

Kosova Center for Security Studies (KCSS), FOL Movement, Institute of Advanced Studies GAP, Foreign Policy Club (FPC), Kosova Democratic Institute (KDI) and Balkan Policy Institute (IPOL)

PROGRESS REPORT

Made in Kosova

October 2010, Prishtina



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Abbreviations and acronyms

KIA	Kosova Intelligence Agency	PPRC	Public Procurement Regulative Commission
ACA	Anti-Corruption Agency	KSC	Kosova Security Council
PPA	Public Procurement Agency	ACEC	Appeals and Complaints Election Commission
CRA	Civil Registration Agency	MEF	Ministry of Economy and Finance
KTA	Kosova Tax Administration	MMA	Monitoring, Mentoring and Advising
EU	European Union	MFA	Ministry of Foreign Affairs
GDP	Gross Domestic Product	MH	Ministry of Health
CBK	Central Bank of Kosova	MTPT	Ministry of Transport and Post-Telecommunication
CEFTA	Central European Free Trade Agreement	NDI	National Democratic Institute
KC	Kosova Customs	NGO	Non-Governmental Organization
DA	Democracy in Action	UNO	United Nations Organization
EBU	European Broadcasting Union	OSCE	Organization for Security and Cooperation in Europe
ENEMO	European Network of Election Monitoring Organizations	PRA	Procurement Review Authority
EULEX	European Union Rule of Law Mission	PACE	Parliamentary Assembly of the Council of Europe
IMF	International Monetary Fund	KP	Kosova Police
KSF	Kosova Security Force	RCC	Result Counting Center
SKPF	Slovenian - Kosova Pension Fund	RTK	Radio and Television of Kosova
ICJ	International Court of Justice	KIS	Kosova Information Service
IBM	Integrated Border Management	KPSF	Kosova Pension Savings Fund
CPI	Consume Prices' Index	VAT	Value Added Tax
ICO	International Civilian Office	KLA	Kosova Liberation Army
FDI	Foreign Direct Investment	UNMIK	United Nations Mission in Kosova
IPOL	Institute of Balkan Policy IPOL		
PISG	Provisional Institutions of Self-Government		
MTEF	Middle-Term Expenses Framework		
EC	European Commission		
ESC	Economic-Social Council		
KFOR	Kosova Forces		
KIPRED	Kosova Institute of Research and Policy Development		
IOB	Independent Oversight Board		
CEC	Central Election Commission		

Introduction

While waiting for the Progress Report on Kosovo of the European Commission, some organizations from the civil society have prepared the Kosovo version of this report, which reflects the local evaluation and viewpoint on the progress in Kosovo. This report assesses the period from October 2009 - October 2010 and covers the following areas:

- Kosovo - EU relations (European integration, role of EULEX),
- Political and institutional progress (consolidation of institutions, elections, rule of law, fight against corruption, foreign policy),
- Economic progress (economic policies, foreign trade, financial sector),
- European standards (public procurement, employment, social policies) and
- Sectoral policies (civil society, media, security, liberalization of visas)

Each part of the report has been evaluated based on the dimensions of legislation, general functioning of the sector, and offers recommendations to improve the situation. Since the organizations that have drafted this report are specialized in the areas they have covered, a part of the research material reflects their work on monitoring, researching, analyzing and reporting over a period of one year. Furthermore, the assessment is based on many primary and secondary sources, and on consultations with experts from the respective areas.

The purpose of this product, which is unique for the states that receive the Progress Report of the European Commission, is to offer an alternative picture of the progress (including stagnation and regress) in Kosovo, reflecting thus the viewpoint and assessment of the Kosovo civil society organizations on essential areas of the state governing.

The organizations that have drafted the Progress Report *Made in Kosovo* are: Kosovo Center for Security Studies (KCSS), FOL Movement, Institute for Advanced Studies GAP, Foreign Policy Club (FPC), Kosovo Democratic Institute (KDI), and Balkan Policy Institute (IPOL).

Civil society and the measuring of progress

In all states aspiring to become part of the European Union, the assessment of the general progress of the state is an exclusive area of the European Commission, which through the instrument of the Progress Report provides its opinion on the year-old development in these countries. The value of such an instrument has been established to be high, while its effects have been directly experienced in the improvement of the performance in the most criticized sectors of state governance. One of the most debated dimensions of the EC Progress Report in the recent years has been the contribution of the civil society of the countries being assessed, namely the extent of incorporation of inputs from civil society organizations. Moreover, civil society is still unable to position itself as a relevant actor for the assessment of the country's progress, thus being restricted within an area that often is marginalized by state institutions.

A motivating factor to draft a domestic progress report was the willingness to come out of a minimalist position towards becoming a relevant factor that would transform the civil society in a factor that offers an alternative picture of the country's progress. Therefore, in addition to the European Commission Progress Report, the state of Kosovo shall also have a Kosovo progress report, which reflects the domestic perspective on progress. Some of the novelties and advantages of organizations that were involved in drafting this report are:

- Application of our instruments and criteria to assess and measure progress,
- Avoidance of politically correct or neutral language,
- Addressing of most important (dangerous) problems that obstruct progress,
- Handling of issues that are not tackled by the EC Progress Report,
- Assessment of the role of the EU presence in Kosovo (namely, EULEX).

In relation to the last advantage (assessment of the role of EULEX), the civil society in Kosovo has, for a long time, addressed the paradox of Kosovo being assessed by the EC by eschewing its governing mission in Kosovo. In spite of having direct responsibility for the rule of law in

Kosova (a central issue of the Progress Report), EULEX is not part of the EC Progress Report assessment. The Progress Report *Made in Kosova* aims to encourage dialogue between the civil society and the European Union regarding our mutual efforts to strengthen good governance, while its main target are the Kosova state institutions, and this should be received as a modest contribution to overcome obstacles for the functioning of the state of Kosova.

1. KOSOVA - EU RELATIONS

1.1. Kosova in European integration path

In October 2009, the European Commission published the report “Kosova Study” as a feasibility study that analyzes further political and socio-economic growth of Kosova, and provides for assistance to Kosova to accomplish the European perspective in line with the region. This document opened up two paths for Kosova - the commencement of the dialogue on the visa issue, with the perspective of an eventual liberalization, upon accomplishment of the required reforms; and the establishment of the trade agreement between the European Union and Kosova. Regarding the process of liberalization of visas, the Government of Kosova has taken an important step in drafting the Action Plan to implement the guidelines for the process of visa liberalization, which indicates the institutional willingness to work towards Kosova’s inclusion in the process. A priority of the year being assessed in this report was the focus on the implementation of agreement of repatriation/integration of the returned, which is a condition for the inclusion of Kosova in the official dialogue to commence the liberalization of visas (the same condition is valid for the regional countries at their initial stages). While some achievements in meeting the activities in the action plan have been noted, the institutions of Kosova did not demonstrate the proper commitment to respect the timeframe of this plan, and have stalled in the real planning of institutional opportunities/capacities. While September 2010 was scheduled as a possible date to give the Guidelines for Kosova (which in consensus would be called “Strategy for Liberalization of Visas”), the end of October finds Kosova without clear orientation as to the receiving of this strategy.

On the other hand, regarding the trade agreement with the EU, the submission of the Questionnaire for the trade agreement with 217 responses provided by the Government of Kosova, was promoted as a step forward towards the European Union. On this occasion, it was demonstrated that progress in Kosova is measured by the strength of public statements and media promotion of political developments. If we analyze the content of the responses by the government to the EU questionnaire, the main conclusion is that Kosova is far from being a competitive and attractive market.

Although in the Study on Kosova published in October last year the European Commission ascertained that the trade agreement EU-Kosova based only on autonomous trade preferences do not offer any substantial perspective for the sustainability of a long-term economic growth of Kosova, the EC has decided to extend the regime of preferential trade with Kosova until 2015. Furthermore, although the same document stated that a perspective of long-term economic growth for Kosova can be offered only through a trade agreement between the European Community and Kosova, such perspective remains unclear and very little debated to date. Trade relations are at the core of each relation, either a partnership or integration to the European Union. As proved by the findings of monitoring reports, trade indicators of Kosova are very discouraging. Apart from this, Kosova’s state administration has a pronounced absence of capacities to undertake the appropriate reforms to increase trade competitiveness of the country. Only when the competitive position of Kosova is strengthened, the EU will consider our country a serious partner for important contracting relations.

At the same time, EU too should demonstrate commitment to promises made in public. Offering the perspective of a trade agreement in the Study on Kosova has not been accompanied by any concrete action since October last year. As in the case of the process for the liberalization of visas, the perspective for a trade agreement between EU - Kosova should be broken down in a time dimension and of obligations to be accomplished by Kosova. Should the road of Kosova towards achieving this agreement be decoded, then it will be easier for the EU to assess the program of Kosova and the civil society will be able to monitor work done in this area more systematically.

1.2. The role of EULEX

The definition of its role and the improvement of its image remain a key need of EULEX. Although tasked with building a strong and effective rule of law in Kosova and to fight corruption and organized crime, EULEX continues to face numerous operational challenges. Communication of its rights and responsibilities in front of the public and attempts to harmonize with the Government of Kosova remains the areas where EULEX should make improvements to achieve success. Some high profile events have indicated that EULEX should earn the confidence of Kosova people and officials of the government by increasing the transparency and visible results.

Public perception is that EULEX and the Government of Kosova disagree about the hot topic of high rates of corruption. EULEX and officials of the Government of Kosova have issued dividing statements in relation to the possible arrest of senior government officials, not only about the lack of cooperation between EULEX and the governing institutions of Kosova to fight corruption but troublingly also in the aspect of the rights of EULEX to do that. Such mixed signals have served only to decrease the confidence of the public in the capability of EULEX to fight corruption and this endangers to strengthen the non-punishing environment in Kosova.

At a basic level, the reforming of the judicial system remains a slow process although an urgent challenge for EULEX and institutions of Kosova. While all parties blame the lack of political will to move forward with the necessary reforms, the need to increase the human capacities by appointing more judges and prosecutors remains critical. From April, EULEX brought 5 decisions (4 criminal cases and 1 civil case), and the majority are cases brought forward by UNMIK administration. Without the needed staff, the number of cases will simply grow and the quest for justice in Kosova will remain an activity sought outside of the boundaries of a functioning legal system.

The issue of north Mitrovica remains unresolved. The absence of a functional court in the north part of Mitrovica symbolizes the absence of the law and insufficient political will to ensure justice in the north. The need of the EU, of the Governments of Kosova and Serbia to cooperate in a pragmatic spirit was asked by the international levels. Unfortunately, EULEX did not stop the judges and prosecutors appointed by Serbia to act in the north courts in spite of their participation in the parallel structures. The consultations of EULEX with Belgrade did not achieve to obtain support to move forward with the appointment of judges who are acceptable by all communities, and as a consequence, residents of the north remain in a judicial limbo.

Finally, EULEX seems reserved in its role of managing border crossing no. 1 and 31 regarding the customs control and protection of the territorial integrity. EULEX border operations did not proceed beyond the practice of simple registration of customs revenue. Further, illegal crossing of Serbs during the celebrations of Vidovdan in June intensified the separation between EULEX and the Government of Kosova about which institution is responsible for interfering in such incidents.

EULEX is still in the process of defining its role in the complicated governing system of Kosova. On one hand, it claims to be only a mission involved in monitoring, mentoring and advising (MMA) in complete coordination with the Government of Kosova and its priorities, while on the other hand deliberately initiates actions without cooperating with the Government of Kosova. EULEX undoubtedly has failed to communicate its role to the citizens of Kosova, which has resulted in high expectations and false perception of its responsibilities on the part of Kosovars and public officials. While the ambitious mission of EULEX to assist in building an effective rule of law and fight against corruption and organized crime will require time before its effect are fully seen, some developments have outlined the need of EULEX to improve its work in some areas.

