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*Ministria e Integrimit Evropian –*  
*Ministarstvo evropskih integracija – Ministry of European Integration*

**Report on the implementation of the National Programme for  
Implementation of the Stabilisation and Association Agreement  
(NPISAA) during 2017**

**April 2018**  
**Prishtina**

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## INTRODUCTION

National Programme for Implementation of SAA (NPISAA) 2017-2021, adopted by the Government of the Republic of Kosovo (on 10 March 2017) and Assembly (on 18 April 2017), is a legally binding document for all state administration bodies. Therefore, they are obliged to implement short-term measures within the scope of their legal mandate, and to monitor their implementation. The Government, as the central national mechanism responsible for the fulfilment of SAA obligations, oversees the implementation of NPISAA through the institution mandated to coordinate the EU integration process – the Ministry of European Integration (MEI).

MEI monitors implementation of this Programme through regular reports, drafted on quarterly basis. The purpose of these reports is to assess and improve implementation of the Programme, as well as to ensure accountability and transparency within the institutions and towards other stakeholders and wider public about this. Findings of these reports, among others, are discussed by the Government cabinet and the Kosovo – EU stabilisation and association bodies, which are responsible for overseeing implementation of the SAA.

This is the fourth report for this year and covers the reporting period from 1 January to 31 December 2017. The data were reported by all responsible institutions, as per the matrix of short-term measures and based on the respective manual. In chapters where data have been reported with delay or not adequately, they are not included in the report, and are assessed in the overall overview as not implemented. Implementation of the Programme is assessed at two levels of performance status (presented in charts):

- Completed measures (those fully implemented) – in **blue**; and
- Unimplemented measures (those that were not implemented) – in **red**.

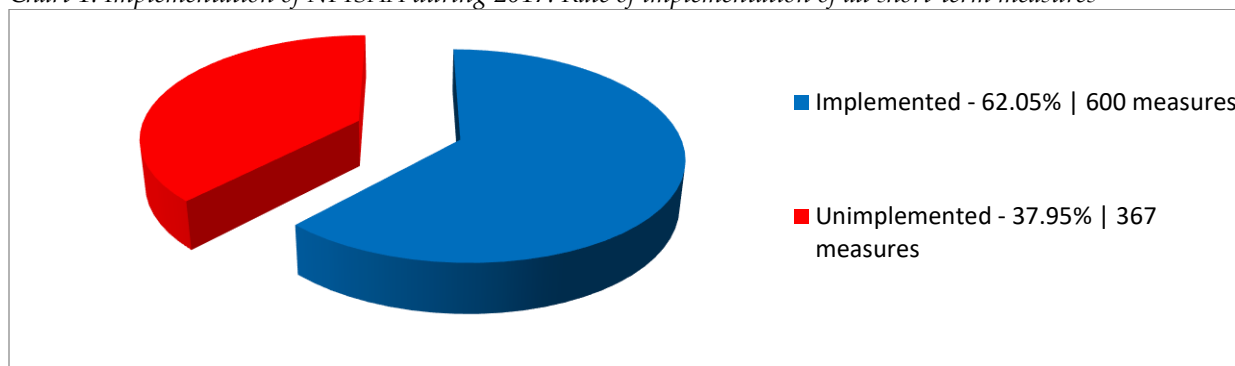
This report consists of four chapters and is divided into two sections: summary and sectorial sections. The summary section (Chapter I) gives a general overview on implementation of NPISAA during the whole year, and it is further divided into four sections: section on the Programme as a whole, section on political criteria, the one on economic criteria, and the section on European standards. The other section provides a detailed overview on implementation of each NPISAA chapter during the reporting period.

Each chapter of the report contains the chart and the narrative section (explanation of findings and assessment of the state of play). Thus, Chapter 1 provides an overview, in chart, of findings on the overall level of NPISAA implementation as a whole during the whole year, and the narrative explanation. The narrative text for each Block concludes with a qualitative assessment of the state of play summarizing main challenges in that respective block, with special emphasising on measures not implemented within the timeframe set. Chapters 2, 3 and 4 are uniform, containing two sections on each NPISAA chapter: charts and the narrative section. The charts present findings on the overall rate of implementation of the relevant chapter of the Programme. The narrative sections provide quantitative explains of findings presented in the charts, also providing a brief qualitative explanation of the overall state of play in the relevant area.

The data show that *the rate of implementation of the Programme* during 2017 was 62.05%, as 600 out of the 967 measures planned have been implemented (see Chart 1, pg. 5).

## 1. GENERAL OVERVIEW OF IMPLEMENTATION OF NPISAA DURING 2017

Chart 1. Implementation of NPISAA during 2017: Rate of implementation of all short-term measures



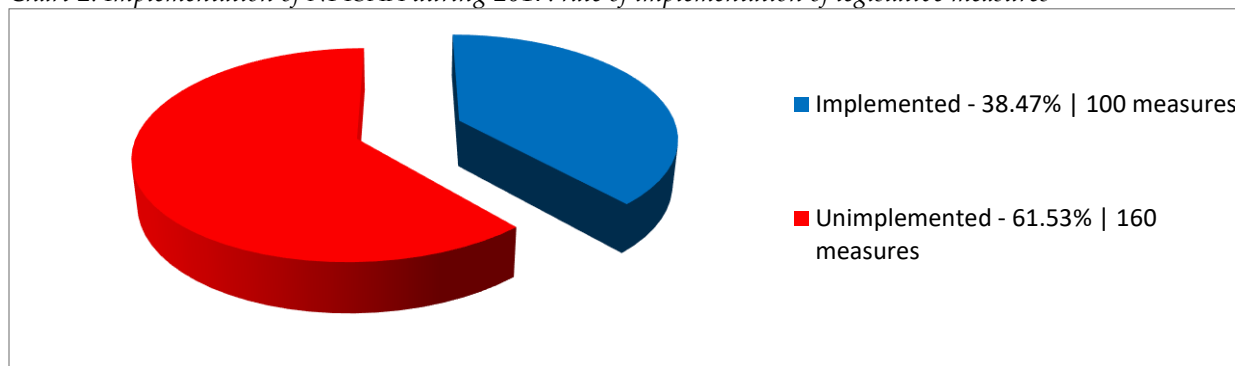
The Programme contains 967 measures, out of which 26.88%, or 260 of them, are legislative measures, and 73.12%, or 707 of them, are implementing measures.

With regard to the rate of implementation of the *Programme during 2017*, findings indicate as follows:

- 62.05% of them, or 600 measures, have been implemented;
- 37.95% of them, or 367 measures, were not implemented.

Based on the findings of the status of performance presented in the chart above, *the overall rate of implementation of the Programme during 2017 was 62.05%*, as *600 out of 967 measures* planned have been implemented.

Chart 2. Implementation of NPISAA during 2017: rate of implementation of legislative measures



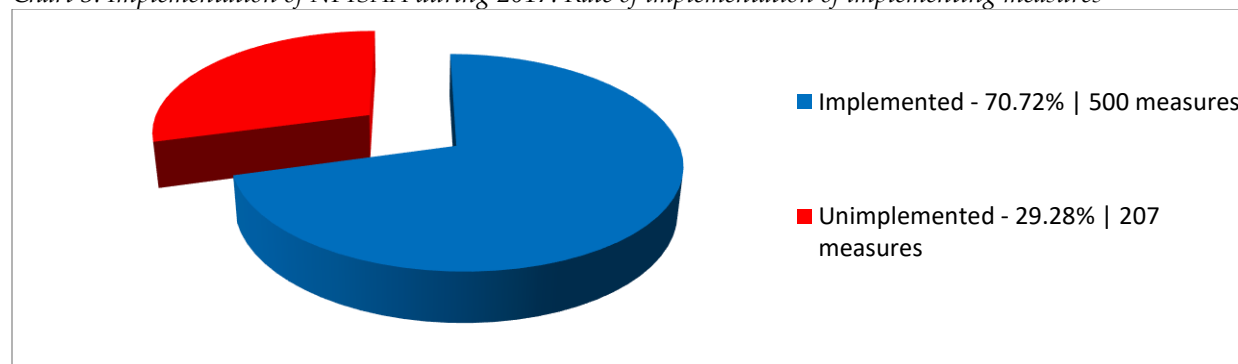
The Programme contains 260 legislative measures.

Regarding the rate of implementation of *legislative measures during 2017*, findings indicate as follows:

- 38.47% of them, or 100 measures have been implemented;
- 61.53% of them, or 160 measures, were not implemented.

Based on the findings of the status of performance, presented in the chart above, *the rate of implementation of the legislative measures during 2017 was 38.47%*, as *100 out of 260 measures* planned have been implemented.

Chart 3. Implementation of NPISAA during 2017: Rate of implementation of implementing measures



The Programme consists 707 implementing measures.

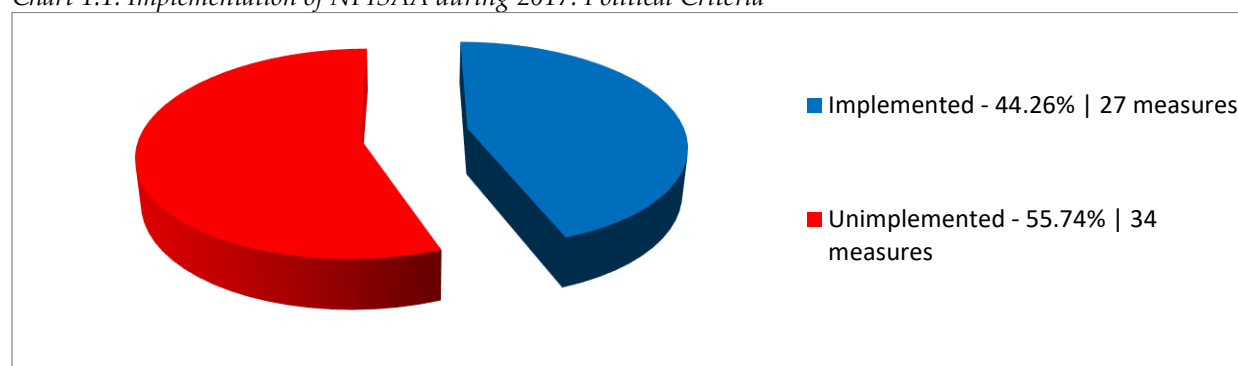
Regarding the rate of implementation of *implementing measures during 2017*, findings indicate as follows:

- 70.72% of them, or 500 measures, have been implemented;
- 29.28% of them, or 207 measures, were not implemented.

Based on the findings of the status of performance, presented in the chart above, *the rate of implementation of implementing measures during 2017 was 70.72%*, as *500 out of 707 measures* planned have been implemented.

### 1.1. State of Play by Blocks: Political Criteria

Chart 1.1. Implementation of NPISAA during 2017: Political Criteria



This Block contains 61 measures, of which 27.86% or 17 are legislative measures and 72.14% or 44 are implementing measures.

Regarding the rate of implementation of *this block during 2017*, findings indicate as follows:

- 44.26% of measures, or 27 of them have been implemented;
- 55.74% of measures, or 34 of them, were not implemented.

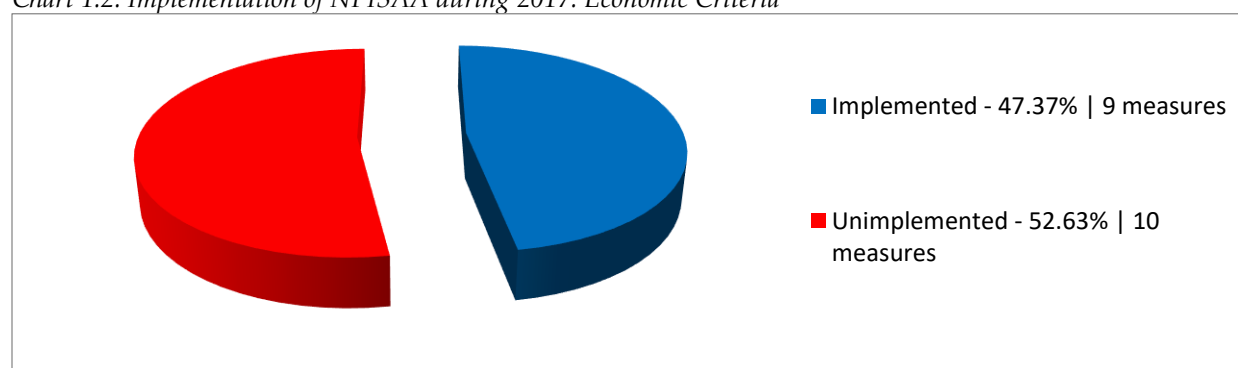
Based on the findings of the status of performance presented in the chart above, *the rate of implementation of this block during 2017 was 44.26%*, as *27 out of 61 measures* planned were fully implemented.

