

# The Challenger

Follow us on Twitter @MCDevKosovo



Photo by: Steve Ruark for MCC

Kosovo President Hashim Thaçi, left, and Jonathan Nash, Acting CEO of Millennium Challenge Corporation, sign the Kosovo Threshold Program, Tuesday, Sept. 12, 2017 in Washington, D.C.

## U.S. and Kosovo sign a \$49million Threshold Program

The U.S. Government's Millennium Challenge Corporation (MCC) and the Government of the Republic of Kosovo signed on September 12th a \$49 million threshold program to spur economic growth and reduce poverty in Kosovo. This is the second biggest Threshold program awarded in the history of the MCC.

Kosovo President Hashim Thaçi and U.S. Congressman Eliot Engel of New York joined MCC Acting CEO Jonathan Nash for the signing ceremony in Washington, D.C.

The Kosovo Threshold Program will support the Government of Kosovo's efforts to lower energy costs for households and businesses, and improve transparency and accountability. This was also the first time ever that the signing ceremony was organized on the Hill, with senior members of Congress participating.

"We are signing this agreement with MCC and we're opening a new page of relations, focused on economic development and rule of law with the United States. This agreement is a very strong new tool of support for people of Kosovo. The agreement will help Kosovo implement the MCC program. It will help Kosovo establish a foundation that will invest almost 50 million dollars in a very focused way," President of Kosovo Hashim Thaçi said during the ceremony. (more on page 2)



**Ramush Haradinaj**  
Prime Minister of Republic of Kosovo

## Implementation of Threshold is a key priority for the new Kosovo government

My aim as the prime minister of a young and vibrant republic is to leave no door unopened and no stone unturned to ensure greater investments, more job-creation and provide hope for our citizens, that their children will have an economically secure and politically peaceful homeland to live.

Following the national elections in June this year, the Parliament of Kosovo voted in a new government which I will lead for the forthcoming mandate. This task is a privilege but also a challenge as Kosovo is currently at an important juncture in our very young history.

We had some notable successes in our state-building so far. Most of the UN members recognize our independence; we participate in the global sports competitions and we had the highest economic growth in the region during the last decade. Yet, much more is to be done if we are to lift more people out of poverty and create a new wave of growth that will diminish the unemployment.

Priorities of the new government are identical to the priorities of the US government when it comes to Kosovo's progress. USA is our ally and the signing of the Threshold agreement with the Millennium Challenge Corporation has been the best news for people of Kosovo, at the very beginning of my mandate.

My government is committed to reforms and to support the

Millennium Challenge Corporation and the implementing entity Millennium Foundation Kosovo to implement the key agreed programs, namely Kosovo's efforts to lower energy costs and improve transparency and accountability. The Threshold Agreement will also support the Government of Kosovo's efforts to improve decision-making and accountability by increasing the accessibility and use of judicial, environmental, and labor force data.

We will also work hard to improve our MCC scorecard so we can push for a larger-scale compact agreement that will increase our portfolio of interaction with the MCC.

My aim as a Prime minister of a young and vibrant republic is to leave no door unopened and no stone unturned to ensure greater investments, more job-creation and provide hope for our citizens that their children will have an economically secure and politically peaceful homeland to live.

# INVESTING IN KOSOVO'S PROMISE

*Through this program, MCC will empower public institutions and citizens to make data-informed decisions and help foster collaborative relationships among government, civil society, and the private sector. Our investments are focused on two critical barriers to growth: an unreliable supply of electricity and real and perceived weaknesses in rule of law.*

Sarah Olmstead, MCC Country Team Lead for Kosovo

Kosovo is one of the newest countries in the world, but with 30 percent of the population living below the poverty line, it's also one of the poorest countries in Europe. Having gained independence in 2008, it is still in the early stages of developing government institutions that can ensure rule of law and provide effective services for its citizens.

While Kosovo has made significant progress in areas such as economic freedom, challenges remain. Government decision-making that isn't transparent leads to distrust by the private sector and civil society and high perceptions of corruption. And while there are real problems with transparency and corruption in Kosovo, there is often no public correction when accusations of government corruption prove false.

This is a critical time for the country: Kosovo is embarking on a process of accession to the European Union and pursuing reforms to improve its rule of law and economic competitiveness. With an average age of 26, it also has the youngest population in Europe. This young, ambitious group is one of the country's greatest strengths, and the success of these reforms is vital to ensuring that they have a bright future ahead of them.

