to changes in noise levels or the quality of air, water and/or soil? |  | No |  |  |  |
| Will there be health effects due to changes in the use of energy? |  | No |  |  |  |
| Will there be health effects due to changes in waste disposal? |  | No |  |  |  |
| Will there be an effect on the lifestyle of people, such as take-up levels for sports, diet changes, or changes in the use of tobacco or alcohol? | Yes |  | Low – only in diet | Low – only in diet |  |
| Are there specific groups that face much higher risks than others (determined by factors such as age, gender, disability, social group or region)? | Yes |  | High | High |  |
| Crime and security | Are the chances that criminals get caught affected? |  | No |  |  |  |
| Is the potential gain from crime affected? |  | No |  |  |  |
| Is there an effect on corruption levels? |  | No |  |  |  |
| Is the capacity of law enforcement affected? | Yes |  | High | High |  |
| Is there an effect on the rights and security of victims of crime? | Yes |  | High | High |  |

# Annex 3: Evaluation Form on environmental impacts

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Category of environmental impacts** | **Main impact** | **Is this impact expected to happen?** | | **Number of affected organizations, companies and/or individuals** | **Expected benefit or cost of impact** | **Preferred level of analysis** |
| **Yes** | **No** | **High/Low** | **High/Low** |  |
| Climate and sustainable environment | Will it have an impact on greenhouse gas emissions (carbon dioxide, methane, etc.)? |  | No |  |  |  |
| Will it affect fuel consumption? |  | No |  |  |  |
| Will the variety of sources used for power generation change? |  | No |  |  |  |
| Will there be any price difference for environmentally friendly products? |  | No |  |  |  |
| Will certain activities become less polluting? |  | No |  |  |  |
| Air quality | Will it have an impact on the emission of air pollutants? |  | No |  |  |  |
| Water quality | Does the option affect the quality of freshwater? |  | No |  |  |  |
| Does the option affect the quality groundwater? |  | No |  |  |  |
| Does the option affect drinking water sources? |  | No |  |  |  |
| Soil quality and land use | Will it affect soil quality (related to acidification, pollution, pesticide or herbicide use)? |  | No |  |  |  |
| Will it have an impact on soil erosion? |  | No |  |  |  |
| Will the land be lost (through construction, etc.)? |  | No |  |  |  |
| Will there be gained ground (through decontamination, etc.)? |  | No |  |  |  |
| Will there be any change in land use (e.g. from forest use to agricultural or urban use)? |  | No |  |  |  |
| Waste and recycling | Will the amount of waste generated change? |  | No |  |  |  |
| Will the ways in which waste is treated be changed? |  | No |  |  |  |
| Will it have an impact on waste recycling opportunities? |  | No |  |  |  |
| Use of resources | Does the option affect the use of renewables (fish stocks, hydropower plants, solar energy, etc.)? |  | No |  |  |  |
| Does the option affect the use of non-renewable resources (groundwater, minerals, coal, etc.)? |  | No |  |  |  |
| The degree of environmental hazards | Will it have any effect on the likelihood of hazards, such as fires, explosions or accidents? |  | No |  |  |  |
| Will it affect preparedness in case of natural disasters? |  | No |  |  |  |
| Is the protection of society from natural disasters affected? |  | No |  |  |  |
| Biodiversity, flora and fauna | Will it affect the protected or endangered species or the areas where they live? |  | No |  |  |  |
| Will size or connections between nature areas be affected? |  | No |  |  |  |
| Will it have any effect on the number of species in a given area? |  | No |  |  |  |
| Animal welfare | Will the treatment of animals be affected? |  | No |  |  |  |
| Will animal health be affected? |  | No |  |  |  |
| Will the quality and safety of animal feed be affected? |  | No |  |  |  |

