

October 2022

## **Energy crisis in Kosovo and the urgent need to include non-majority communities in the Government's call for energy efficiency subsidies**

While the Kosovo Government has set up a financial scheme to help its citizens overcome the difficulties with heating in the winter amidst the global energy crisis, there is clear evidence that members of non-majority communities have yet to benefit from this scheme. According to the Ministry of Economy, 5992 citizens have applied to the public call for energy efficiency subsidies in the first stage. Out of the total number, ten applicants were from the Serbian community, 29 Bosniaks, 5 Gorani, 13 Roma, 35 Turks, 12 Ashkali, and 16 Egyptians.

In other words, out of the total applicants, only 2% belonged to non-majority communities. This points to the need to substantially expand the inclusion of non-majority community members into the scheme, especially Roma, Ashkali, and Egyptian communities who face severe shortages of heating means<sup>1</sup>.

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The global energy crisis is escalating dramatically, further contributing to high inflation and slowing economic growth to the point that some countries are heading toward severe recession. In addition to economic impact, the energy crisis affects the life, health, and living standards of human beings, as well as the means of subsistence of people. Hence, access to energy is a prerequisite to the realization of the related human rights (the right to life, the right to health, and an adequate standard of living) of billions of people worldwide.

As a consequence of the global energy crisis, Kosovo is facing a crisis in the electricity sector. Kosovo's electricity generation capacities are mainly from thermal power plants, which constitute 90.02% of the installed capacity or 87.36% of the operational capacity, and the rest are hydropower plants and renewable energy sources (hydropower plants, wind power plants, and photovoltaic panels)<sup>2</sup>.

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<sup>1</sup> <https://www.facebook.com/ECMIKosova/photos/a.261109587260276/5608797945824720/>

<sup>2</sup> <https://www.ero-ks.org/zrre/sq/pjesemarresit-ne-treg/energija-elektrike/prodhimi>

Since electricity is the primary heating source, the authorities have warned that this year's winter will be particularly challenging due to the global energy crisis, the impossibility of the country to meet its needs with domestic production, and high import prices. Given that during this winter, there might be shortages in electricity, some citizens have begun to find other alternatives for heating. Although heating with firewood remains an alternative, the price of a meter of firewood has already reached 60 euros. The Kosovo Agency of Statistics (KAS) has registered an increase of compared to last year for 60.2%. In the statistics of KAS, it is noticed that the price of wood for 1 m<sup>3</sup> in September 2021 was 40.38 euros, while in September 2022 the price rose to 62.35 euros<sup>3</sup>. But as winter approaches, this price is expected to increase from 80-100 euros.

In addition to firewood, the cost of pellets, another heating alternative during the winter, has increased enormously. The Minister of Economy, Artane Rizvanolli, during a session of the Assembly of Kosovo, stated that the price for pellets last year was 180 euros, while now it is being sold for up to 800 euros<sup>4</sup>.

Therefore, to ease the energy crisis, the Ministry of Economy in Kosovo has presented a plan for the financial support of citizens for the purchase of heating devices that spend less<sup>5</sup>. This scheme amounted to 6 million euros and aims to subsidy efficient economic heating equipment, including:

1. Biomass boilers (wood, pellets, briquettes) will be subsidized with 70% of the value; subsidy up to 1200 euros;
2. Thermal pumps (which reduce electricity consumption by up to 70%), will be subsidized by 30% of the value; the subsidy is up to 2500 euros.
3. Efficient air conditioners (which also reduce costs by up to 70%), will be subsidized with 40% of the value; subsidy up to 400 euros.
4. Efficient individual stoves with biomass (firewood), – for families that are part of the social assistance scheme, will be subsidized by 90%, a subsidy of up to 560 euros; while for others, up to 70%, a subsidy of up to 435 euros<sup>6</sup>.

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<sup>3</sup> [Harmonized Index of Consumer Prices, September 2022](#)

<sup>4</sup> <https://telegrafi.com/rizvanolli-kemi-katerfishim-te-cmimit-te-peletit-kostoja-e-prodhimit-eshte-nen-200-euro/>

<sup>5</sup> [https://me.rks-gov.net/repository/docs/Thirrja\\_per\\_Aplikim\\_per\\_EE\\_Finale+.pdf](https://me.rks-gov.net/repository/docs/Thirrja_per_Aplikim_per_EE_Finale+.pdf)

<sup>6</sup> Ibid.

