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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 2016**

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Prishtina

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INTRODUCTION

The National Programme for Implementation of the SAA (NPISAA), adopted by the Government of the Republic of Kosovo (in December 2015) and the Assembly of the Republic of Kosovo (in March 2016) is a legally binding document for all institutions. Therefore, all state administration bodies are responsible to implement its chapters (short-term measures) falling under their responsibilities as well as for monitoring their implementation. The Government, as the central national mechanism responsible for fulfilling obligations deriving from the SAA, oversees implementation of NPISAA through the institution mandated to coordinate the EU integration process – the Ministry of European Integration (MEI). MEI performs this duty through regular reports on implementation of NPISAA which are drafted on quarterly basis. The purpose of these reports is to assess and enhance implementation of NPISAA, as well as to provide accountability and transparency within the institutions (up to the highest political level), as well as towards other stakeholders and the wider public on implementation of SAA. This is achieved through discussions their findings in Government sessions, within the stabilisation and association bodies, as well as by sharing these reports with EU authorities and by publishing them.

The report is the final one on implementation of NPISAA short-term measures, which provides a detailed overview of the state of play regarding their implementation during the entire 2016 (1 January – 31 December). The data provided hereby have been reported by all responsible institutions during the second half of December 2016, according to the matrix of short-term measures, and then the MEI processed them, evaluated the rate of implementation and drafted the report. In cases when the data were reported with delays or not reported properly, they have not been included in the report and the respective measures are evaluated as not fully implemented. Data collection and processing, as well as the evaluation of progress and its reflection in the present report are based on the guideline and the evaluation methodology drafted in the final reporting cycle. The evaluation was done according to three levels of performance status:

- Completed measures (implemented in their entirety) – highlighted in **blue**;
- Measures facing slight delays and problems (whose implementation has commenced, but facing slight delays so far and expected to be implemented in their entirety soon, after the timeframe set) – highlighted in **yellow**; and
- Measures facing major delays and problems (foreseen to be fully implemented until the end of the year yet have not been implemented) – highlighted in **red**.

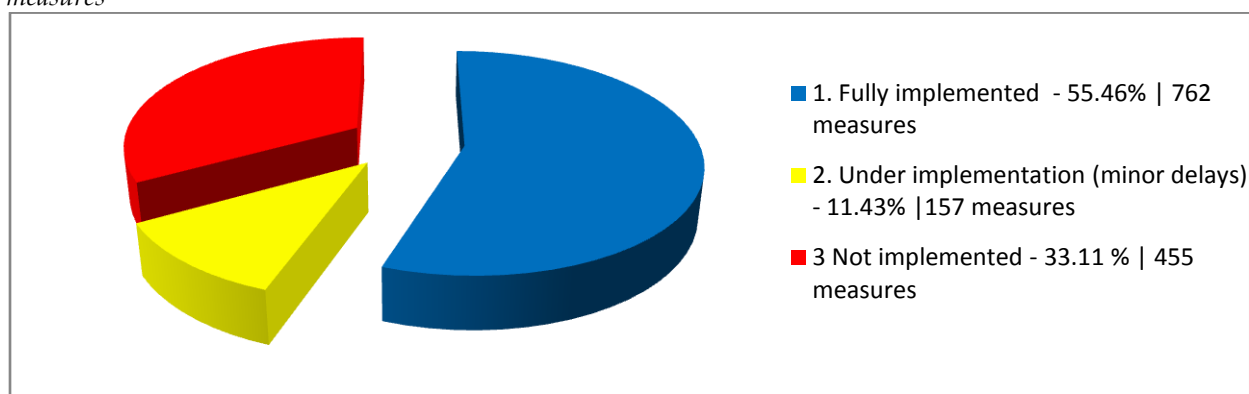
This report consists of four chapters and is divided into two sections: summary and sectorial section. The summary section (chapter 1) provides a general overview on implementation of NPISAA during the reporting period, and is further subdivided into six sections:

- Section on implementation of all short-term measures;
- Section on implementation of all short-term legislative measures;
- Section on implementation of all short-term implementing measures;
- Section on implementation of Block 1 (*Political Criteria*);
- Section on implementation of Block 2 (*Economic Criteria*); and
- Section on implementation of Block 3 (*European Standards – Approximation of Kosovo's Legislation with the EU Acquis*).

On the other hand, the sectorial section (chapters 2, 3 and 4) provides a detailed overview of the state of implementation in each NPISAA chapter, subdivided into three smaller sections, according to the blocks of the Programme.

1. GENERAL OVERVIEW ON IMPLEMENTATION OF NPISAA DURING 2016

Chart 1: General overview on implementation of NPISAA during 2016 – rate of implementation of all short-term measures

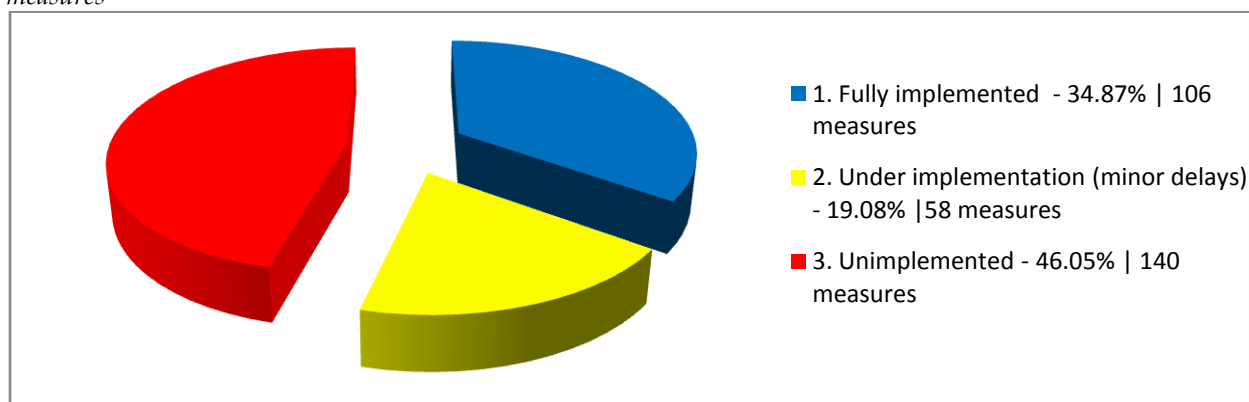


The Programme contains a total of 1,374 measures, out of which 304 measures, or 22.12% of them, were legislative measures, and 1,070 measures, or 77.88% of them, were implementing measures. In general, with regard to the rate of implementation of *all short-term measures*, the findings indicate as follows:

- 55.46% of all measures, namely 762 measures (106 legislative measures and 656 implementing ones), have been fully implemented;
- 11.43% of all measures, namely 157 measures (57 legislative measures and 99 implementing ones), are being implemented, with slight delays;
- 33.11% of all measures, namely 455 measures (140 legislative measures and 315 implementing ones) were not implemented.

Based on the findings of the status report presented in the chart above, ***the overall rate of implementation of NPISAA was 55.46%***, since 762 out of 1,374 planned measures have been fully implemented by the end of the year.

Chart 2: General overview on implementation of NPISAA during 2016 – rate of implementation of legislative measures

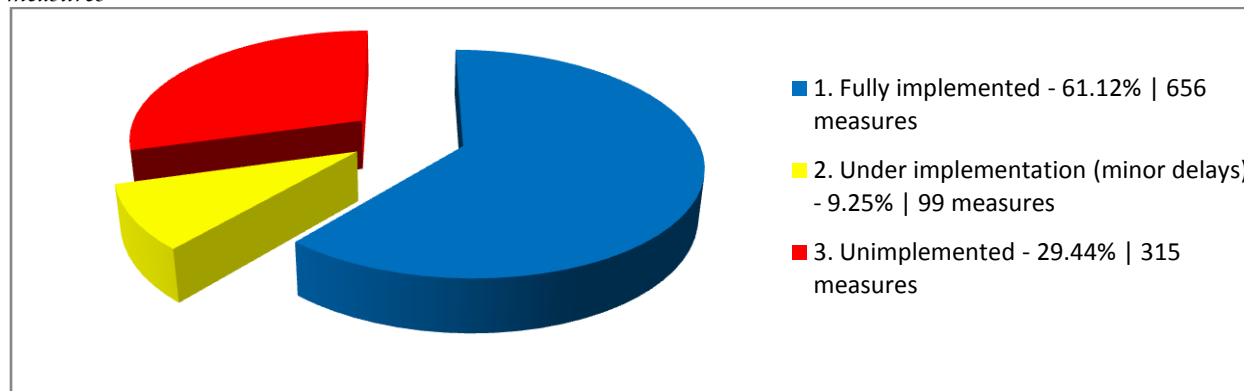


The Programme consists of a total of 304 legislative measures. In general, with regard to the *implementation level of all short-term measures (by the end of the year)*, the findings indicate as follows:

- 34.87% of all measures, namely 106 measures, have been fully implemented;
- 19.08% of all measures, namely 58 measures, are being implemented, with slight delays;
- 46.05% of all measures, namely 140 measures, were not implemented.

Based on the findings of the status report presented in the chart above, *the rate of implementation of legislative measures was 34.87%*, since 106 out of 304 planned measures have been fully implemented by the end of the year.

Chart 3: General overview on implementation of NPISAA during 2016 – rate of implementation of implementing measures



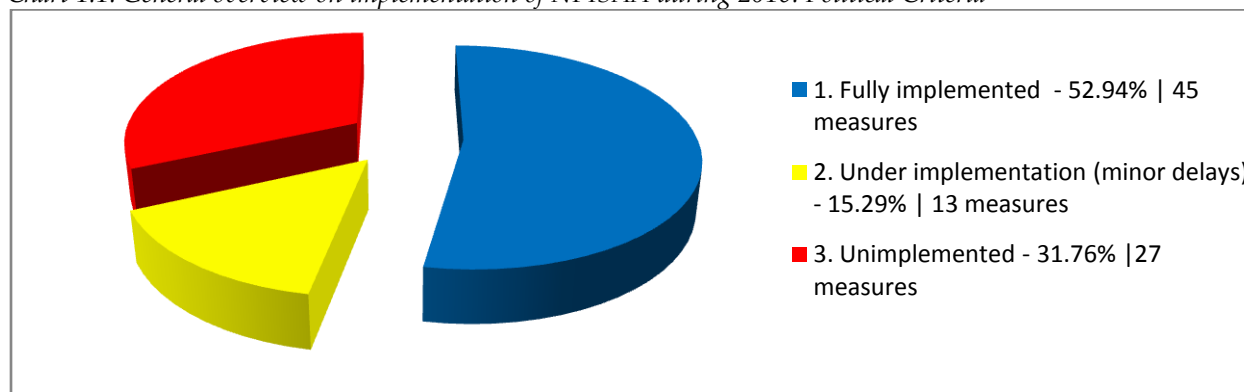
The Programme consists of a total of 1, 070 implementing measures. In general, with regard to the rate of implementation of all short-term implementing measures, the findings indicate as follows:

- 61.12% of all measures, namely 656 measures, have been fully implemented;
- 9.25% of all measures, namely 99 measures, are being implemented, with slight delays;
- 29.44% of all measures, namely 315 measures, have not been implemented.

Based on the findings of the performance status presented in the chart above, *the rate of implementation of implementing measures was 61.12%*, since 656 out of 1, 070 planned measures have been fully implemented by the end of the year.

1.1. State of Play by Blocks: Political Criteria

Chart 1.1: General overview on implementation of NPISAA during 2016: Political Criteria



Block 1 contains a total of 85 short-term measures, of which 14 measures, or 16.47% of them, were legislative measures, whereas 71 measures, or 83.53% of them, were implementing measures.

In general, with regard to the rate of implementation of this block, the findings indicate as follows:

- 52.94% of all measures, namely 45 measures, have been fully implemented;
- 15.29% of all measures, namely 13 measures, are being implemented, with slight delays;
- 31.76% of all measures, namely 27 measures, not implemented, with serious delays.

Based on findings of the performance status presented in the chart above, *the rate of implementation of this block was 52.94%*, since 45 out of 85 planned measures have been fully implemented by the end of the year.

Based on the data reported by the implementing institutions for chapters of this block, key NPISAA short-term measures that *have not been implemented* during 2016 are the following:

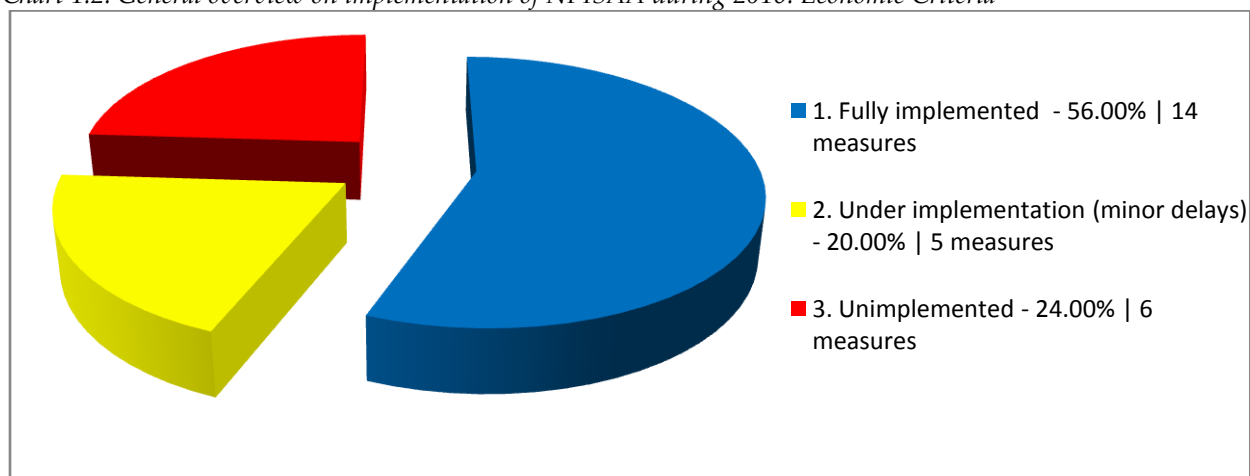
- Adoption of the new Law on the Assembly and its new Rules of Procedure;
- Adoption of three new concept papers in the area of Public Administration Reform (on wages, state administration and Civil Service) and eventually of 3 PAR laws, in package, as well as bylaws and other actions deriving from this PAR package;
- Constitutional amendments concerning the restructuring of the Security Force and the mission of Armed Forces;
- Adoption of the National Security Strategy and the Defence Strategy;
- Restructuring the MKSF and KSF, establishment of the Agency for the Protection of Classified Information; and establishment of the Parliamentary Committee on Kosovo Armed Forces; and
- Adoption of the Strategy on Transitional Justice and conclusion of an agreement with Serbia within the area of missing persons.