# Annex 4: Form of assessment for the impact of fundamental rights

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Category of impact on fundamental rights** | **The main impact** | **Is this impact expected to happen?** | | **Number of affected organizations, companies and/or individuals** | **Expected benefit or cost of impact** | **Preferred level of analysis** |
| **Yes** | **No** | **High/Low** | **High/Low** |  |
| Dignity | Does the option affect people's dignity, their right to life or the integrity of a person? | Yes |  | High | High |  |
| Freedom | Does the option affect the right to freedom of individuals? |  | No |  |  |  |
| Does the option affect a person's right to privacy? |  | No |  |  |  |
| Does the option affect the right to marry or have a family? |  | No |  |  |  |
| Does the option affect the legal, economic or social protection of individuals or families? | Yes |  | High | High |  |
| Does the option affect freedom of thought, conscience or religion? |  | No |  |  |  |
| Does the option affect freedom of expression? |  | No |  |  |  |
| Does the option affect freedom of assembly or association? |  | No |  |  |  |
| Personal data | Does the option include personal data processing? | Yes |  | High | High |  |
| Are the individual's rights of access, correction and opposition guaranteed? | Yes |  | High | High |  |
| Is the way in which personal data is processed clear and well protected? | Yes |  | High | High |  |
| Asylum | Does this option affect the right to asylum? |  | No |  |  |  |
| Property rights | Will property rights be affected? |  | No |  |  |  |
| Does the option affect the freedom to do business? |  | No |  |  |  |
| Equal treatment [[39]](#footnote-39) | Does the option uphold the principle of equality before the law? | Yes |  | High | High |  |
|  | Are certain groups likely to be directly or indirectly affected by discrimination (e.g. any discrimination based on gender, race, colour, ethnicity, political or other opinions, age or sexual orientation)? |  | No |  |  |  |
|  | Does the option affect the rights of people with disabilities? |  | No |  |  |  |
| Children's rights | Does the option affect children's rights? | Yes |  | High | High |  |
| Good administration | Will the administrative procedures become more complicated? |  | No | High | High |  |
|  | Does the way in which the administration makes decisions (transparency, procedural deadlines, access to a file, etc.) be affected? | Yes |  | High | High |  |
|  | On criminal law and anticipated penalties: are the rights of the respondent affected? |  | No |  |  |  |
|  | Is access to justice affected? |  | No |  |  |  |

# Annex

Figure A 1 Characteristics of lower consumption/poor quintile

*Source: Kosovo Agency of Statistics and World Bank, 2017.*

Table A 1 SAS beneficiary households by family size

|  |  |  |
| --- | --- | --- |
| Number of family members | Number of SAS beneficiary families | Percentage of SAS beneficiary families |
| 1 member | 2247 | 7.33% |
| 2 members | 3935 | 12.83% |
| 3 members | 5021 | 16.38% |
| 4 members | 7264 | 23.69% |
| 5 members | 6388 | 20.83% |
| 6 members | 3649 | 11.90% |
| 7 members | 1350 | 4.40% |
| 8 members | 536 | 1.75% |
| 9 members | 194 | 0.63% |
| 10 members | 54 | 0.18% |
| 11 members | 16 | 0.05% |
| 12 members | 7 | 0.02% |
| 13 members | 1 | 0.003% |

Source: Administrative data on SAS beneficiaries 2017 from SAS database.

Figure A 2 Incidence of benefit by consumption quintile (Q1, Q1/Q2 and Q5) of social assistance programs, pensions and private transfers, 2016, percentage

Bottom

Bottom

Top

Entire social protection

Pensions

Social assistance SAS

Private transfers

*Source: World Bank calculations using HBS 2006-2016 with ADePT*.

Table A 2 Indicators foreseen to be included in the TMP after piloting and field validation

|  |
| --- |
| 1. Household owns the house |
| 1. Number of rooms per capita |
| 1. Characteristics of the walls |
| 1. House has central heating |
| 1. House has indoor bath |
| 1. House has an indor tap |
| 1. House has indoor hot water |
| 1. House has indoor electricity |
| 1. House has a washing machine |
| 1. House has a telephone |
| 1. House has LCD TV |
| 1. House has a computer |
| 1. House has internet |
| 1. Number of mobile phones owned by the household |
| 1. Household owns a car |
| 1. Household size |
| 1. Household has a child under the age of 5 |
| 1. Household has a child between 5 and 15 |
| 1. Household has a child between 15 and 24 |
| 1. Gender of the household head |
| 1. Marital status of the household head |
| 1. Number of female adults |
| 1. Household head age |
| 1. Education of the household head |
| 1. Number of disabled in the household |
| 1. Number of dependent in the household |

*Source*: World Bank, 2019, p. 79.