Based on the data reported by implementing institutions for each chapter of this Block, key measures planned that *were not implemented* are the following:

- Adoption of the New Rules and Procedure of the Assembly, and of the Strategy for International and Inter-Parliamentary Cooperation;
- Adoption of three Draft Laws for public administration reform (on Public Administration, on Civil Service, and on Salaries and Budget) and the Law on Administrative Conflict;
- Adoption of the Law on Freedom of Association in NGOs and by-laws deriving from it;
- Drafting of the Draft Law on Management of Municipal Immovable Property;
- Adoption of a Regulation for training of civil servants; Regulation on data security and Regulation for job positions of public administration and processing in the payroll system;
- Adoption of the Concept Document on the non-contractual responsibility of public administration and of the Concept Document for database management;
- Adoption of the Strategy and Action Plan for the Modernization of Public Administration; and Open Data Action Plan;
- Adoption of a Roadmap for qualitative and quantitative review of agencies;
- Drafting of the Strategy for Local Economic Development;
- Completion of the job classification, and implementation of the new payroll system in the KCS;
- Full functioning of the Human Resource Management System and the development of the interoperability platform of electronic systems;
- Adoption of Constitutional Amendments to the Restructuring of the Security Force and the Armed Forces mission; (Amendments to the establishment of the Institution of the Parliamentary Commissioner), as well as the Law on Amending and Supplementing of Laws relating the Armed Forces of Kosovo and the Law on the Commissioner for the Armed Forces and the Kosovo Police;
- Adoption of the Law on Amending and Supplementing the Law on Classification of Information and Security Clearances, and the Regulation defining the procedure for the use, registration, exclusion and exchange of data, their verification and management (for the Central Registry);
- Adoption of the National Security Strategy and Defence Strategy, and the Strategy for Common Approach;
- Restructuring of MKSF and KSF, as well as establishment of the Agency for Protection of Classified Information and the Assembly Commissioner for the Armed Forces;
- Capacity-building in the area of forensics.

## 1.2. State of Play by Blocks: Economic Criteria

Chart 1.2. Implementation of NPISAA during 2017: Economic Criteria



This block contains 19 measures, of which 21.05%, or 4 of them, are legislative measures, and 78.95%, or 15 of them, are implementing measures.

Regarding the rate of implementation of *this block during 2017*, findings indicate as follows:

- 47.37% of them, or 9 measures have been implemented;
- 52.63% of them, or 10 measures, were not implemented.

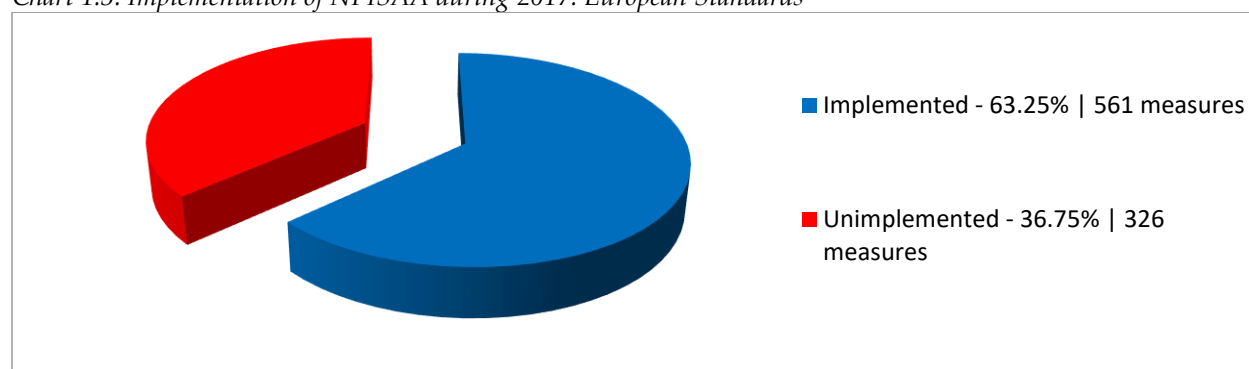
Based on the findings of the status of performance, presented in the chart above, *the rate of implementation of this Block during 2017 was 47.37%*, as 9 out of 19 measures planned were fully implemented.

Based on the data reported by implementing institutions for each chapter of this Block, key measures planned that *were not implemented* are the following:

- Adoption of the Concept Document on the rights of EU citizens and companies for purchase of Immovable Property in Kosovo; and Concept Document on amending-supplementing the Law on Property and Real Rights
- Adoption of the Draft Law on Construction Land and the draft-law on Public Property;
- Adoption of the Law on Innovation and Transfer of Knowledge and Technology;
- Adoption of the Law on Customs measures for Protection of Intellectual Property Rights;
- Implementation of active labour market measures by the Employment Agency, as well as an internal training system of this agency, which includes training on better designing, implementing and monitoring of the active labour market measures;
- Implementation of a pilot project for the expansion of broadband infrastructure, which will include a rural area (some villages) of Kosovo; Functionalization of the digital technology park for the needs of ICT businesses; and implementation of the WB agreement on loan involving upcoming years investments to the extension of ICT networks;
- Drafting of 20 new professional standards and their verification, drafting of core curriculum for VET based on the new Kosovo curriculum, and reviewing of the vocational education and training curriculum.

### 1.3. State of Play by Blocks: European Standards – Approximation of Kosovo Legislation with the EU Acquis

Chart 1.3. Implementation of NPISAA during 2017: European Standards



This Block contains 887 short-term measures, of which 27.50% or 244 are legislative measures and 72.50% or 643 are implementing measures.

Regarding the rate of implementation of *this Block during 2017*, findings indicate as follows:

- 63.24% of them, or 561 measures have been implemented;
- 36.75% of them, or 326 measures were not implemented.

Based on the findings of the status of performance, presented in the chart above, *the rate of implementation of this block during 2017 was 63.24%*, as 561 out of 887 measures planned were fully implemented.



Based on the data reported by implementing institutions for each chapter of this Block, key measures planned that *were not implemented* are the following:

- Adoption of five Draft Laws in the area of free movement of goods (on technical requirements of products and conformity assessment, on metrology, on construction products, on the oversight of products in the market, and on narcotics, precursors and psychotropic substances);
- Recruitment of labour inspectors;
- Adoption of the Draft Law on Postal Services;
- Adoption of three Draft Laws in the area of Company Law (on banks, microfinance institutions and non-bank financial institutions, on accounting, financial reporting and audit, and Law on business organizations);
- Adoption of Private Sector Development Strategy 2017-2021;
- Restructuring of KIESA and the establishment of Advising Board within KIESA with the participation of business community and involvement of Office of the Prime Minister);
- Drafting of three manuals (banks liquidation, insurance companies supervision and pension funds supervision,);
- Adoption of secondary legislation for the implementation of the Law on Regulated Profession;
- Adoption of AP for the transposition of the Service Directive;
- Adoption of the Law on Customs measures for Protection of Intellectual Property Rights, and of two Regulations for the area of copyright;
- Adoption of the Strategy and AP for measures to reduce the level of piracy and counterfeiting 2017-2020, and Strategy and AP for the Implementation of Intellectual Property in Kosovo 2016 - 2020;
- Adoption of two revised regulations and one new by-law in the area of state aid, and the establishment of state aid inventory;
- Adoption of a regulation on media ownership and prevention of media concentration, and of regulations in the area of electronic communications, as well as the strategy for digitalization of terrestrial broadcasting;
- Establishment of Electronic Atlas for Broadband Telecommunication Infrastructure in Kosovo;
- Adoption of four laws in the area of agriculture and food safety (on agriculture and rural development, on veterinary, on food, and on seeds and planting material), as well as nine by-laws for plant production;
- Adoption of the Annual Program for Agriculture and Rural Development for the measures: 101, 103, 202, 302, 303, 401, 402, 501 and irrigation measures;
- Adoption of the Regulation on laying down health rules as regards animal by -products and derived products not intended for human consumption, and the multiannual plan for the control and eradication of animal diseases;
- Establishment of seven (7) directorates and 20 units in the Agency for Agriculture Development (AAD) (according to IPARD), and of the Internal Audit Unit within the Payments Agency;
- Implementation of the AAD Accreditation Package for two measures of the Agriculture and Rural Development Program (Measures 101 and 501);
- Adoption of two laws and a policy document in the area of transport (Law on Road Transport and Law on driving time and rest periods, and the Sector Strategy for Civil Aviation);
- Adoption of three laws in the area of energy (on mandatory oil reserves, on trade with petroleum products and renewable fuels in Kosovo, and on energy efficiency), and nine (9) by-laws in this area;
- Adoption of two policy documents in the area of energy (the strategy for radiation protection and nuclear safety, security and safeguards and the program for the implementation of the energy strategy);
- Certification of the transmission system operator, and implementation of measures for the decommissioning process of TPP 'Kosova A';

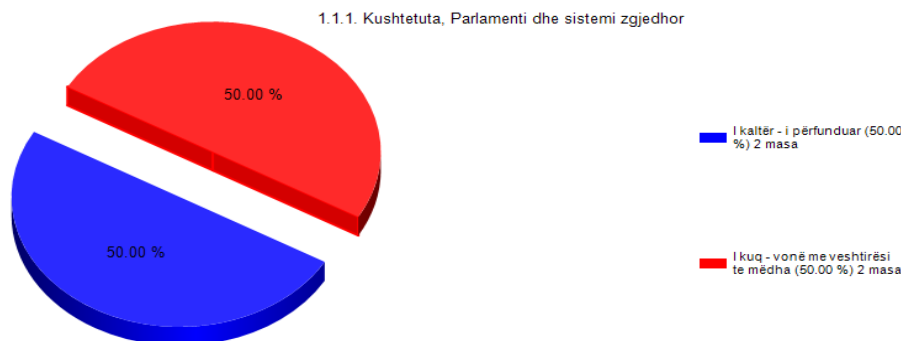
- Adoption of the Draft Law on Official Statistics, as well as the completion and publication of some statistics (of business survey for informal economy, User-Provider tables, incomes and living conditions surveys);
- Adoption of the Draft Law on the Socio-Economic Council, and the sector strategy for employment and social welfare;
- Adoption of three laws in the area of environment (on infrastructure and spatial information, on noise protection, and on air protection from pollution), as well as Strategy and AP for climate change;
- Functionalization of the live (real-time) data reporting central software for air quality;
- Adoption of ten (10) draft laws (including amendments) in the area of judiciary and fundamental rights (for the KJC, KPC, on Office of Disciplinary Council, on Bar Examination, on prevention of Conflict of Interest, the Juvenile Justice Code, the Protection of Personal Data, on Protection and Promotion of the Rights of Communities and their Members in the Republic of Kosovo, on Cultural Heritage, and on Museums);
- Adoption of two (2) policy documents in the area of judiciary and fundamental rights: Strategy and AP on children's rights and Strategy for execution of criminal sanctions;
- Adoption of four (4) laws (including amendments) in the area of justice, freedom and security (for the control and oversight of the state border, foreigners, asylum, critical infrastructure, and international private law);
- Adoption of six (6) by-laws (including amendments) in the area of justice, freedom and security (of the regulations for the integration of foreigners, the functionalization of the Centre for Asylum Seekers and the functioning of the Foreigners Detention Centre; and AIs on returning of foreigners with illegal residence in Kosovo, on the Procedure for the Issuance of a Residence Permit for Foreigners and Certification for Notification of Employment, on Procedures and standards of review and ruling on request for asylum, and on Procedures and standards of admission and initial treatment of asylum seekers);
- Adoption of four (4) policy documents in the area of justice, freedom and security (Strategy and AP against organized crime 2017-2022, New Strategy and AP against narcotics 2017-2022, New Strategy and AP against terrorism 2017- 2022, and the New Strategy and AP for the reintegration of repatriated persons 2017-2022);
- Adoption of two draft laws and one policy document in the area of education, science and research (for higher education and innovation and transfer of knowledge and technology);
- Adoption of National Strategy on Innovation and Technology Transfer;
- Establishment of Kosovo Agency on Curriculum, Standards and Assessment;
- Adoption of three (3) laws in the area of consumer and public health protection (for consumer protection, reproductive health and blood transfusion);
- Adoption of the amended Customs and Excise Code;
- Installing and operation of a software for a more effective audit;
- Functioning and harmonization of the current electronic INES system for online registration and application for IPR protection with the COPIS system.

## 2. OVERVIEW ON IMPLEMENTATION OF NPISAA DURING 2017 IN EACH CHAPTER | BLOCK 1: POLITICAL CRITERIA

### 2.1. Democracy and the Rule of Law

#### 2.1.1. Constitution, Assembly and Election System

Chart 1.3. Implementation of NPISAA during 2017: Constitution, Assembly and Election System



This chapter contains 4 short-term measures, out of which 25% or 1 is legislative measure, and 75% or 3 are implementing measures.

Regarding the rate of implementation of *this chapter during 2017*, the findings indicate as follows:

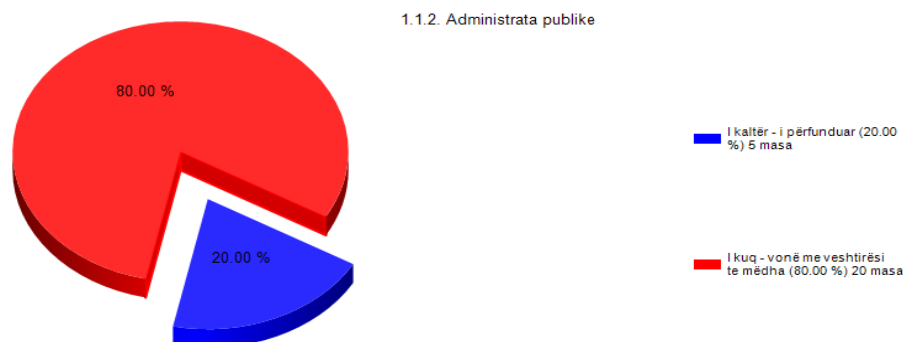
- 50% of them, or 2 measures (2 implementing measures), have been implemented;
- 50% of them, or 2 measures (1 legislative measure and 1 implementing measure), were not implemented.

Based on the findings of the status of performance presented in the chart above, *the rate of implementation during 2017 was 50%*, as *2 from 4 planned measures* were fully implemented.