The inability of EULEX to accomplish its mandate to assist in the building of a strong and effective judiciary, and the fight against corruption and organized crime is clear. In its fight against corruption at high levels, EULEX again refused to use its executive function to send even a single senior public official to the court in spite of high expectations created earlier by the declarations of EULEX. The ongoing investigation of Minister Fatmir Limaj, led by the Special Prosecutor's Office is the best example of the identity crisis of EULEX. On 28 April, the Police Department of EULEX searched some places in Prishtina, mainly the Ministry of Transport, Post and Telecommunication (MTPT). At a later interview for the media, the acting EULEX prosecutor Johan van Vreeswijk said that Minister Limaj and the Head of Procurement Department of that Ministry Nexhat Krasniqi potentially would serve 55 years of imprisonment under the charges of money laundering, organized crime, bribery and public fraud.¹ Prosecutor Vreeswijk also mentioned 6 other ministries under investigation but at the time of the writing of this report, no arrest has taken place. Although EULEX official affirm the need for confidentiality and blame the media for creating assumptions, these mixed signals cause only a decrease of the local confidence in the competences of EULEX.²

Although concerns have been pointed out in particular in the area of judicial reform in the Program Report of 2010, EULEX has been slow in this area and has delivered only five verdicts (4 criminal and 1 civil) since April. Apart from this, the issue of corruption has embraced the media and has won powerful attention from the public debates. Some recently published reports of the civil society criticize EULEX and the Government of Kosova for the failure of creating and completely applying a comprehensive legal framework that would effectively fill the vacuum in the process of public procurement.³ The increasing request for strong reforms in the public procurement is not only a source of controversy amongst Kosovars, but now highlights the international reputation of Kosova and the possible admission to European institutions. The Parliamentary Assembly of the Council of Europe (PACE) in its recent draft-resolution on Kosova confirms this concerning possibility with their clear recommendations for EULEX and the Government of Kosova to take "concrete measures" to improve the judiciary referring to Kosova as a country with "low standards".⁴

The reputation of EULEX has taken another blow by its latest decision on Ivanoviq case in relation to the arson of the border crossing points in Gates 1 and 31. According to EULEX, "no facts were found" which would substantiate the charges against the chairperson of the National Serb Council, Milan Ivanoviq, charged with organizing, supporting and participating in terrorism and incitement of hatred.⁵ This was seen as "selective justice" by the media and many Kosova Albanians.⁶ Lately, EULEX has achieved some positive results. On 10 May 2010 EULEX assisted in finding a mass grave in Vushtrri where eight persons were exhumed, the investigation was ongoing since 2009.⁷ Apart from this, EULEX and Kosova Police in cooperation with the Albanian authorities and under the supervision of the Special Prosecutor's Office continue to arrest individuals in Albania and Kosova for war crimes suspected of having occurred in 1999⁸. Also, in fall there has been some movement from EULEX, in cooperation with the Kosova Police and KFOR to take steps in fighting organized crime in the north of the country.

¹ "EULEX: Limaj may face long term imprisonment," Balkan Insight. 7 May 2010

² Interview with EULEX members

³ See two recent reports of IPOL: "Competition: Legal Framework and Practice in Kosova Compares to European Standards" and "Consumer Protection: Legal Framework, Challenges in Kosova and EU Standards.", IKS report, "Solving the know: Political Economy of Corruption in Kosova. "

⁴ Situation in Kosova and the role of the Council of Europe, "Parliamentary Assembly of the Council of Europe. 21 June 2010. Read at: www.assembly.coe.int/Documents/WorkingDocs/Doc10/EDOC12302.pdf

⁵ Telegraph, Double Standards of EULEX Justice, 2010/07/08. Read at: <http://www.telegrafi.com/?id=2&a=9377>

⁶ Telegraph, Double Standards of EULEX Justice, 2010/07/08. See in: <http://www.telegrafi.com/?id=2&a=9377>

⁷ Remnants of Eight Individuals are exhumed, "EULEX. 12 May 2010. Read at: www.eulex-kosova.eu/en/pressreleases

⁸ EULEX and Kosova Police make big arrests on organized crime, "EULEX-it. 27 May 2010. Read at: www.eulex-kosova.eu/en/pressreleases/0064.php

2. POLITICAL AND INSTITUTIONAL PROGRESS

2.1. Assembly

The highest representative institution in the country is not preparing to mark the first decade of its life as a representative institution with conditions for democratic institutions. From the constitution of the first legislation until after the war in Kosova, the Assembly of Kosova is continuously facing recurring challenges and problems for the building of an institution that would be a beacon of democratic values in Kosova. Unfortunately, numerous problems are accompanying it nowadays too. The inability to implement the legislative plan of its work, poor quality of adopted laws, extremely poor parliamentary check-up on the government, the failure to monitor implementation of the laws in practice, degradation of recommendations or of positions of the Assembly by the Government are facts that cannot empower this institution to carry out the obligations in accordance with the competences that are guaranteed by the rule of law in Kosova.

The legislative plan of the Assembly

One of the main problems featured in the work of the Assembly is the failure to accomplish the work plan. Part of the blame lies with the Government of Kosova, which fails to forward in time the draft laws - as foreseen by the legislative strategy. Nonetheless, the Government of Kosova is not the sole responsible actor for failure to accomplish the work plan of the Assembly of Kosova. A considerable number of draft laws remain for years in various drawers and for different reasons at the Assembly of Kosova. The foreseen period of two months from the first reading to the second reading of the draft law is almost never observed for any of the draft laws reviewed by the Assembly. Regarding delays in adoption of laws, the Assembly usually blames the Government for delayed submission to the Assembly and poor quality of draft laws, which then need a lot of amending. The Assembly even claims that delays occur due to “interventions from outside of the Assembly”⁹, without specifying who those authorities are.

The Work Plan 2010 of the Assembly of Kosova for the period of January - June, foresees to review 56 draft laws. However, only 24 have been reviewed (2 of which have passed the second reading, while 22 only the first reading). Of 22 laws that have passed the first reading, seven have exceeded the two-month period foreseen by the Work Regulation of the Assembly regarding the review of a laws from the first to the second reading.

Parliamentary supervision over the Government

Parliamentary supervision over the government is a competence guaranteed by the Constitution of the Republic of Kosova. Regardless of the constitutional competences, the Assembly of Kosova still cannot find ways or the will to exercise the same, with a special emphasis on the overseeing role over the executive power. The Assembly of Kosova still faces the lack of willingness of the ministers of the government to respond to the questions from the members of the assembly, their lack of willingness to be present at plenary sessions where issues pertaining to their scope of work are dealt with, failure to respond to invitations from the parliamentary commissions to report in their meetings, and ignoring or degrading the recommendations or positions stemming from the highest representative institution in the country.¹⁰

Parliamentary questions

Deputies of the Assembly of Kosova, in the course of exercising their competences for the parliamentary supervision of the Government still often use parliamentary formal questions - interpellation. However, absence of ministers in the plenary sessions where they would respond to questions from deputies is a usual problem. A concrete example was the session of 11

⁹ Presidency of the Assembly of Kosova. 2010. Minutes of the meeting held on 20 April 2010

¹⁰ “Implementation of the Action Plan for European Integration by the Assembly of Kosova” – KDI publication

February 2010, when during the interpellation time only five ministers were present, and only three out of twenty-seven questions from the deputies received responses.¹¹

Motions

The deputies of the Assembly of Kosova are entitled to oversee-exert parliamentary control over the Government through parliamentary interpellant session in order to review any issue that is a competence of the work of the Government in general or of a specific ministry. However, in spite of the existence of such right which in countries with consolidated democracy is considered as one of the most important instruments of parliamentary control over the Government, the Assembly of Kosova, namely the deputies did not use this form of parliamentary supervision even in 2010.

Monitoring the implementation of laws

The work regulation of the Assembly determines the right and obligation of the Assembly of Kosova, namely the parliamentary commissions to monitor application of the laws in practice by the competent authorities. However, the parliamentary commission continues to ignore this right and obligation by monitoring only a very symbolic number or by not monitoring at all any of the laws pertaining to the competences and scope of each separate commission. In the reporting period, most parliamentary commission had planned in their work plans approved at the beginning of the year the monitoring of the laws in practice by the competent authorities. However, in spite of the planning, none of the parliamentary commission completed monitoring any law, and in fact most of them did not even start such processes.¹²

Transparency

The Assembly of Kosova continues to be partially transparent regarding its work. The sessions of the Assembly of Kosova continue to be broadcasted by the Radio Televizioni i Kosovës (RTK) only until 17. Although the lengthy broadcasting of the plenary sessions would affect the program scheme of RTK, having in mind that issues discussed at the Assembly of Kosova are of general public interest, RTK should continue to broadcast the sessions of the Assembly of Kosova even after 17hrs. The meetings of the Presidency of the Assembly remain behind closed doors for the organizations of the local civil society while they are open only to international organizations and institutions, such as OSCE, NDI and ICO.

E-votes still are not published in time. In this aspect the situation has even gone worse, because in January-June 2010 the e-votes were not published for any of the sessions of the Assembly of Kosova. Non-publication of the e-votes is a violation of the Work Regulation of the Assembly of Kosova, namely Article 52, item 7 which expressively reads “Publication of the e-voting of the deputies is made within three working days after the plenary session”. Minutes of the meetings of the Presidency are published at a lot of delay (while there are minutes that are not published at all, like the one dated 23 March 2010). On the other hand, although the Presidency of the Assembly of the Republic of Kosova prepares the transcripts from its meetings, they are not published. The parliamentary commissions also do not publish their minutes in time and the information provided in the minutes often is deficient. Also, there are cases when notifications for meetings of the commissions are late or in worse cases, are not made. The Assembly of Kosova continues to be non-transparent in terms of publication of reports on expenses of this institution.¹³

2.2. Government

In March, the coalition parties agreed on changes of heads of some ministries. Six ministers were replaced in the Government of Kosova. Most of the ministers and deputy ministers that left were placed again in executive positions in the Government. On April 2nd Kosova

¹¹ Minutes –KDI publication, July 2010

¹² Minutes –KDI publication, July 2010

¹³ Minutes –KDI publication, July 2010, p.13

Government established the Ministry of European Integrations resulting in increasing the number of Ministers of this small country of Kosova to 18. The Ministry of European Integrations will lead the process of integrations, however the MEI will only have a coordinating role rather than imposing role towards other ministries.

Nearly three years after the declaration of independence, the executive of the country continues to work under the UNMIK Regulation 2001/19 on the Executive Branch of the Interim Self governance of the Institutions. Even though this was sent to the Assembly, it was returned back by the Government.

Internal procedural rules of the Government of Kosova still are based on the Regulation of Procedure of the Government of Kosova which was adopted in 2007. In many points, this regulation is not transparent neither democratic. This regulation does not provide for the civil society and media to attend the meetings of the Kosova Government. The media are allowed to observe the Government's meetings on a screen which is located in the premises. In many cases the Government officials do not switch on the microphones during the debates, in order for them not to take notice of certain parts of their discussions. The Regulation of Procedure of the Government does not allow the publication of the minutes from the Government meetings, by classifying them as confidential documents. Additionally, the Procedure Regulation of the Government does not provide a timeframe of the procedure from the day of approval of a draft law by the Government to the time that this draft law is sent to the Assembly. In lack of such a legal timeframe, the Government of Kosova during these three years of their operation has not respected a regular procedure of sending draft laws to the Assembly. The draft law that was sent to the Assembly the soonest is the Draft Law for the Government of Kosova (within 6 days of its approval), whereas the longest, it took the Draft Law for the Prishtina Municipality (432 days after it was approved by the Government). On the Prishtina Draft Law, the Kosova Government has committed other violations, such as the fact that the Prishtina Draft Law sent to the Assembly is different in at least two points from the one that was approved in the Government before it was sent to the Assembly. The Government of Kosova as soon as possible should approve the Law for the Government of Kosova and based on that law to draft the new procedure regulation.

Even this year the Kosova Government has not been able to respect the Government Legislative Strategy for 2010. Until the last meeting of Kosova Government¹⁴, the Government has approved 57 draft laws which is only 42% of the Legislative Strategy. The Government of Kosova did not achieve to adopt 79 other project laws of this Strategy. The approval of the draft laws was not conducted in accordance with the time frame that is foreseen in the strategy. This has resulted in non compliance of the procedure planning of both - the Kosova Government and the Assembly. The Government of Kosova, in the following years, should approve a legislative strategy which consists of fewer draft laws and those draft laws should be submitted sooner to the Assembly.

2.3. Public Administration

Kosova Government remains the largest employer in the country. The public administration in local and central level is filled to capacity with staff. Despite the commitment to the FRIDOM project in reviewing the functionality of the administration, the Kosova Government has not managed to take proper measures in reforming the public administration.

In December 2008 Kosova Government decided to establish criteria for the number of employees in local administration, which decision was not respected by the municipalities, whereas the Ministry of Administration of Local Governance did not take any steps in monitoring the implementation of this Government decision.¹⁵

¹⁴ Meeting 147, held on 05 October 2010.

¹⁵ Decision 10/46 of 03 December 2008.

The Kosova Assembly, after many delays, approved two important laws for the civil service, such as the Law on Civil Services and the Law on Wages of Civil Servants. However these laws will be put into action from January 2011.

The Kosova Government has not yet appointed the secretary generals in ministries. On September 15, the Government adopted the Regulation on Procedure of Appointment of Senior Managing Posts in Civil Services of Republic of Kosova; however no secretaries were elected in accordance with this regulation. Almost all ministries operate with acting secretaries, which were appointed by the ministers. This has resulted in politicized civil services.

Same situation is in municipality level. After the change of Law on Local Governance, municipal leadership that came after the November-December elections in 2010, did not announce the positions of personnel manager, a post which according to law should be announced. With the changes foreseen in the Draft Law on Amendments and Supplements to the Law on Local Self-Government, provided that administration directors are elected on the basis of post announcement, not as it has been until now that they are political appointees. These frequent changes in the law on local self-government have created confusion and interference of politics in municipal civil service.