Table A 3 Monthly amounts of SAS, current scheme, by modified equivalence scale with and without child allowances, and by OECD modified equivalence scale

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| The size of the household | Family structure | Monthly amount of child allowances of EUR 5/month per child (current SAS Scheme) | Monthly amount with optimal equivalence scale | Monthly amount with optimal equivalence scale and monthly allowance of EUR 10/month per child | Monthly amount with OECD modified equivalence scale |
| 1 | 1 adult | 60.0 | 60.00 | 60.00 | 60.00 |
| 2 | 2 adults | 82.5 | 75.00 | 75.00 | 90.00 |
| 1 adult, 1 adult | 87.5 | 72.00 | 82.00 | 78.00 |
| 3 | 3 adults | 90.0 | 90.00 | 90.00 | 120.00 |
| 2 adults, 1 adult | 95.0 | 87.00 | 97.00 | 108.00 |
| 1 adult, 2 adults | 100.0 | 84.00 | 104.00 | 96.00 |
| 4 | 4 adults | 97.5 | 105.00 | 105.00 | 150.00 |
| 3 adults, 1 adult | 102.5 | 102.00 | 112.00 | 138.00 |
| 2 adults, 2 children | 107.5 | 99.00 | 119.00 | 126.00 |
| 1 adult, 3 children | 112.5 | 96.00 | 126.00 | 114.00 |
| 5 | 5 adults | 105.0 | 120.00 | 120.00 | 180.00 |
| 4 adults, 1 child | 110.0 | 117.00 | 127.00 | 168.00 |
| 3 adults, 2 children | 115.0 | 114.00 | 134.00 | 156.00 |
| 2 adults, 3 children | 120.0 | 111.00 | 131.00 | 144.00 |
| 1 adult, 4 children | 125.0 | 108.00 | 148.00 | 132.00 |
| 6 | 6 adults | 112.5 | 135.00 | 135.00 | 210.00 |
| 5 adults, 1 child | 117.5 | 132.00 | 142.00 | 198.00 |
| 4 adults, 2 children | 122.5 | 129.00 | 149.00 | 186.00 |
| 3 adults, 3 children | 127.5 | 126.00 | 156.00 | 174.00 |
| 2 adults, 4 children | 132.5 | 123.00 | 163.00 | 162.00 |
| 1 adult, 5 children | 137.5 | 120.00 | 170.00 | 150.00 |
|  | 7 adults | 120.00 | 150.00 | 150.00 | 240.00 |
|  | 6 adults, 1 child | 125.00 | 147.00 | 157.00 | 228.00 |
| 7 | 5 adults, 2 children | 130.00 | 144.00 | 164.00 | 216.00 |
|  | 4 adults, 3 children | 135.00 | 141.00 | 171.00 | 204.00 |
|  | 3 adults, 4 children | 140.00 | 138.00 | 178.00 | 192.00 |
|  | 2 adults, 5 children | 145.00 | 135.00 | 185.00 | 180.00 |
|  | 1 adult, 6 children | 150.00 | 132.00 | 192.00 | 168.00 |
|  | 8 adults | 127.50 | 165.00 | 165.00 | 270.00 |
|  | 7 adults, 1 children | 132.50 | 162.00 | 172.00 | 258.00 |
|  | 6 adults, 2 children | 137.50 | 159.00 | 179.00 | 246.00 |
| 8 | 5 adults, 3 children | 142.50 | 156.00 | 186.00 | 234.00 |
|  | 4 adults, 4 children | 147.50 | 153.00 | 193.00 | 222.00 |
|  | 3 adults, 5 children | 152.50 | 150.00 | 200.00 | 210.00 |
|  | 2 adults, 6 children | 157.50 | 147.00 | 207.00 | 198.00 |
|  | 1 adult, 7 children | 162.50 | 144.00 | 114.00 | 186.00 |