On the other hand, the following key measures in this block are *under implementation, with delays*:

- Adoption of the strategy on international and inter-parliamentary cooperation;
- Finalization of the sector budget support (SBS) contract in the area of public administration reform;
- Adoption of Strategy for Electronic Governance and of the Common Access Strategy; and
- Provision of office premises to the Regional Offices of the Ombudsperson Institution, and making its premises at the central level fully operational.

1.2. State of Play by Blocks: Economic Criteria

Chart 1.2: General overview on implementation of NPISAA during 2016: Economic Criteria



Block 2 contains a total of 25 short-term measures, of which 6 measures, or 24% of them, were legislative measures, whereas 19, or 76% of them, were implementing ones.

In general, with regard to the *rate of implementation* of this block, the findings indicate as follows:

- 56% of all measures, namely 14 measures, have been fully implemented;
- 20% of all measures, namely 5 measures, are being implemented, with slight delays;

- 24.40% of all measures, namely 6 measures, have not been implemented.

Based on findings of the performance status presented in the chart above, *the rate of implementation of this Block was 56.00%*, since a total of 14 measures, out of 25 planned, have been fully implemented by the end of the year.

Based on the data reported by the implementing institutions for chapters of this block, key NPISAA short-term measures that *have not been implemented* during 2016 are the following:

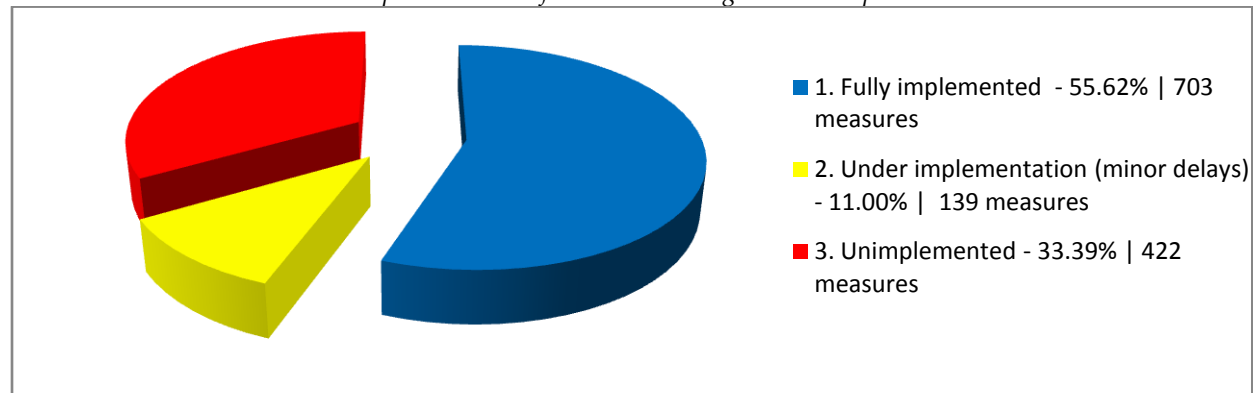
- Adoption of Integrated draft-law on cadastre;
- Process of licensing of teachers;
- Developments within the quality management in pre-university education;
- Functionalization of the Employment Agency;
- Adoption of the Legislation on Customs protection of intellectual property.

On the other hand, the following key measures in this block are *under implementation, with delays*:

- With regard to the implementation of the Strategy against Informal Economy, implementing activities have been reported by the institutions and the Coordination Secretariat has been reactivated recently and is preparing the Annual Implementing Report;
- Privatization and liquidation of Socially-Owned Enterprises;
- Development of the cadastre database;
- Transmission system development in the energy sector.

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

Chart 1.3: General overview on implementation of NPISAA during 2016: European Standards



Block 3 contains a total of 1,264 short-term measures, of which 284 measures, or 22% of them, were legislative measures and 980, or 78.00%, were implementing measures.

In general, with regard to the implementation level of all short-term measures of this block, the findings indicate as follows:

- 55.62% of all measures, namely 703 measures, have been fully implemented;
- 11.00% of all measures, namely 139 measures, are being implemented, with slight delays;
- 33.39% of all measures, namely 422 measures, were not implemented.

Based on findings of performance status presented in the chart above, *the rate of implementation of this block was 55.56%*, since a total of 703 measures, out of 1,264 of them planned, have been fully implemented by the end of the year.

Based on the data reported by the implementing institutions for chapters of this block, key NPISAA short-term measures that *have not been implemented* during 2016 are the following:

- Drafting of the Regulations on procurement for defence and security;
- Adoption of 12 regulations in the area of audiovisual policies;
- Adoption of the Law regulating the market for agricultural products;
- Adoption of the Law on agriculture and rural development;
- Adoption of the Law No. 2004/21 on veterinary;
- Adoption of the Law No. 2004/13 on seeds and planting material;
- Adoption of Strategy for advancing food business operators;
- Adoption of the Draft Law on Food, and three regulations (on the approval and registration of food business operators; and for approval and registration of business operators and trade of feed and hygiene of feed);
- Adoption of the Regulation on clarification, harmonization and simplification of aviation safety measures, safety standards equivalence and cargo and mail security measures;
- Adoption of the Draft Law on mandatory petroleum reserves;
- Construction and expansion of the existing road network (Vushtrri - Mitrovica R6a/N2);
- Adoption of the AI on the use of bio-fuels and bio-liquids;
- Adoption of the Draft Law on amending and supplementing the Law No. 04/L-008 on social economic council;
- Adoption of the Strategy on Social Economic Council;
- Further development of statistics, including the improvement of social statistics quality, measurement of informal economy in the private sector, establishment of the department of national accounts;
- Draft Law on amending and supplementing the Law No. 03/L-212 on labour;
- Adoption of the Law on the Office of Disciplinary Counsel; Law on bar exam; Law on mediation; Law on enforcement procedure; Law on prevention of conflict of interest and adoption of the Law on confiscation of unjustified property;
- Adoption of the Law on protection and promotion of the rights of communities and their members in the Republic of Kosovo and the Law on cultural heritage;
- Amending and supplementing the Law on protection of personal data;
- Adoption of the Regulation on lay judges; Regulation on appointment, transfer, promotion and any movement of the judge; Regulation on certification of court translators and interpreters in criminal proceedings and Regulation on expenditures of witnesses during the criminal proceeding;
- Adoption of the Regulation on the organization, structuring and functioning of the Office of Gender Equality and Regulation for the manner of coordination, reporting and cooperation with the Office of Good Governance, institutional mechanisms for protection from discrimination;
- Adoption of the Regulation for returning displaced persons;
- Adoption of six strategic documents in the area of human rights (Strategy for Execution of Criminal Sanctions; Strategy and Action Plan on Human Rights 2016-2020; Kosovo Program for Gender Equality; Strategy and AP for Integration of RAE Communities 2016 - 2020; National Strategy for the Protection of Personal Data; as well as the Strategy for implementation of the Law on the Use of Languages);
- Analysis of the legislation in the area against corruption;
- Amending and supplementing the Law on asylum;
- Amending and supplementing the Law on narcotic medicaments, psycho-tropes and precursors;
- Adoption of the Regulation on integration of foreigners;
- Amending and supplementing the AI No. 16/2013 on conditions of admission and initial treatment of asylum seekers;
- Amending and supplementing the AI No. 01/2014 on residence permit;

- Compiling and updating the list of terrorist groups;
- Development of the web platform for reporting cybercrimes;
- Provision of equipment for the prevention and investigation of cybercrime;
- Adoption of the new National Strategy and AP for community safety 2016-2021;
- Adoption of the new Strategy for the control and collection of small arms and light weapons 2016-2021;
- Implementation of the Law on interception of telecommunications/drafting bylaws;
- Development of a Common Integrated Risk Analysis Model;
- Adoption of the decision on institutional mechanisms for integration of foreigners;
- Adoption of Municipal Plans for Reintegration in the whole region of Kosovo;
- Completing the process of digitalization of civil status registries returned from Serbia;
- Adoption of the National Innovation Strategy;
- Establishment of Kosovo Agency for Standards and Assessment;
- Adoption of the Law on higher education; 26Adoption of the Draft Law on hunting;
- Adoption of the Draft Law on Infrastructure and Spatial Information;
- Adoption of the Draft Law on air protection from pollution;
- Adoption of the Draft Law on protection from noise;
- Functionalization of the River Basin District Authority, Kosovo Institute for Waters, as well as
- Establishment of Kosovo Institute for Waters;
- Establishment of Botanical Garden;
- Spatial Plan for the “Bjeshkët e Nemuna” (Accursed Mountains) National Park;
- Building capacities in the Custom’s Sector of Origin for two (2) Customs Officers;
- Establishment of the Council for the Supervision of Implementation of the PIFC Strategy;

On the other hand, the following key measures in this block are *under implementation, with delays*:

- Adoption of the Strategy on Quality Infrastructure as part of the Private Sector Strategy 2016-2020;
- Adoption of the amended Law No. 2007/02-L-128 on narcotic medicaments, psycho-tropes and precursors;
- Adoption of the Law on business organizations (new);
- Adoption of the Law on customs measures for protection of intellectual property rights (amendment);
- Adoption of 2 Regulations regarding the implementation of the Law on copyrights (Regulation No. 05/2013 on mediation of disputes in the area of copyright, Regulation for special compensations);
- Building institutional and administrative capacities in the State Aid Office (recruitment of 4 (four) officers in the State Aid Office, training sessions, legal basis, procedures, rules);
- Establishment of state aid inventory (compiling the list of institutions providing the state aid, collection of data from institutions providing the aid, development of the standard form for the data to be provided, notifications for new initiatives received by institutions);
- Law No. 04/L093 on banks, microfinance institutions and non bank financial institutions (amendment);
- Adoption of the Strategy for Digitalization of Terrestrial Broadcasting;
- Preparing and implementing the project for establishing the number portability system;
- Adoption of the Draft Law on spirit drinks;
- Adoption of four Concept Papers in the area of agriculture (for the Draft Law on regulating the market of agricultural products, and agricultural inspection);
- Reforming institutional structures in the area of agriculture and rural development and building their capacities;
- Transferring sanitary, veterinary and phytosanitary inspectors from Municipalities to FVA;

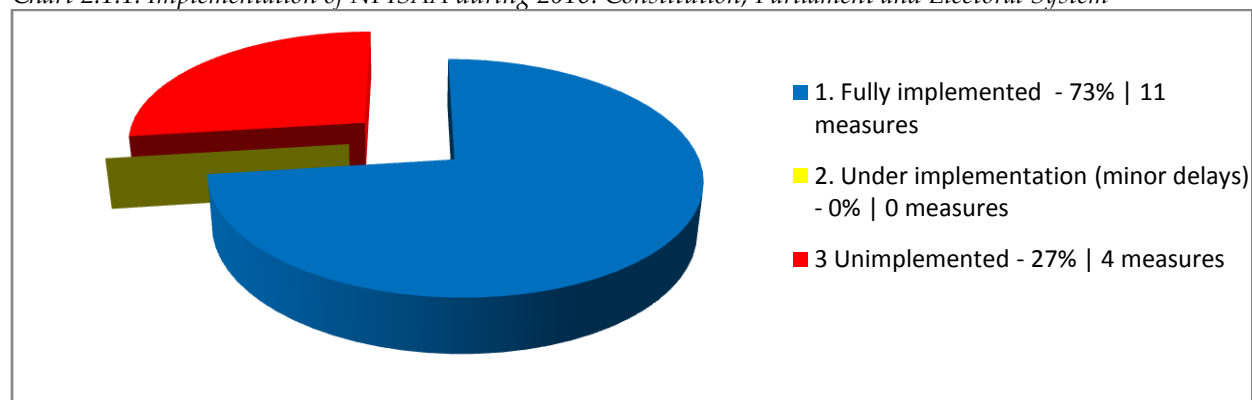
- Adoption of the Multiannual Plan for control and eradication of animals disease;
- Adoption of the Law on vehicles;
- Adoption of the Law on road transport;
- Adoption of the Energy Strategy 2017-2026;
- Program for Implementation of Energy Strategy 2015-2017;
- Adoption of the Strategy for protection from radiation and nuclear safety;
- Developing the third AP for Energy Efficiency 2016-2018;
- Adoption of the AI on quality of petroleum-derived liquid fuels;
- Adoption of the Draft Law on trade with petroleum products and renewable fuels;
- Drafting and adoption of Regulations on minimal safety and health requirements at the workplace;
- Membership to the Enterprise Europe Network and COSME;
- Building administrative capacities within the Department of Industry and KIESA for improving the business environment in Kosovo;
- Adoption of Juvenile Justice Code;
- Adoption of the Law on protection of children;
- Increasing transparency of justice system (adoption of the strategic plan for public communication, for increasing transparency, number of resolved cases in general, and cases for war crimes and corruption, in particular; recruitment of spokespersons of all Basic and Special Prosecution Offices and update of KPC);
- Establishment of the Commission for verification of sexual violence victims during the war;
- Implementation of compensation scheme for social housing (143 decisions to be implemented through compensation): the amount necessary for compensation for these properties is EUR 3.2 million; implementation of 35 remaining decisions for demolition of illegal constructions built in private properties;
- Adoption of the Law on international private law (new law);
- Adoption of the Law on critical infrastructure (new law);
- Signature of the Agreement for police cooperation with Estonia and Turkey;
- Establishment of the mechanism for collection of ecological taxes;
- Adoption of Law on Forests of Kosovo;
- Law on biocide products;
- AI on the list of dangerous waste by origin and content - List Y,
- AI on the classification of ground water bodies and classification of underground water bodies;
- Adoption of the Action Plan for Air Quality;
- National Plan for the Reduction of Emissions (NPRE);
- National Program for Forestation of Bare Surfaces 2016-2025;
- Classification of ground and underground water bodies.

2. GENERAL OVERVIEW ON IMPLEMENTATION OF NPISAA DURING 2016 | BLOCK 1: POLITICAL CRITERIA

2.1. Democracy and the Rule of Law

2.1.1. Constitution, Parliament and Electoral System

Chart 2.1.1: Implementation of NPISAA during 2016: Constitution, Parliament and Electoral System



This chapter contains a total of 15 short-term measures, of which 2 (13.33%) of them were legislative measures, whereas 13 (86.7%) of them were implementing ones. All these measures were planned to be implemented within the last quarter of 2016.