In addition to all that, admissions in the civil service are made on the basis of nepotism and party affiliation, leaving little room for fair recruitment. Independent Observing Committee in many cases has shown to take their time in postponing for years the decisions on irregular procedures of hiring or firing in civil services.

Kosova government should take measures in implementing strategic plans, horizontal and vertical reviews of the administration, made from FRIDOM project, with the aim of reforming public administration at central and local levels.

2.4. Electoral management

From the organization and supervision aspect of elections, local elections for counselors of the Municipal Assemblies and for Mayors in 2009 are the first elections where Kosova institutions, namely the Central Elections Commission (CEC), were fully responsible for their organization and administering. The main laws which regulate the election process in Kosova are: the Law on General Election and the Law on Local Elections in the Republic of Kosova adopted in June 2008 based on the pre-conditions of the Comprehensive Proposal of the Agreement for Kosova prepared by the Special Envoy of the UNO, President Ahtisaari.

The latest local elections organized in Kosova in November last year pointed out a large number of problems and irregularities that in general impaired the image of the election process and as a result, presented the need for the review of the current legislation.¹⁶ These elections were monitored by the network of local organizations of the civil society “Democracy in Action” and a small number of ENEMO monitors.¹⁷ From the reports of election monitoring institutions, where many problems and irregularities were noted during the election process, the conclusion was the need to reform the current election legislation. This process is now at the initial stage; however the circumstances in the country do not give any hopes for a genuine reform of this legislation.

Election System

The current election law defines Kosova as a sole election area. The requests to change this system are increasing upon the reasoning that the creation of more election areas would provide more advantages, the main one being the increased representation of citizens and

¹⁶ Reform in the election system of Kosova –KDI report

¹⁷ ENEMO- (Network of European Organizations for Monitoring Elections).

more connection between deputies and citizens. With the current election system, the connection between deputies and their electorate is very poor, not to say non-existent. However, in spite of attempts and continuous insistence on the part of the civil society to create more election areas, so far such an issue has not been successful and based on the recent developments from the Election Task Force¹⁸ it is understood that this issue shall not change at all for the future elections that will be held in a few months.

Conditional Voting

Article 95 of the Law on General Elections grants the voters the opportunity to vote on condition should he/she not be found in the voters' list. Conditional voting is a solution often used in post-conflict environments to enable voters to vote although he/she is not in the list of voters where he/she claims to have the right to vote. Conditional voting contains many shortcomings and usually delays the pronouncing of ballot results and represents potential danger for manipulation and influences on a decreased confidence in the entire process.

Central Election Commission

The CEC is responsible for preparing and holding elections. In general, the CEC has indicated a high level of commitment while preparing for the latest elections organized in Kosova. Recruitment and training of the administering staff and voting places in non-Serb areas and procurement of materials in general was done properly. One of the main shortcomings that have accompanied the work of the CEC in the preparations for elections was the delayed information of citizens regarding the change of voting places, delayed education of citizens on voting, inadequate training of election commissioners and delayed preparations for rendering operational the Center of Result Counting (CRC). Delayed pronouncing of results was more emphasized in the balloting for Mayor, where in Gjilan it took more than one month.¹⁹

Election Commission for Appeals and Complaints

ECAC, as a permanent and independent authority had numerous difficulties in becoming operational. As a result of failure to allocate the budget for this institution in time, ECAC faced a series of difficulties that caused problems to its operations, starting with lack of administrative staff and lack of proper space to carry out duly its functions and duties. Lack of transparency of ECAC has been a permanent problem. Finally, the general opinion is that delayed certification of results were a consequence of ECAC delay to bring prompt decisions on all appeals filed with this authority, which automatically blocked the certification of the first round and of the balloting.

Voters' Lists

The general number of voters registered for the elections of 2009 was 1.563.741. Although the CEC did a good job to clear the lists of voters, this problem is still very present. Highly complicated and lengthy legal procedures to add or delete data in the voters' lists remain a challenge. On the other hand, in many voting places there have been present cases where voters did not manage to find their names in the voters' lists. According to DA monitors, in 36% of voting places this happened frequently, in 40% a little, and in only 14% rarely.²⁰

Election Campaign

The pre-election period is characterized by a dynamic and active campaign of the candidates and political parties, starting with large meetings in urban areas to less formal meetings and debates with people in the street, restaurants, and other citizen gathering points. The most troubling aspects of the campaign were the use of children in pre-election activities by political parties, by all large parties and use of public vehicles by different official for party purposes. During the campaign there have been cases when municipal officials who did not

¹⁸ Elections Task Force – is an authority with representatives from all parliamentary political parties and the civil society

¹⁹ Democracy in Action “Report on municipal elections 2009” pg.11

²⁰ Democracy in Action “Report on municipal elections 2009” p.12

resign from their positions participated in the campaign as political candidates. Also, it was noted that some municipal official participate in party meetings during the working hours.

Voting Day

In spite of the fact that the majority of universal standards for free, fair and equal elections were met, the election day in Kosova was characterized by a series of violation, which according to the information, were mainly of the same nature in all voting places, apart from some centers where the violations were more serious. According to data collected by the “Democracy in Action” there have been irregularities during the voting day in 126 voting places or 5.6% of the total of voting places.²¹ From the procedural aspect of preparing voting places, the main problem reported by monitors was the provision of physical access to the voting place for disable people - this shortcoming was reported by 25 percent of voting places. Other problems identified were the lack of control of identification documents lack of material at voting places, voting more than once, continuous presence of unauthorized persons in voting places, family voting, assistance to voters by political parties’ monitors, abuse of position of voting center managers, open voting and photographing of votes by voters’ companions. Regarding counting, the problem that was noted in more voting places was damaged and rejected voting ballots that were not counted or registered.

Re-voting in the Municipalities of Prizren, Lipjan and Gjilan

Irregularities found in the second round of elections in December 2009 in the Municipalities of Prizren, Lipjan and Gjilan have impaired to an extent the principles of free and fair elections. This resulted in cancellation of complete results in two municipalities for the first time since the first elections in 2000, deciding on a re-voting (third round). The re-voting process in the municipalities of Prizren, Lipjan and Gjilan met the standards for free and fair elections in a satisfactory extent, in spite of some irregularities that were noticed.

2.5. Rule of law²² and justice system

This part aims to assess a one-year period of the rule of law and justice system in the Republic of Kosova. In the framework of this scope, the Government of the Republic of Kosova, from October last year, noted slow progress in drafting legislation as a basic document, while there is no positive movement or concrete results in implementing legislation and rendering the judiciary functional. In general, there is no coherence of the progress in the rule of law achieved in north of Kosova and other territories of the country.

In the framework of drafting the legislation, the Government and the Assembly of the Republic of Kosova, as in the previous years, have demonstrated true dedication only to meet the deadlines before the European Commission Progress report 2010 is drafted. Namely, the dominant part of the legislation related to the justice system in the country was adopted by the Government and the Assembly of Kosova only from July, respectively September 2010.

Regarding the reforms in the judiciary, the Assembly of Kosova adopted in July this year the Law on Courts, which the President decreed only in August. The other pack of laws on the judiciary, including: the Law on Prosecutor’s Office, Law on the Prosecutorial Council and the Law on the Kosova Judicial Council were approved by the Government of Kosova, while the Assembly only passed their first reading. Work was slower in finalizing the Criminal Code and

²¹ Democracy in Action “Report on municipal elections 2009” p.6

²² From the numerous definitions of this area of the law the International Bar Association defined the rule of law based on these principles: an independent and impartial judiciary, presumption of innocence, right to a fair and public trial without delay, a rational and proportional approach to conviction, strong and legally independent profession, strict protection of confidential communication between an attorney and his client, everyone is equal to the law, all of these are basic principles of the rule of law. Therefore, arbitrary arrests, secret trials, indeterminate imprisonment without trial, cruel or degrading treatment or punishment, intimidation or corruption in the selection process are unacceptable. Rule of law is the basis for a civilized society. It creates a transparent process accessible and equal to all. It guarantees respect for principles, both free and protected.

the Code of Criminal Procedure of the Republic of Kosova, while the exact deadline of their adoption is unknown.

The drafting of this legislation undoubtedly represents a pillar for the reforming of the judicial system in Kosova. However, the pace of their implementation does not provide sufficient room for an early applause of the fruits that this work of the Government may bring. In this respect, although the Law on Courts was approved by all respective institutions in the country, due to the complete change of the judicial system provided for in this law, the complete entering into power of the law is foreseen for January 2013²³. The pack of three laws on the judiciary, upon their adoption, is expected to enter in power within a shorter period of time²⁴, namely the beginning of next year; therefore, the dedication of the Government to completely reform the judiciary is yet to be seen. This year too completed successfully the first and second stages of the appointment and re-appointment of new judges and prosecutors, while there are no concrete indications as to when the final stage of the appointment of judges and prosecutors of Kosova will end.

One of the problems that the judiciary of the country is still facing is undoubtedly the *backlog* of court files and the limited number of judges and prosecutors to face the increasing pace of their work. In order to reduce the backlog of case files, a draft-regulation on implementation of quota and allocation of outstanding cases has been drafted, and this has not yet been approved by the Kosova Judicial Council.

The drafting and approval of the legislation represents the basic framework of the system our country will follow to reform the judiciary. Meanwhile, the essential part to create a modern judicial system undoubtedly remains with the judicial power itself that should increase its performance and be more accountable for the competences and mandate it exercises and the executive power. In this way, working conditions for the judiciary and the prosecutorial service should be created through increasing the salaries, providing physical safety for them and their family members and non-interference in the independence and impartiality of the judiciary.

In general, the Government of Kosova has not yet indicated any commitment to treat Kosova judges and prosecutors any better. This has resulted in the failure of the judiciary while recruiting new judges and prosecutors, who, according to general indicators, did not manage to attract a group of professional lawyers with superior education exactly because of the low salaries in the judicial system and lack of elementary conditions to exercise their function. Such shortcomings and difficulties place the judiciary in such a position where the citizen constantly loses confidence due to the lack of professionalism and objectivity of the judiciary.

In the framework of *international legal cooperation*, the justice system in the country has been often challenged by continuous requests and provocations of Serbia to extradite Kosova citizens accused outside of the territory of the Republic of Kosova. As a result of ad hoc actions of the country's institutions the Kosova citizens have not been extradited to the Republic of Serbia; however, the absence of the Law on International Legal Cooperation, and in particular the absence of signing agreement on extradition between Kosova and other countries represents a special challenge for the country to exert its sovereignty and protect Kosova citizens accused outside of the country. So far, only a few bilateral agreements have been noted.

Meanwhile, it is unavoidable to blame only the executive power for the lack of success of the justice system in the country, and of the judiciary in particular. On the contrary, the judicial power in Kosova, due to the constitutional and legal competences it possesses, is the main

²³ Article 41 of the Law on Courts

²⁴ According to Article 45 of the Law on the Prosecutorial Council, this law enters into power on 1 January 2011; the Law on Kosova Judicial Council, based on Article 56 of this law, enters into power 6 months after its publication on the Official Gazette; Based on Article 35 of the Law on State Prosecutor's Office, this law enters into power 15 days after its publication on the Official Gazette

responsible actor for the current situation of courts and prosecutor's offices of Kosova. Consequently, a greater performance is needed on the part of local judges and prosecutors and more professional assistance on the part of EULEX judges and prosecutors. Within the framework of monitoring mentoring and advisory competences of EULEX, the EULEX judicial component should be more vocal not only in exercising the executive mandate in the north of the country and in serious crimes, but also in offering their professional experience to reform the judiciary of the country.

The Republic of Kosova has not yet developed policies for *witness protection*. The safety of witnesses remains troubling considering a small territory where identification of protected witnesses is easy. There have been attempts for the adoption of the law on witness protection based on various systems of some western countries but the adoption of such law would render difficult its operation in the absence of bilateral agreements with other countries. Furthermore, the cost of its implementation would be unaffordable.

There have been attempts made to increase the capacities of the *correctional service* of Kosova. However, investments to date have resulted only in the reforming of existing detention centers and prisons. Current space is disproportionate with the number of inhabitants and consequently, there exists the need of building new prison facilities, in particular of building a high security prison in line with contemporary standards. The building of a high security prison has been initiated in Dyz, Podujeva but this project is expected to be delayed due to lack of funds. In general, the prison break cases of the recent years render questionable the safety of prisons in Kosova.²⁵

Rule of law represents one of the segments that have largely received offers for *support by international partners and donors*. However, numerous researches have emphasized the absence of coordination of donations that would channel the attempts of all external stakeholders in developing the rule of law, and the judiciary in particular. Special treatment should be granted to the *rule of law in terms of territorial expansion*, namely its implementation. This part deserves to be dealt with separately from overall developments in the rule of law in Kosova specifically because of the factual reality, namely the non-application of the rule of law in the north of the Republic of Kosova. In fact, in spite of some initiatives undertaken by the Government of Kosova such as: opening of an office to provide public services for the citizens, the drafting of the Strategy on the north, increase of investment in the north, changing of some commanders and other relevant initiatives, no visible result has been achieved that would result in considering the current situation as more progressive than it was in the previous years.