|  | 9 adults | 135.00 | 180.00 | 180.00 | 300.00 |
|  | 8 adults, 1 child | 140.00 | 177.00 | 187.00 | 288.00 |
|  | 7 adults, 2 children | 145.00 | 174.00 | 194.00 | 276.00 |
|  | 6 adults, 3 children | 150.00 | 171.00 | 201.00 | 264.00 |
| 9 | 5 adults, 4 children | 155.00 | 168.00 | 208.00 | 252.00 |
|  | 4 adults, 5 children | 160.00 | 165.00 | 215.00 | 240.00 |
|  | 3 adults, 6 children | 165.00 | 162.00 | 222.00 | 228.00 |
|  | 2 adults, 7 children | 170.00 | 159.00 | 229.00 | 216.00 |
|  | 1 adult, 8 children | 175.00 | 156.00 | 236.00 | 204.00 |
|  | 10 adults | 143.00 | 195.00 | 195.00 | 330.00 |
|  | 9 adults, 1 child | 148.00 | 192.00 | 202.00 | 318.00 |
|  | 8 adults, 2 children | 153.00 | 189.00 | 209.00 | 306.00 |
|  | 7 adults, 3 children | 158.00 | 186.00 | 216.00 | 294.00 |
| 10 | 6 adults, 4 children | 163.00 | 183.00 | 223.00 | 282.00 |
|  | 5 adults, 5 children | 168.00 | 180.00 | 230.00 | 270.00 |
|  | 4 adults, 6 children | 173.00 | 177.00 | 237.00 | 258.00 |
|  | 3 adults, 7 children | 178.00 | 174.00 | 244.00 | 246.00 |
|  | 2 adults, 8 children | 183.00 | 171.00 | 251.00 | 234.00 |
|  | 1 adult, 9 children | 188.00 | 168.00 | 258.00 | 222.00 |
|  | 11 adults | 150.00 | 210.00 | 210.00 | 360.00 |
|  | 10 adults, 1 child | 155.00 | 207.00 | 217.00 | 348.00 |
|  | 9 adults, 2 children | 160.00 | 204.00 | 224.00 | 336.00 |
|  | 8 adults, 3 children | 165.00 | 201.00 | 231.00 | 324.00 |
|  | 7 adults, 4 children | 170.00 | 198.00 | 238.00 | 312.00 |
| 11 | 6 adults, 5 children | 175.00 | 195.00 | 245.00 | 300.00 |
|  | 5 adults, 6 children | 180.00 | 192.00 | 252.00 | 288.00 |
|  | 4 adults, 7 children | 185.00 | 189.00 | 259.00 | 276.00 |
|  | 3 adults, 8 children | 190.00 | 186.00 | 266.00 | 264.00 |
|  | 2 adults, 9 children | 195.00 | 183.00 | 273.00 | 252.00 |
|  | 1 adult, 10 children | 200.00 | 180.00 | 280.00 | 240.00 |
|  | 12 adults | 158.00 | 225.00 | 225.00 | 390.00 |
|  | 11 adults, 1 children | 163.00 | 222.00 | 232.00 | 378.00 |
|  | 10 adults, 2 children | 168.00 | 219.00 | 239.00 | 366.00 |
|  | 9 adults, 3 children | 173.00 | 216.00 | 246.00 | 354.00 |
|  | 8 adults, 4 children | 178.00 | 213.00 | 253.00 | 342.00 |
| 12 | 7 adults, 5 children | 183.00 | 210.00 | 260.00 | 330.00 |
|  | 6 adults, 6 children | 188.00 | 207.00 | 267.00 | 318.00 |
|  | 5 adults, 7 children | 193.00 | 204.00 | 274.00 | 306.00 |
|  | 4 adults, 8 children | 198.00 | 201.00 | 281.00 | 294.00 |
|  | 3 adults, 9 children | 203.00 | 198.00 | 288.00 | 282.00 |
|  | 2 adults, 10 children | 208.00 | 195.00 | 295.00 | 270.00 |
|  | 1 adult, 11 children | 213.00 | 192.00 | 302.00 | 258.00 |