In general, with regard to the *rate of implementation* of this chapter, the findings indicate as follows:

- 73% of all measures, namely 11 implementing measures have been fully implemented;
- 27% of all measures (2 legislative measures and 2 implementing measures) have not been implemented. Serious delays have been recorded in the adoption of:
 - Law and new Regulation of the Assembly
 - Strategy for International and Inter-parliamentary Cooperation
 - Strategic Plan 2015-2020 of the Assembly of Kosovo

Based on the findings of the performance status presented in the chart above, the *rate of implementation of this chapter during the fourth quarter was 73%*, since 11 out of 15 measures planned to be implemented within this period have been fully implemented. To summarize, the *overall rate of implementation of this chapter was also 73%*, since 11 out of 15 all short-term planned measures have been fully implemented, whereas 4 of them have not been implemented.

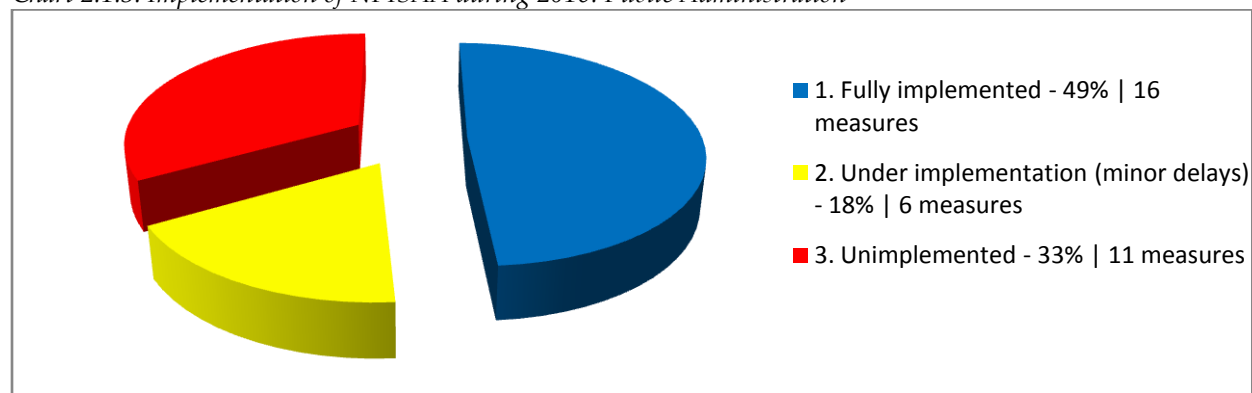
According to the findings of the report, it can be concluded that this chapter has been implemented at an average level, since most of planned measures have been successfully implemented. However, the implementation of the measures related to the supplementing of the legal framework, as the Law and new Regulation for the Assembly, has been delayed, i.e. not implemented in accordance with the initial planning.

2.1.2. Judicial System

The judicial system is covered within Block 3: 3.24. *Chapter 23 of acquis: Judiciary and Fundamental Rights.*

2.1.3. Public Administration

Chart 2.1.3: Implementation of NPISAA during 2016: Public Administration



This chapter contains a total of 33 short-term measures, of which 7 (22%) were legislative measures, whereas 26 (78%) were implementing measures. Out of all these measures, 88% (29 measures: 6 legislative measures and 23 implementing measures) were planned to be implemented by the end of 2016.

In general, with regard to the *rate of implementation* of this chapter, the findings indicate as follows:

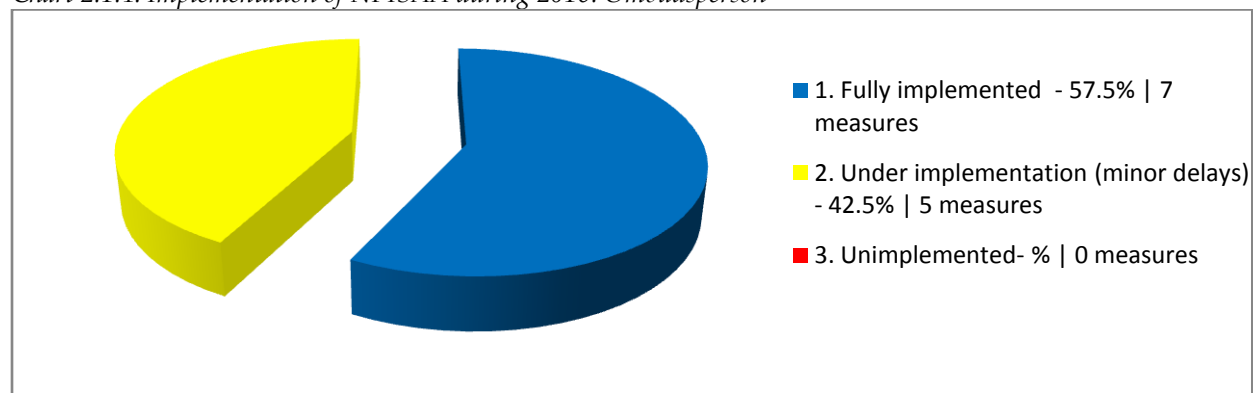
- 49% of all measures, namely 1 legislative measure and 15 implementing measures have been fully implemented;
- 18% of all measures, namely 6 implementing measures commenced implementation, with slight delays;
- 33% of all measures, namely 6 legislative measures and 5 implementing measures have not been implemented. Serious delays have been recorded in the:
 - Adoption of the package of laws enabling the Public Administration Reform (Law on Civil Service, Law on Salaries and Law on Public Administration)
 - Functionalization of the Kosovo Human Resource Management System
 - Link to Pension Trust
 - Implementation of Job Catalogue.

Based on the findings of the performance status presented in the chart above, the *rate of implementation of this chapter during the fourth quarter was 36.36%*, since out of 29 measures planned to be implemented within this period, 12 have been fully implemented. To summarize, the *overall rate of implementation of this chapter was 49%*, since out of 33 short-term planned measures 17 have been fully implemented, whereas 11 have not been implemented. The remaining, namely 5 measures (or 15.5% of them), are being implemented, with slight delays.

According to the findings of the report, we may conclude that the rate of implementation of this chapter is not satisfactory as most of the key planned measures have not been successfully implemented. Even though there were slight delays in implementing the plan for this area, the main challenges are related to the legal framework for public administration, which following the adoption of the Law on Salaries in particular, prevented the adoption of the Public Administration Reform in general, as was initially planned.

2.1.4. Ombudsperson

Chart 2.1.4: Implementation of NPISAA during 2016: Ombudsperson



This chapter contains a total of 12 short-term measures, all of them implementing ones. Out of all these measures, 83%, namely 10 measures were planned to be implemented within the last quarter of 2016.

In general, with regard to the *rate of implementation* of this chapter, the findings indicate as follows:

- 57.5% of all measures, namely 7 measures have been fully implemented,
- 42.5% of all measures, namely 5 implementing measures have commenced implementation, with slight delays. Regarding the assessment of implementation in the area of Ombudsperson, the delays have been noted in:
 - Functionalization and institutional development of departments to be established as a result of the relocation of this institution to the new building.
 - Establishment of the Mechanism against Torture
 - Provision of Regional Offices for OI.

Based on the findings of the performance status presented in the chart above, the *rate of implementation of this chapter during the fourth quarter was 70%*, since 7 out of 10 measures planned to be implemented within this period have been fully implemented. To summarize, the *overall rate of implementation of this chapter was 57.5%*, since 7 out of 12 short-term planned measures have been fully implemented, whereas 5 (or 42.5%) are being implemented, with slight delays.

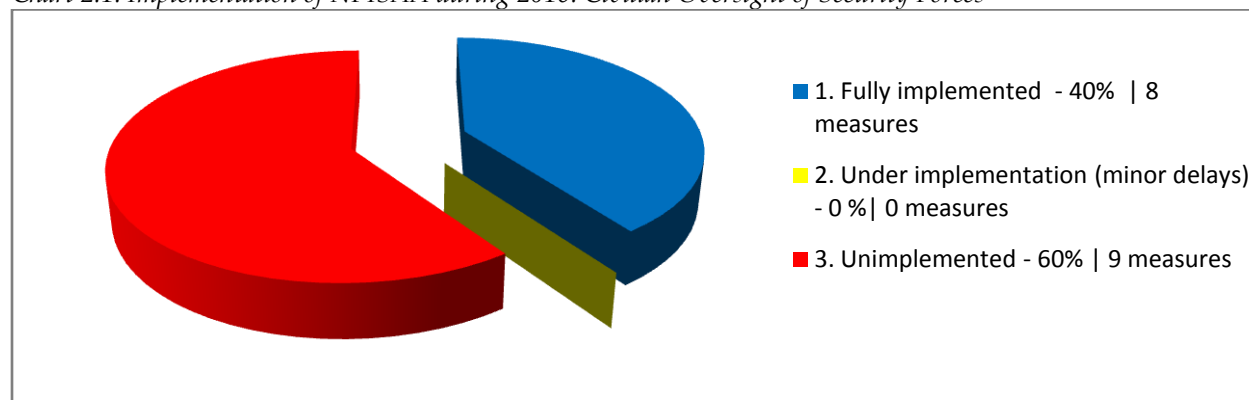
According to the findings of the report, it can be concluded that the rate of implementation of this chapter is not satisfactory as several of measures planned within this chapter have not been implemented in due time. However, it is worth mentioning that unimplemented measures are accompanied with slight delays and all are related to the complete functionalization of OI as a result of its relocation to the new building, as well as allocation of budget by the central government to enable the full exercise of its mandate.

2.1.5. Anticorruption Policy

Anticorruption policy is covered under Block 3: 3.24. *Acquis Chapter 23: Judiciary and Fundamental Rights.*

2.1.6. Civilian Oversight of Security Forces

Chart 2.1: Implementation of NPISAA during 2016: Civilian Oversight of Security Forces



This chapter contains a total of 17 short-term measures, of which 4 (23.5%) measures were legislative, whereas 13 (76.5%) were implementing measures. All these measures were planned to be implemented within the last quarter of 2016.

In general, with regard to the *rate of implementation* of this chapter, the findings indicate as follows:

- 53% of all measures, namely 8 implementing measures have been fully implemented;
- 47% of all measures, namely 4 legislative and 5 implementing measures have not been implemented.

Based on the findings of the performance status presented in the chart above, *the rate of implementation of this chapter both during the fourth quarter and generally is 53%*, since out of 17 legislative and implementing measures, 9 have not been implemented.

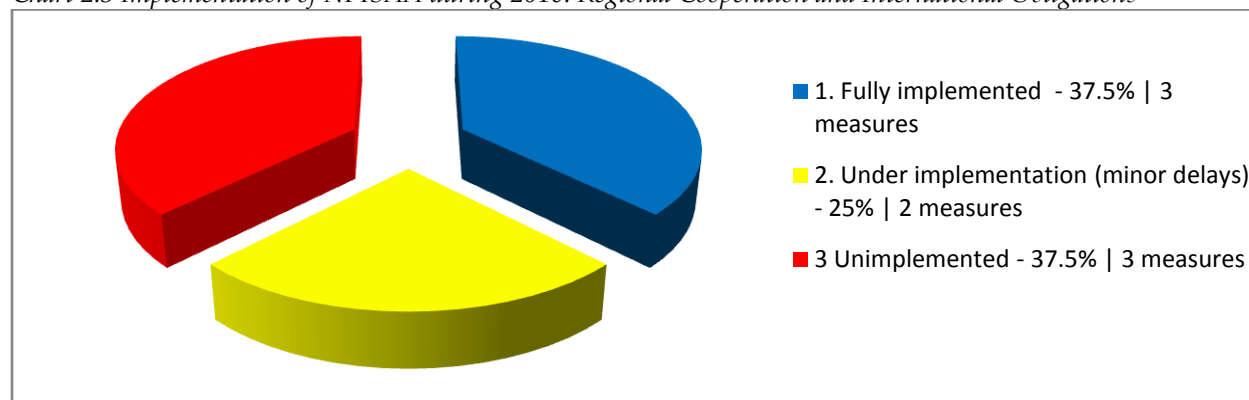
According to the findings of the report, it can be concluded that the rate of implementation of this chapter is not satisfactory since most of key planned measures have not been successfully implemented. The key objective of this chapter is the transformation of Kosovo Security Forces into Kosovo Armed Forces. However, serious challenges and Serious delays have been faced since the amendments in the Constitutions, as well as the supplement of the legal framework in general that would enable the building of institutional structures for the complete implementation of this priority.

2.2. Human Rights and Protection of Minorities

Human rights are covered under Block 3: 3.24. Chapter 23 of *acquis: Judiciary and Fundamental Rights*.

2.3. Regional Cooperation and International Obligations

Chart 2.3 Implementation of NPISAA during 2016: Regional Cooperation and International Obligations



This chapter contains a total of 8 short-term measures, of which 1 (or 12.5%) is legislative measure, whereas 7 (or 87.5%) were implementing measures. Out of all these measures, 4 implementing measures (50%) were planned to be implemented within the last quarter of 2016.

In general, with regard to the *rate of implementation* of this chapter, the findings indicate as follows:

- 37.5% of all measures, namely 1 legislative measure and 2 implementing measures were fully implemented;
- 25% of all measures, namely 2 implementing measures have commenced implementation, but there were slight delays. Regarding rate of implementation in terms of regional cooperation and international obligations, slight delays were noted in:
 - Drafting the Regional List;
 - Signing of the agreement with Croatia.
- 37.5% of all measures, namely 3 implementing measures were not implemented at all. Major delays were noted in:
 - Adoption of the Strategy on Transitional Justice ;
 - Adoption of the Common Access Strategy;
 - Signing the agreement with Serbia in the area of missing persons

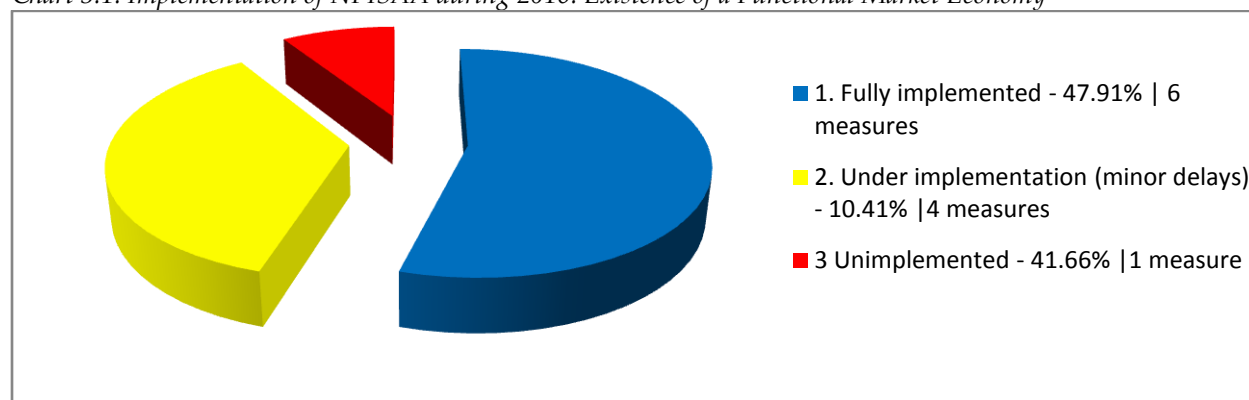
Based on the findings of the performance status presented in the chart above, ***the rate of implementation of this chapter during this reporting period (fourth quarter) is 25%***, since out of 4 measures planned for this period, only 1 measure has been fully implemented. To summarize, ***the overall rate of implementation of this chapter was 37.5%***, since 3 out of 8 short-term measures planned for this quarter were not implemented at all. Two measures of the remaining part (or 25%) are under implementation but with slight delays.