Furthermore, if we consider the incidents that have occurred in the north this year, the failure of the appointment and re-appointment of judges and prosecutors for the north of Mitrovica, the re-organization and increase of the willingness of parallel police and intelligence agencies structures of Serbia, the failure to make functional again the court of the north, the inability to get back under control customs points 1 and 31, and in general the failure to establish law and order, this indicates a negative trend of the institutions of the country to strengthen the rule of law and also indicates institutional inability to control this part of the country.

To analyze the inability of an entire decade to place under control the north of the country under the umbrella of the institutions of the Government of the Republic of Kosova, there exist various scenarios and reasoning. However, the failure of the institutions of the country to move positively in the north throughout this year is a result of the absence of a coherent policy in front of the problems of the north. The absence of a clear policy on how to integrate the north of the country resulted in the absence of a clear agenda, at least in terms of time and method of its integration. These shortcomings are a result of developments at an international level

²⁵ For more see <http://www.kosova-sot.info/politike/kosove/vjet-dy-arratisje-sivjet-asnje>

and the absence of a real plan of the institutions of the country in relation to the practical implementation of the north strategy.

Regarding international developments, we may emphasize that the expectations for the Advisory Opinion of the International Court of Justice (ICJ) have prevented the institutions of Kosova to feel comfortable, at least until July this year, to undertake action in the north. The doubts about the content of the opinion of the ICJ disabled an assured position to proceed with further integration of the north of the country. But although the Advisory Opinion of the ICJ turned out to be totally in favor of the Republic of Kosova, the rumors that followed this opinion that the north of the country had prepared a Declaration of Independence for this part of the country and the recent doubts that have arisen that with the new Resolution of the General Assembly of the ICJ the European Union may have promised Serbia the possibility of talks for a special status for the north of Kosova have sent the dedication of the institutions of the country to zero.

As a result of this, although the Strategy of the North lacks a concrete plan of action that makes concrete and elaborates into actions the steps that should be undertaken to implement the Strategy, the moves at an international level have resulted not only in zero position for the situation in the north but also regress to be present.

While international institutions have a large presence and influence in the north of Kosova, KFOR, EULEX and other mechanism that directly or indirectly insist on maintaining the situation and not resolving the problem are co-responsible. Anyway, although the Government of Kosova remains powerless in the north of Kosova, while being competent and responsible for expanding its power within its territorial borders, it is responsible for the failure of establishing law and order in this part of its territory.

Therefore, we may establish that the rule of law and justice system in the country did not have a coherent development all over the territory of the Republic of Kosova. While in the other parts of the country we notice at least a positive trend of re-organizing the justice system in the country, what continues to be worrying is the lack of control and failure to establish the rule of law in the north of Kosova.

2.6. Fight against corruption

Kosova has noted limited progress in its fight against corruption. The current legal framework provides a solid ground to fight corruption in higher and lower governing levels. To date, the Law on Anti-Corruption, the Law on Prevention of the Conflict of Interest and the Law on Declaring, Controlling and Origin of Properties of Senior Public Officials have been adopted. However, to complete the anti-corruption legal package other laws should be adopted: the anti-mafia law, the law on finances of political parties, the law on money laundering and the law on confiscation of property.²⁶

Shortcomings and flaws, which have been addressed in the progress reports of the European Commission, may be noticed in the Law on Public Procurement. The biggest shortcomings concern the regulation of procedures such as: contracting process, monitoring of work, and payments. Technical and financial qualifications of offertory to be presented to the contracting authority are not obligatory by law.²⁷ Provisions that regulate the determination of alternatives are also lacking. The new Law on Public Procurement was adopted by the Assembly of Kosova on 01.10.2010; still the deputies did not support the proposal of the Government to hold responsible the senior political staff members within the government (ministers), who would be obligated to place their signatures on contracts over €10.000 within their ministries.

²⁶ Such establishment and recommendation ins given in the Summary Report by FOL Movement at the meeting “Fight against corruption: Progress and Inter-Institutional Coordination”, held on 24 July 2010

²⁷ For more, see: *Law No. 2003/17 On Public Procurement in Kosova. Article 63, 64.1,4.*

Authorities have increased the use of sole-source procurement as a contracting way. This way has taken on a political dimension too, especially following the summer events, or “Limaj case”. The sole-source procurement process, which has not been regulated rigorously, makes room for manipulation of the selection process for the offer of services, supplies or works. The civil society and the media have cast suspicions over the ways of sole-source contracting.

Also, the law contains no mechanisms that guarantee protection of “whistleblowers”²⁸ in cases of procurement abuse. The number of training sessions obligated by law was insufficient in 2009. A total of 7 trainings were organized for the members of the Procurement Review Authority (not all of them), while the law mandates for at least ten trainings per year for each procurement officer.²⁹ In summary, the key issue that obstructs the well-functioning of the public procurement is failure to observe (often misinterpretation) the Law on Public Procurement during the contracting process and the monitoring of works of supply or services.

The Government of Kosova has achieved limited progress in undertaking anti-corruption activities. During this period of time it founded the Anti-Corruption Task Force, issued an administrative decision that each tender exceeding €10.000 should be signed by the respective minister, commenced the procedure of issuing an anti-mafia law³⁰ and dismissed the deputy minister of the Ministry of Transport and Tele-Communication of Kosova.³¹ Nevertheless, these activities have been insufficient to reduce the high rates of corruption and its expansion in public institutions. Inappropriate granting of tenders, abuse of official authority and abuse of public money are some of the corruptive affairs that are still accompanying the Government of Kosova.³²

The Assembly of Kosova has made some progress during this period of time. It approved the Law on Declaring, Controlling and Origin of Properties of public Officials³³, while the abovementioned laws have not yet been adopted. The time to interpellant was solidly used to denounce corruptive affairs by some deputies, however the absence of ministers is rendering ineffective and stalling the time for parliamentary interpellant sessions. The Government continues to control and dominate the Assembly of Kosova.

The Judicial system achieved limited progress in its fight against corruption. All that can be emphasized for 2010 is the election of the chief prosecutor Ismet Kabashi, appointment of new judges and prosecutors, the solution of about 30 corruption cases, involvement of the Kosova special Prosecutor’s Office in the arrest of the Governor of the Central Bank of Kosova and the amendment of the Criminal Code of Kosova. However, the number of unresolved cases concerning abuse of duty, bribe taking and receiving is increasing. Failure to resolve these cases is indicating the poor functioning and efficiency of the Kosova’s judiciary to fight corruption. Attempts to reform this power continued in 2010.

The Anti-Corruption Agency of Kosova (ACAK) noted satisfactory progress in relation to fight against corruption. Throughout the year, the agency received information from citizens and

²⁸ Whistleblowers

²⁹ See: Procurement Review Authority. Annual Report 2009. Pg. 7. May be accessed at: http://oshp.rks-gov.net/repository/docs/Raporti_Shqip%20final_publication_mars31.pdf

³⁰ Such statement was made by Prime Minister Thaçi at the meeting of the Government of Kosova, held on 15 July 2010.

³¹ This is about the dismissal of former deputy minister Gjergj Dedaj, accused of abuse of public money. For more, see Petrit COLLAKU – Kosova: The official dismissed a few days after his appointment, www.balkaninsight.com, 16 July 2010

³² Such a situation was given by reports published in 2010: the report of Global Integrity, the American report on the American Foreign Policy, Early Warning Report of UNDP, Freedom House report and reports published by various non-governmental organizations (FOL, COHU and Kosova stability Initiative)

³³ This law was adopted on 11 February 2010 and decreed by President Sejdiu on 2 March 2010

various officials about corruption affairs in public institutions, has denounced abusive practices, submitted to the prosecutor's office information about officials involved in corruption affairs, and completed successfully the process of declaring of properties by senior public officials.³⁴ The Agency should be strengthened further because its role and function were reduced to administrative investigations only. The negative aspect of the ACK was indicated in terms of the conflict of interest. Many officials involved in conflict of interest were exculpated by the ACAK, thus enabling these officials to keep several public offices. The adoption of the Law on Prevention of the Conflict of Interest was one of the steps taken by the institutions of Kosova as part of the anti-corruption strategy. However, the Law in Prevention of the Conflict of Interest is not coherent and there exists a collision between the articles of the same law. This is one of the reasons that resulted in disregard of the issue of the conflict of interest by senior public officials.³⁵

Kosova Customs (KC) noted a satisfactory progress in relation to the fight against corruption. This institution was committed in terms of openness and transparency. Every time that abusive practices were noticed immediate steps were undertaken to punish the officials involved in such corruption affairs. Recently, the number of cases of corruption affairs has decreased.

The European Union Rule of Law Mission in Kosova (EULEX) indicated limited progress in 2010. The Ministry of Transport, the Post of Kosova and several private companies and properties of officials suspected for corruption affairs were searched, and several officials were arrested and then released. Its efforts are to cleanse the institutions of the Republic of Kosova from corrupted individuals. However, a concrete engagement and approach to fight against corruption is required.

The civil society noted satisfactory progress in the fight against corruption. Various non-governmental organizations operating in Kosova have undertaken activities and have published various reports reflecting the work and institutional activities of the fight against corruption.

2.7. Foreign policy and diplomatic service

The Ministry of Foreign Affairs has achieved minimal revenue for the period of time that is being assessed: October 2009 - October 2010. None of the declared short-term objectives of the MFA has been accomplished within this period of time, thus increasing the doubts on the capacities of this Ministry to carry out the tasks assigned to it. Objectives such as the recognition of the state of Kosova by a majority of UNO member countries, recognition of the state of Kosova by all EU countries, presentation and representation of Kosova in countries hosting various sessions of international organizations or the building of an effective consular service in all countries with a significant presence of Kosova Diaspora remain wishes rather than objectives that have marked any significant progress.

In the period of time being assessed, Kosova has been recognized by only eight new states, in spite of frequent alters from the current Minister of Foreign Affairs that new recognitions will happen soon. This result becomes even more disappointing when we consider that the recognitions did not follow the advisory opinion of the ICJ that the proclamation of independence by the PISG was not in violation of the international law. In this period of time Kosova did not become a member of any international organization, although this is one of the MFA objectives. The most recent recognitions are the ones in June 2009 when Kosova became member of the World Bank and the International Monetary Fund.

³⁴ The number of officials obligated to declare their properties in 2010 was 1560, and only 70 did not fulfill this obligation, 4 did not fill in the application in the required format and 1 other official asked that his property be not publicized.

³⁵ See: Fol Movement. Prevention and cease of conflict of interest in Kosova. *September 2010. May be accessed at: http://levizjafol.org/images/uploads/files/Parandalimi_dhe_luftimi_i_konfliktit_-_Analiz%C3%AB_e_shkurt%C3%ABr_politikash.pdf*

Kosova failed to gain recognition from five EU member countries, consequently failed to establish contracting relations with the EU and commence the due process of membership in this organization. The EU member countries that have not recognized Kosova and other countries too, justified once their decision not to recognize Kosova that they were waiting for the advisory opinion of the ICJ. Regrettably, it seems that the MFA was unprepared for the stage following the opinion of the ICJ and missed the opportunity to lobby strongly in countries that have not recognized Kosova for fear that this would violate the principles of the international law, stipulating that this argument is no longer valid and therefore, ask for the recognition of these states.

To date, Kosova has opened 20 diplomatic offices, embassies, in different countries of the world. However, dissatisfaction with the work of these embassies has been pronounced and the MFA warned that the work of Kosova ambassadors would be subjected to an assessment and those who did not meet the expectations would be replaced. On the other hand, Kosova ambassadors complain constantly that they do not receive clear instructions from the MFA about what they should be involved in, this being a normal practice for a country's foreign affairs. In their first year, the embassies dealt more with logistical and administrative issues but after the first year and during the period in question in the report, Kosova's diplomatic offices failed to be distinguished in their activity. Another failure of the diplomatic offices is the building of an effective consular service and offering of consulate services for the Kosova Diaspora. Although several consular offices have been established, such as the one in Frankfurt, Germany, the services offered there are incomplete and Kosova citizens still cannot be issued ID cards of full passport of Kosova.

Regional cooperation too, although declared as on objective, failed to achieve any marked development in the assessed period. The greatest achievement is the regional summit of Kosova's neighboring countries organized by the President of Kosova and held in Prevala, Prizren, which was attended by the Presidents of Albania, Montenegro, Macedonia and Kosova but not the one of Serbia. The MFA failed to achieve anything in expanding and strengthening regional cooperation of Kosova.