The application for subsidy is made online through the e-Kosova platform, and it has two stages<sup>7</sup>:

**Stage I** – provides fulfillment of the application form, and if the application is successful, then the applicant can proceed with the purchase of equipment conforming to the technical criteria specified in the call.

**Stage II** - After purchasing and installing the heating equipment, in the second stage, the applicant needs to attach the necessary documentation through the e-Kosova platform, including the regular invoice or the fiscal coupon of the equipment.

If Stage II is positively assessed by the relevant Committee of the Ministry of Economy, then the applicant, through the e-Kosova platform, will be invited to sign the Subsidy Agreement with the Ministry of Economy and will be notified of the date and signature. After signing the agreement, the applicant will receive the subsidy in the bank account.

**Deadline for application** - The deadline for applications for the first stage is 14 calendar days from the day the call opens, that is, until October 20, 2022, or until the budget allocated for this Call is spent. Whereas the deadline for the second stage is 21 calendar days from the day of application in the first phase.

#### **Have non-majority community members benefited from the energy efficiency subsidies?**

Although such financial schemes are welcome for citizens, taking into account the late announcement of the call for energy efficiency subsidies for citizens, the short deadline for application, and the complex application method, ECMI considers that this scheme does not benefit the non-majority communities, including Roma, Ashkali and Egyptian members.

Based on OSCE 2010 Community Profiles and 2013 Municipal Profiles, in Kosovo live 1,739,825 residents, where around 15,696 are from the Roma community<sup>8</sup>, 15,546 are from the Ashkali community<sup>9</sup> and 11,524 are from the Egyptian community<sup>10</sup>. Most members of the Roma, Ashkali, and Egyptian communities live in extreme poverty and continue to face difficult living conditions. Approximately 1622 members of the Roma community, 1609 Ashkali, and 664 Egyptians are registered as active job seekers. While based on the information provided by the centers for social welfare, 701 Roma families (consisting

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<sup>7</sup> [https://me.rks-gov.net/repository/docs/Thirrja\\_per\\_Aplikim\\_per\\_EE\\_Finale+.pdf](https://me.rks-gov.net/repository/docs/Thirrja_per_Aplikim_per_EE_Finale+.pdf)

<sup>8</sup> <https://www.ecmikosovo.org/uploads/Romacommunity1.pdf>

<sup>9</sup> <https://www.ecmikosovo.org/uploads/Ashkalicommunity1.pdf>

<sup>10</sup> <https://www.ecmikosovo.org/uploads/Egyptiancommunity1.pdf>

of about 3500 individuals), 1320 Ashkali families (consisting of about 6800 individuals), and 385 Egyptian families (consisting of about 1700 individuals) are beneficiaries of social assistance.<sup>11</sup>

Most members of the Roma, Ashkali and Egyptian communities live in extreme poverty and continue to face difficult living conditions. The situation is especially difficult for the poorest; 20% of these communities and families that live in rural areas<sup>12</sup>.

Recently, ECMI has shared a story that tells about the difficulties faced by the Roma communities in Gjilan/Gnjilane to get firewood for heating on the eve of the winter season<sup>13</sup>. Nonetheless, ECMI has also analyzed the Public call for energy efficiency subsidies for citizens launched by the Ministry of Economy, and ECMI further considers that the Roma, Ashkali, and Egyptian communities who already live in extreme poverty is unable to benefit from this scheme due to the following reasons:

**Late announcement of the call** -The Ministry of Economy announced this scheme in the first week of October (October 6) when the heating season for citizens had started and the weather had worsened. Furthermore, completing the application and the purchase process of equipment would take another two months. Hence, the entire process would be finalized by December, when the temperatures would decrease to below zero degrees. Therefore, for the Roma, Ashkali, and Egyptian communities would be unaffordable to purchase efficient economic heating equipment and, at the same time, find other alternatives to heating till December.

**Short deadline for application** - In addition to the late announcement of the call, the Ministry has allowed the citizens a short time to be informed and apply for the open call, namely two weeks. Notwithstanding two weeks deadline, the open call was closed six days after the initial announcement because the number of applications has exhausted the budget foreseen for the call<sup>14</sup>. Considering that most Roma, Ashkali, and Egyptian communities live in rural areas and lack the basic means of information, one can easily conclude that two weeks is a very short period to be informed and apply for the open call.

**Complex application method** – To be subsidized by the call, the whole application procedure was

requested to be completed online. Nonetheless, the online application procedure is problematic for the Roma, Ashkali, and Egyptian communities because most of them lack IT equipment or IT skills.