According to the findings of the report, it can be concluded that implementation of this chapter is poor, considering that the majority of planned measures have not been implemented successfully. Delays and key challenges account for this lack of progress, especially in regards to missing persons. This was also confirmed in the meeting of SAA Subcommittee on Justice, Freedom and Security, wherein dissatisfaction was expressed about this stagnation.

3. GENERAL OVERVIEW OF IMPLEMENTATION OF NPISAA DURING 2016 | BLOCK 2: ECONOMIC CRITERIA

3.1. Existence of a Functional Market Economy

Chart 3.1: Implementation of NPISAA during 2016: Existence of a Functional Market Economy



The first criterion includes a total of 11 short-term measures, out of which 9 implementing and 2 legislative measures. Implementing measures were mainly related to strengthening the public finance management, including budgetary sustainability, combating the informal economy, public procurement reform and property rights.

There was no deadline table for Block 2 of economic criteria, but the measures were foreseen to be implemented within the year based on the Economic Reform Program (ERP). Assessment of the rate of implementation was done based on annual planning, deadlines set for the same measures by other mechanisms (legal, other strategic and operational such as ERP, Sector Action Plans) and performance dynamics in this reporting period.

In general, with regard to the *rate of implementation* of this chapter, the findings indicate as follows:

- 54.55% of measures (6 measures: 1 legislative measure and 5 implementing measures) were completed (increase of salaries based on productivity and the adoption of the law on bankruptcy, enforcement of the fiscal rules, public procurement reform, development of strategic framework on property rights, and the adoption of strategic framework on public finances);
- 36.36% of all measures, namely 4 measures (all implementing measures) are under implementation, with slight delays:
 - Regarding implementation of the Strategy against Informal Economy, Kosovo Customs and TAK have reported implementing measures, but there is no monitoring report (annual report 2015 or quarterly reports) on full implementation of the strategy, even though the Coordination Secretariat has been activated recently and is working on drafting the annual implementation report.
 - There are delays in privatization and liquidation of socially owned enterprises;
 - There are delays in development of the cadastral database.
- 9.09% of all measures (1 legislative measure) have not been implemented at all. These measures are the following:
 - The integrated draft law on cadastre is not approved yet.
 - This chapter does not have any serious problems, except the failure to approve the integrated draft law on cadastre. However, there were delays with regard to privatisation and lack of information (for example the reports and activities of the inter-institutional

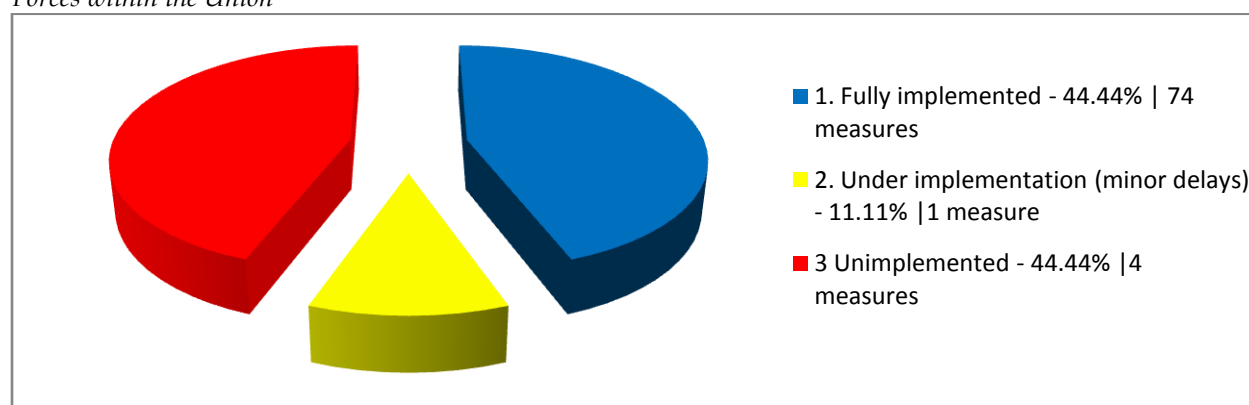
coordination secretariat for implementation of the strategy on preventing and combating the informal economy).

Based on the findings of the performance status presented in the chart above, *the rate of implementation of this chapter during the fourth quarter was 54.55%*, since 6 out of 11 measures planned for this period have been fully implemented. One of them is not implemented at all. The remaining 4 measures (or 36.36%) are under implementation, with slight delays. The *overall rate of implementation of this chapter was also 54.55%*, since 6 out of 11 measures planned for this period have been fully implemented. One of them is not implemented at all. The remaining 4 measures (or 36.36%) are under implementation, with slight delays.

According to the findings of the report, the implementation level of this chapter is not satisfactory, since many measures were not implemented. This sector had a slow pace in terms of continuation of privatisation process and of coordinating activities in monitoring the implementation of the National Strategy for the prevention of and fight against informal economy, money laundering, terrorist financing and financial crimes 2014-2018. In this regard, lack of inter-institutional coordination may adversely affect the effective implementation of these measures. It is important to continue the dynamics in the full implementation of measures foreseen for this year, since this would reflect positively in maintaining macro-financial stability of the country and implementation of reforms that would lead to a functioning market economy (first economic criterion) and would positively affect the implementation of the Economic Reform Programme (ERP), considering that the measures are directly or indirectly associated with ERP.

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

Chart 3.2: Implementation of NPISAA during 2016: Capacity to Cope with Competitive Pressure and Market Forces within the Union



The second criterion contains a total of 9 short-term measures, out of which 4 were legislative measures and 5 were implementing measures. Implementing measures mainly relate to the increase of quality in pre-university education, investments on road and energy infrastructure, and functioning of the employment agency. Whereas, legislative measures aim to create the legal basis for development policies, including credit guarantees, organization of Trepça, state aid policy and trade facilitation through Customs protection of intellectual property.

There was no deadline table for Block 2 of economic criteria, but the measures were foreseen to be implemented within the year based on the Economic Reform Program (ERP). Assessment of the rate of implementation was done based on annual planning, deadlines set for the same measures by other mechanisms (legal, other strategic and operational documents, such as ERP, Sector Action Plans) and performance dynamics in this reporting period.

In general, with regard to the *rate of implementation* of this chapter, the findings indicate as follows:

- 44.44% of all measures, namely 4 measures (3 legislative measures and 1 implementing measure) were fully implemented (law on credit guarantee fund, legal bases for Trepça ownership and organization, development and further approximation of the legal framework on state aid, and continued development of road infrastructure);
- 11.11% of all measures, namely 1 implementing measure is under implementation, with slight delays:
 - In the energy sector, there were delays regarding the development of the transmission system.
- 44.44% of all measures (1 legislative measure and 3 implementing measures) have not been implemented at all, as follows:
 - There is no progress in terms of teacher licensing;
 - There is no progress in terms of quality management in pre-university education;
 - The Employment Agency is not functional;
 - Legislation on Customs protection of intellectual property is not approved.

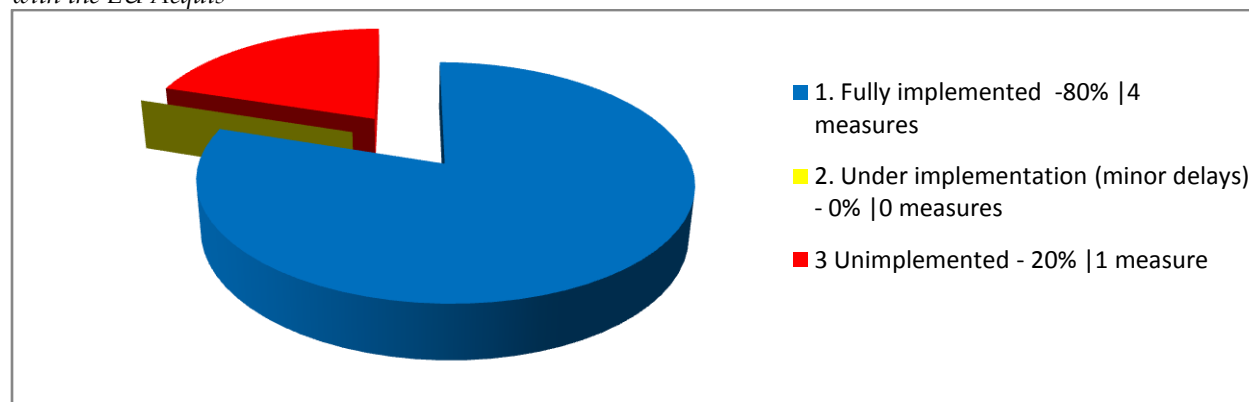
Based on the findings of the performance status presented in the chart above, the ***overall rate of implementation of this chapter was 44.44%***, since 4 out of 9 measures planned for this period were fully implemented. Four of them were not implemented at all. The remaining 1 (11.11%) measure is under implementation, but with small delays. The ***rate of implementation of this chapter during the fourth quarter*** is also ***44.44%***, since 4 out of 9 measures planned for this period were fully implemented. Four of them were not implemented at all. The remaining 1 (11.11%) measure is under implementation, but with small delays.

According to the findings of the report, the implementation level of this chapter is poor, considering that the about half the measures planned for this period have not been fully implemented. Such delays may be related to the reschedule of deadlines for some measures under European Reform Agenda (ERA), such as the case with education and employment sector measures. Nevertheless, the implementation of these measures will be reflected positively in the country's competitive capacity (second economic criterion) and would positively affect the implementation of the Economic Reform Programme (ERP), since the measures are directly or indirectly related to ERP.

4. OVERVIEW OF IMPLEMENTATION OF NPISAA DURING 2016 | BLOCK 3: EUROPEAN STANDARDS – APPROXIMATION OF KOSOVO’S LEGISLATION WITH THE EU ACQUIS

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

Chart 4.1: Implementation of NPISAA during 2016: Legal Framework on Approximation of Kosovo’s Legislation with the EU Acquis



This chapter contains a total of 5 short-term measures (all of which were implementing measures), which include monitoring compliance and approximation of draft normative acts with the EU acquis, provision of professional training to public administration civil servants on approximation of domestic legislation with the EU acquis, identification and collection of acts translated by line ministries for internal needs, revision of acts translated so far from English into Albanian, and establishment of the initial database of translated acts.

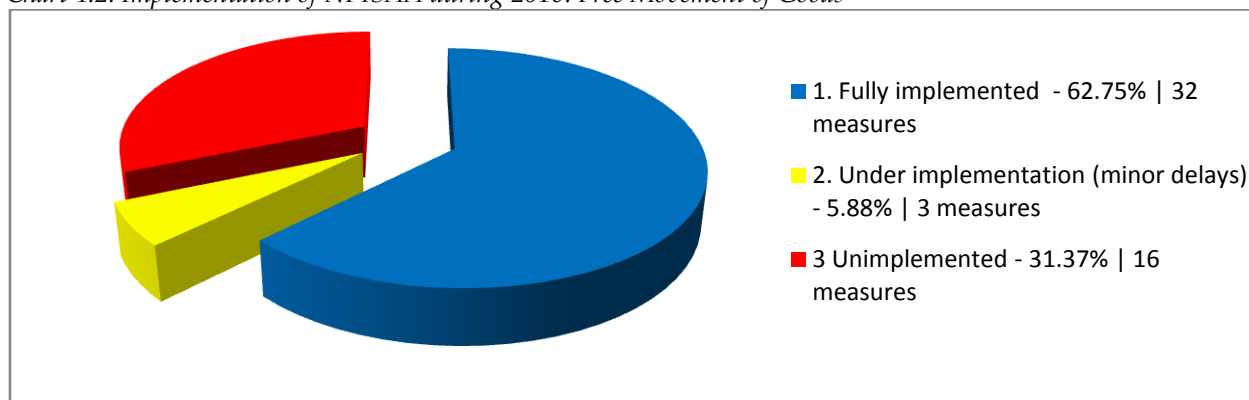
In general, with regard to the *rate of implementation* of this chapter, the findings indicate as follows:

- 80% of measures (4 measures) have been implemented successfully and without delays;
- 20% of measures or 1 measure has not been implemented and shall be implemented on an ongoing basis by Q4 of 2016:
 - Review of translated acts (establishment of ad-hoc committees to review acts translated from English into Albanian).

Based on the findings of the performance status presented in the chart above the *overall rate of implementation of this chapter was 80%*, since out of 5 planned measures, 4 implementing measures have been fully implemented, whereas 1 measure has not been implemented yet. On the other hand, these findings show that the *rate of implementation of this chapter within the fourth quarter is 80%*, as 4 out of 5 implementing measures have been fully implemented, while 1 implementing measure (appointment of ad-hoc committees for the revision of translated acts and their certification into Albanian language) has not been implemented.

4.2. Acquis Chapter 1: Free Movement of Goods

Chart 4.2: Implementation of NPISAA during 2016: Free Movement of Goods



This chapter contains a total of 51 short-term measures, of which 17 (33.33%) were legislative measures and 34 (66.67%) were implementing measures. Out of all these measures, 45% (23 legislative measures and 23 implementing measures) were planned to be implemented within the fourth quarter of 2016.