|  | 13 adults | 165.00 | 240.00 | 240.00 | 420.00 |
|  | 12 adults, 1 child | 170.00 | 237.00 | 247.00 | 408.00 |
|  | 11 adults, 2 children | 175.00 | 234.00 | 254.00 | 396.00 |
|  | 10 adults, 3 children | 180.00 | 231.00 | 261.00 | 384.00 |
|  | 9 adults, 4 children | 185.00 | 228.00 | 268.00 | 372.00 |
|  | 8 adults, 5 children | 190.00 | 225.00 | 275.00 | 360.00 |
| 13 | 7 adults, 6 children | 195.00 | 222.00 | 282.00 | 348.00 |
|  | 6 adults, 7 children | 200.00 | 219.00 | 289.00 | 336.00 |
|  | 5 adults, 8 children | 205.00 | 216.00 | 296.00 | 324.00 |
|  | 4 adults, 9 children | 210.00 | 213.00 | 303.00 | 312.00 |
|  | 3 adults, 10 children | 215.00 | 210.00 | 310.00 | 300.00 |
|  | 2 adults, 11 children | 220.00 | 207.00 | 317.00 | 288.00 |
|  | 1 adult, 12 children | 225.00 | 204.00 | 324.00 | 276.00 |
|  | 14 adults | 173.00 | 255.00 | 255.00 | 450.00 |
|  | 13 adults, 1 child | 178.00 | 252.00 | 262.00 | 438.00 |
|  | 12 adults, 2 children | 183.00 | 249.00 | 269.00 | 426.00 |
|  | 11 adults, 3 children | 188.00 | 246.00 | 276.00 | 414.00 |
|  | 10 adults, 4 children | 193.00 | 243.00 | 283.00 | 402.00 |
| 14 | 9 adults, 5 children | 198.00 | 240.00 | 290.00 | 390.00 |
|  | 8 adults, 6 children | 203.00 | 237.00 | 297.00 | 378.00 |
|  | 7 adults, 7 children | 208.00 | 234.00 | 304.00 | 366.00 |
|  | 6 adults, 8 children | 213.00 | 231.00 | 311.00 | 354.00 |
|  | 5 adults, 9 children | 218.00 | 228.00 | 318.00 | 342.00 |
|  | 4 adults, 10 children | 223.00 | 225.00 | 325.00 | 330.00 |
|  | 3 adults, 11 children | 228.00 | 222.00 | 342.00 | 318.00 |
|  | 2 adults, 12 children | 233.00 | 219.00 | 349.00 | 306.00 |
|  | 1 adult, 13 children | 238.00 | 216.00 | 356.00 | 294.00 |
|  | 15 adults | 180.00 | 270.00 | 270.00 | 480.00 |
|  | 14 adults, 1 child | 185.00 | 267.00 | 277.00 | 468.00 |
|  | 13 adults, 2 children | 190.00 | 264.00 | 284.00 | 456.00 |
|  | 12 adults, 3 children | 195.00 | 261.00 | 291.00 | 444.00 |
|  | 11 adults, 4 children | 200.00 | 258.00 | 298.00 | 432.00 |
|  | 10 adults, 5 children | 205.00 | 255.00 | 305.00 | 420.00 |
|  | 9 adults, 6 children | 210.00 | 252.00 | 312.00 | 408.00 |
| 15 | 8 adults, 7 children | 215.00 | 249.00 | 319.00 | 396.00 |
|  | 7 adults, 8 children | 220.00 | 246.00 | 326.00 | 384.00 |
|  | 6 adults, 9 children | 225.00 | 243.00 | 333.00 | 372.00 |
|  | 5 adults, 10 children | 230.00 | 240.00 | 340.00 | 360.00 |
|  | 4 adults, 11 children | 235.00 | 237.00 | 347.00 | 348.00 |
|  | 3 adults, 12 children | 240.00 | 234.00 | 354.00 | 336.00 |
|  | 2 adults, 13 children | 245.00 | 231.00 | 361.00 | 324.00 |
|  | 1 adult, 14 children | 250.00 | 228.00 | 368.00 | 312.00 |