Amongst the few achievements that can be mentioned are the appearances of the Minister of Foreign Affairs of Kosova in the meetings of the Security Council of the UNO during the reporting of the Special Representative of the Secretary-General on the situation in Kosova. In these appearances the Foreign Affairs Minister of Kosova has sounded more convincing and with more arguments than other representatives, such as the one from Serbia. However, the reporting before the Security Council of the UNO do not play any role in the process of the recognition of Kosova, and have not helped to increase the number of recognitions for Kosova.

3. ECONOMIC PROGRESS

3.1. Economic policies and macro-economic stability

On 30th of April 2010 the Government of Kosova approved the Medium Term Expenditure Framework (MTEF) for the period 2011-2013, based on the Law on Public Financial Management and Accountability which sets the deadline of representing the interim framework of expenses before the parliament no later than April the 30th of the fiscal year³⁶. MTEF has been compiled as a continuation of previous frameworks and also analyzes macroeconomic environment in Kosova and in the mean time presents a summary of the resources set to finance political priorities of the government. However, after the reviewing of this framework by the IMF, it was requested to change some of the basic economic laws and the Kosova government had to approve the MTEF 2011-2013 for the second time on June the 11th. By presenting the MTEF 2011-2013 later than April the 30th, Kosova Government has failed to comply with the legal deadline. This report represents some of the challenges facing the Kosova economy such as very low export to import rate, a significant decrease of direct foreign investments, informal economy, high level of unemployment, lack of concrete policy that would address all these issues etc.

During 2009, Kosova economy marked a real increase of GDP of 4,4% which, according to the MEF was a result of increased public spending and price fall. According to MTEF 2011-2013 average GDP growth throughout 2011-2013 will be 5,4% with the highest level of growth of 6,1% during the year 2011. But IMF data suggest a different view of GDP growth. According to IMF GDP growth during 2011 will be 5,9 and not 6,1 as declared by the MEF³⁷. Although during the previous years Kosova had a slight economic growth, it remains one of the poorest countries in Europe. Kosova needs a per capita GDP growth of 10% in order to catch up with its neighbors like Albania (with an annual average growth of 5,5%) and Montenegro (with an average growth of 12% for the pas 5 years)

Tablen1. Real GDP growth in %

Year	Growth acc. to MEF	Growth acc. To IMF
2009	4,4	3,8
2010	4,8	4,6
2011	6,1	5,9
2012	5,8	n/a
2013	4,9	n/a

Source: MEF and IMF

Table 2. BPV GDP for the Balkans states

State	2005	2006	2007	2008	2009	GDP per capita in \$
Albania	5,5	5,0	6,0	6,5	2,2	4.016
Bosnia	5,0	6,2	6,8	5,4	-3,4	4.907
Croatia	4,2	4,7	5,5	2,4	-5,8	15.637
Macedonia	4,1	4,0	5,9	4,8	-0,7	4.650
Kosova	3,8	3,9	5,0	5,4	4	2.618
Montenegro	n/a	8,6	10,3	6,9	-7,0	7.925
Serbia	n/a	5,2	6,9	5,5	-2,9	6.713

Source: World Bank

After the fall of Consumer Prince Index (CPI) during the year 2009, consumption in the public sector increased meanwhile slightly decreased in the privet sector as a result of the decrease

³⁶ Law Nr. 03/L-048 Financial Management and Accountability: Article 19, Item 1.19 "As soon as practicable during the fiscal year 2008, not later than April 30 starting from fiscal year 2009, the Government should hand the Medium Term Expenditure Framework (MTEF) for the next fiscal year and estimates for the next two fiscal years to the Assembly ("the period of the MTEF Budget").

³⁷ Forecasting the world economy, October 2010, <http://www.imf.org/external/country/UVK/index.htm>

of remittance from diasporas for 5,5% and because of the tightening of bank issued loans (new family loans decreased for 7,1% in 2009)³⁸. The MEF macroeconomic report shows that in 2010 CPI suffered an increase, which if compared to the same January-May period of the year 2009 and 2010 results in 2,2% increase. This was a result of the increase of oil prices for 17,8% comparing to the same period in 2009. Higher energy prices during 2009 also meant higher production price thus resulting in higher dependence on imports, although on 2009 reports a slight decrease of 0,4% of imports because of the global financial crisis.

The 2009 budget ended with an 85,6 million euro in deficit, comparing to an 8,1 million deficit in 2008. This was mainly because of the increase of capital expenses and transfers. However, WB report³⁹ assesses that Kosova Government continues to ignore MTEF as a result of poor planning, because annual budget does not correspond to MTEF.

KTA reports that the income until September 2010 is 221 million euro where 158,7 million are tax collection comparing to the same period in 2009 with a tax collection increase of 14%. 158.7 million euro is mainly collection of VAT 42,6%, corporate tax 19,3%, income tax 18,8% and tax on individual business 13,5%. Kosova tax system is very dependent on customs income, which represent a risk on income and further budget growth. On the other hand, expenses are mainly focused on capital expenses (such as road construction), however IMF and WB remarks show that these major projects, are often ill planned, especially lack detailed financial analysis.

In general, Kosova has continued to have a growth of its GDP, however the 4,4% growth is too little to result in a desired economical development. Kosova needs a t least a 10% growth to be able to catch up with other countries in the region. Tax income has increased for 14%, but this is mainly related to customs income. This phenomenon is one of the indicators of the risk for the future stability of Kosova budget. The CPI which in 2009 decreased and increased again in 2010, remains unstable. All this indicates that Kosova continues to have an unstable economy and remains the poorest countries in Europe.

3.2. Foreign Trade

It is assessed that Kosova's economic progress is largely dependent on donations and aids of the foreign countries and remittances, which is considered not to be enough for a stable and sustainable economic development, but they remain the only financiers of the large trade deficit. In comparison to other countries in transition, Kosova is characterized with a larger number of emigrants, mainly residing in Western Europe. One of four households in Kosova has at least one member residing outside Kosova and the remittance is considered a proof of the relation of these emigrants with their families in Kosova. In the after war period, this remittance was quite stable, comprising 13-15% of the GDP. Although this remittance has played a significant role in lowering the poverty rate, it did not effect the economic development.

According to the Kosova Statistical Office, trade deficit has reached 1.770,2 million euro in 2009, or put differently 45% of the GDP, while trade deficit in 2008 was 1.729,5 million euro. Export total is 165,3 million euro while import total is 1.935,5 million euro which clearly shows that import covers only 8,5% of export. In 2008 export was estimated about 188,9 million euro while import was 1928,2 million euro, 10.3% of the GDP. Until August 2010, export is considered to be 188,9 million euro, while import is considered to be 1.352 million euro. Kosova still relies on foreign savings to cover its import expenses. In 2009, encouraged by high public investments and consumption need, import increased for 50% of the GDP. Unlike previous years, this year exports were led by animal and vegetable fats, creating an income of

³⁸ Annual report of CBK 2009 <http://bqk-kos.org/repository/docs/Raporti%20Vjetor%202009.pdf>

³⁹ World Bank Report Nr. 53185-XK, "Kosova - Strengthening the development potential: Strategies, Policies and Actions" - Economic Memorandum of a Country, April 29, 2010"

53 million (a 227% growth), while machinery and transport equipment export decreased for 27% followed by raw materials with a decrease of 20%, tobacco with 12%. Highest imports continue to be machinery and transport equipment with a steady growth of 20%. According to the Kosova Statistical Office, until August 2010, exports are led by beverages and tobacco while main imports remain machinery and transport equipment⁴⁰.

The World Bank report "Doing business 2010" assesses that Kosova performs negatively on the aspect of foreign trade, as a result of high export/import expenses, distance to key harbors, infrastructure etc. foreign assistance has had a major role which recently has been declining. In the last 3 years it represents 8% of the GDP.

In 2009 Foreign Direct Investments (FDI) marked an annual decline of 20,4%, a trend that continues to go down for 2 years. From 13% of GDP in 2007, in 2008 declined to 8,9% while in 2009 they were assessed to be only 7,8% of the GDP. This was a result of the global financial crisis, lack of implementation of the CEFTA agreement and the lag of the privatization process. The amount of FDI in Kosova was 291.5 million euro while Kosova's FDI in other countries reached 10, million (mainly real estate purchase in Albania) therefore net FDI in 2009 is estimated to be 280,9 million euro. In the first trimester FDI was estimated 62,8 million euro which is mainly capital investments (72,6%) which in comparison to the previous year declined for 4,8%. Most of the FDI in Kosova originates from EU countries, led by Germany and Slovenia.

If WB report "Doing business" 2009-2010 is analyzed, one can tell that foreign and local investors are concerned about the lack of efficiency of the public administration, complex rules, high level of corruption, weak judiciary, etc.

Table 3. Types of financing in Kosova (% of the GDP)

Type of financing	2004	2005	2006	2007	2008	2009
Foreign Direct Investments	1,5	3,6	9,3	12,6	8,9	7,8
Remittance	12,2	13,9	15,0	15,1	13,9	12,9
Export	2,2	2,3	3,9	5,2	5,7	4,2
Financial assistance	11,5	12,2	10,2	8,7	7,5	8,6
GDP (1,000 euro)	2.928	3.005	3.118	3.411	3.849	3.843

Source: WB and IMF

Moreover, this report rates Kosova in the 171st place in the world as far as foreign investor protection is concerned. This is also an indicator that foreign investors are not interested in investing in Kosova, therefore Kosova Government and the Agency for Foreign Investments Promotion should undertake urgent steps and improve the actual position. According to the WB surveys, foreign investors have little knowledge about Kosova and that the high level of corruption and organized crime and weak judiciary system are key factors to their reluctance.

During 2009, Kosova Customs collected 635,08 million euro, which represents 98,44% of the MEF plan (45.1 million euro) required for financing Kosova Budget. If compared to the 2008 income, we have an increase of 5% or 30 million euro (604,8 million euro income in 2008). Indicators for this income increase were risk management, enforcement of selective control and focus of the resources on high risk shipment; new applied rates of VAT; good merchandise assessment; and increase of tax for alcoholic and non alcoholic beverages in comparison to 2008.

Table 4. Kosova Customs Income

Income type	2007	2008	2009
Customs tax	80.285.075,96	93.293.782,80	98.312.002,42
VAT	252.464.425,68	304.715.800,56	327.661.731,58
Excise	189.507.811,47	203.314.511,68	206.917.391,8

⁴⁰ Statistical Office of Kosova, "Foreign Trade Statistics 2009" and External Trade Bulletin for January - August 2010

Other	4.721.910,83	3.544.518,59	2.147.175,26
Total	526.979.223,94	604.868.613,63	635.038.300,34

Source: Kosova Customs

During the year the Customs Service discovered 641 customs offenses, among them a) fines and judgments imposed for collection in the amount of 4 million euro and b) the value of confiscated goods worth 1.2 million euro. However Kosova Customs still do not have access to two border gates in northern Kosova, which is considered as the region with the highest activities of smuggling and which causes huge losses to customs, namely the Kosova budget. Also, the decrease of 38% of the price of imported oil resulted in 5% less revenue from VAT in 2009 compared to 2008.

According to the Annual Report of the Kosova Customs value of imported goods in 2009 was 1838 billion, similar to that of 2008 in the amount of 1.840 billion euro, while export value of regular and re-export for 2009 was 187, 4 million, compared to 231.9 million euro in 2008. According to Customs countries from which Kosova imports most, remain: Macedonia with 288 million euro (which compared with 2008 marking a decline of 16%), Germany with 237 million euro (which compared with 2008 marking an increase of 21%), Serbia 207 million euro (similar to that of 2008), Turkey 137 million euro (an increase of 9% compared to 2008) and China 127 million euro (an increase of 6% compared with 2008). Compared to 2008, greatest decline on imports occurred with Ukraine with a 48% decline, and the greatest export increase occurred with Holland, with a 55% increase. Countries where Kosova does most of its export remain the same: Albania leads with 17 million euro worth of goods (an increase of 13% compared to 2008), Macedonia 13,9 million euro (a decline of 17% compared to 2008), Germany 11,4 million euro (an increase of 163% compared to 2008), and Switzerland 10 million euro (an increase of 44% compared to 2008). Export increase occurred with Croatia (126% increase) and Austria (111% increase compared to 2008) while there has been a drastic drop of exports of 81% toward Bosnia, which is assessed over a 3 million euro loss compared to 2008.

In general, the year 2009 was concluded with a more negative trade balance than the previous year. The trade deficit grew to 40.5 million euro, as a result of increased imports and decreasing exports. Foreign assistance, along with FDI declined further. The Government of Kosova should urgently take steps to prevent the situation created, as Kosova continues to be perceived as a country with high corruption, inefficient procedures and bureaucratic public administration, weak judicial system, etc. The only improvement was the increase of the revenue from customs, but which came as a result of new VAT rates and new rules applied at customs.