In general, with regard to the *rate of implementation* of this chapter, the findings indicate as follows:

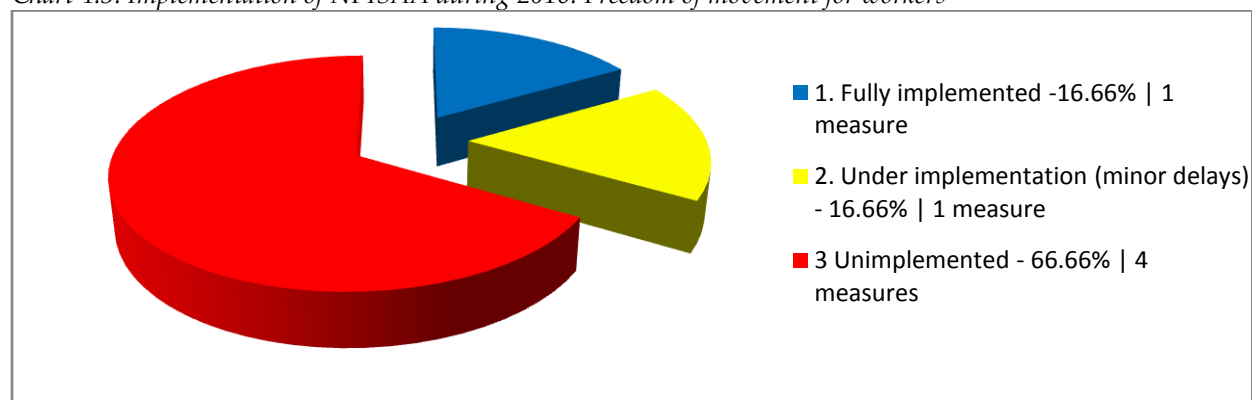
- 62.57% or 32 of all measures (2 legislative and 30 implementing measures) have been fully implemented;
- 5.88% of all measures, namely 3 measures (2 legislative measures and 1 implementing measure) are under implementation, with slight delays:
 - Law on Standardization;
 - There are delays in terms of approving the Strategy on Private Sector 2016-2020;
- 25.49% of all measures, namely 16 measures (13 legislative and 3 implementing measures) have not been implemented at all. These include:
 - Law No.03/1 -184 on energy efficiency (amendment)
 - Law No. 03/L-119 on biocide products (amendment)
 - Law No. 2007/02-L-128 on narcotic medicaments, psycho-tropes substances and precursors (amendment).

Based on the findings of the performance status presented in the chart above, the *rate of implementation of this chapter during the fourth quarter was 85%*, since out of 27 planned measures, 23 have been fully implemented. To summarize, the *overall rate of implementation of this chapter was 62.75%*, since 32 out of 51 short-term measures have been fully implemented, whereas 16 of them have not been implemented at all. The remaining 3 measures (or 5.88%) are under implementation, with slight delays.

According to the findings of the report, it can be concluded that this chapter is implemented at a satisfactory level, considering that the majority of its legislative and strategic measures have been implemented in due time. On the other hand, serious delays were noted in terms of adoption of the Law on Standardization and the approval of the Strategy on Private Sector 2016-2020, which is to be drafted during 2017.

4.3. Acquis Chapter 2: Free Movement of Workers

Chart 4.3: Implementation of NPISAA during 2016: Freedom of movement for workers



This chapter contains a total of 6 short-term measures, out of which 1 (16.66%) legislative measure, and 5 (83.33%) implementing measures. All these measures were planned to be implemented within the last quarter of 2016.

In general, with regard to the *rate of implementation* of this chapter, the findings indicate as follows:

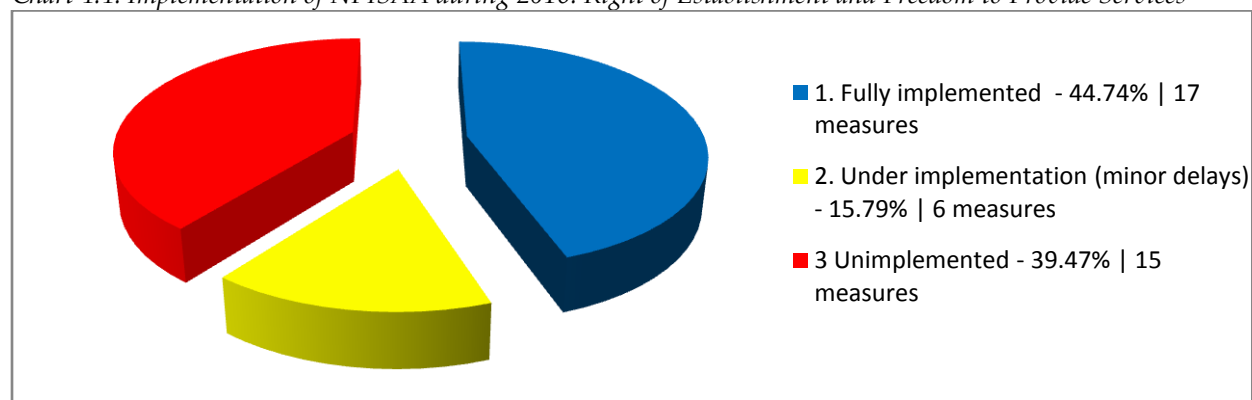
- 16.66% of all measures, namely 1 legislative measure has been fully implemented;
- 16.66% of all measures, namely 1 implementing measure is under implementation, with slight delays;
- 66.66% of all measures (4 implementing measures) have not been implemented at all. These measures include:
 - Negotiation of bilateral agreements on execution of pension rights with EU Member States;
 - Amendment of Law No. 04/L-069 on foreigners.

Based on the findings of the performance status presented in the chart above, the *rate of implementation of this chapter during the fourth quarter was 16.66%*, since only 1 of 6 measures planned for this period is completed. To summarize, the *overall rate of implementation of this chapter was 16.66%*, since only 1 out of 6 planned short-term measures has been fully implemented, while 5 have not been implemented at all. The remaining 1 measure (or 16.66%) is under implementation, with slight delays.

According to the findings of the report, the implementation level of this chapter is low, considering that the majority of planned measures have not been successfully implemented. A minor delay has been marked in terms of negotiating a bilateral agreement with Switzerland, whereas serious delays have marked the negotiation of 4 other agreements with EU member states. On the other hand, the law on foreigners is in the process of amendment and is foreseen to be approved in the future.

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

Chart 4.4: Implementation of NPISAA during 2016: Right of Establishment and Freedom to Provide Services



This chapter consists total of 38 short-term measures, out of which 4 (10.53%) were legislative measures and 34 were (89.47%) implementing measures. All these measures (38 measures: 4 legislative measures and 34 implementing measures) were planned to be implemented within the fourth quarter of 2016.

In general, with regard to the *rate of implementation* of this chapter, the findings indicate as follows:

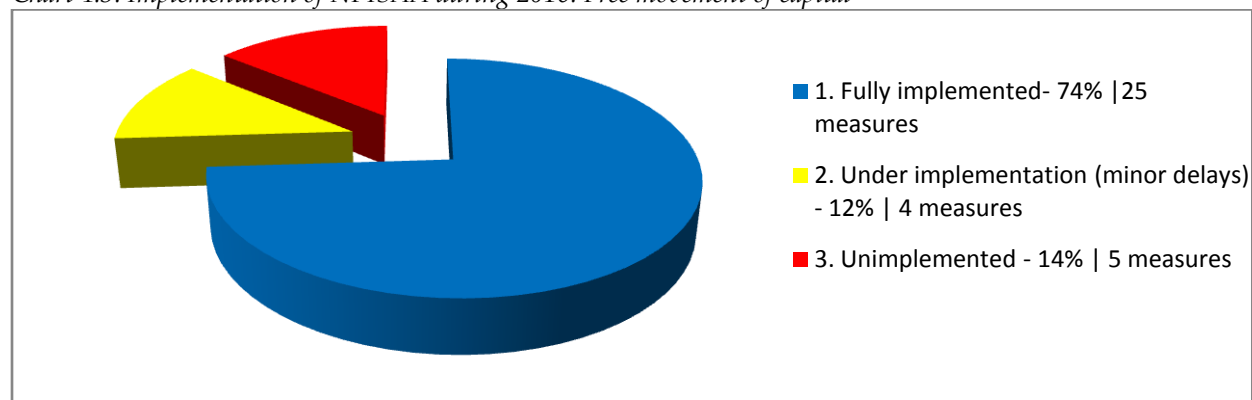
- 44.74% of all measures, namely 17 measures (1 legislative and 16 implementing measures) have been fully implemented;
- 33.33% of all measures, namely 6 measures (1 legislative measure and 5 implementing measures) are under implementation, with slight delays:
 - There are delays in approving the Law on Services (new law);
 - There are delays in the process of network informatisation and postal services, which is expanding continuously but at a slow tempo due to the lack of funds by the postal operator Post of Kosovo;
 - Membership in international organizations;
 - Regarding the National Qualifications Authority, there are delays in the verification of occupations standards, implementation of the AI on Recognition of Prior Learning, quality improvement in vocational education and training through monitoring of institutions accredited by the National Qualifications Authority.
- 39.5% of all measures, namely 15 measures (2 legislative measures and 13 implementing measures) have not been implemented at all, such as:
 - Law on tourism (new law);
 - Law on foreigners (amendment);
 - Postal code changing;
 - Development of monitoring software by international experts;
 - Monitoring upon request related to irregularities by NQA.

Based on the findings of the performance status presented in the chart above, the **overall rate of implementation of this chapter was 44.7%**, since 17 out of 38 planned short-term measures have been fully implemented, whereas 15 of them have not been implemented at all. The remaining 6 measures (or 15.79% of them) are under implementation, with slight delays.

According to the findings of the report, the rate of implementation of this chapter is mainly poor, considering that a part of the legislation and some activities under the implementing measures related to the National Qualifications Framework have not been implemented in due time. There were delays in terms of approving the new Law on Tourism, amendment the Law on Foreigners, changing the postal code, as well as in the implementation of activities related to continuous monitoring of quality improvement in vocational education and training.

4.5. Acquis Chapter 4: Free Movement of Capital

Chart 4.5: Implementation of NPISAA during 2016: Free movement of capital



This chapter includes a total of 34 short-term measures, out of which 6 (17.65%) were legislative measures and 28 (82.35%) were implementing measures. From these measures, 53% of them (18 measures: 3 legislative measures and 15 implementing measures) were planned to be implemented during the fourth quarter of 2016.

In general, with regard to the *rate of implementation* of this chapter, the findings indicate as follows:

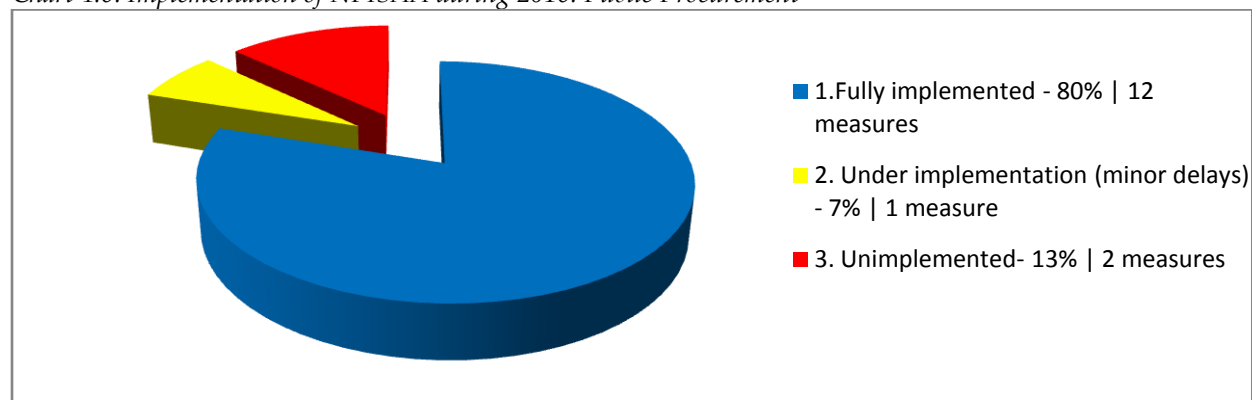
- 73.53% of all the measures (25 measures: 4 legislative measures and 21 implementing measures) have not been fully implemented;
- 12% of all measures, 4 measures (1 legislative measure and 3 implementing measures) have commenced implementation and are being implemented, with slight delays:
 - Adoption of the Regulation on electronic instruments. (new bylaw);
 - Review on implementation of the National Strategy and Action Plan of the Republic of Kosovo on Prevention of and Fight against Informal Economy, Money Laundering, Terrorist Financing and Financial Crimes 2014-2018;
- 14% of all measures, namely 5 measures (1 legislative measure and 4 implementing measures) have not been implemented at all. These measures are the following:
 - Issuing the decision based on Law no. 03/L-183 on implementation of sanctions;
 - Internal reorganization with the aim of reflecting the duties and powers of the FIU;
 - Adoption of the report on monitoring of the activities of the Strategy by the inter-ministerial committee chaired by the Minister of Finance.

Based on the findings of the performance status presented in the chart above, ***the rate of implementation of this chapter during the fourth quarter was 53%***, since 18 implementing measure planned for this period have been implemented. To summarize, ***the overall rate of implementation in this chapter is 73.53%***, since 25 out of 34 planned measures have been fully implemented.

According to the findings of the report, it can be concluded that the rate of implementation in this chapter is of a satisfactory level, since most of the planned measures have been successfully implemented. There were delay in terms of issuing a decision based on Law no.03/L-183 on implementation of sanctions, internal re-organization with the aim to reflect the duties and powers of the FIU, and adoption of the report on monitoring the activities of the Strategy by the Inter-Ministerial Committee chaired by the Minister of Finance which is one of the priorities in ERA required to be implemented.

4.6. Acquis Chapter 5: Public Procurement

Chart 4.6: Implementation of NPISAA during 2016: Public Procurement



This chapter includes a total of 15 short-term measures, out of which 3 (20%) were legislative measures and 12 (80%) were implementing measures. From these measures, 60% of them (9 measures: 9 implementing measures) were planned to be implemented within the fourth quarter of 2016.

In general, with regard to the *rate of implementation* of this chapter, the findings indicate as follows:

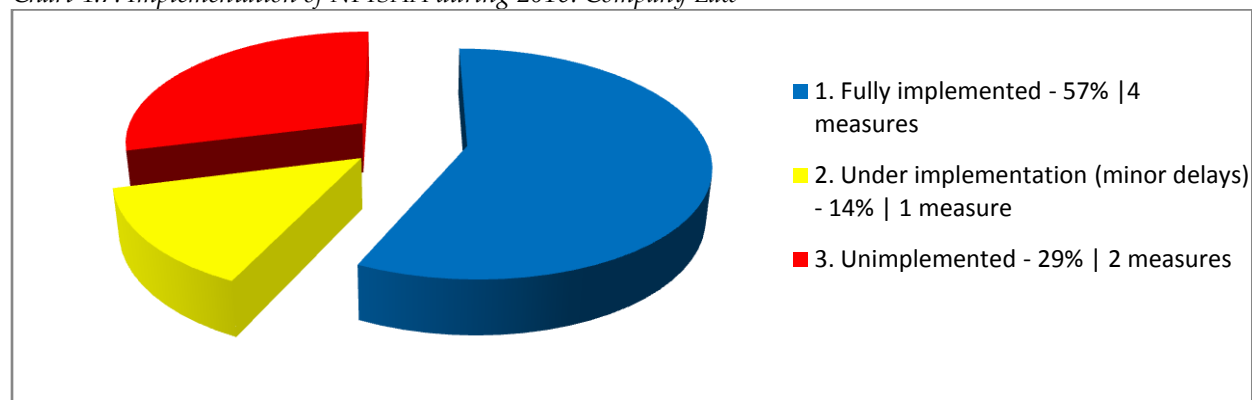
- 80% of all measures (12 measures: 3 legislative measures and 9 implementing measures) have been fully implemented;
- 7% of all the measures (1 implementing measure) commenced implementation, with slight delays:
 - Adoption of the Regulation on procurement for defence and security.
- 13% of all the measures (2 implementing measures) have not been implemented at all;
 - Adoption of the National Strategy and Action Plan for Public Procurement (2015-2020).