The broader Balkans region has made strides in overcoming the devastation of the wars of the 1990s and has experienced impressive economic growth over the past decade. Kosovo's full integration into the Euro-Atlantic community will help strengthen regional security and open up new economic opportunities, including for U.S. businesses in areas such as energy, telecommunications and franchising.

I lead the Kosovo team for the Millennium Challenge Corporation, where our investments are driven by good governance, transparency, and accountability. We're applying these principles in our new threshold program in Kosovo through a \$49 million investment designed to lower energy costs for households and businesses and support the Government of Kosovo in its efforts to improve data transparency and accountability, strengthen rule of law, and reduce corruption – all to spur growth, fight poverty, and advance stability.

The threshold program is MCC's smaller grant program for countries that don't yet meet our strict eligibility criteria for larger compact investments, but are undertaking substantial efforts to meet them. Kosovo's selection for the threshold program reflects its efforts to improve its performance on MCC's policy scorecard.



Through this program, MCC will empower public institutions and citizens to make data-informed decisions and help foster collaborative relationships among government, civil society, and the private sector. Our investments are focused on two critical barriers to growth: an unreliable supply of electricity and real and perceived weaknesses in rule of law.

We need to increase the availability and use of data to support government decision-making and accountability to the public. The threshold program will establish public access to an electronic case management information system, which will allow users to follow their cases through the courts, shining a light into what has traditionally been an opaque system. It will also make a variety of court data publicly available so it can be analyzed to improve equity and efficiency.

We will also work to give households control over their own energy costs by providing information about energy use

and home investments that can help them save on monthly bills – almost one-third of households spend between 20 to 30 percent of their total household income on energy. Lower energy costs mean families can redirect spending to productive uses, such as education or entrepreneurship.

Reducing household energy consumption also frees up energy for industry. Electricity plays a huge role in driving economic growth, and having sufficient reliable and affordable electricity for businesses is critical to their ability to grow and create jobs.

In Kosovo, and in each partner country, we support the implementation of policy and institutional reforms that empower our partner governments to better serve their people. We look forward to embarking on this exciting new partnership with Kosovo as it continues to build transparent institutions and the pillars of a modern economy that contribute to peace and prosperity in the region.



Photo credit: Meddy Huduti

» continues from page 1

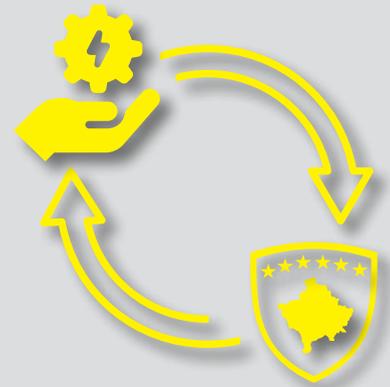
"MCC helps governments deliver critical services to their citizens and connect some of the world's poorest people to jobs, markets, and opportunities – increasing stability and driving growth," MCC Acting CEO Jonathan Nash said. "The U.S. Government, through MCC, will work with the Government of Kosovo to implement policy and institutional reforms that increase transparency and strengthen the country's energy sector."

"Kosovo is moving along the path toward Euro-Atlantic integration, and this new partnership will help push the country toward that goal," U.S. Congressman Eliot Engel said. "The MCC threshold program is focused on areas critical to Kosovo's future, and it will speed investments in energy efficiency and support efforts to promote effective, accountable governance. This day was a long time coming, and I'm proud to stand with Kosovo as it enters this important new chapter."

Kosovo is one of the newest countries in the world, and with 30 percent of the population living below the poverty line, it is also one of the poorest countries in Europe. Since gaining its independence in 2008, Kosovo continues to develop government institutions that can provide critical services to its citizens.

The Kosovo Threshold Program will focus on reforms in two critical areas identified as constraints to growth following a joint economic analysis: a lack of reliable electricity, and real and perceived weaknesses in rule of law.

In September 2017, The Government of #Kosovo approved Energy Strategy of the Republic of Kosovo for years 2017-2026. The strategy aims to fulfill the fundamental objectives for the development of the energy sector, sustainable economic development, environmental conservation, secure and efficient energy utilization.



OPEN

Open Data Kosovo launched Open Businesses, a platform aiming to explore the dynamics of Kosovo's business, including the business sectors in expansion and decline, as well as their geographical distribution. It provides insights into the most significant trends and developments of the past years, and is guided by the principle of transparency, and a conviction that government data should be easily accessible to all citizens. <http://biznesetehapura.com>



For the first 6 months of 2017, profit of 11 banks in #Montenegro is 16 million Euro, while profit of 10 #Kosovo banks is 45.6million Euro. Almost triple! In Kosovo during this period, interest rates have also fallen from average to 7.1 for households and 6.6% for businesses.