3.3. Growth of financial sector

Central Bank of Kosova continued its administrative, financial and managerial activities during 2009, as foreseen by the law Nr.03/L-209 on Central Bank of the Republic of Kosova⁴¹. Absence of a state currency is also affecting monetary policy by the CBK, although it continues to play the managerial and monitoring role of the financial sector. The financial sector in 2009 was still stable even though the financial crisis had gripped the world, but because Kosova has a non-globalized economy and dependent on public investment and finance, it remained less affected by the crisis.

Kosova's financial sector during 2009 rose by 24.2%, reaching total assets value of 2.8 billion euro, with most (78.6%) in the banking sector, though compared to previous years this is a lower turnout. On the other hand, pension funds manages 13.6%, of the financial sector while the remaining 7.8% consists of microfinance institutions with 4.7%, insurance companies with 2.9% and 0.2% financial assistants. By June 2010 the financial sector assets amounted 2.9 billion

⁴¹ Law Nr. 03/L-209 on Central Bank of the Republic of Kosova. <http://bqk-kos.org/repository/docs/Ligji%20per%20BQK-ne.pdf>

euro, if compared with the same period of 2009, it shows an increase of 0.5 billion euro. Compared with 2008 the number of commercial banks (8), insurance companies (11) and pension funds (2) remains the same, and as an innovation in the financial market are two new microfinance institutions.

The value of foreign assets remains high, thus constituting 43.6% of GDP in 2009, where the bulk of them (44.7%) are invested in the form of deposits or securities (35.6%). The year 2009 was characterized with the increase of 18% of the demand on the external sector (2.04 billion euro). The financial sector carries due to the fiscal sector, which is made of government deposits, which in 2009 recorded an annual decline of 2.9% reaching a value of 846.3 million euro.

The banking sector continues to be dominated by foreign ownership, which manages 91.5% of assets. During 2009 the level of concentration remained high, with three banks managed 81% of total assets, although compared with previous years this marks a negative trend. In 2009, a slowdown was noted in the number of branches and subsidiaries, from 287 in 2008 they were increased to only 292, while in 2009 decrease in the number of employees was noted, from 3607 employed in the banks, the number was reduced to 3444 in 2009. Even the trend of increasing lending showed a lower rate compared to previous years when the growth rate in 2009 was 8.9% compared to 2008 of 32.7%. The average value of new loans issued for one month was 52.5 million euro in 2009 compared to 57.8 million euro in 2008. Loans to households were affected in a lesser extent, increasing for 22.3%, while loans to enterprises were the most affected, which fell for an annual of 4.6%, although the structure of loans during 2009 was dominated by loans to enterprises. Thus the bulk of loans were absorbed by the commercial sector (56.4% of loans to enterprises), while the sector with the lowest participation continues to be the agricultural sector with only 4%. As for the maturity of lending continued be the same, where the bulk of loans consist of loans with maturity terms over 2 years (70%). Regarding deposits in 2009 they recorded annual growth of 21% reaching a value of 1.74 billion euro. Much of the banking sector deposits consist of deposits of households (60%), while deposits of private enterprises constitute 15.3%. The year 2009 in the banking sector was characterized by slight increase in interest rates on loans (0.3 pp.) And decrease in interest rates on deposits (0.44 pp.). The year 2009 was closed on a net profit of 29.6 million euro in the banking sector, which is 30.5% lower compared with profit of 2008.

In the sector of insurance companies stability continued during 2009. The number remained similar to that of 2008, that 11 companies, 10 of whom activity in non-life insurance, and 1 in life insurance. Assets in the insurance sector have increased by 5%, reaching a value of 88.1 million euro that is dominated by deposits (63.7%). In 2009, the number of policies sold reached 511,000 (7.4% increase), while the value of premiums received increased by 20.2% (66.7 million euro worth). In 2009, insurance companies paid damages of 18.8 million euro, which represents an annual growth of 6.5%, but since the value of premiums grew significantly, the rate between them decline for 31.3% compared in 2008.

Kosova pension system continues to be based on three pillars, the first of which is managed by the government for all older than 65. 2. Trust (KPST) and 3. Slovenia-Kosova Pension Fund (SKPF). The value of the assets of the pension system in Kosova in 2009 represents 10% of GDP. The performance of the Trust in 2009 was good compared with that of 2008. Return on invested assets was 14.1% (12.2008-12.2009). Value Trust's share at the end of the year amounted to about 1.0 euro.

The year 2009 was characterized by the arrest of Central Bank Governor, by law enforcement and special prosecution, but this situation did not affect the stability and management of this very important institution. Two months after the date of arrest, the relevant institutions, namely the Assembly still has not suspended the governor from office. Under the new Law on Central Bank of the Republic of Kosova, adopted on 27 July 2010, the President has the

authority to suspend the CBK governor and then this decision must be approved by the Assembly as the supervisor of CBK. However, after these constitutional and legal measures were taken, the Governor of CBK asked the Governing Board to suspend him from duty until the completion of investigations into allegations that were raised by the judiciary

Overall financial sector recorded a growth of 24.2% of assets, that trend continues in the first six months of 2010. However, 2009 was characterized by lower trend growth in the banks. Year 2009 marked a slight trend of increasing loans and opening new branches and sub-branches of banks, but even then there was a decrease in the number of employees in this sector. The banking sector also had a slight increase of interest rates for loans and reduced interest rates on deposits. On the other hand, the sector of insurance companies was quite stable, even compared with 2008 its condition improved. But, knowing the dependence of citizens in banks, we can say that 2009 was the most difficult year for the Kosovars.

3.4. Starting and closing a business

The private sector in Kosova is very weak, where most employees work in small businesses, mainly in low value sectors. Most businesses do not grow and therefore the offer of employment is very low, which results in such high levels of unemployment.

According to the Business Registration Agency in Kosova until 2009 were 89,941 registered individual businesses, as reported May of 2010 with 99,647 businesses, while the annual number of enterprises that close, for three years now, is about 1,000 enterprises. However, a large number of firms operate in the informal sector, which further undermines the business environment and their own productivity. One of the small businesses that are growing are the games of chance, seen as characteristic of poor countries. Only the first part of 2010, 7 new licensed entities and 72 licensed new units generated revenue of 1:03 million euro for TAK in the form of taxes and 20,000 euro in the form of entries in form of fines.

According to TAK, until September 2010 the number of businesses that acquired a fiscal number is 61.114, 55.193 were given to businesses and 5.921 to individuals. The government of Kosova gave permit only to two companies to sell electronic fiscal equipment; to Geokos and Dukagjini. After the complains of the businesses about the high price of the electronic fiscal equipment, Kosova Commission of Competition started a three month investigation on both companies licensed for sale, installing and maintenance of the fiscal electronic equipment. After thorough analysis an administrative penalty was imposed in the amount of 100,000 euro for each company. Geokos is punished for the creation of monopolistic and dominant position in the market and abuse of this position, while Dukagjini for its collaborative practice with Geokos in this monopoly.

Kosova under the World Bank report "Doing Business 2010" ranked 113 in the world for doing business facilities. This estimate simultaneously shows the difficulties faced by businesses that wish to operate in Kosova. Opening a new business in Kosova requires undergoing through nine procedures that take about 51 working days and cost about 43% of income per capita. These lengthy and costly procedures often open the way for corruption or for non-formal economy. Moreover, building permit is even more damaging factor as to need of undergoing through 21 bureaucratic procedures that take about 320 working days and costs brought about 1.291% of revenues per capita. Kosova is in the top 8 countries with the worst conditions in terms of building permits, and it is very well known that the construction sector in Kosova is among the key elements of the economy. Terms of facilities for business closure, Kosova ranks 28th in the world. Lack of labor law on the other hand allows enterprises to be more flexible with regard to workers, therefore, Kosova ranks among the top 50 countries in terms of facilities for employment and break the contract, which leaves the workers vulnerable.

In general, the private sector in Kosova still remains underdeveloped. Around 10,000 new businesses are registered every year. Many of these businesses belong to the category of 'self-

employed', which does not affect the economic development, nor does it provide jobs, and most of them operate in the non-formal sector. Government of Kosova, as a method for combating non-formal sector but also for fighting corruption in 2009 began implementing the project of installing fiscal cash register, which process was characterized by multiple problems. Government of Kosova gave permission to only 2 companies thus opening the way for the monopolization of the market, which brought in further increasing dissatisfaction of businesses due to the extremely high price. It is worth mentioning that the World Bank report "Doing Business in 2010" compared to that of 2009 puts Kosova in lower position, which indicates economic regression.

4. EUROPEAN STANDARDS

4.1. Public procurement

Following many accusation and raids for corruption by EULEX in some governmental departments, the Government of Kosova has undertaken measures in changing and adopting the Law on Public Procurement. The first step was taken in May, when the Government adopted the Administrative Direction on Signing of Public Contracts of a Medium and High Value. This administrative direction foresees that in addition the procurement official, who according to the Law on Public Procurement has the responsibility and the right for signing the contracts, from now on the contracts worth over 10 000 euro must be signed also by the secretary of the ministry and the minister (or the mayor of the municipality, in the municipal level). This form of modification of the law is not in accordance with legislative regulations, because it has changed the content of the Law. This administrative direction is applicable since June 30, 2010.⁴²

However, on July 7, 2010, The Government of Kosova once again approved the Bill on Public Procurement. But this time, the modifications, requested two months earlier through the administrative direction, were incorporated in the Bill. Article 26.2 of the Bill deals with signing of the contracts which says: “In addition to signature of the responsible procurement official, the contracts with medium and high value of the contracting authorities must be also signed on behalf of the contracting authority by the Main Administrative Official, respectively, by the Minister or another respective public authority”. The Bill has been approved by the Parliament of Kosova, whereas the contracts with medium and high value are signed according to the Administrative Direction 02/2010.

In general, the Kosova’s Government has created more uncertainties regarding the Law on Public Procurement and process of signing of the contracts. By giving this responsibility to the ministers, respectively to other main administrative officials, the professional Procurement officials will have equal importance with the political representatives. This form of contracts’ signing will delay further the tendering procedures.

In May 2010, Ilir Rama resigned from the post of the temporary director of the Public Procurement Agency Board. Ilir Rama was appointed a temporary director of Public Procurement Agency (PPA) on October 2008. His appointment by the Government of Kosova for a 19 month period was not in accordance with the Law on Public Procurement. Kosova’s Government made the same mistake, when on July 2, 2010 appointed another person as a temporary executive director of the PPA, by ignoring the Parliament of Kosova.⁴³

On July 8, 2010, Kosova’s Parliament appointed the new composition of the Board of Public Procurement Regulatory Commission (PPRC). The new composition of the board, consisting 3 members, by the Members of the Parliament (MPs) has been as non-competent and politically influenced.⁴⁴

According to the Annual Report of the Public Procurement Reviewing Authority (PPRA) for 2009, the complaints of the economic operators regarding the public procurement proceedings have been increased. During 2009 PPRA has received 457 complaints from the economic operators against the decisions of the contracting authorities, or 61% more than in 2008. Most complaints are against tendering proceedings with high value (127 million euro), whereas there are fewer

⁴²See: Administrative Direction on the official page of PPRC <http://www.ks-gov.net/kropp/PageFiles/File/udhezimi%20administrativ%2002-2010.pdf> (last time checked on October 13, 2010).

⁴³Article 92.3 of the Law on Public Procurement (with the changes and fulfillments of February 8, 2007) Director is proposed by the Government and it is appointed by the Parliament.

⁴⁴The Director of the PPRC Board appointed on July 8, 2007 has been the Leader of the PDK Branch in Suhareka and a member of the Municipal Assembly of Suhareka representing PDK. This fact was emphasized by MP Haki Shatri during the session of Kosova’s Parliament on July 8, 2007.

complaints, regarding the tenders with medium and low value.⁴⁵ Although PPRA evaluates that the increase of the complaints is a result of the increased trust towards the PPRA, one can argue that the increase of the complaints can be a result of bad decisions taken by the contracting authorities.

In general, Kosova's institutions have not undertaken concrete steps in improving the situation in public procurement. Still, there is no adequate legal base in this sector. Changing the Law on Public Procurement through Administrative Directions is against the Law and interference to the law-making competencies of the Parliament of Kosova. The Government did not propose the candidate for executive director of PPA to the Parliament of Kosova, despite the fact that since October 2008, this post is being exercised by a temporary director. The number of the complaints of economic operators has been increased for 61% compared to the previous year. The new Bill on Public Procurement, which has been approved by the Parliament on October 1, 2010 (but is not applicable yet), gives additional competencies to PPRC in supervising and carrying out public contracts. These additional competencies also need employment of an additional staff. The new PPRC Board has been appointed on July 2007, but the new members have been criticized of being non-professional and politically influenced.