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<sup>11</sup> [Draft Strategy and Action Plan for Inclusion of Roma and Ashkali Communities in Kosovo Society 2022-2026](#)

<sup>12</sup> Ibid.

<sup>13</sup> <https://www.facebook.com/ECMIKosova/photos/a.261109587260276/5608797945824720/>

<sup>14</sup> <https://me.rks-gov.net/sq/lajmet/eshte-mbyllur-perkohesisht-per-aplikim-thirrja-publike-per-subvencionim-te-eficiences-se-energji-se-per-qytetaret#.Y1pXCnZBy70>

**Inappropriate method of the provision of the subsidy** – To benefit from the subsidy, the applicants are required to purchase the equipment which will be later subsidized through the bank accounts. However, the efficiency energy equipment listed in the call are quite expensive, e.g. the efficient individual stoves with biomass (firewood) cost over 620 euros, and a family from the Roma or Ashkali communities that lives only on social assistance cannot provide these means to buy the equipment in question.

According to the organization OPRE ROMA Kosovo, most of the members of the Roma community have not been informed about this financial scheme, and 99% of them do not have the income to buy the subsidized equipment<sup>15</sup>. Moreover, OPRE ROMA Kosovo has held meetings with the Ministry of Economy. It has proposed further cooperation so that the Roma community is not left out of this subsidy. Therefore, OPRE ROMA Kosovo proposed to buy the equipment for the Roma community, and then the Ministry of Economy should subsidize the organization. However, the Ministry of Economy has rejected this proposal<sup>16</sup>.

ECMI Kosovo has been informed by the Ministry of Economy that for the call for energy efficiency subsidies, in total **5992** citizens have applied in the first stage. Out of the total number, the ethnic affiliations of the applicants are as following:

1. Albanian – 5872,
2. Serb – 10,
3. Bosniak – 29,
4. Gorani – 5,
5. Roma – 13,
6. Turk – 35,
7. Ashkali – 12,
8. Egyptian – 16.

According to OSCE Communities profiles and ECMI Kosovo findings, from the total number of 42,776 members of the Roma, Ashkali, and Egyptian communities, about 12,000 are beneficiaries of social assistance. Despite the difficult living conditions and poor socio-economic situation, only 41 members of the Roma, Ashkali, and Egyptian communities benefited from the call for energy efficiency subsidies launched by the Ministry of Economy.

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<sup>15</sup> <https://www.facebook.com/opreromaks/videos/508035300909487>

<sup>16</sup> Interview with Sebastijan Šerifović from OPRE ROMA Kosovo, October 10 2022

### **Recommendations:**

Amid the energy crisis, the Ministry of Economy in Kosovo has presented a package worth 6 million euros for citizens' financial support for purchasing heating devices that spend less. This scheme was announced as a result of the global crisis, and it aimed, amongst others to help families with difficult conditions during the winter season. However, as stated above, the Roma, Ashkali, and Egyptian communities could not benefit from the Public call for energy efficiency subsidies for citizens launched by the Ministry of Economy because it was designed mainly for people who can afford to purchase the equipment stated in the criteria of the call.

Having into regard that the European Union is providing Kosovo 75 million euros as an energy support package<sup>17</sup>, ECMI Kosova requests the Government to extend the deadline of the call. For a more comprehensive financial scheme, the Ministry of Economy should consider allocating funds into the minority quota system and cooperate closely with CSOs representing minority rights to:

- Ensure that the call is disseminated to all citizens, including non-majority communities living in rural areas;
- Ensure all information is provided in the language spoken by non-majority communities;
- Ensure that applicants have the necessary IT support during the application process;
- To transfer the value of the subsidy prior to the purchase of the equipment for the applicants who are beneficiaries of the social assistance scheme.

#### **About ECMI Kosovo**

**ECMI Kosovo is the principal non-governmental organisation engaged with minority issues in Kosovo, with the overarching aim to develop inclusive, representative, community-sensitive institutions that support a stable multi-ethnic Kosovo. ECMI Kosovo contributes to the developing, strengthening and implementation of relevant legislation, supports the institutionalisation of communities-related governmental bodies, and enhances the capacity of civil society actors and the government to engage with one another in a constructive and sustainable way. This policy brief is written within the Human Rightivism project, implemented by ECMI Kosovo and managed by the Community Development Fund - CDF and funded by the Embassy of Sweden in Pristina.**

<sup>17</sup> <https://telegrafi.com/presidentja-e-ke-se-kemi-ndare-75-milione-euro-per-kosoven-si-mbeshtetje-ndaj-krizes-energetike/>