Based on the findings of the performance status presented in the chart above, *the rate of implementation of this chapter within the fourth quarter is 60%*, since 9 planned measures for this period have been implemented. To summarize, *the overall rate of implementation in this chapter is 80%*, since 12 out of 15 planned measures have been fully implemented.

According to the findings of the report, it can be concluded that a satisfactory rate of implementation in this chapter has been achieved, since most of the planned measures have been successfully implemented. There were delays in adoption of the National Strategy and Action Plan for Procurement.

4.7. Acquis Chapter 6: Company Law

Chart 4.7: Implementation of NPISAA during 2016: Company Law



This chapter includes a total of 7 short-term measures, out of which 3 (42.85%) were legislative measures and 4 (57.14%) were implementing measures. From these measures, 14% of them (1 implementing measure) is planned to be implemented within the last quarter of 2016.

In general, with regard to the *rate of implementation* of this chapter, the findings indicate as follows:

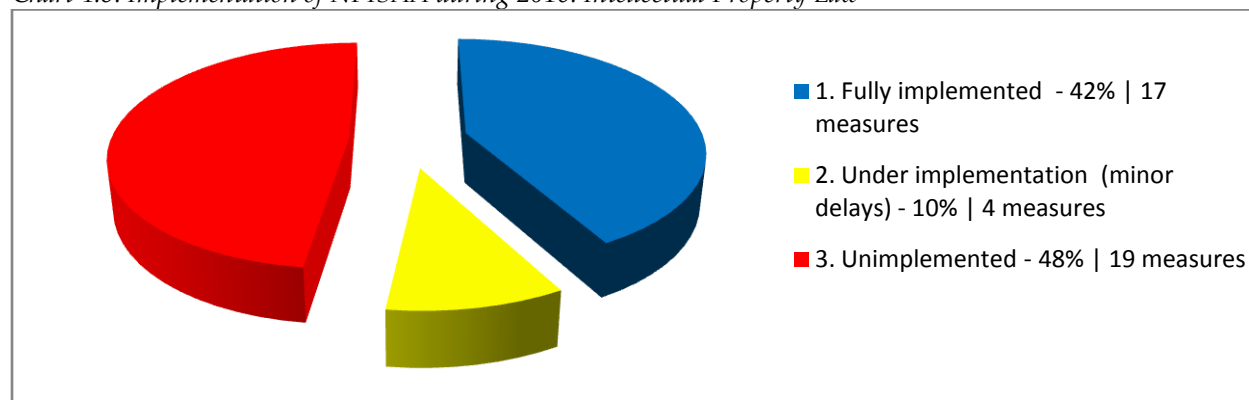
- 57.17% of all measures (4 measures: 1 legislative measure and 3 implementing measures) have been fully implemented.
- 14% of all measures (1 implementing measure) commenced implementation, with slight delays:
 - There are delays in operationalization of 3 one-stop shops in the Serb-majority municipalities;
- 29% of all measures (2 legislative measures) have not been implemented:
 - Law on Business Organizations;
 - Law No. 4/L014 on Accounting, Financial reporting and Audit (amendment).

Based on the findings of the performance status presented in the chart above, the *overall rate of implementation in this chapter is 57%*, since 4 out of 7 planned measures were implemented. Furthermore, the *rate of implementation of this chapter within the fourth quarter is 100%*, since 1 planned measure is implemented.

According to the findings of the report, it can be concluded that implementation of this chapter is at an unsatisfactory level since the two main laws that directly affect implementation of the SAA were not adopted in due time and therefore are carried over for 2017: Law on Business Organizations (new) and Law No.4/L014 on Accounting, Financial Reporting and Audit (amendment).

4.8. Acquis Chapter 7: Intellectual Property Law

Chart 4.8: Implementation of NPISAA during 2016: Intellectual Property Law



This chapter includes a total of 40 short-term measures, out of which 13 (35.50%) were legislative measures and 27 (67.50%) were implementing measures. From these measures, 52.5% (21 measures: 2 legislative measures and 19 implementing measures) were planned to be implemented within the last quarter of 2016.

In general, with regard to the *rate of implementation* of this chapter, the findings indicate as follows:

- 42% of all measures (6 legislative measures and 11 implementing measures) have been fully implemented;
- 10% of all measures (4 legislative measures) have commenced implementation, with slight delays:
 - AI No. 08/2013 on authorized representatives in the area of industrial property (amendment);
 - AI no. 09/2012 on competences, mandate and work of the Appeals Commission of Industrial Property Office (amendment);
 - AI on Appeals Committee.
- 48% of all the measures (19 measures: 3 legislative measures and 16 implementing measures) have not been implemented at all.
 - Adoption of the Law on customs measures for protection of intellectual property rights;
 - Regulation No. 05/2013 on mediation of disputes in copyrights;
 - Regulation on special reimbursements;
 - Drafting of the Strategy on Intellectual Property Rights in Kosovo (2016 - 2020);
 - Provision of intellectual property awareness activities (Provision of training sessions, organizing workshops, seminars, lectures and conferences);
 - Undertaking continuous customs operations (number of cases that violated IPR).

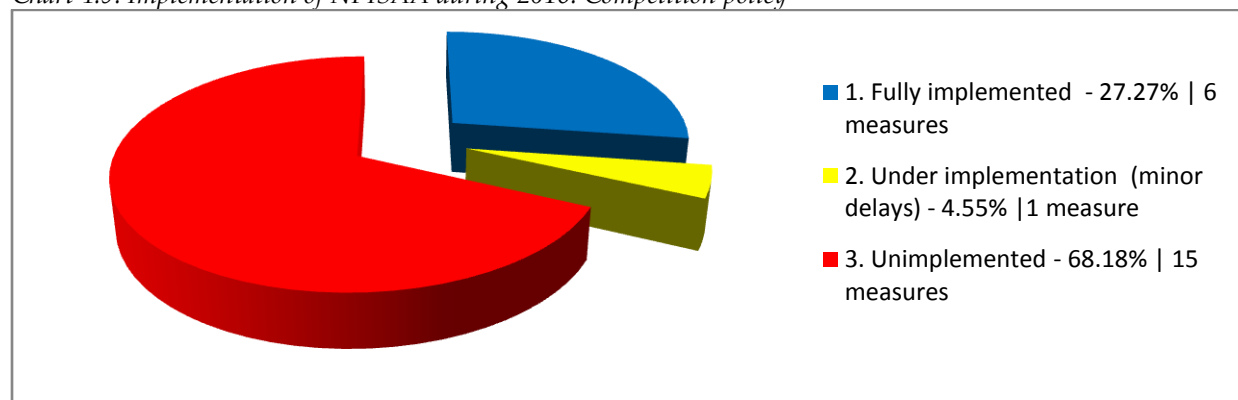
Based on the findings of the performance status presented in the chart above, *the rate of implementation in this chapter during the fourth quarter is 52%*, since 11 out of 21 planned measures have been implemented. The *overall rate of implementation of this chapter was 42%*, since 17 out of the 40 planned measures have been fully implemented.

According to the findings of the report, it can be concluded that rate of implementation in this chapter is poor, since a part of legislation and several activities of the implementing measures have not implemented in due time. There were delays in adoption of the Law on customs measures for protection of intellectual property rights and a number of regulations from the Ministry of Trade and Industry and the Ministry of Culture. There were delays in the adoption of the Strategy on Intellectual Property Rights in Kosovo (2016-2020). In addition, no data have been

provided regarding the number of seizures and number of cases that violated intellectual property rights by Customs, namely Ministry of Finance.

4.9. Acquis Chapter 8: Competition Policy

Chart 4.9: Implementation of NPISAA during 2016: Competition policy



This chapter includes a total of 22 short-term measures, out of which 6 (30.43%) were legislative measures and 16 (69.57%) were implementing measures. From all these measures, 38% (8 measures: 3 legislative measure and 5 implementing measures) were planned to be implemented within the last quarter of 2016.

In general, with regard to the *rate of implementation* of this chapter, the findings indicate as follows:

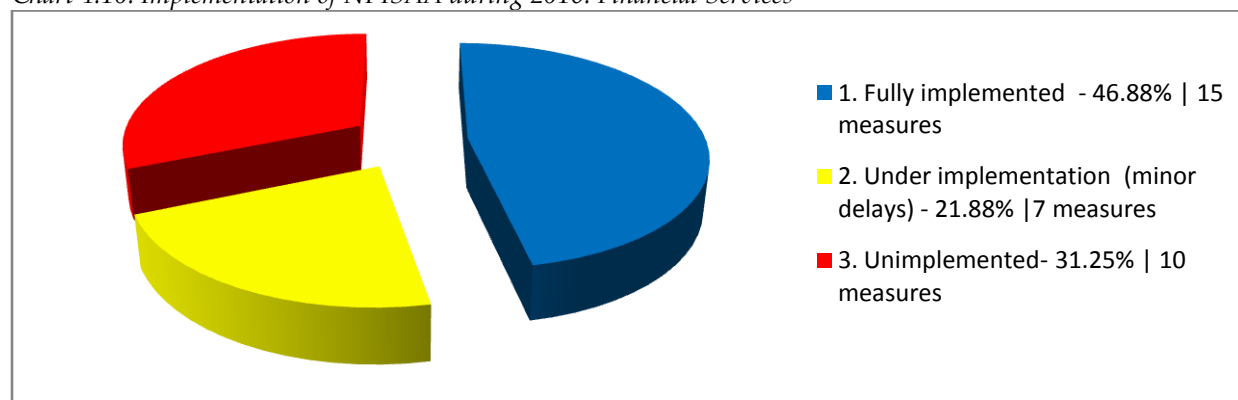
- 27.2% of all the measures (6 measures: 1 legislative measure and 5 implementing measures) have been fully implemented;
- 4.5% of all the measures (1 implementing measure) commenced implementation, with slight delays:
 - Ensuring workspace for the Competition Authority;
- 68.18% of all the measures (15 measures: 5 legislative 10 implementing measures) have not been implemented at all. These measures are the following:
 - AI on group exemptions - horizontal agreements;
 - AI on investigative procedures;
 - Regulation no.1/2013 on organization and functioning of the State Aid Commission (amendment);
 - Bylaw on the criteria and conditions for granting state aid in the Republic of Kosovo;
 - Establishment of institutional and administrative capacities in the State Aid Office;
 - List of the state aid granting institutions;
 - Preparations for notification and collection of data by aid providers.

Based on the findings of the performance status presented in the chart above, ***the rate of implementation of this chapter during the fourth quarter was 14.28%***, since 1 out of 7 measures planned to be implemented within this period have been fully implemented. Based on the findings of the performance status, presented in the chart above, the ***overall rate of implementation of this chapter was 27.2%***, since 6 out of 22 planned measures have been fully implemented.

According to the findings of the report, it can be concluded that the rate of implementation in this chapter is poor taking into account the importance of this chapter in the implementation of the SAA. There were delays in adoption of the Law on State Aid, which caused delays in the adoption of secondary legislation and operationalization of the State Aid Office. Finally, the necessary working spaces of KCA have been ensured, and during this reporting time are taking place final preparations to move to new offices.

4.10. Acquis Chapter 9: Financial Services

Chart 4.10: Implementation of NPISAA during 2016: Financial Services



This chapter includes a total of 32 short-term measures, out of which 14 (43.75%) were legislative measures and 18 (56.25%) were implementing measures. From all these measures, 81.25% of them (26 measures: 10 legislative measures and 16 implementing measures) were planned to be implemented within the fourth quarter of 2016.

In general, with regard to the *rate of implementation* of this chapter, the findings indicate as follows:

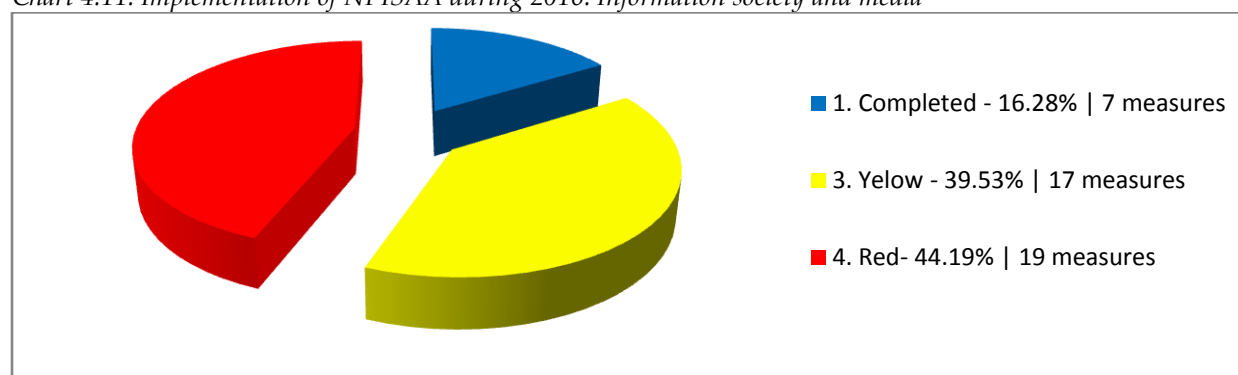
- 46.88% of all the measures (15 measures: 7 legislative measure and 8 implementing measures) have been completed.
- 21.88% of all measures, namely 7 measures (4 legislative measures and 3 implementing measures) have commenced implementation, and are being implemented, with slight delays:
 - Adoption of Law no. 04 / L093 on banks, microfinance institutions and nonbank financial institutions (amending- supplementing);
 - Adoption of two regulations on insurance and on investment of Pension Assets;
 - Drafting the manual for supervision of insurance companies;
 - Finalization of the new framework of cooperation and technical amendments and supplements to the Memorandum of Understanding with the CBK to include other areas of cooperation.
- 31.25% of all the measures (3 legislative measures and 7 implementing measures) have not been implemented at all. These measures are the following:
 - There were serious delays in completion of the regulation on Pension Assets and Assessment of Pension Assets and Regulation on the Value of Pension Contributions;
 - There were serious delays in completion of the manual for supervision of pension funds and manual for bank liquidations;
 - There were serious delays in the completion of the concept document on advancement of methodologies on risk differentiation based on EBA's technical guidelines;
 - DIFK activities for advancement of the cooperation framework and coordination with CBK, in areas necessary for the fulfilment of the institution's mandate, have not commenced yet.