4.2. Employment and social policies

The Government of Kosova has approved the Bill on Labor three times within four years. This law will replace the UNMIK Regulation on Essential Labor Law, which is applicable since 2001, but not implemented in practice. The Bill on Labor was presented to Kosova's Parliament on May 2010. The content of the Bill was opposed by employees' organizations and civil society, especially Article 48, which foresees only 12 weeks of maternity leave. Parliament has not approved this Law even after the second review (till October 14, 2010). According to the members of the working group for the Bill on Labor, this bill will be changed radically, adding that the cost for its implementation will be increased as well. According to the declaration of the financial influence compiled by the Ministry of Economy and Finance (MEF), the Labor Law, as it is presented to the Parliament, will cost Kosova's Budget 1.8 million Euros a year. This amount is foreseen in the Midterm Expenses Framework (MEF) 2011-2013.

In case it is approved, the Law on Labor will not be applicable until January 2011. Responsible institutions for implementation of the Labor Law are facing many problems. There is no special Court, which would resolve the contests that deal with employment relations. Such court is not foreseen even with the new organizing structure, which will be applicable from 2013, according to the Law on Courts. Having in mind the large number of the unsolved cases, and non-existence of a special court that would deal with the contests that deal with employment relations or lack of specialized judges in this area, discourages the citizens in addressing the courts in cases of contests related to employment relations.

Independent Supervising Council (ISC) which resolves the employment contests in frame of Kosova's civil service has been slow in its job. In many cases of the employment contests, where ISC was involved the decisions have been delayed for years. Such delays in making a decision have damaged the budget of Kosova.

Labor Inspectorate, which functions in frame of the Ministry of Labor and Social Welfare (MLSW), is facing many problems as well. Only 49 labor inspectors have been engaged in the whole territory of Kosova. In five municipalities there are no labor inspectors at all. According to the latest data provided by the Agency for the Registration of the Businesses, until May 2010 there were 99 647 registered businesses. According to the law, every inspector must inspect 2033 registered businesses during one year. Not all businesses are functional, and one of inspectors' duties is to identify businesses which are not functional and have not been

⁴⁵2009 Annual Report of the Reviewing Authority of Public Procurement, presented to the Parliament of Kosova on February 25, 2010 <http://www.ks-gov.net/krpp/PageFiles/File/udhezimi%20administrativ%202002-2010.pdf>

deregistered as such. Besides the lack of staff, the inspectors do not have automobiles and offices and their salaries are very low. Due to these factors, the Law on Security at Work, Protection of Health and Working Environment has also found it difficult to be implemented in practice.

Unemployment rate in Kosova remains to be very high. According to the latest data, the unemployment in Kosova during 2009 has been 45.4%, which is a slight decrease of 2.1% compared to 2008 (47.5%).⁴⁶ Youth, age 15-24 makes the highest number of unemployed people in Kosova with (73%) followed by females with (56.4%). Government (public sector) is the biggest employer in Kosova, employing 74 910 people.⁴⁷ Biggest employment in 2009 has been done in trade (17.4%), education (13.4%), manufacturing (9.9%), and administration (9.8%) and so on.⁴⁸

The number of unemployed people registered until August 2010 in the Employment Municipal Centers was 335 347, whereas at the same period of time of 2009 there were 338 407 job-seekers. The employment through the mediation of employment offices is very low or 2.14% per year.⁴⁹ And this low rate of employment through these offices discourages the unemployed people to register as job-seekers in the Employment Centers. The unemployment in Kosova is the highest in Europe, which makes Kosova the country with the lowest employment rate in Europe.

Kosovar Tripartite Council has changed its name in 2009 into Economic-Social Council (ESC). This change has been done in order to harmonize the name with EU standards. On July 2010 the Government approved the Bill on ESC, but it has not been approved in Kosova's Parliament. ESC was not functional for a very long time. The reason for this was the decision of the Government, according to which businesses and workers' trade unions should be represented in ESC with more than one organization. Kosova Economic Chamber (KEC) and the Union of Independent Trade Unions (UITU) were not ready to make place for other organizations, such as Kosovar Business Alliance and Confederation of Free Trade Unions of Kosova. When the Law on Labor becomes applicable, ESC is obliged to sign the new collective contract and set the minimal salary. If the differences in ESC are not overcome, the implementation of the Labor Law will be in doubt.

On April 2009, Kosova's Government approved the Bill on Changing and Fulfilling of the Law on Social Help Scheme and sent it to the Parliament for approval; however the Government regretted about this step and requested its withdrawal from further procedures. The reason for this was high budgetary cost, which in case of approval of the new law, would cost the budget of Kosova 3.3 million Euros yearly. Alterations in the law also foresee the transfer of the managing responsibilities regarding social help from the central level to municipal level. Government of Kosova has done this transfer of responsibilities through secondary legislation: Administrative Direction on responsibility delegation procedures for the scheme of social help on municipal level, which was approved on March 2010.

The number of beneficiaries from social help has not changed. According to Midterm Expenses Framework (MEF) 2011-2013, 325 000 people or 15% of the population have access to one of the social payment schemes and this number is foreseen to remain the same for the next three years. Poverty level remains the same with 45%, whereas 15% of the population in Kosova lives in extreme poverty.⁵⁰

⁴⁶Kosova Statistic Center. Results of the survey on working power 2009. July 2010

⁴⁷Employment data, which are paid by Kosova's Budget, have been taken from the Six Months Report of Republic of Kosova Budget for 2010, approved by the Government on August 4, 2010.

⁴⁸Kosova Statistic Center. Results of the survey on working power 2009. July 2010.

⁴⁹MPMS. Information on Labor Market in Kosova-August 2010.

⁵⁰World Bank. Public Expenditure Review. June 3, 2010.

There has not been a debate on financial cost and with a full consensus the Parliament of Kosova approved the Law on the status and rights of martyrs, Kosova Liberation Army (KLA) invalids, civil victims and their families. This law will cost Kosova's Budget 5.2 million euro yearly, for the next three years.⁵¹

Kosova does not have a Law on Health Insurance or a fund on health insurance. Based on the Legislative Strategy of Kosova's Government for 2010, the Law on Health Insurance should be approved on January 2010, however until now nothing has been done in this direction. In general, health system in Kosova is not in a very good situation. The Minister of Health (MH) has been replaced in May 2010, however despite this fact there is no improvement in this very important sector. During 2010, Ministry of Health has been characterized with many appointments and removals of the leaders in health institutions, such as the case with the Secretary of MH and the Director of the University Clinical Center of Kosova (UCCK). Health workers have once again threatened with strikes, due to the dissatisfaction regarding the fulfillment of the agreement done between the Health Trade Union Federation and Kosova's Government on October 14, 2008.

The Government has continued with approving programs and social-health strategies. In December 2009 Kosova's Strategic Plan for HIV/AIDS 2009-2013 was approved, and also the Acting Plan for implementation of Kosova's strategy for integrating Roma, Ashkali and Egyptian communities 2009-2015. In March 2010 Government approved the strategy for Promoting Health Schools in Kosova 2009-2018. Whereas in July 2010 the Acting Plan for the Strategy for Reintegration of Returned Persons was approved. The reintegration of returned persons has been financed by Kosova's Budget. The Government has allocated 500 000 euro for the "Initial Fund"⁵² on reintegration.

In general, Kosova is facing the highest level of unemployment in Europe. The work relation is not set by law and implementing institutions of labor laws are facing different obstacles. The number of beneficiaries from social schemes remains to be the same. Government has withdrawn the Bill on Changing and Fulfilling of the Law on Social Help Scheme. After this withdrawal, the transfer of managing responsibilities, regarding social help, from the central level to municipal level is set by a secondary legislation and not by the approval of a new law on social help. The Government has not approved yet the Bill on Pensions and Invalids Insurance and it has not approved the Bill on Health Insurance. No effort has been done in increasing the social and health funds.

⁵¹Midterm Expenses Framework 2011-2013, approved by the Government of Kosova on June 11, 2010 with the decision 03/128

⁵²Reappointed in "Program for the Reintegration of Returned Persons" that functions in frame of the Ministry of Interior Affairs

5. SECTORAL POLICIES

5.1. Civil society and Media

Civil Society in Kosova at last has started to experience an organic development, and its development comes as a reaction towards the needs of Kosovar society and not anymore as a reaction towards the desires and goals of the donors. Civil society organized mainly around non-governmental organizations (NGOs), is more active and has begun to play a role in profiling the public opinion in Kosova. Number of registered NGOs is big but the number NGOs that are active all the time and whose work is influential in public opinion, is very small. Some of the achievements of civil society during the period October 2009-October 2010: NGOs have played an active role in monitoring the local elections in November 2009, they have observed the work of political leaders by measuring the “honesty” of their promises and have raised their voice against the corruption and abusiveness of official duties in all governing institutions in Kosova.

The real challenge of NGOs in Kosova remains to be the access in official documents. Very often they cannot have access to official documents because the governing institutions in Kosova delay their requests by using different forms. A challenge for the entire civil society in Kosova is the mobilization of Kosovar society in the initiatives of civil society. This problem is structural for Kosova’s society and with the trend of the development of society it is related with the non existence of a medium class in Kosovar society. Without people that have a financial and intellectual independence, what medium class represents, it is very difficult for civil society to mobilize large number of people in its initiatives, especially when we talk about the initiatives against the Government, which is the biggest employer in Kosova.

Media in Kosova have made some steps backwards during the period in which the evaluations has been done. This happens as a result of the obstacles that the journalists face in getting the information but also as a result of the influence of Kosova’s Government in the editing policies in media, especially in Radio and Television of Kosova (RTK), which is a public service broadcaster in Kosova or as a result of the threats done towards the journalists.

Soon after the publication of the Progress report for 2009, European Broadcasting Union (EBU), which is the establisher of RTK sent a letter to Kosova’s Government, in which the General Director of EBU, Jean Revellion expressed his regret that the pressure from the government has transformed RTK from a balanced news releaser into a media in support of the ruling party and Hashim Thaçi as prime minister.

In the meantime, in this period RTK finally completed the RTK Board and made changes in its editing staff. However, a monitoring of the work of RTK done by KIPRED and published in October 2010 shows a lot of problems in its informative program, mainly due to the lack of investments in professional growth of the RTK staff.

At the same time, journalists in Kosova as well have been faced with hindrance while doing their job, and often this hindrance came from officials from various institutions. A team of journalists from the television station Klan Kosova was attacked and locked up illegally in a classroom of the school Gjon Sereqi in Ferizaj by the director of this school, whereas a team of journalists from KTV was held against their will in the police station in Deçan by a police lieutenant. Both these incidents happened in September 2010 and have been condemned by the organizations that deal with the protection of journalists.

The journalists in Kosova have also been denied free movement, and their passports have been taken with the excuse that they are under investigation due to their job. Journalists have been also object of violent attacks, such as the attack with a bomb on the house of the editor in chief of the Radio Mitrovica in Serbian Language, Caslav Milisavljevic in Zvecan on September 27, 2010. Steps backwards in media sector have been also noticed by the organization “Reporters without borders” which has put Kosova in the 92nd place in the world in its Index on

Freedom of Media for 2010. This Index is published every year, whereas the previous year Kosova was ranked 75th in the world.⁵³

5.2. Security sector

Consolidation of security sector has continued during 2009-2010, however very slowly. The institutional part of legislation was approved in package mainly in 2008, however, there are some basic laws which have not been approved and some other laws have not been implemented at all. The Law on the Protection of Personal Data is not being implemented and the State Agency for the Protection of the Data has not been established yet. Same, the Law on the Classification of Information and Security Verification, although approved by the Parliament of Kosova in June 2010, it has not resulted in consolidation of the department for the verification of security and the lack of capacities and delays remain to be a challenge. The Law on Foreign citizens is implemented partially and there has been noticed a violation of provisions, according to which foreign citizens are allowed to enter Kosova only with passports (unless it is foreseen differently by a special agreement), whereas in reality the citizens of Serbia enter the territory of Kosova only with their IDs, although there is no bilateral agreement regarding this issue. Another challenge is the approval of a new law on emergency reaction that would result in the reorganization of the emergency readiness structures. The Security Municipal Councils in Community (SMCC) have been established in the majority of the municipalities but their functionality and performance depends from the municipalities and they mainly reflect weak results in performance.⁵⁴

Kosova Security Council (KSC) has consolidated its secretariat and has completed the secondary legal infrastructure. But although the current legislation foresees that all the laws in this sector should go through KSC, this is not happening and it is making the coordination of security institutions very fragile. In the new legislative strategy KSC must have in mind and foresee the compilation and approval of the Law on Extraordinary Situation and unifying of the legislation in the sector of emergency reaction. KSC has done efforts in coordinating the process for drafting the strategy for Kosova's security.⁵⁵ Although the strategy has been approved by Kosova's Government in May 2010 (and it is expected to be approved by the Parliament) the draft has been criticized that it does not reflect the local context and it has not considered the domestic ownership in its compilation. The evaluation of the threats and risks in strategy doesn't really address the challenges of national security towards the country, which makes its implementation doubtful.