**The Challenger**

This newsletter is a quarterly publication of the Millennium Challenge Kosovo Office within the Office of Prime Minister of Kosovo. Opinions published may not reflect opinions

of the Government of Kosovo or MCK / Publisher: Petril Selimi / Editor: Rina Meta / Design: D-Line / Contact: MCK, 3rd floor, Government building, Nëna Terezë NN, Prishtina, Kosovo / email: [mccoffice@rks-gov.net](mailto:mccoffice@rks-gov.net)



Republika e Kosovës - Republika Kosova - Republic of Kosovo  
Qeveria - Vlada - Government  
Zyra e Kryeministrit - Ured Premijera - Office of the Prime Minister



**MILLENNIUM**  
CHALLENGE KOSOVO

# ENGEL REMARKS ON KOSOVO MCC THRESHOLD PROGRAM

*As delivered*

REP ELIOT ENGEL,  
RANKING MEMBER OF FOREIGN AFFAIRS COMMITTEE OF US CONGRESS

---

WASHINGTON—Representative Eliot L. Engel, Ranking Member of the House Committee on Foreign Affairs, today made the following remarks at a Millennium Challenge Corporation threshold signing ceremony with the Republic of Kosovo:

"Good afternoon everybody, it's great to be here. And it's great to see so many people here. And it's great to be with people who are the leaders of the Republic of Kosovo.

"You know, in the 1990s, we went to Kosovo, helping to try to conduct election there, of course we were banned from doing it. But we have these nice little jackets which I still have which says, 'Election Inspector Republic of Kosovo.' That was the real Republic of Kosovo. And, Jonathan, thank you for your kind words. Thank you for everything you're doing.

"And it's a very great pleasure to celebrate with all of you today. Like many of you, I've been anticipating this day for a long time. Getting the MCC into Kosovo has become a very high priority of mine ever since Kosovo became an independent country.

"February seventeenth, I always remember that day—because it's the day before my birthday. It's been a long road, and many of you who are here have played a pivotal role. "And so, it's with honor, humility, and, frankly, relief, that I can say what an important day we are all witnessing.

"Kosovo has now entered its tenth year of independence. A new government has just taken the reins in Pristina, and I want to extend my warm congratulations to Kosovo's new Prime Minister, Ramush Haradinaj.

"I hope—I have every confidence—that Kosovo will continue its path toward prosperity and Euro-Atlantic integration under Prime Minister Haradinaj.

"I want to also thank, there's so many people I almost don't know where to begin. But you know, Harry Baratarin, my dear friend, came

into my office my first year in Congress, back in 1989, to tell me all about Kosovo and what was happening there and that we could imagine one day Kosovo would be a free, independent country. It was a dream. It almost seemed like a pipe dream.

"But I had confidence in the people of Kosovo, so did Harry, elected excellent leaders like Hashim Thaçi and all the people who really have done so much. And I want to publicly Mr. President, congratulate you because I know that you were instrumental in helping to put together the government of Kosovo.

"And it's very important, I think, that a government be done quickly and early rather than not have it done and leave it hanging there. And that's what happened this time. And it shows, I think, the maturity of the people who represent Kosovo.

"And I look forward to very close relations with the United States for many, many years to come. I have every confidence that Kosovo will continue its path towards prosperity and Euro-Atlantic integration under the new government.

"We know that MCC's new partnership with Kosovo will push progress toward that goal. We know that the threshold program, this program, will speed investments in energy efficiency and promote accountable governance—which are critical areas for Kosovo.

"There are so many people again to thank for this wonderful achievement. The UN Kosovo team and its leader, Andrew Russell, took this on as a priority because, true to their mission, they knew it meant serious development assistance for Kosovo. That built on some very outside-the-box thinking by MCC officials to ensure that Kosovo would get a fair shake.

"In the meantime, I hear only very good things about the development of the MCC Threshold program. Forty-nine million dol-

lars. As you've heard, by MCC standards, this is certainly a very healthy sum of money for a threshold program. Kosovo has certainly earned it, in my opinion, and Petrit Selimi is doing an excellent job running the show.

"I'd like to thank one other person. As you may know, when everyone was saying Kosovo had no chance to get an MCC program, my staff director, Jason Steinbaum would not accept 'no' for an answer. He worked tirelessly to ensure that Kosovo was fully and equitably considered by MCC. And so, I want to thank Jason who has worked for me for more than 20 years.