As the findings of this report indicate, this sector in general is considered to have serious delays, regardless of the fact that only half of actions are related to these delays, namely adoption of the Strategy for International and Inter-parliamentary Cooperation and adoption of the new Regulation on Rules of Procedure of the Assembly. However, these two actions are the substance within the commitments of the Assembly related to the SAA implementation. Considering the political context of 2017, delays in implementation remaining from the previous legislature have been transferred for implementation during 2018. It is worth mentioning that the number of reports of independent institutions and recommendations provided from their monitoring and implementation has been implemented on time.

## 2.1.2. Public Administration

Chart 2.1.3. Implementation of NPISAA during 2017: Public Administration



This chapter contains 25 short-term measures, out of which 44% or 11 are legislative measures and 56% or 14 are implementing measures.

Regarding the rate of implementation of *this chapter during 2017*, the findings indicate as follows:

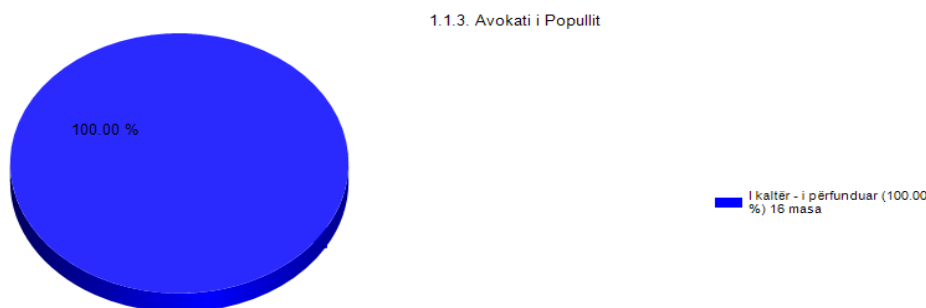
- 20% of them, or 5 measures (5 implementing measures), have been implemented;
- 80% of them, or 20 measures (11 legislative measures and 9 implementing measures), were not implemented.

Based on the findings of the status of performance presented in the chart above, *the rate of implementation during 2017 was 20%*, as 5 from 25 measures planned were fully implemented.

As the findings of this report indicate, in this area, in general, there are serious delays and planned key measures have already been included in planning for 2018. However, a special importance should be paid to the proceeding of three laws within the package of public administration reform, based on the commitments of the Government, findings from SIGMA and findings from Country Report 2016, i.e. to adopt these laws in full compliance. In the last meeting of MCPAR held in October 2017, the Government committed to adopt the legal package of PAR as a single legal package in the second quarter of 2018, and not in Q4 2017 as planned during the drafting of NPISAA 2017. However, based on the serious delays in this period, this has been postponed for Q2 2018.

### 2.1.3. Ombudsperson

Chart 2.1.4. Implementation of NPISAA during 2017: Ombudsperson



This chapter contains 16 short-term measures; all implementing measures.

Regarding the rate of implementation of *this chapter during 2017*, findings indicate that all measures planned have been implemented.

Based on the findings of the status of performance presented in the chart above, *the rate of implementation during 2017 was 100%*, as *16 from 16 measures planned were fully implemented*.

*As the findings of this report indicate, this sector has no serious delays. However, it is worth mentioning that due to the political situation of institutions in the country, the activity related to the appointment of deputies to Ombudsperson during the previous reporting period was depended on the establishment of new legislature. However, the action related to the appointment of deputies to Ombudsperson has been fully implemented.*

### 2.1.4. Civilian Oversight of Security Forces

Chart 2.1.6. Implementation of NPISAA during the period January – September 2017: Civilian Oversight of Security Forces



This chapter contains 11 short-term measures, out of which 36.36% or 4 are legislative measures and 63.64% or 7 are implementing measures.

Regarding the rate of implementation of *this chapter during 2017*, the findings indicate as follows:

- 18.18% of them, or 2 measures (2 implementing measures), have been implemented;
- 81.82% of them, or 9 measures (4 legislative measures and 5 implementing measures), were not implemented.

Based on the findings of the status of performance presented in the chart above, *the rate of implementation during 2017 was 18.18%, as 2 from 11 measures planned were fully implemented.*

As the findings of this report indicate, this sector in general has serious delays, in particular if taken into account the political aspect significantly influencing this sector. The deadline for implementation of measures, which face obstacles or delays in implementation, was third and fourth quarter 2017; however, it is worth mentioning that due to high relevance of this sector as one of the fundamental pillars of state-building, the implementation of overwhelming majority of measures fully depends on the action related to the transformation of KSF to KAF, which requires amendments to the Constitution of the Republic of Kosovo. It is worth mentioning that this has not been implemented by 2017 and thus has been transferred to 2018.

## 2.2. Regional Cooperation and International Obligations

Chart 2.3. Implementation of NPISAA during 2017: Regional cooperation and international obligations



This chapter contains 5 measures, out of which 20% or 1 is legislative measure, and 80% or 4 are implementing measures.

Regarding the rate of implementation of *this chapter during 2017*, the findings indicate as follows:

- 40% of them, or 2 measures (2 implementing measures), have been implemented;
- 60.00% of them, or 3 measures (1 legislative measure and 2 implementing measures) were not implemented.

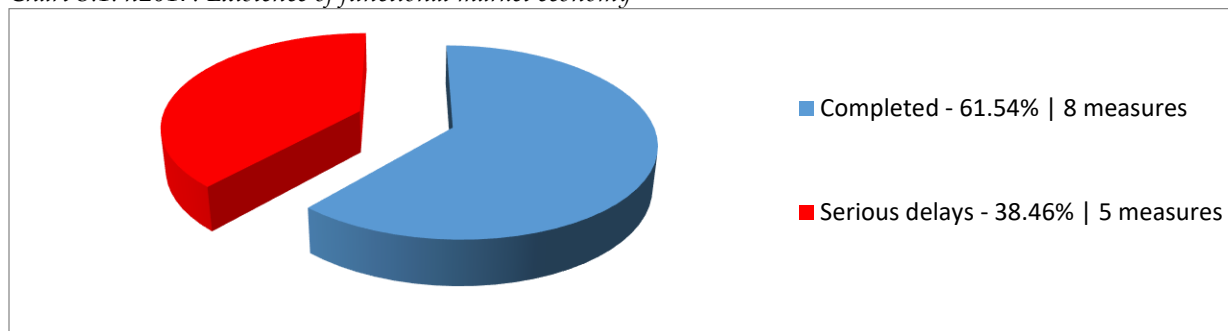
Based on the findings of the status of performance presented in the chart above, *the rate of implementation during 2017 was 40.00%, as 2 from 5 measures planned were fully implemented.*

As the findings of this report indicate, this sector in general faces serious delays with measures planned for 2017. The most delays in this chapter are related to the adoption of the Common Approach Strategy, as well as Draft Regulation on Central Register. With regards to the action for compiling the Regional List of Missing Persons, it is worth mentioning that the Government Commission for Missing Persons and International Commission for Missing Persons completed the submission of data to be included in the Regional List of Missing Persons.

### 3. OVERVIEW ON IMPLEMENTATION OF NPISAA DURING 2017 FOR EACH CHAPTER | BLOCK 2: ECONOMIC CRITERIA

#### 3.1. Existence of Functional Market Economy

Chart 3.1. n2017: Existence of functional market economy



This chapter contains 13 short-term measures, out of which 30.77% or 4 are legislative measures and 69.23%, or 9 are implementing measures.

Regarding the rate of implementation of *this chapter during 2017*, the findings indicate as follows:

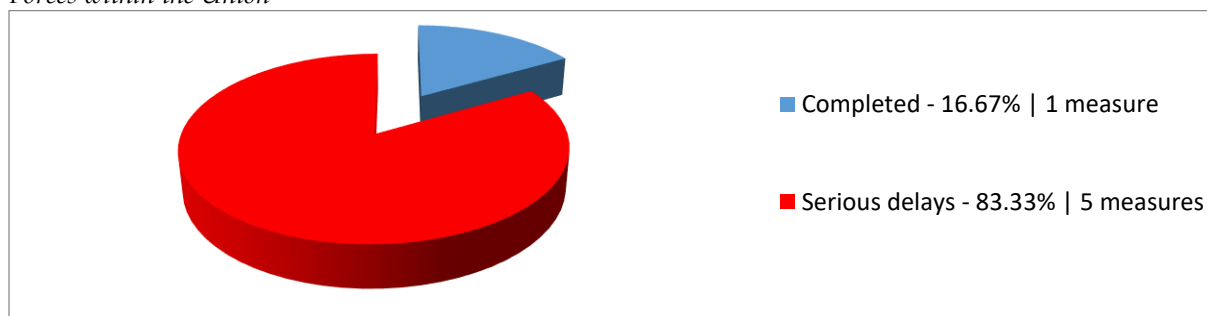
- 61.54% of them, or 8 implementing measures, have been implemented;
- 38.46% of them, or 5 measures (2 legislative measures and 3 implementing measures), were not implemented, as follows:
  - Review of Strategy for the Prevention of and Fight against Informal Economy, Money Laundering, Terrorist Financing and Financial Crimes.
  - Adoption of the Concept Document on the Rights of EU Citizens and Companies for Purchasing Immovable Properties in Kosovo.
  - Adoption of Concept Document on amending and supplementing the Law on Property and Other Real Rights.
  - Adoption of the Draft Law on Construction Land.
  - Adoption of the Draft Law on Public Property.

Based on the findings of the status of performance presented in the chart above, *the rate of implementation during 2017 was 58.33%*, as 8 from 13 measures planned were fully implemented.

*As the findings of this report indicate, in general several measures have been implemented in this sector; however, there are delays in adopting laws related to the ownership reform. With regards to the fight against informality, several positive steps have been taken by re-functionalising the Coordination Secretariat for the Prevention of and Fight against Informal Economy, Money Laundering, Terrorist Financing and Financial Crimes, annual monitoring reports for 2015 and 2016 have been published and analyses for risk assessment are being finalized in several sectors, which will then serve for reviewing the strategy and its action plan. However, several of these measures are being implemented with delays compared to the planning; therefore, these have been included in this report.*

### 3.2. Capacity to Cope with Competitive Pressure and Market Forces within the Union

Chart 3.2. Implementation of NPISAA during 2017: Capacity to Cope with Competitive Pressure and Market Forces within the Union



This chapter contains 6 short-term measures, out of which 33.33%, or 2 are legislative measures and 66.67% or 4 are implementing measures.

Regarding the rate of implementation of *this chapter during 2017*, the findings indicate as follows:

- 16.67% of them, or 1 implementing measure, has been implemented;
- 83.33% of them, or 5 measures (2 legislative measures and 3 implementing measures), were not implemented, as follows:
  - Adoption of the Law on Innovation and Knowledge and Technology Transfer;
  - Adoption of the legislation for Customs protection of intellectual property;
  - Application of (a) active labour market measures through the EARK, and internal training system of EARK, which includes training sessions on the better design, implementation and monitoring of active labour market measures;
  - Implementation of pilot project for the expansion of broadband infrastructure that will include a rural area (some villages) in Kosovo. Efforts will be made in adapting and functionalizing the digital technology park regarding the needs of ICT businesses. Moreover, the loan agreement with WB is expected to be realized, which includes investments for the upcoming years of ICT networks expansion;
  - Drafting 20 new occupational standards and their verification, development of VET core curriculum based on the new curriculum of Kosovo; revision of the VET curricula and training curricula and training of trainers and teachers based on the core curriculum, and development of teaching materials for VET for two priority profiles, by MEST and MLSW.

Based on the findings of the status of performance presented in the chart above, *the rate of implementation during 2017 was 16.67%, as 1 out of 6 measures* planned were fully implemented.

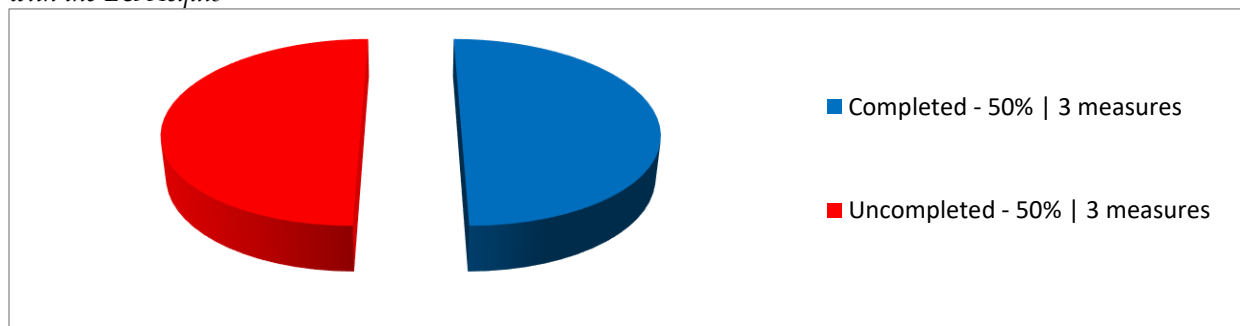
*As the findings of this report indicate, this sector had no progress and there are serious delays in the implementation of the Law on Innovation and Knowledge and Technology Transfer; adoption of the Law on Customs Protection of Intellectual Property; and application of an internal training system of EARK, which includes training sessions for better designing, implementation and monitoring of active labour market measures; realization of the pilot project for expansion of broadband infrastructure that will include a rural area (some villages) of Kosovo; adapting and functionalizing the digital technology park regarding the needs of ICT businesses; realization of loan agreement with WB, which includes investments for the upcoming years of ICT networks expansion; and drafting curricula and reviewing VET curricula that are key elements in aligning educational programmes with labour market demands.*



#### 4. OVERVIEW ON IMPLEMENTATION OF NPISAA DURING 2017 FOR EACH CHAPTER | BLOCK 3: EUROPEAN STANDARDS – APPROXIMATION OF KOSOVO’S LEGISLATION WITH EU ACQUIS

##### 4.1. Legal Framework on the Approximation of Kosovo’s Legislation with the EU Acquis

Chart 4.1. Implementation of NPISAA during 2017: Legal Framework on Approximation of Kosovo’s Legislation with the EU Acquis



This chapter contains 6 short-term measures; all implementing measures.