Kosova Police (KP) is going through the process of the reformation and it has been marked a progress. Police foot patrols have been increased and this has resulted in the increasing of the efficiency of KP. However, the fact that the new draft of the Law on Police Inspectorate hasn't been finalized because of the implications is concerning.⁵⁶ Since the stealing of the data on April 2009, Police wasn't able to find the perpetrators. The police training takes place in the Center for Public Security in Vushtrri, but there is no academic supervision of the center, which causes doubts on the strategic development of the KP. It is also reported for the existence of clans within KP and there are no indications for fighting of these occurrences in police.

Kosova Security Force (KSF) has done a limited progress during 2009-2010 by increasing the number of new recruits and by continuance of trainings under the supervision of KFOR. Until August 2010, the statistics show that around 2000 members⁵⁷ have been recruited which makes a considerable part of the foreseen number of members (2500 active members). Despite this number KSF did not meet the operational capacities and current capacities do not guarantee a

⁵³Reporters without Borders, <http://en.rsf.org/press-freedom-index-2010.1034.html>

⁵⁴SMCC, Evaluation of Democratic Supervision of the Mechanisms of the Security Municipal Councils in Community, page 3

⁵⁵Kosova Security Council meetings

⁵⁶SMCC Observation: Role of the independent agencies in the supervision of security sector in Kosova

⁵⁷Table of MKSF, 14.08.2010

substantial contribution by KSF in a near future. In addition to that, KSF is still short of starting their training in using light weapons. No serious readiness has been shown by the Government and the Ministry in having KSF gradually assuming responsibilities from KFOR and the local role in consolidating the KSF is highly limited. The role of KFOR in the consolidation of KSF is very powerful and this was proved in many occasions, especially in March 2010 when KFOR froze the relations with KSF because of the presence of the KSF in the “Ceremony of KLA”. In 2009 Kosova’s Government has allocated 21 million euro for KSF but only 62% of this budget has been used due to a bad budgetary planning.⁵⁸ Despite this fact, it has been requested for the budget of KSF in 2010 to be increased for an extra 10 million euro.⁵⁹ The KSF Parliamentary Commission has been established in the autumn of 2009 but there has not been marked any substantial performance.

Kosova Intelligence Agency (KIA) is in its initial phase of the consolidation and the first step for the recruitment of its members has been done through an open contest at the beginning of 2010. The details of the functioning of the KIA are not transparent based on the legislation in power; however, its operating is expected to be delayed due to the delays of the Government in appointing the director and later the deputy director and general inspector. Media reports and the declarations of some MPs have suggested the possibility for the implication of some structures of the former Kosova Informative Service (KIS) in KIA.⁶⁰ The Parliamentary Commission for the supervision of KIA has been established in the autumn of 2009. The democratic supervision of this institution will be a challenge in the coming years.

Private Security Companies remain to be a sector which works based on an UNMIK Regulation and since 2007 there has been an effort to draft the Law on Private Security, which was not approved until the period of the reporting.⁶¹ Government did not address the weaknesses in private security sector and especially the claims for the violation of worker’s rights in this industry.⁶²

5.3. Visa liberalization

Visa, border management, asylum and migration

Some progress has been made with legislative framework as seven out of thirteen Administrative Instructions for the implementation of the Law on Foreigners have been adopted. The following AIs have been adopted: on ID Cards for Foreigners; on Defining Stamps for Entry to and Exit from Kosova; Traveling Cards for Foreigners; Penalizing Provisions of the Law on Foreigners; Establishment of the Review and Appeals Commission; the Content, Format, Manner of Providing and Repealing of Movement Permission; and Prohibition of Entry into the Republic of Kosova.

Also, mid-2010, Ministry of Foreign Affairs and MIA signed the Administrative Instruction 04/2010 on procedures for issuing visas to foreigners by the consular missions of the Republic of Kosova. However, consulates are still not equipped with necessary human and other resources.

The MIA has passed an AI end 2009 for the establishment of the Civil Registration Agency ARC, which is responsible for securing quality and secure document release. An Acting Chief Executive was appointed, but the ARC still needs to be equipped with more staff. Around 75% of civil registry books have been digitalized at the municipal level. Internet network has been placed throughout over 90% of Civil Registration Offices, respectively in 231 out of 243 offices.

⁵⁸ZAGJ, Auditing report of the MKSF financial statements for 2009, page 8

⁵⁹Kosova’s Consolidated Budget for 2010

⁶⁰Daily newspaper “Koha Ditore” 22.08.2010

⁶¹After many attempts, Government approved the Bill in August 2010, and it is proceeded further in the Parliament

⁶²SMCC, Evaluation of Private Security Companies in Kosova, page 3

However, an assessment of each municipal civil registration needs to be conducted. Moreover, the law on civil status has not yet been approved.

With regard to border and border issues, small progress has been made in the legal framework for integrated management and control of state borders. In November 2009, the Director of Kosova Police signed an AI on duties and responsibilities of the Border Police; one on the Control of Border Crossing Points and AI on Border Incidents and Violations of the State Border have been finalized.

The AIs on marking the boundary line and on construction of facilities within the Area of Border Crossing are being finalized and six other administrative instructions are in the drafting process, which include AIs on Definition and classification of border crossing points; Nature and Amount of Fines to be Imposed to Physical and Legal Persons who Violate Provisions of the Law on IBM and Control of the State Border; Format, Content and Method of Placing Warning and Written Signs at Border Crossing Points and Border Crossing Area; movement and residence within the Border Crossing Area; Prohibition, Restricting or Conditioning of Certain Activities Along the State Border; Placing and Using Technical Aides and Automatic, Filming and Photographing Technical Equipments in Border Crossing Areas along the State Border.

Progress has been made in installment of the Intranet system in all border crossing points, including in the border points Jarinje and Bërnjak. Also, the IBM Joint Monitoring Centre has also been established within Kosova Customs and Border Police, which is based on Customs and operated jointly by customs and police officers. This centre serves to monitor border crossing points through cameras installed at these points and connected to this monitoring/operational Centre. However, border control of 1 and 31 continue to remain a problem.

The existing legislative framework concerned with the personal documents (passports, IDs and driver licenses) need to be revised with regard to preparation for issuing biometric passports. Working groups have been established to compile the Draft Law on amendment and supplementation of the law on Travel Documents, which has been approved by the Government on 26 May 2010 and it is expected to be adopted by November 2010.

There has been some progress in the area of asylum. The Transit Centre for Asylum seekers and managerial staff was appointed December 2009. The center has recruited five staff members, but capacities need to be strengthened. Other relevant bodies established include the National Refugee Commission; the Committee for Reviewing of Asylum Complaints; the commission responsible for reviewing claims of foreigners for temporary residence, suspension and cancellation of temporary residence permits and departure order; the commission responsible for reviewing applications of foreigners for temporary and permanent residence, and for permanent rejection, suspension and revocation of foreigners' residence permits.

However, more needs to be done in equipping such commission with human capacities, strengthening human capacities and implementation of asylum policies. Two institutional pillars deal with the issue of migration, the Department for Citizenship, Asylum and Migration and the Directorate for Foreigners with the Kosova Police. Regarding migration, the Department for Borders, Asylum and Migration (DBAM) within the Ministry of Internal Affairs has been restructured into the Department for Citizenship, Asylum and Migration (DCAM). In addition, the Office for Citizenship has been transferred to the Department for Citizenship, Asylum and Migration. However, human capacities for dealing with migration and asylum policy need to be strengthened in order to have effective implementation.

Kosova passed the Law on Readmission, which defined the legal framework for verification procedures and the return of Kosova citizens and foreign that have passed through Kosova onto other countries. Bilateral readmission agreements have been signed with Albania, France, Macedonia, Switzerland, Germany, Denmark, Norway, and a protocol of cooperation with

Belgium. During the time period January - March 2010, number of returnees is 1,198. The Action Plan of Re-integration of readmitted persons has also been approved, and the government has secured 500,000 euro for 2010. However, municipal staffs within the office of returnees and communities need to be trained in order to secure full implementation of the strategy.

Money laundering

The draft law on Prevention of Money Laundering has been approved by the Government and adoption by the Assembly is expected in July 2010. This law provides for the establishment of Financial Intelligence Unit. In this context, on 15 June 2010 it has been signed a memorandum for the transfer of powers of the Financial Intelligence Centre from EULEX to the Ministry of Economy and Finance. Regarding institutional capacity building to investigate and combat money laundering Regional Intelligence Units in the Directorate of Crime Analysis (KP) are centralized and constant training are being held to build and develop human capacities within the Investigation Pillar. In addition, on 1 June 2010, 24 police officers investigators are recruited within the Sector of Financial Crimes Investigation (Department for Investigation of Economic and Financial Crime and Corruption, KP). Law on Witness Protection has been drafted, though not yet approved. Same applies to the Draft Law on Amendment and Supplementation of the Provisional Code of Criminal Procedure of Kosova.

Drugs

Some progress has been made in fulfilling human capacities in the plan on fight against drugs. In order to implement the strategy and action plan against drugs, a new organizational structure on the Police Services of Kosova was approved by Kosova Police and MIA, (January 2010), which also includes the establishment of the Directorate Against Crime, consisting of three officials. Personnel has been added for fighting drugs in Kosova Customs; Correctional Services has increased the numbers of officers by seven (7) in the correctional services within security sectors in all correctional institutions (custody centers and prisons) which are authorized in preventing and reducing contraband, including narcotics. However, the link with the judiciary has still not been established as the appointment of responsible prosecutors on narcotic issues has not been established. Overall, the weakness persists in the capacity of the police to tackle drug trafficking effectively and the inadequate level of cooperation and information exchange between relevant institutions.

Fighting organized crime and terrorism

Regarding the fight against organized crime and terrorism little progress has been made. The law on witness protection has not been approved, and the number of judges to handle cases of organized crime needs to be increased as well. The establishment of the Agency for Administration of Sequestered and Confiscated Wealth remains of significance importance on closing chain of preventing organized crime. Other challenges remains lack of capacities and resources, cooperation from the judiciary, lack of sanctioning, lack of effective cooperation mechanisms among mechanisms and institutions for anti-corruption - such as between the Anti-Corruption Agency, Public Procurement and EULEX. The signing and implementation of the memorandum of understanding with the Kosova Prosecution is foreseen. Overall, Kosova relevant bodies and actors continue to lack capacities to fight and prevent organized crime and corruption.

About the organizations that prepared the Progress Report *Made in Kosova*

Institute for Advanced Studies GAP

The Institute for Advanced Studies GAP is a Think Tank organization established in 2007 in Kosova. GAP's main purpose is to attract professionals by creating a professional research and development environment commonly found in similar institutions in Western countries. This will include providing Kosovars with an opportunity to research, develop and implement projects that would strengthen Kosova society.



<http://institutigap.org/>

Kosova Democratic Institute - KDI

KDI's mission is to support democratic development in Kosova by empowering nongovernmental organizations and citizens to enhance the transparency, accountability and responsiveness of governing institutions and improve the efficiency of these institutions through citizen participation in decision-making. KDI aims to be regional organization that influences political processes by offering assistance in the process of democratization.



<http://kdi-kosova.org/>

Foreign Policy Club - FPC

The Foreign Policy Club is a nongovernmental organization that assembles intellectuals, politicians and distinguished activists of civic society that demonstrate affinity in foreign policy. The club's objective is to contribute through debate by recommendations in generating foreign policies in Kosova, peace functions in Kosova, region and the world.



<http://foreignpolicyclub.org/>

Kosovar Center for Security Studies - KCCS

KCCS has been established with the aim of studying, researching, organizing conferences and seminars in the field of security in the Republic of Kosova. Considering the lack of non-governmental institutions covering this domain, KCCS is the strong voice towards studies on the security field. The activities undertaken so far triggered the civil society experts and media in fostering oversight of the security sector.



<http://qkss.org/>

Balkan Policy Institute - IPOL

The Balkan Policy Institute is an independent and not-for-profit think tank that seeks to initiate and deepen public policy debate at all levels of decision making. Based in Pristina, Kosova, the Balkan Policy Institute works to promote sustainable development and good governance through pragmatic policy making that works for the welfare of the citizens.



<http://policyinstitute.eu/>

Speak UP Movement

The organization has been established to strengthen the good governance in the Republic of Kosova, through contributing to the improvement of transparency and accountability, preventing the abuse of the public authority as well as supporting citizens' participation in decision-making processes. Conflict of Interest, Access to Official Documents, Assets of the High Public Officials, Citizens' Engagement, Functioning of Independent Institutions and the culture of Debate are the core focus areas of Speak UP.



<http://levizjafol.org/>