Based on the findings of the performance status presented in the chart above, *rate of implementation of this chapter during the fourth quarter was 34.62%*, since 9 out of 26 measures planned to be implemented within this period have been fully implemented. To summarize, the *overall rate of implementation of this chapter was 46.63%*, since 15 out of 32 short-term measures have been fully implemented, and 17 of them did not manage to get implemented at all. The rest, namely 5 measures (or 15.62%) are being implemented, with slight delays.

According to the findings of the report, it can be concluded that an unsatisfactory rate of implementation in this chapter has been achieved, since little more than half of the planned measures have not been successfully implemented. Consequently, in general in this sector there were delays in some legislative and some implementing measures. There were delays in the following: adoption of the Law No. 04/L093 on banks, microfinance institutions and non bank financial institutions (amendment), adoption of the two insurance regulations and the regulation on investment of pension assets, and in drafting the manual for the supervision of insurance companies. Furthermore, little or no progress was made in completion of the regulation on Pension Assets and the Regulation on the Value of Pension Contributions. There were also serious delays in finalization of the manual on supervision of pension funds and in finalization of the manual for bank liquidations. DIFK activities related to the advancement of cooperation framework and coordination with CBK in areas necessary for the fulfilment of the institution's mandate have not commenced.

4.11. Acquis Chapter 10: Information Society and Media

Chart 4.11: Implementation of NPISAA during 2016: Information society and media



This chapter includes 43 short-term measures, out of which 22 (51.16%) were legislative measures and 21 (48.83%) were implementing measures. From all these measures, 28 measures (9 legislative and 19 implementing measures) 65.11% were planned to be implemented within the last quarter of 2016.

In general, with regard to the *rate of implementation* of this chapter, the findings indicate as follows:

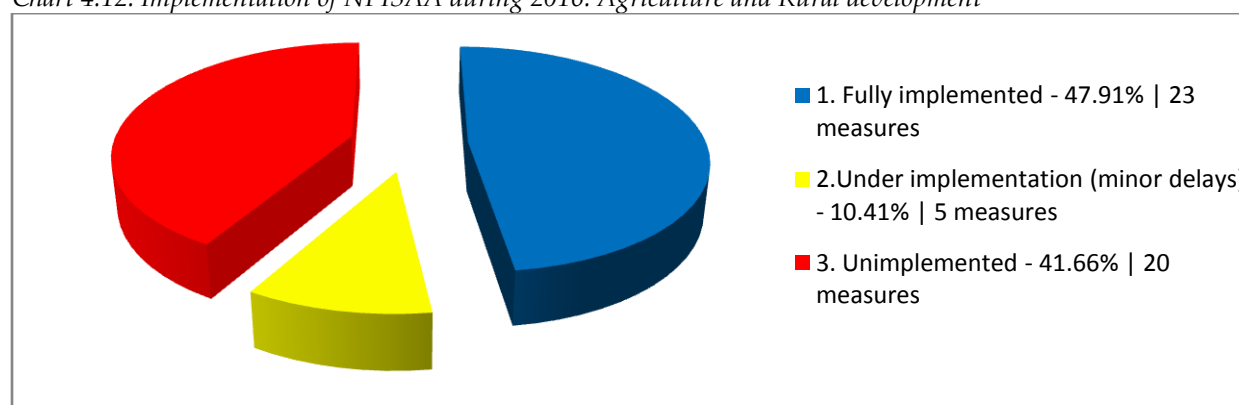
- 16.27% of all the measures, or 7 measures (2 legislative measures and 5 implementing measures) have been completed;
- 39.53.% of all measures, or 17 measures (7 legislative measures and 10 implementing measures) are under implementation, with slight delays in some measures as following:
 - Adoption of the Strategy on Digitalization of Terrestrial Broadcasting;
 - Adoption of the Regulation on collection of data for broadband infrastructure;
 - Professional capacity building in the area of electronic communications;
 - Preparation and implementation of the project on establishment of number portability system;
- 44.19% of all the measures or 19 measures (13 legislative measures and 6 implementing measures) did not manage to be implemented at all. These measures are the following:
 - Adoption of secondary legislation in the area of audio-visual policies (12 regulations);
 - Rules for determining the minimum values of quality of service parameters;
 - Implementation of the regulation for measuring the quality of services;
 - Preparation of the tendering process for multiplex in order to implement the strategy of digitalization; and
 - Professional capacity building in the area of electronic communications.

Based on the findings performance status presented in the chart above, *rate of implementation of this chapter during the fourth quarter was 21.42%*, since out of 28 measures planned to be implemented within this period (9 legislative measures and 19 implementing measures) only 6 measures (1 legislative measure and 5 implementing measures) have been fully implemented. To summarize, the *overall rate of implementation of this chapter was 16.17%*, since out of 43 planned short-term measures, only 7 measures (2 legislative measures and 5 implementing measures) have been fully implemented, and 19 of them or 44.19% did not manage to be implemented at all. The rest, namely 17 measures (39.53%) are being implemented, with slight delays.

According to the findings of the report, it can be concluded that a poor rate of implementation has been achieved in this chapter, since most of the planned measures have not been successfully implemented.

4.12. Acquis Chapter 11: Agriculture and Rural Development

Chart 4.12: Implementation of NPISAA during 2016: Agriculture and Rural development



This chapter contains 48 short-term measures, of which 17 (35.41%) were legislative measures, whereas 31 of them (64.58%) were implementing measures. From all these measures, 97.91% of them 47 measures (16 legislative measures and 31 implementing measures) were planned to be implemented within the last quarter of 2016.

In general, with regard to the *rate of implementation* of this chapter, the findings indicate as follows:

- 47.91% of all measures, namely 23 measures (4 legislative measures and 19 implementing measures) have been fully implemented;
- 10.41% of all measures, namely 5 measures (5 implementing measures) have commenced implementation, and are being implemented, with slight delays:
 - Drafting of the report on the commercial exchange for chapters 1-24 by country of origin and exporting country;
 - Reorganization of the Agency for Agricultural Development and Management Authority under IPARD;
 - Drafting of the analytical document to assess the support in the structure and performance of the farm.
- 41.66% of all measures, 20 measures (13 legislative measures and 7 implementing measures) did not manage to be implemented at all:
 - Law on regulation of the market for agricultural products;
 - Law on agriculture and rural development;
 - Law on strong alcoholic beverages;
 - AI on duties, responsibilities and composition of the committee for organic farming;
 - AI on the control system, control authority and control bodies and rules on implementation of control;

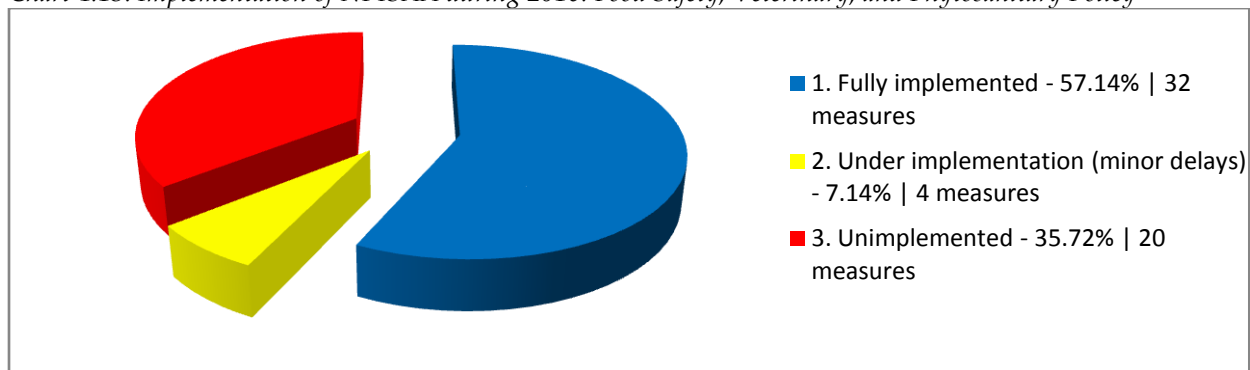
- AI on livestock production;
- AI on packaging, storage and transport of organic products;
- AI on criteria, standards and terms on the import of organic products in Kosovo;
- AI on specific criteria on the logo of organic products;
- AI on specific rules for labelling and content of organic products;
- AI on determining registration criteria and procedures for processors, importers, domestic traders and exporters of alcoholic beverages; and
- AI on determining the fees on costs of the procedure for registration.

Based on the findings of the performance status presented in the chart above, *rate of implementation of this chapter during the fourth quarter was 48.93%*, since 23 out of 47 measures planned to be implemented within this period have been fully implemented. To summarize, the *overall rate of implementation of this chapter was 47.91%*, since 23 out of 48 measures, all planned short-term measures have been fully implemented, whereas 20 measures did not manage to be implemented at all (41.66%). The rest, namely 5 measures (10.41%) are being implemented, with slight delays.

According to the findings of the report, it can be concluded that an unsatisfactory implementation level has been achieved in this chapter.

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

Chart 4.13: Implementation of NPISAA during 2016: Food Safety, Veterinary, and Phytosanitary Policy



This chapter contains a total of 56 short-term measures, of which 12 (21.42%) were legislative measures, whereas 44 (78.57%) were implementing measures. Out of all these measures 89.28%, or 50 measures (11 legislative measures and 39 implementing measures) were planned to be implemented within the fourth quarter of 2016.

In general, with regard to the *rate of implementation* of this chapter, the findings indicate as follows:

- 57.14% of all measures, namely 32 measures (6 legislative measures and 26 implementing measures) have been fully implemented;
- 7.14% of all measures, namely 4 measures (1 legislative measures and 3 implementing measures) commenced the implementation, and are being implemented, with slight delays:
 - There are delays in drafting the Regulation for registration of business operators and trade of feed and hygiene of feed;
 - Strategy for advancing the food business operators;
 - Contingency plans for animal disease; and
 - Recruitment of two experts in the Department of Public Health.
- 35.72% of all measures, namely 20 (5 legislative measures and 15 implementing measures) have not been implemented. These measures were the following:

- Law No. 03/L-016 on food;
- Law No. 2004/21 on veterinary;
- Law No. 2004/13 on seeds and planting material;
- Regulation on establishing health rules for animal by-products and derived-products which are not intended for human consumption;
- Results of detection of TB disease and mastitis in cattle;
- Registration of dead animals in I & R; and
- Application for expanding the area of accreditation with new methods for food safety and quality, as well as for diagnosing animal diseases.

Based on the findings of the performance status presented in the chart above, *rate of implementation of this chapter during the fourth quarter was 44%*, since 22 out of 50 measures planned to be implemented within this period have been fully implemented. To summarize, the *overall rate of implementation of this chapter was 57.14%*, since 32 out of 56 of all short-term planned measures have been fully implemented, whereas 20 have not been implemented. The other part, namely 4 measures (7.4%), is being implemented, with slight delays.

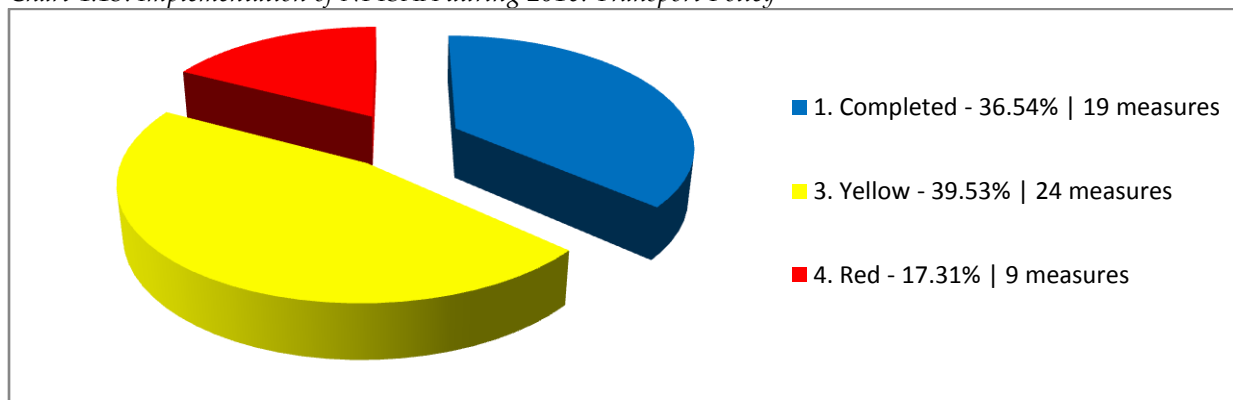
According to the findings of the report, it can be concluded that the rate of implementation of this chapter is **not satisfactory** since most of planned measures have not been successfully implemented.

4.14. Acquis Chapter 13: Fisheries

No short-term measure has been planned for this chapter.

4.15. Acquis Chapter 14: Transport Policy

Chart 4.15: Implementation of NPISAA during 2016: Transport Policy



This chapter contains 52 short-term measures (23 legislative measures and 29 implementing measures). Out of these measures, 47 (18 legislative measures and 29 implementing measures) were planned to be implemented within the last quarter of 2016.

In general, with regard to the *rate of implementation* of this chapter, the findings indicate as follows:

- 36.54% of all measures, namely 19 measures (9 legislative measures and 10 implementing measures) have been fully implemented;
- 39.53% of all measures, namely 24 measures (13 legislative measures and 11 implementing measures) are being implemented, with slight delays in several measures, as follow
 - There are delays in implementing the Law on vehicles; Law on road transport, as well as in adopting 11 Regulations

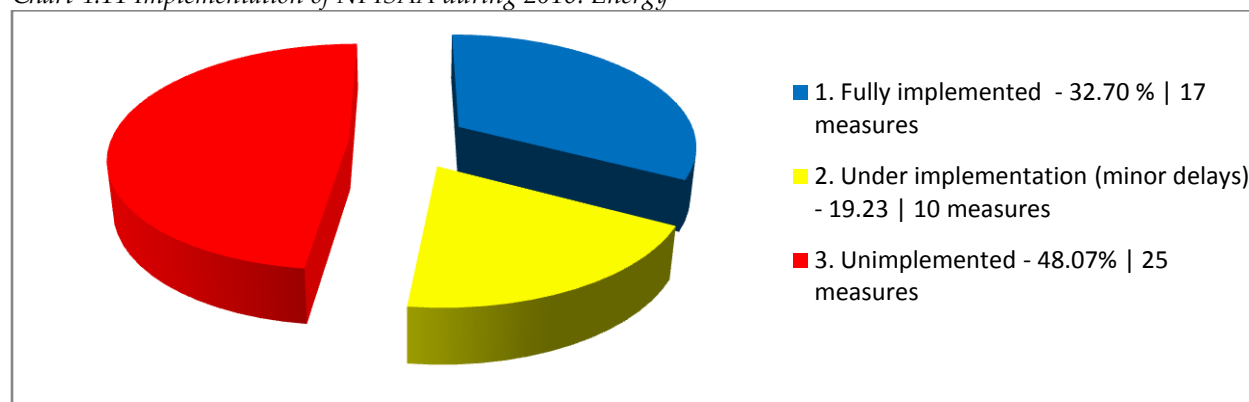
- 17.31% of all measures, namely 9 measures (1 legislative measure and 8 implementing measures), have not been implemented. These measures are the following:
 - Equipment for inspection of the roadworthiness of vehicles in the road;
 - Works in the segment (FusheKosove - Hani i Elezit);
 - Establishment of the database and electronic system;
 - Construction and expansion of the existing road network (Vushtrri - Mitrovice R6a/N2); as well as
 - Building technical and professional capacities in the transport sector;

Based on the findings of the performance status presented in the chart above, the *rate of implementation of this chapter during the fourth quarter was 31.91%*, since 15 (5 legislative measures and 10 implementing measures) out of 47 measures planned to be implemented within this period have been fully implemented. To summarize, the *overall rate of implementation of this chapter was 36.54%* since 19 out of 52 short-term planned measures have been fully implemented, whereas 9 of them have not been implemented. The other part, namely 24 (39.53%) measures, is being implemented, with slight delays.