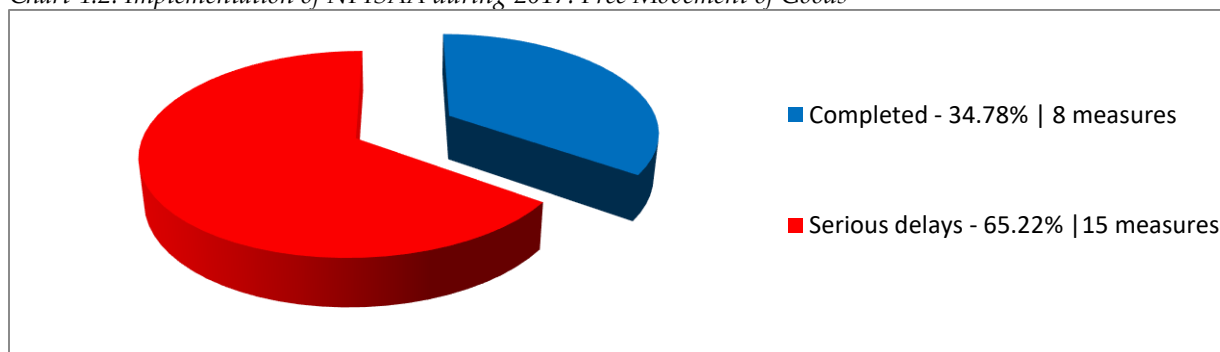
Regarding the rate of implementation of *this chapter during 2017*, the findings indicate as follows:

- 50% of them, or 3 measures, have been implemented;
- 50% of them, or 3 measures, were not implemented.

Based on the findings of the status of performance presented in the chart above, *the rate of implementation during 2017 was 50%*, as 3 from 6 measures planned were fully implemented.

##### 4.2. Acquis Chapter 1: Free Movement of Goods

Chart 4.2. Implementation of NPISAA during 2017: Free Movement of Goods



This chapter contains 23 short-term measures, where 60.87% or 14 are legislative measures and 39.13% or 9 are implementing measures.

Regarding the rate of implementation of *this chapter during 2017*, the findings indicate as follows:

- 34.78% of them or 8 measures (3 legislative measures and 5 implementing measures) have been implemented;
- 65.22% of them or 15 measures (11 legislative measures and 4 implementing measures) were not implemented as planned for 2017, as follows:
  - Adoption of the Draft Law on Technical Requirements for Products and Conformity Assessment;
  - Adoption of the Draft Law on Metrology;

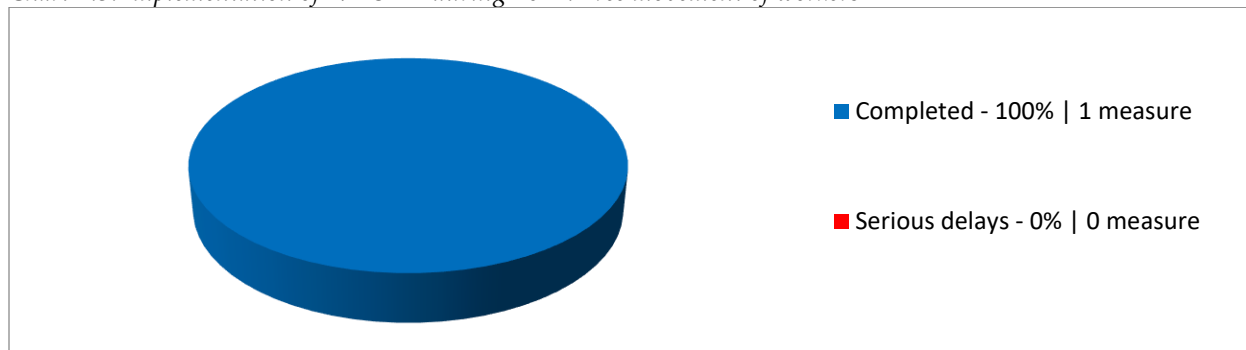
- Adoption of the Draft Law on Construction Products;
- Adoption of the Draft Law on Oversight of Product in the Market;
- Adoption of the Draft Law Narcotic Drugs, Psychotropic Substances and Precursor;
- Adoption of the AI on Organization and Functioning of the Kosovo Accreditation Directorate;
- Adoption of the AI on defining accreditation fees;
- Adoption of AI on definition of form, content and usage of accreditation logo,;
- Adoption of the Regulation on Professional Council;
- Adoption of the Regulation on Bottles as Measuring Containers;
- Adoption of the Regulation on determining the competence for groups of products, between inspecting authorities;
- Adoption of the Private Sector Development Strategy 2017-2021, and
- Recruitment of 8 officers in the market inspectorate;
- Adapting of 1,500 European and International standards into Kosovar standards;
- Functionalization of Electronic database for informing the public regarding the dangerous products in the market.

Based on the findings of the status of performance presented in the chart above, *the rate of implementation during 2017 was 34.78 %*, as 8 (3 legislative measures and 5 implementing measures) out of 23 measures planned were fully implemented.

*As the findings of this report indicate, this sector faces delays, especially with regards to the primary legislation (and consequently even secondary legislation) in the area of quality infrastructure. Also, the staffing of market inspectorate is not done as foreseen and the quote foreseen in adapted standards has not been achieved as a result of the change of approach in the adaptation of standards, thus leading to slowdown in this process. Finally, the electronic database for dangerous products, despite the progress, is not accessible for public yet.*

#### 4.3. Acquis Chapter 2: Free Movement of Workers

Chart 4.3. Implementation of NPISAA during 2017: Free movement of workers



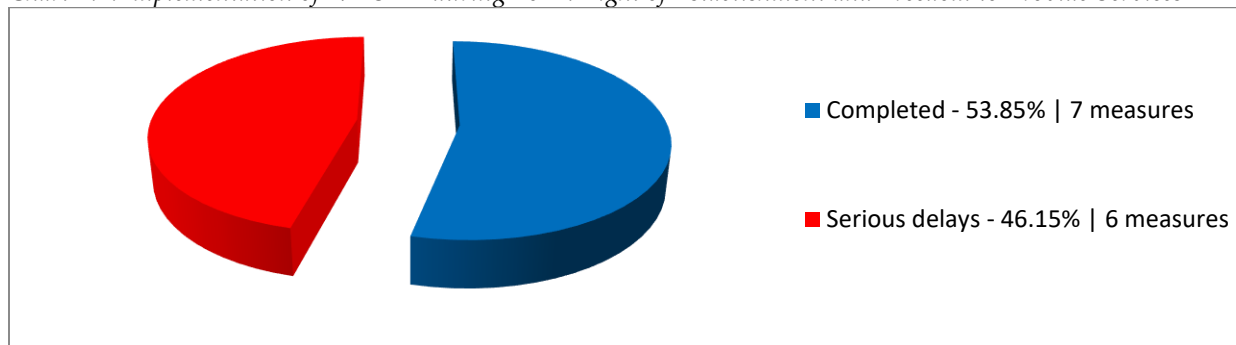
This chapter contains 1 implementing measure.

Regarding the rate of implementation of *this chapter during 2017*, the findings indicate that the only planned short-term measure is being implemented. Based on the findings of the status of performance presented in the chart above, *the rate of implementation of this chapter so far is 100%*, as the only measure planned has been implemented.

*As the findings of this report indicate, in general, this sector has no serious delays and the planned measure has been implemented.*

#### 4.4. Acquis Chapter 3: Right to Establishment and Freedom to Provide Services

Chart 4.4. Implementation of NPISAA during 2017: Right of Establishment and Freedom to Provide Services



This chapter contains 13 short-term measures, out of which 38.46% or 5 are legislative measures and 61.54% or 8 are implementing measures.

Regarding the rate of implementation of *this chapter during 2017*, the findings indicate as follows:

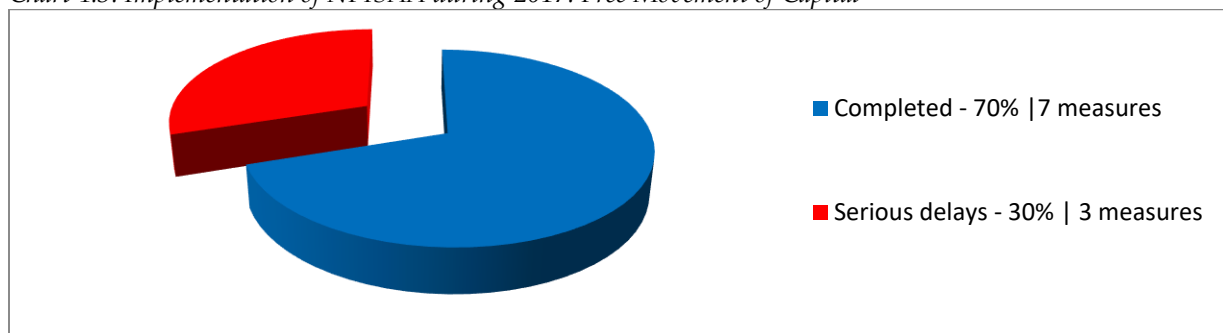
- 53.85% of them or 7 measures (1 legislative measure and 6 implementing measures) have been implemented;
- 46.15% of them, or 6 measures (4 legislative measures and 2 implementing measures) were not implemented, as follows:
  - Adoption of the Draft Law on Postal Services;
  - Adoption of the AI on Assigning the Single Point of Contact;
  - Adoption of the AI on Procedures for Notification and Assessment of Compliance of Sector Legislation;
  - Adoption of secondary legislation for enforcing the Law on Regulated Professions;
  - Completion of the Action Plan for Transposition of Service Directive, and
  - Number of monitoring requested by parties with regards to the potential irregularities from the National Qualification Authority.

Based on the findings of the status of performance presented in the chart above, *the rate of implementation during 2017 was 53.85%, as 7 out of 13 measures* planned were fully implemented.

*As the findings of this report indicate, this sector marked progress in implementing planned measures; however, this sector faces a number of serious delays, especially with regards to the implementation of secondary legislation for implementation of Law on Regulated Professions and Law on Services.*

#### 4.5. Acquis Chapter 4: Free Movement of Capital

Chart 4.5. Implementation of NPISAA during 2017: Free Movement of Capital



This chapter contains 10 short-term measures, out of which 20% or 2 are legislative measures and 80% or 8 are implementing measures.

Regarding the rate of implementation of *this chapter during 2017*, the findings indicate as follows:

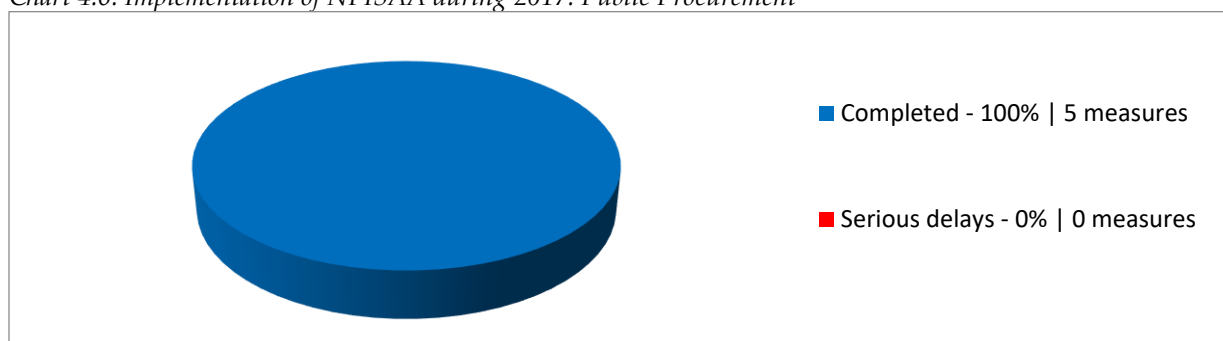
- 70% of them or 7 measures (2 legislative measures and 5 implementing measures), have been implemented;
- 30% of them or 3 measures (3 implementing measures), were not implemented.

Based on the findings of the status of performance presented in the chart above, *the rate of implementation during 2017 was 70 %*, as *7 out of 10 measures* planned were fully implemented.

*As the findings of this report indicate, this sector in general has implemented foreseen measures, including the payment regulation and in this regard there have been no great delays but postponements of the deadline for several activities related to the National Strategy for the Prevention and Fight against Informality and Non-reflected Economy in National Accounts. This did not pose a major obstacle as institutions continued with activities based on annual plans for this area.*

#### 4.6. Acquis Chapter 5: Public Procurement

Chart 4.6. Implementation of NPISAA during 2017: Public Procurement



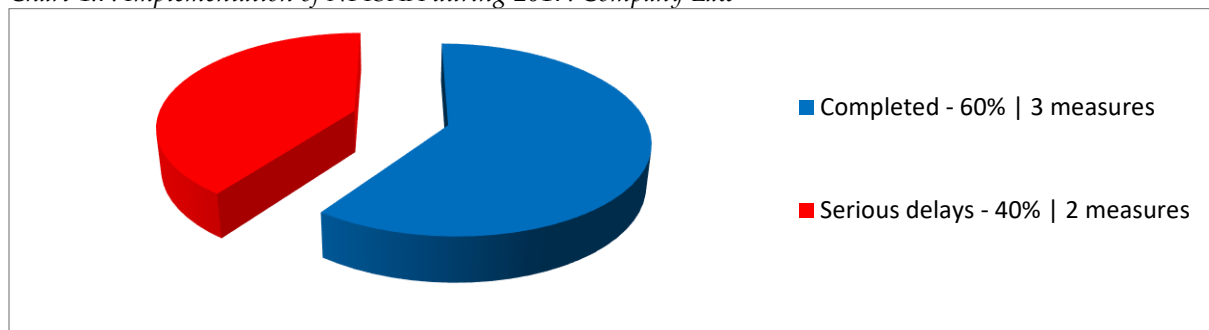
This chapter contains 5 measures; all implementing measures.