"As many of you may know, Kosovo awarded Jason its Medal of Merits, largely because of his work on this. And that was a richly deserved honor.

"And so now, I mentioned him before, we have become good friends through the years. I am a real admirer of him. It's my pleasure to introduce my good friend, the President of Kosovo, Hashim Thaçi.

"I remember when I first met Hashim. It was at Rambouillet, just after the war in Kosovo ended. I've watched him through the years and can say, from personal knowledge, how he has developed as a leader of his country. Well respected, and I have come to consider him a very good friend.

"I look forward for working with, to working with him in the years ahead, and it is my honor to introduce him today.

"Or are we having, we're switching, at last minutes. I've been around here long enough to know. Well, so now I can I have the pleasure of introducing two good friends and two people that I respect. The first one is our Chairman of the Foreign Affairs Committee, which I work closely, Ed Royce. Chairman Ed Royce. Congressman Royce."

# Reduce poverty.



## MC Threshold RKS

@MCDevKosovo Follows you

News on #Kosovo economy & development of #Kosovo's Threshold Program. Tweets do not represent the views of MCC.gov

Joined April 2016

Tweet to

Message

Tweets 1,002 Following 426 Followers 765 Likes 33

Tweets Tweets & replies Media

MC Threshold RKS Retweeted  
**Millennium Challenge** @MCCgov · Sep 12  
Our partnership with Kosovo is an investment in #energy & governance to advance growth, stability & prosperity [mcc.gov/news-and-event...](#)



1 19 27

MC Threshold RKS Retweeted  
**Lorelle Atkinson** @Lorelle\_CA · Sep 12  
"The @MCCgov approach will give #Kosovo the grounding it needs to make the progress it seeks" @RepEdRoyce

3 2

MC Threshold RKS Retweeted  
**Behgjet Pacolli** @pacollibehgjet · Sep 12  
Important day as #Kosovo signs the \$49mil grant w/ @MCCgov. American contribution for economic development crucial:



19 34

MC Threshold RKS Retweeted  
**USAID Kosovo** @USAIDKosovo · Sep 12  
Another partnership with people of Kosovo.



9 16

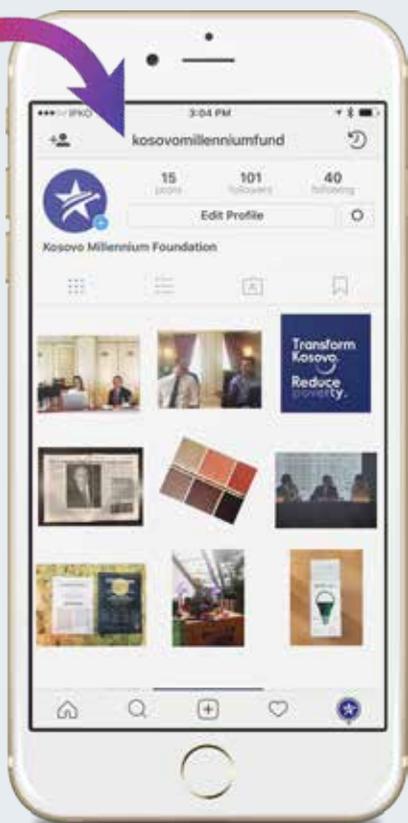
MC Threshold RKS Retweeted  
**Amb. Greg Delawie** @USAmbKosovo · Sep 13  
A great day for #Kosovo! Signing this agreement w/ @MCCgov will promote econ growth, accountability & transparency [goo.gl/R174Cc](#)

MC Threshold RKS Retweeted  
**Millennium Challenge** @MCCgov · Sep 13  
In this program, we focused on "what's next" for #Kosovo, how to implement better policy for a young, growing country

MC Threshold RKS Retweeted  
**OPIC.gov** @opicgov · Sep 14  
Congratulations to #Kosovo on becoming @MCCgov's newest partner country [goo.gl/haosUs @MCDevKosovo](#)

7 8

Follow us on Instagram



# THE OFFICIAL GALLERY OF THE THRESHOLD PROGRAM SIGNING EVENT

---

Photos courtesy of Steve Ruark for MCC and private photos of MCK team





# INVESTING IN KOSOVO'S PROMISE



**MILLENNIUM**

CHALLENGE KOSOVO

Office of the Prime Minister  
Government of Kosovo