Source: Administrative data from MLSW and World Bank calculations for the purpose of this CD.

Box A 1 Good practices from European public employment services for the integration of long-term unemployed (LTU)

|  |
| --- |
| ***Employment services and counselling***   * **Profiling and segmentation.** Several public employment services (PES) use in-depth profiling systems to identify those at risk of LTU as early as possible and segment customers into categories of support or distinguish between ‘standard’ support and ‘case management’. Detailed profiling tools can also support the development of action plans in the case of complex personal situations. * **Individualized and ‘person-centred’.** An increasing number of employment services offer intensified case management for the hard-to-place (e.g. Germany, Latvia). Counsellors in charge of individuals at a greater distance to the labour market may have a smaller caseload than ‘generalist’ counsellors (e.g. in France or Germany) to ensure more frequent meetings and intensive support to their clients. Public employment services aim to ensure that job seekers have a personal counsellor, which allows the building of mutual trust and cooperation. * **The motivational and personal issues of LTUs need to be tackled first.** Counselling and coaching can make a difference, especially for those who lack the personal behaviour and social skills required. In a number of countries (e.g. Bulgaria) group work has proved successful in obtaining such motivational outcomes. Achieving gradual integration into the labour market along a well-defined ‘pathway’ also requires support to be provided for long periods. Several employment services employ psychologists, specifically trained counsellors, coaches (e.g. in Estonia) or mentors of a particular ethnic origin (e.g. in Bulgaria) to meet the specific needs of hard-to-place clients.   ***Active measures***   * **Step-by-step.** LTU furthest away from the labour market require a step-by-step approach, starting from strengthening life skills or basic skills and coaching for working life, to be followed by workplace-oriented training, vocational training and job search assistance. * **Mix of measures.** Active measures for disadvantaged groups tend to be more effective if the job centre has close contacts with employers and can develop mutual trust. Most public employment services rely on incentives for employers to hire LTU, such as wage subsidies, bonuses for hiring LTU, and/or training cost subsidies. Public works may be efficient in disadvantaged regions where jobs are scarce.   ***Delivery arrangements***  Many employment services rely on service delivery in partnership with contracted or other specialized providers.   * **Partnerships with employers.** Overcoming prejudices in recruiting LTU is a challenge that can be countered through partnerships with employers in order to raise awareness and encourage them to provide employment opportunities to LTU. Several PES currently have a dedicated employer service or specialized counsellors working with employers, but their role is not restricted to promoting LTU into jobs as they also work with other customers. * **Coordination.** Municipalities, youth services, family services and other social services are common partners for employment services when working to support the LTU. Some public employment services hold regular meetings with local stakeholders and develop coordinated programs for labour market integration and service delivery. * **Referral and subcontracting.** The public employment service may also use the services of various partners by referring LTU to them (e.g. social or health services) or by contractual arrangements (e.g. education and training providers, NGOs specialized on LTUs with specific challenges). |

*Source: World Bank, 2019, p. 64, taken from European Commission (2014).*

Box A 2 Experience of Portugal and Chile with targeted activation measures for hardest-to-employ social assistance beneficiaries