Regarding the rate of implementation of *this chapter during 2017*, the findings indicate that all measures, i.e. 5 implementing measures, have been implemented. Based on the findings of the status of performance presented in the chart above, *the rate of implementation during 2017 was 100%*, as *5 measures* planned were fully implemented.

As the findings of this report indicate, this sector is generally in the process of implementing planned measures according to the timeline provided for their implementation. It is worth stating that the public procurement reform is applied with some exceptions pursuant to the decision of the Government and PPRC. Therefore, the implementation of this reform continues also in 2018, with some important measures regarding the training of operators and budget organizations, further development of the electronic system and electronic application for all types of tenders and procurements.

#### 4.7. Acquis Chapter 6: Company Law

Chart 4.7. Implementation of NPISAA during 2017: Company Law



This chapter contains 5 short-term measures, out of which 40% or 2 are legislative measures and 60% or 3 are implementing measures.

With regards to the rate of implementation of *this chapter during 2017*, findings indicate as follows:

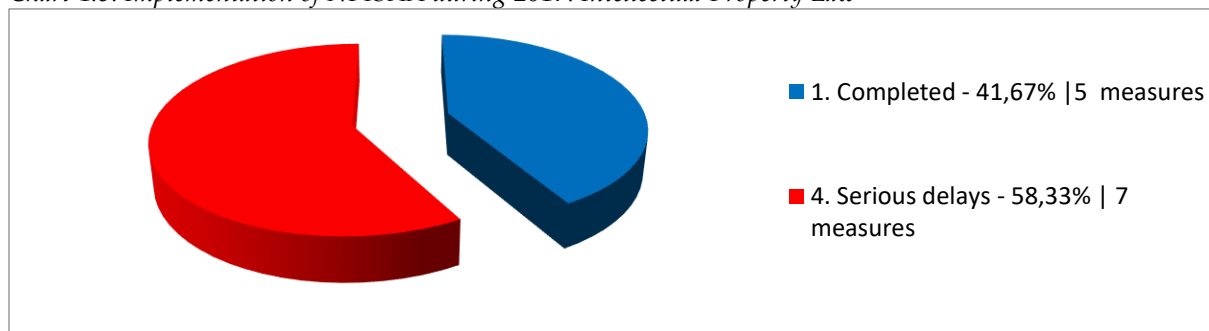
- 60% of them, or 3 measure (3 implementing measure) have been completed;
- 40% of them, or 2 measures (2 legislative measures) were not implemented.

Based on the findings of the status of performance presented in the chart above, *the rate of implementation of this chapter during 2017 was 60%*, as 3 out of 5 measures planned were fully implemented.

As the findings of this report indicate, this sector in general has implemented all the implementing measures planned for 2017, whereas the legislative measures such as the Law on Business Organizations and the Law on Accounting, Financial Reporting and Auditing have been adopted after the timelines provided for. Furthermore, the President has returned the Law on Business Organizations to the Assembly for review due to the establishment that one of the Articles of this law is in contradiction with the Constitution.

#### 4.8. Acquis Chapter 7: Intellectual Property Law

Chart 4.8. Implementation of NPISAA during 2017: Intellectual Property Law



This chapter contains 12 short-term measures, out of which 33, 33% or 4 are legislative measures and 66, 67% or 8 are implementing measures.

With regards to the rate of implementation of *this chapter during 2017*, findings indicate as follows:

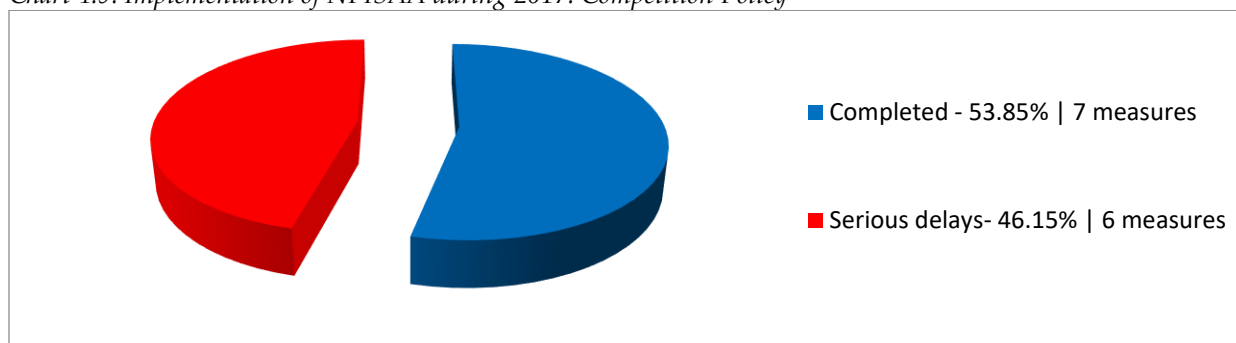
- 41,67% of them or 5 measures (5 implementing measure) have been implemented;
- 58, 33% of them or 7 measures (4 legislative measures and 3 implementing measures) were not implemented.

Based on the findings of the status of performance presented in the chart above, *the rate of implementation of this chapter during 2017 was 41, 67%*, as 5 out of 12 *measures* planned were fully implemented.

*As the findings of this report indicate, this sector is characterized with difficulties in adopting primary legislation (Law on Customs Measures) and secondary legislation (Regulation on Mediation in the area of copyrights and on Special Compensation and AI on Customs measures), whereas as far as implementing measures are concerned, the activities related to the approval of the Strategies and Action Plan on Measures to Reduce the Level of Piracy and on Intellectual Property have not been completed.*

#### 4.9. Acquis Chapter 8: Competition Policy

Chart 4.9. Implementation of NPISAA during 2017: Competition Policy



This chapter contains 13 short-term measures, out of which 62% or 8 are legislative measures and 39% or 5 are implementing measures.

With regards to the rate of implementation of *this chapter during 2017*, findings indicate as follows:

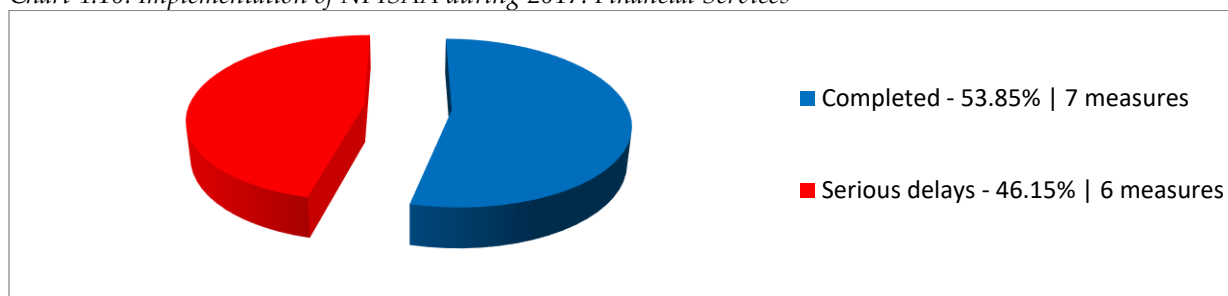
- 53.85 % of them or 7 measures (5 legislative measures and 2 implementing measures) have been implemented;
- 46.15% of them or 6 measures (3 legislative measures and 3 implementing measures) were not implemented:
  - Drafting of the Regulation No. 1/2012 on Procedures and Format of Notification for State Aid, adopted;
  - Drafting of the Regulation No. 1/ 2013 on Organization and Functioning of the State Aid Commission;
  - Developing of the standard form for data to be provided;
  - Approving of the sub-legal act on the criteria and conditions for granting state aid;
  - Development of state aid inventory and preparations for notification and collection of data from state aid providers.

Based on the findings of the status of performance presented in the chart above, ***the rate of implementation of this chapter during 2017 was 53.85%***, as 7 out of 13 measures planned were fully implemented.

*As the findings of this report indicate, regarding state aid there were some delays in establishing the secondary legal basis for implementation of the law, but also in several implementing measures foreseen for 2017. Considering the SAA obligations in this area by April next year, a few substantial steps must be taken urgently to establish the bases for the functioning of this system. There have been positive signals in this regard recently upon the transferring of the State Aid Department to the Ministry of Finance where the recruitment of the necessary staff and the review of the secondary legislation were initiated. For a long time, there was only one official in the Office, whereas the Competition Authority has made substantial positive steps with adoption of a range of essential regulations for law implementation and further transposition of the EU legislation. Also, the Authority is in the process of recruiting additional positions that will result in strengthening implementation capacities in this area.*

#### 4.10. Acquis Chapter 9: Financial Services

Chart 4.10. Implementation of NPISAA during 2017: Financial Services



This chapter contains 13 short-term measures, out of which 61.54% or 8 are legislative measures and 38.46% or 5 are implementing measures.

With regards to the rate of implementation ***of this chapter during 2017***, findings indicate as follows:

- 53.85% of them or 7 measures (6 legislative measures and 1 implementing measure) have been implemented;
- 46.15% of them or 6 measures (2 legislative measures and 4 implementing measures) were not implemented, as follows:
  - Adopting of the Draft Law on Microfinance Institutions and Non-Bank Financial Institutions (amending and supplementing);
  - Drafting of 3 Manuals; on liquidation of banks, supervision of insurance companies, and supervision of pension funds.
  - Finalizing of the contingency plan in accordance with the recommendations of the IMF technical assistance mission;
  - Signing of the Memorandum of Understanding with ASD Germany.
  - Regulation on Capital Adequacy, adopted (amending and supplementing);
  - Annual onsite examination program (related to deposit insurance), created;

Based on the findings of the status of performance presented in the chart above, ***the rate of implementation of this chapter during 2017 was 53.85%***, as 7 out of 13 measures planned were fully implemented.

*As the findings of this report indicate, the main delays in this sector are noted in the adoption of legislation for micro-financial institutions, further development of the regulatory for supervision of insurances and pension funds,*

and finalization of the contingent plan in compliance with the recommendations of the IMF technical assistance mission.

#### 4.11. Acquis Chapter 10: Information Society and Media

Chart 4.11. Implementation of NPISAA during 2017: Information Society and Media



This chapter contains 23 short-term measures, out of which 52.17%, or 12 are legislative measures and 47.82% or 11 are implementing measures.

With regards to the rate of implementation of *this chapter during 2017*, findings indicate as follows:

- 30.43% of them or 7 measures (4 legislative measures and 3 implementing measures) have been implemented;
- 69.57% of them or 16 measures (8 legislative measures and 8 implementing measures) were not implemented.

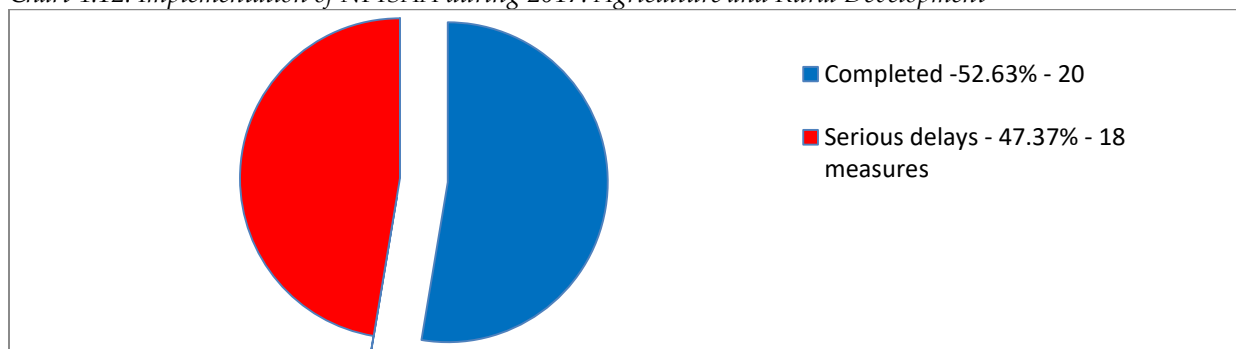
Based on the findings of the status of performance presented in the chart above, *the rate of implementation of this chapter during 2017 was 30.43%*, as 7 out of 23 measures planned were fully implemented.

As the findings of this report indicate, for this sector, it can be generally concluded that a better level of NPISAA implementation has been achieved for 2017 (30.43%) compared to 2016 where this chapter had a lower implementation level (16.28%). To summarize it, there is a 14.15% improvement compared to 2016, however, it should be stated that *this sector is characterized by serious delays since 16 measures (69.57%) were not implemented.*



#### 4.12. Acquis Chapter 11: Agriculture and Rural Development

Chart 4.12. Implementation of NPISAA during 2017: Agriculture and Rural Development



This chapter contains 38 short-term measures, out of which 44.73% or 13 are legislative measures and 65.78% or 25 are implementing measures.

With regards to the rate of implementation *of this chapter during 2017*, findings indicate as follows:

- 52.63% of them or 20 measures (3 legislative measures and 17 implementing measures) have been implemented;
- 47.37 % of them or 18 measures (10 legislative measures and 8 implementing measures) were not implemented.

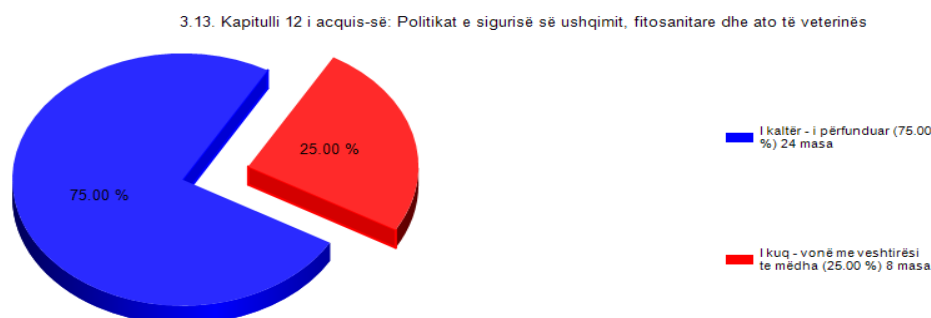
Based on the findings of the status of performance presented in the chart above, the rate of implementation of this chapter during 2017 was 52.63%, as 20 measures out of 38 *measures* planned were fully implemented.

As the findings of the report indicate, this sector in general faces serious delays.

*As the findings of this report indicate, this sector in general faces serious delays due to difficulties in completing the legal framework and other implementing measures.*

#### 4.13. Acquis Chapter 12: Food Safety, Veterinary, and Phytosanitary Policies

Chart 4.13. Implementation of NPISAA during 2017: Food Safety, Veterinary, and Phytosanitary Policies



This chapter contains 32 short-term measures, out of which 12.5% or 4 are legislative measures and 87.5% or 28 are implementing measures.

With regards to the rate of implementation *of this chapter during 2017*, findings indicate as follows:

- 75% of them or 24 measures (24 implementing measures) have been implemented;
- 25% of them or 8 measures (4 legislative measures and 4 implementing measures) were not implemented.

Based on the findings of the status of performance presented in the chart above, *the rate of implementation of this chapter during 2017 was 75 %*, as *24 out of 32 measures* planned were fully implemented.

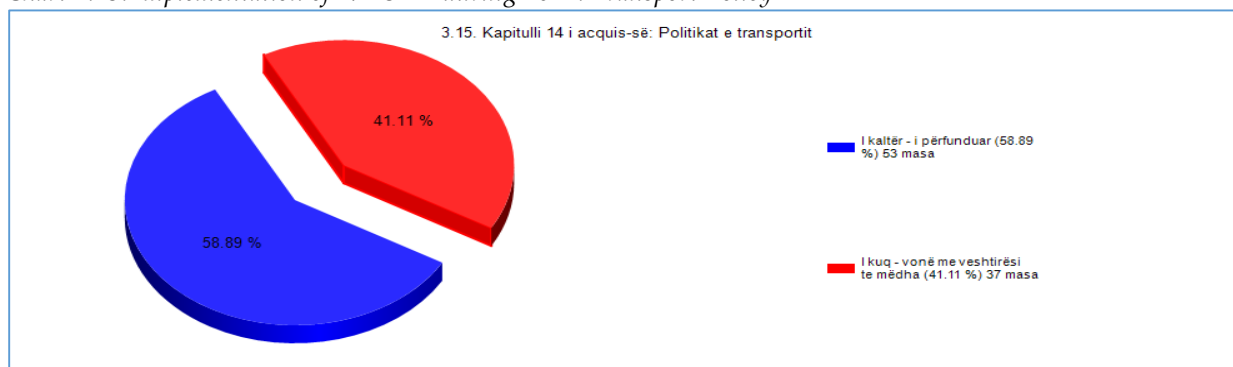
*As the findings of this report indicate, this sector has generally faced difficulties in complementing the legal framework, while most of measures planned have been implemented as per plan and timeline. According to the findings of the report, it can be concluded that a satisfactory rate of implementation has been achieved for this chapter.*

#### 4.14. Acquis Chapter 13: Fisheries

This chapter does not contain short-term measures.

#### 4.15. Acquis Chapter 14: Transport Policy

Chart 4.15. Implementation of NPISAA during 2017: Transport Policy



This chapter contains 90 short-term measures, out of which 57.77% or 52 are legislative measures and 42.43% or 38 are implementing measures.

With regards to the rate of implementation *of this chapter during 2017*, the findings indicate as follows:

- 58.89% of them, or 53 measures (39 legislative measures and 14 implementing measures) have been implemented;
- 41.11% of them, or 37 measures (13 legislative measures and 24 implementing measures) were not implemented.

Based on the status of performance findings presented in the chart above, *the rate of implementation of this chapter during 2017 was 58.89%*, since *53 out of 90 measures* planned were fully implemented.

*As the findings of this report indicate, for this sector, it can be generally concluded that a better level of NPISAA implementation has been achieved for 2017 (58.89%) compared to 2016 where this chapter had a lower rate of implementation (36.5%). To summarize it, there has been an improvement by 22.4% compared to 2016, however, it should be stated that 37 measures (41%) were not implemented.*

#### 4.15. Acquis Chapter 15: Energy

Chart 4.16. Implementation of NPISAA during 2017: Energy



This chapter contains 49 short-term measures, out of which 34% or 17 are legislative measures and 65.30% or 32 are implementing measures.

With regards to the rate of implementation *of this chapter during 2017*, the findings indicate as follows:

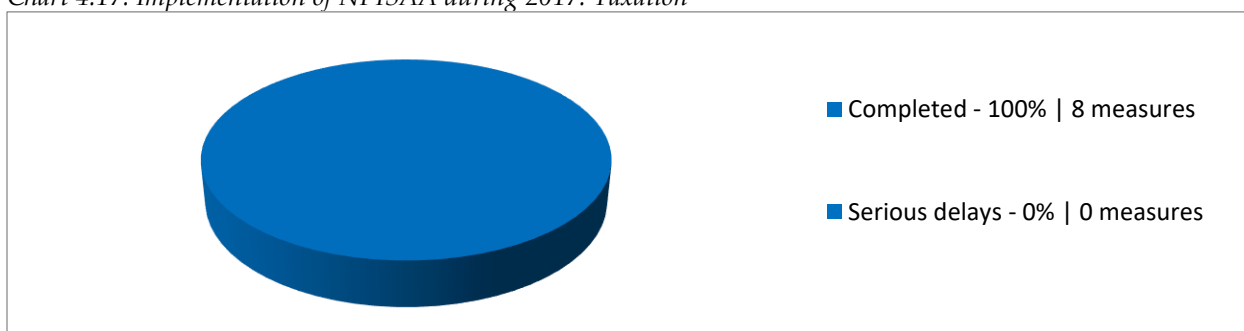
- 53.06% of them, or 26 measures (4 legislative measures and 22 implementing measures) have been implemented;
- 46.94% of them or 23 measures (13 legislative measures and 10 implementing measures) were not implemented.

Based on the status of performance findings presented in the chart above, *the rate of implementation of this chapter during 2017 was 53.06%*, as *26 out of 49 measures* planned were fully implemented.

*As the findings of this report indicate, for this sector, it can be generally concluded that a better level of NPISAA implementation has been achieved for 2017 (53%) compared to 2016 where this chapter had a lower rate of implementation (32.70%). To summarize, there has been an improvement by 20.36% compared to 2016, however, it should be stated that 23 measures (47%) were not implemented.*

#### 4.16. Acquis Chapter 16: Taxation

Chart 4.17. Implementation of NPISAA during 2017: Taxation



This chapter contains 8 short-term measures; all of them are implementing measures.

With regards to the rate of implementation *of this chapter during 2017*, the findings indicate that all measures, i.e. 8 implementing measures, have been implemented.

Based on the status of performance findings presented in the chart above, *the rate of implementation of this chapter during 2017 was 100%*, as all *measures* planned were fully implemented.

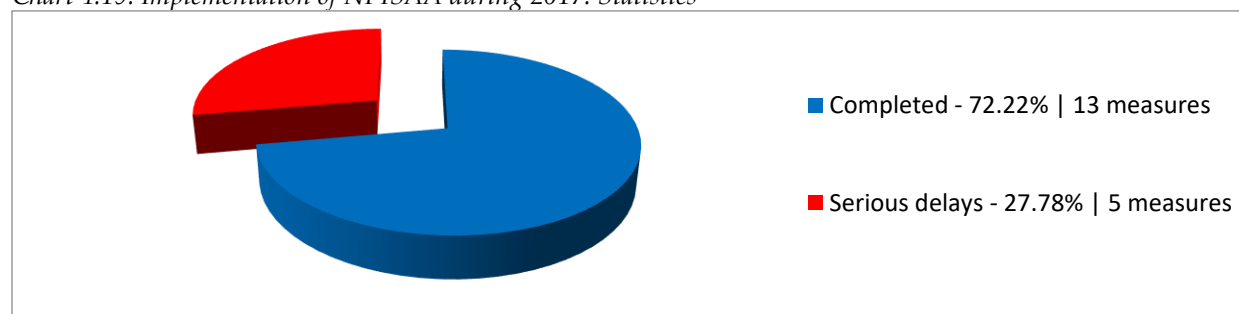
*As the findings of this report indicate, there were no delays in this sector and the measures planned have been completed.*

#### 4.17. Acquis Chapter 17: Economic and Monetary Policy

This chapter does not contain short-term measures. The measures within *Economic Criteria* Block relate directly to it.

#### 4.18. Acquis Chapter 18: Statistics

Chart 4.19. Implementation of NPISAA during 2017: Statistics



This chapter contains 18 short-term measures, out of which 5.55% or 1 is legislative measure, and 94.44% or 17 are implementing measures.

With regards to the rate of implementation of *this chapter during 2017*, the findings indicate as follows:

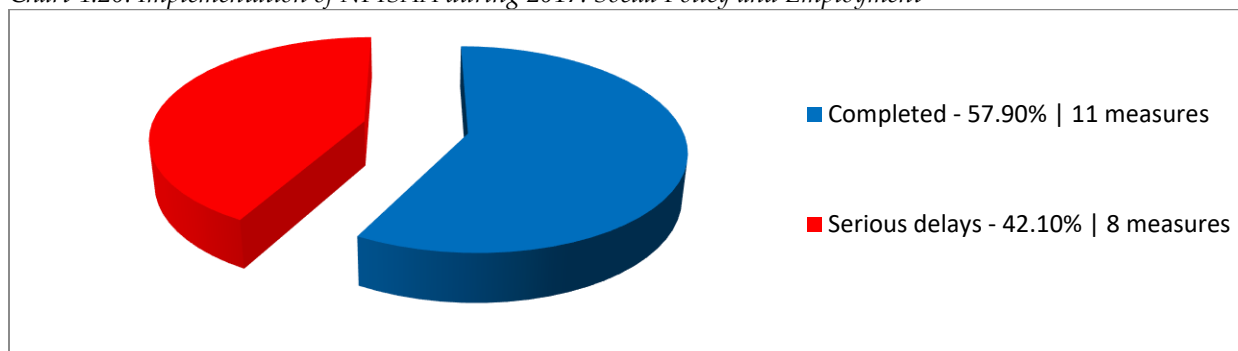
- 72.22% of them, or 13 implementing measures, have been implemented;
- 27.78% of them, or 5 measures (1 legislative measure and 4 implementing measures), were not implemented, as follows:
  - Adoption of the Draft Law on Official Statistics;
  - Finalizing the Memorandum of Cooperation between CBK and KAS (due to lack of resources);
  - Publication of supply and use tables-SUT for the reference year 2014;
  - Completion of the business survey on informal economy in the following activities: restaurants, hotels, transport and construction;
  - Completion of SILC development.

Based on the status of performance findings presented in the chart above, *the rate of implementation of this chapter during 2017 was 72.22%*, as *13 out of 18 measures* planned were fully implemented.

*As the findings of this report indicate, this sector has generally marked progress in implementing planned measures, which resulted in shortening publication deadlines and new publications of statistics. Some statistics have not been delivered within the provided timeline therefore the Law on Official Statistics has not been adopted in 2017. Although a Memorandum of Cooperation between KAS and CBK was envisaged, according to the year-end report, it remains for the parties to decide on the need for a new memorandum, the review of the existing one or whether there is no need for review of the latter. Otherwise, cooperation between CBK and KAS has been satisfactory as there is no legal vacuum for this or lack of practical instruments.*

#### 4.19. Acquis Chapter 19: Social Policy and Employment

Chart 4.20. Implementation of NPISAA during 2017: Social Policy and Employment



This chapter contains 19 short-term measures, out of which 68.42% or 13 are legislative measures and 31.58% or 6 are implementing measures.