|  |
| --- |
| ***Portugal: integration contracts, multi-agency and interdisciplinary approaches to activation with interventions at individual, household and community levels***  Portugal operates a social integration minimum income benefit (*Rendiment social de inserção, RSI*) with two complementary dimensions: (i) pecuniary benefit and (ii) integration and social inclusion program. To get the benefit, the claimant must register as a jobseeker and accept the obligations stemming from the integration contract, in which obligations affect household members as well. A prime example is the local model of the Lisbon Social Security District Centre which implements a project for social monitoring and follow-up of 200 socially vulnerable families that receive RSI. The Center combined the efforts of different institutions in an action plan for social monitoring and established a multi-disciplinary team to conduct social diagnostics of the vulnerable households, manage the households’ integration process, prepare integration plans and support integration at individual, household and community levels. With respect to labor market integration, the project offers group counselling sessions on job search techniques, preparation for interviews, self-assessment of labour market related skills and skill gaps, and self-esteem building.  ***Chile Solidario: cross-sectoral management model; guaranteed cash social assistance during activation***  The Chile Solidario (CHS) is a management model / coordination mechanism for service delivery to help families in extreme poverty overcome social and economic hardship with four key attributes: (i) accessibility - institutional arrangements that facilitate the beneficiaries’ entry into the system (single entry point); (ii) quality – continuous adjustment to the content of social services and benefits and services; (iii) timeliness - mechanisms to ensure effectiveness of the institutions to meet the beneficiaries’ demands; and (iv) local provision – institutional network close to the beneficiaries. CHS guarantees social protection to poor families for 5 years, comprising of a protection grant of 24-month duration, and an exit grant of 36-month duration. The protection grant period emphasizes psychosocial support and direct services to families, family counselling and linking the target family to social services. The exit grant phase emphasizes guaranteed benefits and social services (health, family dynamics, education, housing, income support and employment). The employment dimension of the exit grant involves registration with the local employment service and preferential access to childcare services, job placement programs, self-employment, and employability. Evaluations indicate a positive impact on employment: (i) CHS participants are more likely to be involved in labour and training programs; (ii) rural households achieve significant gains in employment, total income, labour income and poverty status; (iii) urban households achieve gains in the labour income of young families and in the labour force participation of women (second earners). |

*Source: World Bank, 2019, p. 65, taken from Instituto da Segurança (2016) and Silva (2014).*

1. EU Statistics on Income and Living Conditions [↑](#footnote-ref-1)
2. Does not include energy subsidies [↑](#footnote-ref-2)
3. Social assistance expenses include: Social Assistance Scheme, Scheme of Financial Support for the Families that have Permanently Disabled Children (under the age of 18), Scheme of Housing Children without Parental Care, and One-time Social Assistance for extraordinary/emergent cases. [↑](#footnote-ref-3)
4. In the first quintile of consumption - equivalent to the poverty rate of 18% - the proportion of households in rural areas (19%) is higher than that of households living in urban areas (16%). The percentage of large households is also significantly higher than in the first quintile; 21% of 5-member households, 20% of 6- or more member households as compared to 8% of one-member households or 8% of two-member households. The gap is gender-wide; a significantly higher percentage of women-headed households (24%) compared to 17% of men-headed households belong to the lowest consumption quintile and to the one of education: almost a quarter (23%) of uneducated adults are in the first quintile compared to only 6% of highly educated adults. In terms of economic activity and the status of the ability to work, people in occasional employment, people with disabilities, and students are over-represented in the first quintile, respectively with 26, 24 and 18%. The number of families with more children in the first quintile - 22% of families with 3+ children and 18% of families with 2 children - is significantly higher (see Figure 1A in the Annex). [↑](#footnote-ref-4)
5. Last Resort Income Support (LRIS) [↑](#footnote-ref-5)
6. Based on interviews with MLSW and CSW officials regarding the World Bank report “Exemption from payment of social health insurance contributions: Capacity Assessment of the Centres for Social Work” carried out on 16 March 2018. [↑](#footnote-ref-6)
7. After the addition of EUR 5 per child per month, which has been implemented since 2012 [↑](#footnote-ref-7)
8. Administrative data on SAS beneficiaries 2017 from SAS database [↑](#footnote-ref-8)
9. In the Western Balkan region, Serbia and Albania apply OECD equivalence scales in the design of their LRIS benefits. The remaining countries apply national scales which are overall more generous than the SAS scale. Exception is the LRIS in Montenegro where the increment for the second family member is 0.2. [↑](#footnote-ref-9)
10. OECD – Organization for Economic Cooperation and Development [↑](#footnote-ref-10)
11. Tesliuc et al. (2014) [↑](#footnote-ref-11)
12. Regulation (MLSW) No. 01/2018 on Active Labour Market Measures, Article 33 [↑](#footnote-ref-12)
13. Or orphaned child younger than 15 under permanent care. [↑](#footnote-ref-13)
14. Excluding vehicles that are intended and used for the transportation of household members with permanent disabilities. [↑](#footnote-ref-14)
15. World Bank. (16 March 2018). *Exemption from payment of social health insurance premiums: Assessment of CSW capacities.*  [↑](#footnote-ref-15)
16. Although the legislation provides for indexing on an annual basis. UNDP, 2014, The real value of Social Assistance in Kosovo: An assessment of Social Assistance benefit adequacy:

    <https://www.undp.org/content/dam/kosovo/docs/Communications/Dokumenti%20The%20Real%20Value%20of%20Social%20Assistance%20ONLINE.pdf> [↑](#footnote-ref-16)
17. AI No. 15/2012 on the Calculation of Monthly Social Assistance Amounts [↑](#footnote-ref-17)
18. The Ministry of Education, Science and Technology provides free books to all children in primary schools in Kosovo, so this benefit should not be considered 'exclusive' for SAS beneficiaries. [↑](#footnote-ref-18)
19. Compared to 30.5% for the basic age pension, 24.5% for age contribution pensions, and 17.8% for war veterans and their families scheme. Figures calculated using data from Kosovo Agency of Statistics, 2018, Social Welfare Statistics 2017, p. 48. <http://ask.rks-gov.net/media/3964/statistikat-e-mir%C3%ABqenies-sociale-2017.pdf> [↑](#footnote-ref-19)
20. The HBS of Kosovo does not allow for the distinction between different social protection programs. Revenues from: (1) Social Assistance Scheme, (2) Material support for families with children with permanent disabilities (ages 1-18), (3) One-time social assistance for emergency needs and (4) Revenue for foster families, are grouped into one variable. Similarly, revenues from different pension schemes - age, disability, war-related categories, special pensions, etc. - are all grouped into one variable. [↑](#footnote-ref-20)
21. The optimal equivalence scale is as follows: [↑](#footnote-ref-21)
22. EUR 1.82 per adult equivalent per day (KAS, 2017, p. 4). [↑](#footnote-ref-22)
23. OECD modified equivalence scale is: [↑](#footnote-ref-23)
24. EUR 1.82 per adult equivalent per day (KAS, 2017, p. 4). [↑](#footnote-ref-24)
25. KAS, 2019, Labor Force Survey 2019, p. 12. http://ask.rks-gov.net/media/4671/anketa-e-tregut-te-punes-2018.pdf [↑](#footnote-ref-25)
26. Ibid. [↑](#footnote-ref-26)
27. Although the official age of participation in the labor market in Kosovo is 15-64 years, to stimulate human capital development, the new SAS law stipulates that registration with employment offices must be done at the age when the high school is completed, at the age of 18 years. [↑](#footnote-ref-27)
28. Since the degree of disability cannot be simulated with HBS data, these figures represent the highest possible number of persons aged 18-64 who can be registered at employment offices on the assumption that all the selected are capable of work. [↑](#footnote-ref-28)
29. MLSW, 2017, SAS database. [↑](#footnote-ref-29)
30. Administrative data from SAS database, 2017, MLSW. [↑](#footnote-ref-30)
31. Financial income, possession of assets, the demographic structure of family members, gender of the head of the family, marital status of the head of the family, number of adult females in the family, number of dependent members, level of education, etc. [↑](#footnote-ref-31)
32. Financial income, possession of assets, demographic structure of family members, gender of the head of family, marital status of the head of family, number of adult females in the family, number of dependents, level of education, etc. [↑](#footnote-ref-32)
33. KAS, 2019, Labour Force Survey 2019, p. 12. <http://ask.rks-gov.net/media/4671/anketa-e-tregut-te-punes-2018.pdf> [↑](#footnote-ref-33)
34. Ibid. [↑](#footnote-ref-34)
35. As the degree of disability cannot be simulated with HBS data, these figures represent the highest possible number of persons aged 18-64 who can register with Employment Offices on the assumption that all the selected are able to work. [↑](#footnote-ref-35)
36. When there is an impact on jobs, there will be social impacts as well. [↑](#footnote-ref-36)
37. When there is an impact on jobs, there will be economic impacts as well. [↑](#footnote-ref-37)
38. When there are public health and safety impacts, there regularly are environmental impacts as well. [↑](#footnote-ref-38)
39. Gender equality is addressed in the *Gender Impact Assessment* [↑](#footnote-ref-39)