With regards to the rate of implementation *of this chapter during 2017*, the findings indicate as follows:

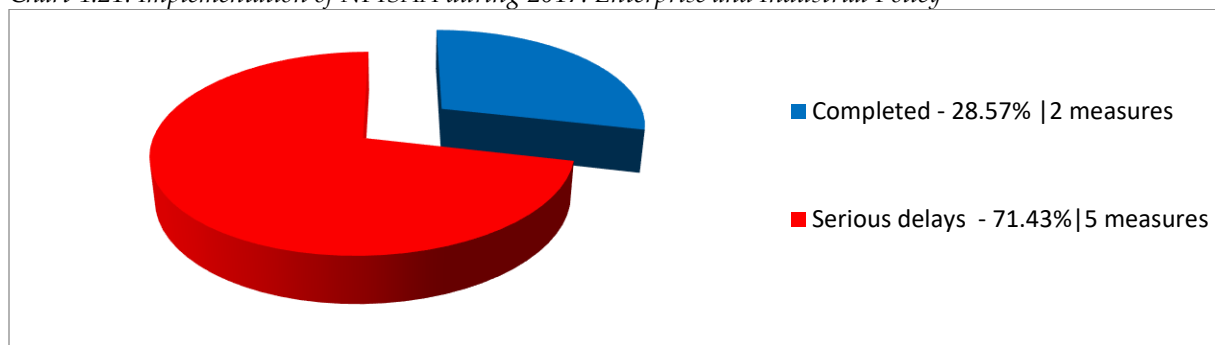
- 57.90% of them, or 11 measures (8 legislative measures and 3 implementing measures) have been implemented;
- 42.10% of them, or 8 measures (5 legislative measures and 3 implementing measures) were not implemented, as follows:
  - Draft Law on Social Economic Council;
  - Sector Strategy for Employment;
  - Recruitment of Labour Inspectors.

Based on the status of performance findings presented in the chart above, *the rate of implementation of this chapter during 2017 was 57.90%, as 11 out of 19 measures planned were fully implemented.*

*As the findings of this report indicate, generally, this sector marked some delays in planned measures for this period. These delays are noted in the adoption of the Law on Social Economic Council, the adoption of the Sector Strategy for Employment and Social Policy; in recruiting Labour Inspectors; in the election of the Advisory Board of the Employment Agency of the Republic of Kosovo; as well as in the transposition of several Regulations for the protection of safety and health at work. However, the two main aspects of employment policies are the full functionalization of the Employment Agency and the capacity building of the Labour Inspectorate to strengthen its supervisory role in the labour market, including addressing the challenges regarding safety at work. The latter, although planned for 2017, has not been implemented.*

#### 4.20. Acquis Chapter 20: Enterprise and Industrial Policy

Chart 4.21. Implementation of NPISAA during 2017: Enterprise and Industrial Policy



This chapter contains 7 short-term measures; all of them are implementing measures.

With regards to the rate of implementation *of this chapter during 2017*, the findings indicate as follows:

- 28.57% of them, 2 implementing measures have been implemented;
- 71.43% or 5 implementing measures were not implemented, as follows:
  - Restructuring KIESA in order to enable it to efficiently fulfil responsibilities and implement its priorities;
  - Drafting and publication of the Research for value chains for potential industry sectors–determination of missing links and measures for their development;
  - Establishment of Advising Board within KIESA with the participation of business community and involvement of Office of the Prime Minister;
  - Recruitment of the Head of the sector for the development of economic zones, and
  - Functionalization of the construction sector.

Based on the status of performance findings presented in the chart above, *the rate of implementation of this chapter during 2017 was 28.57%, as 2 out of 7 measures* planned were fully implemented.

*As the findings of this report indicate, this sector generally marked serious delays. There are delays in the restructuring of KIESA, as one of the main reforms planned for 2017, to enable the efficient fulfilment of its responsibilities and the implementation of its priorities and other actions related to this measure. There are also delays in drafting and publishing the research on value chains for potential sectors of industry and functionalization of the construction sector which negatively affect the quality of this sector policy.*

#### 4.21. Acquis Chapter 21: Trans-European Networks

This chapter does not contain short-term measures.

#### 4.22. Acquis Chapter 22: Regional Policy and Coordination of Structural Instruments

Chart 4.23. NPISAA implementation of during 2017: Regional Policy and Coordination of Structural Instruments



This chapter contains 5 short-term measures; all of them are implementing measures.

With regards to the rate of implementation of *this chapter during 2017*, the findings indicate as follows:

- 60% of them, or 3 measures have been implemented;
- 20% of them or 2 measures were not implemented. These measures are:
  - Drafting and adoption of a concept document for regional development, which will determine the definition of the notion "regional development" and the definition for the establishment of institutional structures for regional development in the territory of Kosovo; and
  - Finalization of determining the classification of regions as per NUTS system.

Based on the status of performance findings presented in the chart above, by the end of 2017, 60% of all short-term measures of this chapter, or *3 out of 5 measures* planned were fully implemented.

#### 4.23. Acquis Chapter 23: Judiciary and Fundamental Rights

Chart 4.24. NPISAA implementation of during 2017: Judiciary and Fundamental Rights



This chapter contains 242 short-term measures, out of which 12.8% or 31 are legislative measures and 87.1% or 211 are implementing measures.

With regards to the rate of implementation of *this chapter during 2017*, findings indicate as follows:

- 70.78 % of them or 172 measures (11 legislative measures and 160 implementing measures) have been implemented;
- 29.22 % of them or 71 measures (20 legislative measures and 51 implementing measures) were not implemented.

Based on the findings of the status of performance, presented in the chart above, *the rate of implementation of this chapter during 2017 was 70.78%*, since *172 out of 242 measures* planned were fully implemented.

As the findings of the report indicate, this sector has generally marked progress in the implementation of planned measures. However, there are *delays* with the adoption of the following draft laws in the Assembly:

- Law on KJC (amending-supplementing);
- Law on KPC (amending-supplementing);
- Law on the Office of the Disciplinary Consul (new Law);
- Law No. 02-L40 on Bar Examination (amending-supplementing);
- Law on Prevention of Conflict of Interest (amending-supplementing);

Also, the following draft laws have not been adopted during the planned period:

- The Juvenile Justice Code (amending-supplementing);
- Law on Protection of Personal Data (amending-supplementing);
- Law on the Protection and Promotion of the Rights of Communities and their Members in Kosovo (amending-supplementing);
- Law on Cultural Heritage (new law);
- Law on Museums (new law).

Regarding secondary legislation, the Regulation on Lay Judges and the Regulation on the Return of Displaced Persons were planned for the first quarter of 2017 but were not adopted on time.

Regarding the implementation of the measures in the area of judiciary, the following measures have not been completed during the reporting period:

- Pilot project regulating the mediation procedure referred from the court to the Basic Court of Prishtina;
- Comprehensive analysis of the rule of law sector;

Further, the vacancies foreseen by the NPISAA 2017 for Basic Prosecution Offices in the country have not been fulfilled.

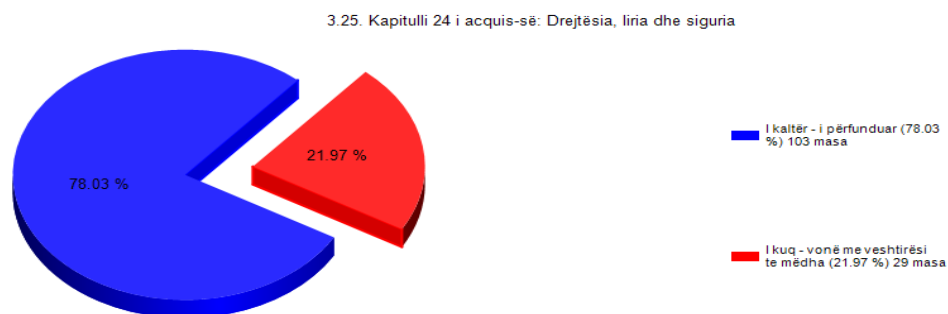
There were also delays in the completion of the strategic framework in the area of human rights, or more specifically, in the adoption of the Strategy and Action Plan on Children's Rights and of the Strategy on Execution of Criminal Sanctions.

Regarding implementing measures, 35 pending decisions to demolish illegal structures constructed on private property have not yet been implemented.



#### 4.24. Acquis Chapter 24: Justice, Freedom and Security

Chart 4.25. Implementation of NPISAA during 2017: Justice, Freedom and Security



This chapter contains 132 short-term measures of which 12.12% or 16 are legislative measures and 87.88% or 116 are implementing measures.

With regard to the rate of implementation of *this chapter during 2017*, findings indicate as follows:

- 78.03% of them or 103 measures (2 legislative measures and 101 implementing measures) have been implemented;
- 21.97% of them or 29 measures (14 legislative measures and 15 implementing measures) were not implemented.

Based on the findings of the status of performance, presented in the chart above, *the rate of implementation of this chapter during 2017 was 78.03%*, since *103 out of 132 measures* planned were fully implemented.

As the findings of the report indicate, this sector has generally marked progress in the implementation of planned measures; *however*, there are *delays* with the adoption of the following draft laws in the Assembly:

- Law No. 04/L-072 on State Border Control and Surveillance (amending-supplementing);
- Law No. 04/L-219 on Foreigners (amending-supplementing);
- Law No. 04/L-217 on Asylum (amending-supplementing);
- Law on Critical Infrastructure (new law);
- Law on Private International Law (new law).

*There are delays also in the adoption of a number of bylaws such as: Regulation on the Integration of Foreigners, AI No. 09/2014 on Returning of Foreigners with Illegal Residence in the Republic of Kosovo, Regulation on Functioning of the Asylum Seekers Centre, Regulation on Operation of the Detention Centre for Foreigners, AI on the Procedure of Issuance of Residence Permit for Foreigners and the Certificate for Notification of Work, AI No. 17/2013 on Procedures and Standards of Review and Ruling on Request for Asylum, and AI No. 16/2013 on Procedures and Standards of Admission and Initial Treatment of Asylum Seekers.*

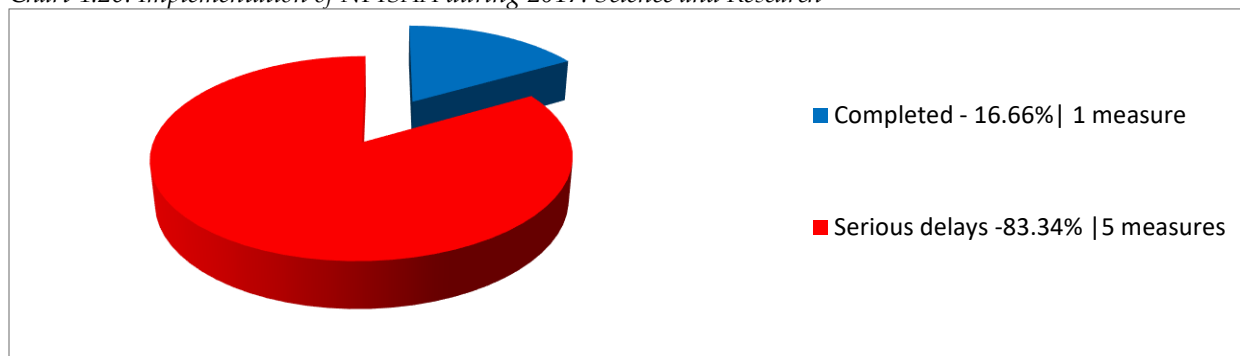
*Also, in terms of the policy framework, there are delays in the adoption of the Strategy against Organized Crime and its Action Plan 2017-2022, the new Strategy against Narcotics and its Action Plan 2017-2022, the new Strategy against Terrorism and its Action Plan 2017-2022, 2022, as well as the new Strategy for the Reintegration of Repatriated Persons and its Action Plan 2017-2022.*

*Also, concerning of implementing measures foreseen in Chapter 24, there are a number of measures that were foreseen for 2017 but not implemented such as: Construction of police stations for border patrol squads in Vitomirica, Establishment of the division for compensation of crime victims, Approval of the Concept Document on*

*International Legal Cooperation in Criminal and Civil Matters, Development of manuals for the identification of radicalized persons, and some measures that provided for the increase of the number of inspections in the CED and the increase in the number of criminal assets seized, but the available statistics do not show the planned increase.*

#### 4.25. Acquis Chapter 25: Science and Research

Chart 4.26. Implementation of NPISAA during 2017: Science and Research



This chapter contains 5 short-term measures, out of which 16.66% or 1 is legislative measure and 83.33% or 5 are implementing measures.

With regard to the rate of implementation of *this chapter during 2017*, findings indicate as follows:

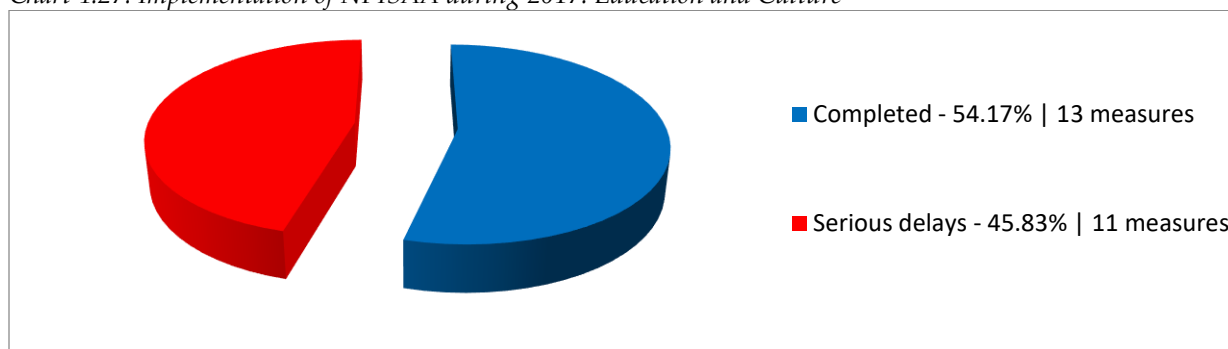
- 16.66% of them or 1 implementing measure has been implemented;
- 83.34% of them or 4 measures (1 legislative measure and 3 implementing measures) were not implemented, including:
  - Adoption of the Draft Law on Innovation, Knowledge and Technology Transfer;
  - National Strategy on Innovation and Technology Transfer.

Based on the findings of the status of performance, presented in the chart above, *the rate of implementation of this chapter during 2017 was 16.66%*, since *1 out of 5 measures* planned were fully implemented.

*Based on the findings of the report, this sector has marked delays in two key aspects, that of the basic legislation and that of the strategic framework on innovation. However, with the establishment of the Ministry of Innovation and Entrepreneurship, the drafting of the strategy has passed to this institution, while, in terms of legislation, MEST has proceeded with the drafting of the Law on Scientific Innovation.*

#### 4.26. Acquis Chapter 26: Education and Culture

Chart 4.27. Implementation of NPISAA during 2017: Education and Culture



This chapter contains 24 short-term measures, out of which 37.5% or 9 are legislative measures and 62.5% or 15 are implementing measures.

With regard to the rate of implementation of *this chapter during 2017*, findings indicate as follows:

- 54.17% of them or 13 measures (3 legislative measures and 10 implementing measures) have been implemented;
- 45.83% of them or 11 measures (6 legislative measures and 5 implementing measures) were not implemented, including:
  - Adoption of the Law on Higher Education;
  - Adoption of the Administrative Instruction from the Law on Higher Education;
  - Establishment of Kosovo Curriculum, Standards and Assessment Agency.

Based on the findings of the status of performance, presented in the chart above, *the rate of implementation of this chapter during 2017 was 54.17%*, since *13 out of 24 measures* planned were fully implemented.

*As the findings of the report indicate, this sector has continued with the gradual implementation of pre-university education reform focusing on curriculum review, while delays in the adoption of higher education legislation will have effects on the slowdown in university education reform. Likewise, due to the lack of funds, Kosovo Curriculum, Standards and Assessment Agency, one of the key factors for strengthening the quality of education, has not yet been established.*

#### 4.27. Acquis Chapter 27: Environment

Chart 4.28. Implementation of NPISAA during 2017: Environment



This chapter contains 52 short-term measures, out of which 28.84% or 15 are legislative measures and 71.15% or 37 are implementing measures.

With regard to the rate of implementation of *this chapter during 2017*, findings indicate as follows:

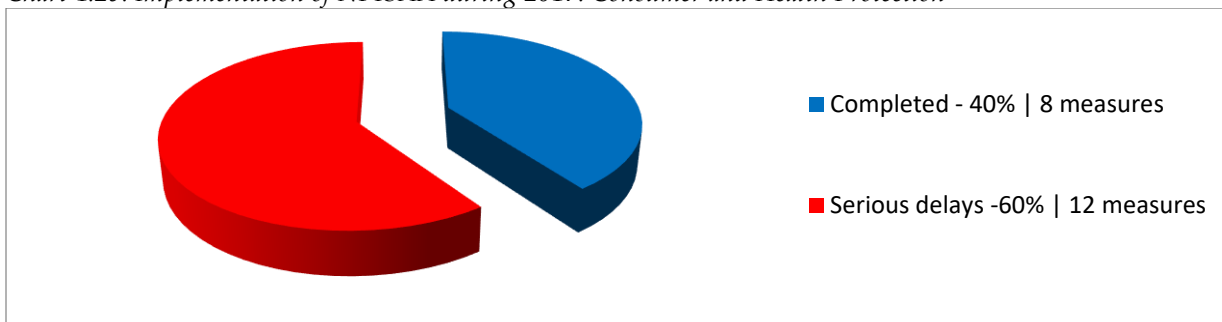
- 55.7 % of them or 29 measures (6 legislative measures and 23 implementing measures) were fully implemented for 2017;
- 44.2 % of them or 23 measures (9 legislative measures and 14 implementing measures) were not implemented.

Based on the findings of the status of performance, presented in the chart above, *the rate of implementation of this chapter during 2017 was 55.7%*, since 29 out of 52 measures planned were fully implemented.

As the findings of the report indicate, it can be generally concluded that this sector has achieved a better level of NPISAA implementation in 2017 (55.7%) compared to 2016 when this chapter's implementation was 47.08%. To sum up, there is an improvement in measure implementation by 8.62% compared to 2016, however, it should be noted that 23 measures (44.23%) were not implemented.

#### 4.28. Acquis Chapter 28: Consumer and Health Protection

Chart 4.29. Implementation of NPISAA during 2017: Consumer and Health Protection



This chapter contains 20 short-term measures, out of which 60% or 12 are legislative measures and 40% or 8 are implementing measures.

With regard to the rate of implementation of *this chapter during 2017*, findings indicate as follows:

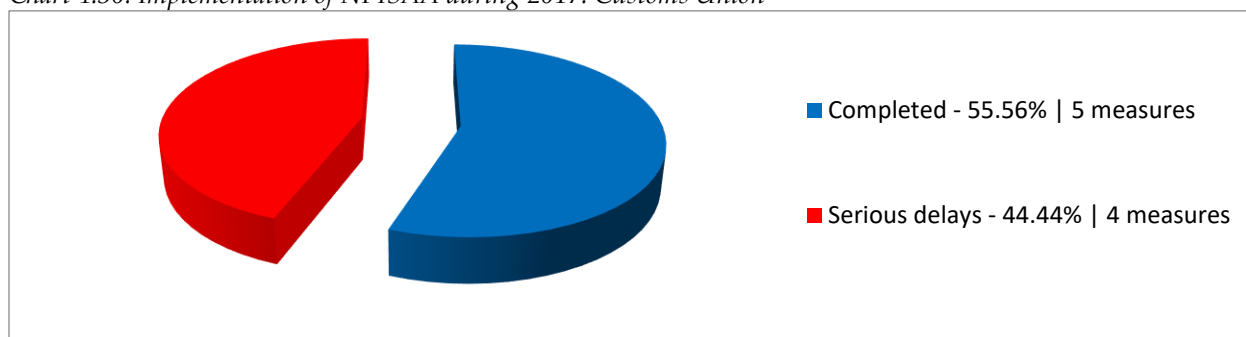
- 40% of them or 8 measures (3 legislative measures and 5 implementing measures) have been implemented;
- 60% of them or 12 measures (9 legislative measures and 3 implementing measures) face serious delays, including:
  - Draft Law on Consumer Protection;
  - Draft Law on Reproductive Health;
  - Draft Law on Blood Transfusion;
  - AI on combined remarks in tobacco packaging;
  - AI on registration of multivitamins, minerals, oligo-minerals, herbal substances, herbal preparations and other products for which a marketing authorisation is not required;
  - AI on good distribution practices;
  - AI on conditions and procedures related to the experimentation, marking, handling, processing, storage, distribution, and quality and safety assurance for granting the license of health institutions for tissues and cells;
  - AI on import and export of tissues and cells;
  - AI on obligations and qualifications of the responsible person;
  - Kosovo's Membership in the South-Eastern Europe Health Network;
  - Appointment of National Transplant Coordinator; and
  - Transfer of blood transfusion units from regional hospitals to the National Blood Transfusion Centre.

Based on the findings of the status of performance, presented in the chart above, *the rate of implementation of this chapter during 2017 was 40%*, since *8 out of 20 measures* planned were fully implemented.

*As the findings of the report indicate, this sector faces delays in adopting primary and secondary legislation that would strengthen and further align Kosovo's legal framework with that of the EU and establish the legal basis for qualitative progress in protecting the consumer rights and public health, especially in relation to reproductive health, blood transfusion, conditions and procedures for the treatment, processing and distribution of tissues and cells etc.*

#### 4.29. Acquis Chapter 29: Customs Union

Chart 4.30. Implementation of NPISAA during 2017: Customs Union



This chapter contains 9 short-term measures, out of which 33.33% or 3 are legislative measures and 66.67% or 6 are implementing measures.

With regard to the rate of implementation of *this chapter during 2017*, findings indicate as follows:

- 55.56% of them or 5 implementing measures have been implemented;
- 44.44% of them or 4 measures (3 legislative measures and 1 implementing measure) were not implemented, including:

- Adoption of the Customs and Excise Code No. 03/L-109, amended and supplemented with No. 04/L099;
- Adoption of the AI No. 11/2009 on Implementation of the Customs and Excise Code (amending and supplementing);
- Administrative Instruction on the pre-arrival declaration for the implementation of the Law 04/L-099 Amending and Supplementing the 03/L-109 Customs and Excise Code of Kosovo (amending and supplementing);
- Functioning and harmonization of the current INES electronic system for registration and online application for IPR protection with COPIS system.

Based on the findings of the status of performance, presented in the chart above, *the rate of implementation of this chapter during 2017 was 55.56%, since 5 out of 9 measures* planned were fully implemented.

*Although there have been positive developments in this area, one of the remaining challenges is the amending and supplementing the Customs and Excise Code. Given the importance and need to update and continuously align the Code with the EU Customs Code, as a key instrument in the implementation of the SAA's commercial part, the alignment of primary and secondary legislation will need to be addressed with priority.*

#### 4.30. Acquis Chapter 30: External Relations

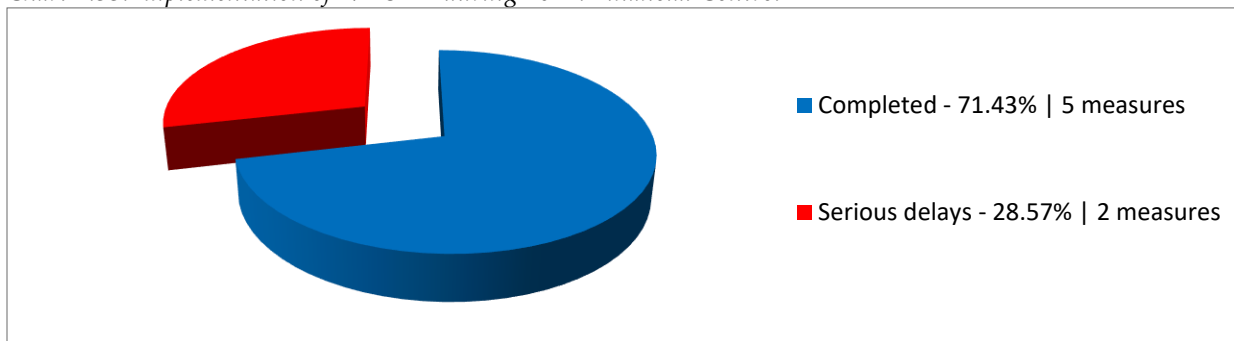
This chapter does not contain any short-term measures.

#### 4.31. Acquis Chapter 31: Foreign, Security and Defence Policy

This chapter does not contain any short-term measures.

#### 4.32. Acquis Chapter 32: Financial Control

Chart 4.33. Implementation of NPISAA during 2017: Financial Control



This chapter contains 7 short-term measures, out of which 14.29% or 1 is legislative measure and 85.71% or 6 are implementing measures.

With regard to the rate of implementation of *this chapter during 2017*, findings indicate as follows:

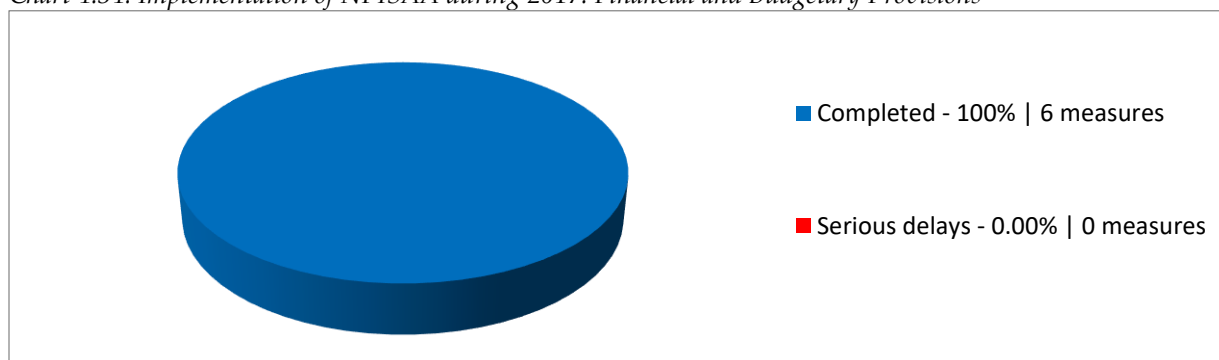
- 71.43% of them or 5 implementing measures have been implemented;
- 28.57% of them or 2 measures (1 legislative measure and 1 implementing measure) were not implemented, including:
  - Development of secondary legislation for the implementation of the law on public internal financial control.
  - There are delays in installing and running the software for a more effective audit.

Based on the findings of the status of performance, presented in the chart above, ***the rate of implementation of this chapter during 2017 was 71.43%***, since ***5 out of 7 measures*** planned were fully implemented.

*As the findings of the report indicate, the measures planned in this sector have been completed in general. Delays in installation and running of the audit software by the NAO did not affect the work of the Office, but, of course, the complete operationalization of the software would have a positive impact on the productivity of the work. On the other hand, delays in the adoption of the Law on PIFC have delayed the development of secondary legislation for this law, which is expected to positively affect the strengthening of managerial accountability in public finances.*

#### 4.33. Acquis Chapter 33: Financial and Budgetary Provisions

Chart 4.34. Implementation of NPISAA during 2017: Financial and Budgetary Provisions



This chapter contains 6 short-term measures, out of which 16.67% or 1 is legislative measure and 83.33% or 5 are implementing measures.

With regard to the rate of implementation of ***this chapter during 2017***, findings indicate that all the 6 measures have been implemented. Based on the findings of the status of performance, presented in the chart above, ***the rate of implementation of this chapter during 2017 was 100%***, since 6 out of 6 ***measures*** planned were fully implemented.

*As the findings of the report indicate, this sector in general has no delays, and measures planned were fully implemented.*