According to the findings of the report, it can be concluded that there is a *poor rate of implementation in this chapter as most of planned measures have not been successfully implemented.*

4.16. Acquis Chapter 15: Energy

Chart 4.11 Implementation of NPISAA during 2016: Energy



This chapter contains 52 short-term measures, out of which 23 measures (44.23%) were legislative measures, whereas 29 of them (55.77%) were implementing measures. From all these measures, 45 of them (19 legislative measures and 26 implementing measures) were planned to be implemented within the last quarter of 2016.

In general, with regard to the *rate of implementation* of this chapter, the findings indicate as follows:

- 32.70% of all measures, namely 17 measures (7 legislative measures and 10 implementing measures) have been fully implemented.
- 19.23% of all measures, namely 10 measures (3 legislative measures and 7 implementing measures) have commenced implementation and are being implemented with slight delays:
 - Adoption of laws on: energy efficiency; radiation protection and nuclear safety; and trading with petroleum products and renewable fuels; and
 - Adoption of the Energy Strategy 2017-2026; creation of a competitive internal electricity market; development of Kosovo-Albania secondary regulation; elimination of cross-subsidies between tariff groups, etc.;

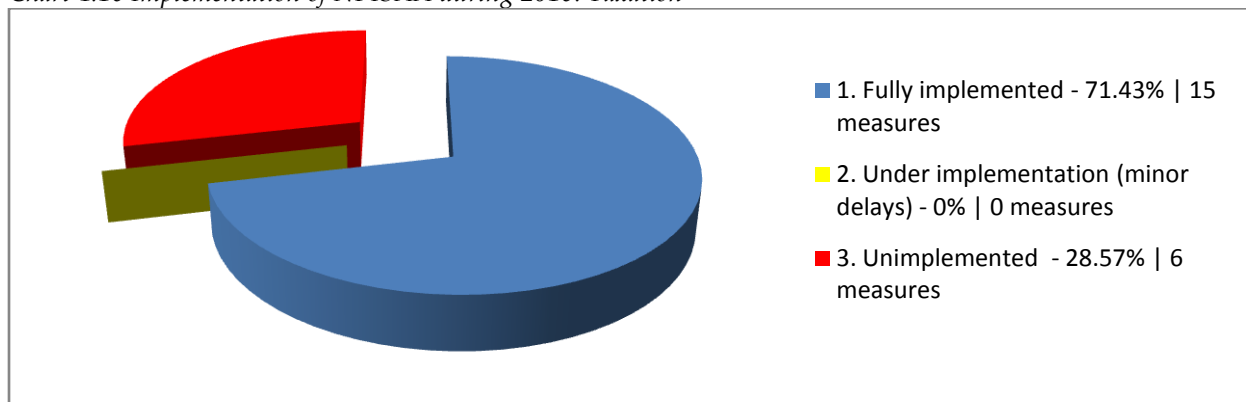
- 48.07% of all measures, namely 25 measures (13 legislative measures and 12 implementing measures) have not been implemented. These measures are the following:
 - Ratification of the treaty on the non-proliferation of nuclear weapons; as well as adoption of the law on compulsory oil stocks, two (2) AIs and nine (9) regulations;
 - Adoption of: Radiation Protection and Nuclear Safety Strategy; Energy Strategy Implementation Programme 2015-2017; and Third Energy Efficiency 2016-2018 AP; and
 - Expressions of interest and financial closure of Kosova e Re power plant; and measures for the decommissioning process.

Based on the findings of the performance status presented in the chart above, the *rate of implementation of this chapter during the fourth quarter was 31.11%*, since 14 out of 45 planned measures to be implemented during this period, have been fully implemented. To summarize, the *overall rate of implementation of this chapter was 32.70%*, since 17 out of 52 planned short-term measures have been fully implemented, while 25 of them have not been implemented. The remaining measures, namely 10 of them (or 19:23%) are being implemented, with slight delays.

According to the findings of the report, it can be concluded that this chapter is considered to have a **poor level of implementation**, since most of the planned measures have not been successfully implemented.

4.17. Acquis Chapter 16: Taxation

Chart 4.16 Implementation of NPISAA during 2016: Taxation



This chapter contains a total of 21 short-term measures; all of them were implementing measures. Therefore, all these 21 measures were planned to be implemented within the last quarter of 2016.

In general, with regard to the *rate of implementation* of this chapter, the findings indicate as follows:

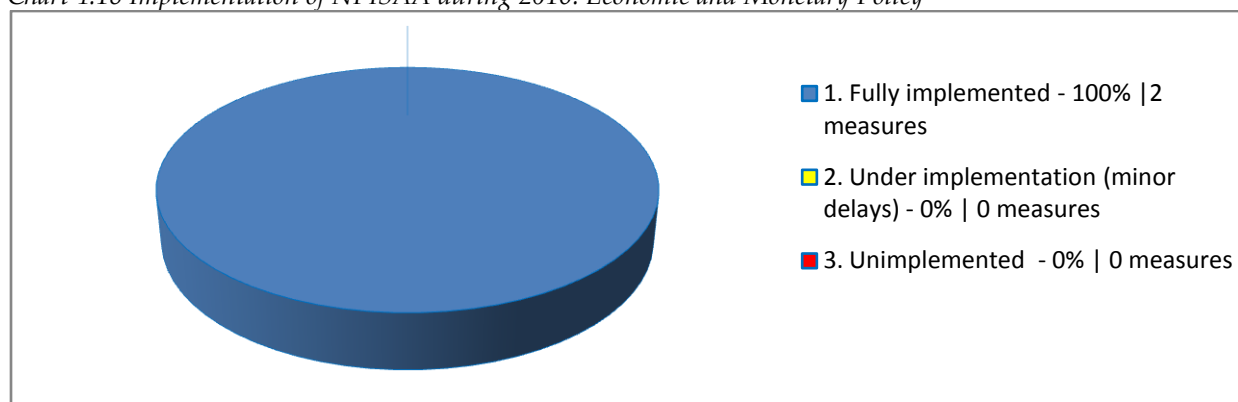
- 71.43% of all measures, namely 15 measures (15 implementing measures) have been completed;
- 28.57% of all measures (6 implementing measures) have not been fully implemented within the foreseen deadline, namely have not been completed:
 - The Information Technology Strategy 2016-2018 is not adopted;
 - There were no training sessions in the area of compliance risk management and in the area of tax risk;
 - There is no percentage of the Kosovo tax gap issued;

Based on the findings of the performance status presented in the chart above, the *overall rate of implementation of this chapter was 71.43%*, since 15 out of 21 planned measures, (15 implementing measures) have been fully completed, while 6 measures (28.57%) have not been fully completed.

According to the findings of the report, it can be concluded that this chapter has been implemented at an average level, since most of the planned measures have been successfully implemented. There have been some delays in relation to the adoption of IT strategy and system.

4.18. Acquis Chapter 17: Economic and Monetary Policy

Chart 4.18 Implementation of NPISAA during 2016: Economic and Monetary Policy



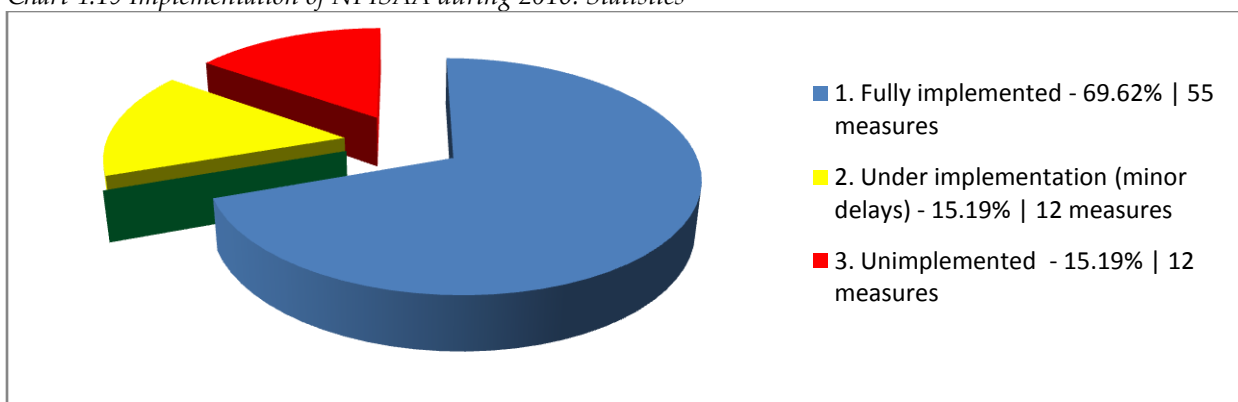
This chapter contains a total of 2 short-term measures (all legislative measures). These measures were planned to be implemented within the first quarter of 2016.

In general, with regard to the *rate of implementation* of this chapter, the findings indicate an **implementation rate of 100%, both overall and within the fourth quarter**, as all measures (2 legislative measures) were completed, namely there were no delays in implementation.

According to the findings of the report, it can be concluded that this chapter is considered to have a high level of implementation, since most of the planned measures have been fully implemented.

4.19. Acquis Chapter 18: Statistics

Chart 4.19 Implementation of NPISAA during 2016: Statistics



This chapter contains a total of 79 short-term measures, out of which 2 (2.53%) were legislative measures, whereas 77 of them (97.47%) were implementing measures. Out of all these measures, 77 implementing measures (71.4% of them) were planned to be implemented during the last quarter of 2016.

In general, with regard to the *rate of implementation* of this chapter, the findings indicate as follows:

- 69.62% of all measures (55 measures; all implementing measures) have been completed;

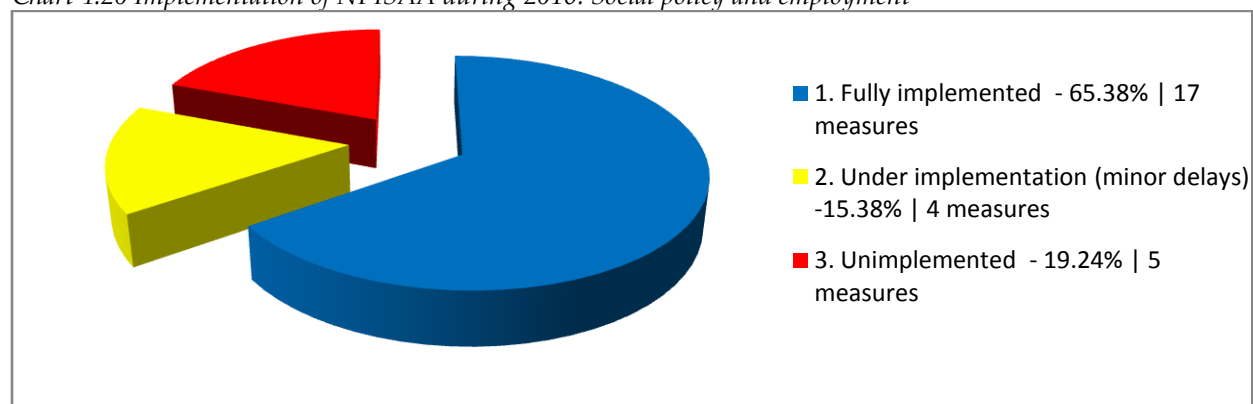
- 15.19% of all measures, namely 12 measures (1 legislative measure and 11 implementing measures) commenced the implementation and are being implemented with slight delays:
 - Adoption of the law on official statistics (the law is in the Assembly);
 - Finalization of the backup strategy for updating security policies;
 - Some measures on improving the quality of economic statistics in line with the acquis;
 - Improvement of information technology infrastructure in KAS.
- 15.19% of all measures (12 measures: 1 legislative measure and 11 implementing measures) have not been implemented. These measures are the following:
 - The Law on a population census in four municipalities in Northern Kosovo;
 - There was no progress in some measures regarding the improvement of the quality of social statistics;
 - There was no progress regarding the measurement of the informal economy within the private sector;
 - The department of national accounts is not established.

Based on the findings of performance status presented in the chart above, the **rate of implementation of this chapter is 69.62%**, since out of 79 planned measures 55 (55 implementing measures) have been fully implemented, whereas 24 measures have not been fully implemented yet (2 legislative measures and 22 implementing measures). On the other hand, these findings show that the **rate of implementation of this chapter during the fourth quarter was 71.4%**, since out of 77 planned measures 55 (55 implementing measures) have been fully implemented.

According to the findings of the report, it can be concluded that this chapter has been implemented at an average level, since most of the planned measures have been successfully implemented. There were delays in the adoption of the Law on official statistics and the Law on a population census in four municipalities in Northern Kosovo and in some indicators regarding the improvement of the quality of social statistics. However, regardless findings, the sector is not able to increase the volume of statistics published in shorter time period that would serve for policy needs. During the last two years it was noticed the need for additional business, macroeconomic, energy, etc., statistics. It is obvious that without additional human and financial capacities, KAS cannot fulfil these needs.

4.20. Acquis Chapter 19: Social Policy and Employment

Chart 4.20 Implementation of NPISAA during 2016: Social policy and employment



This chapter contains a total of 26 short-term measures, out of which 12 (46.15%) were legislative measures, whereas 14 (53.84%) were implementing measures. Out of all these measures, 2 legislative measures were planned to be implemented within the last quarter of 2016.

In general, with regard to the *rate of implementation* of this chapter, the findings indicate as follows:

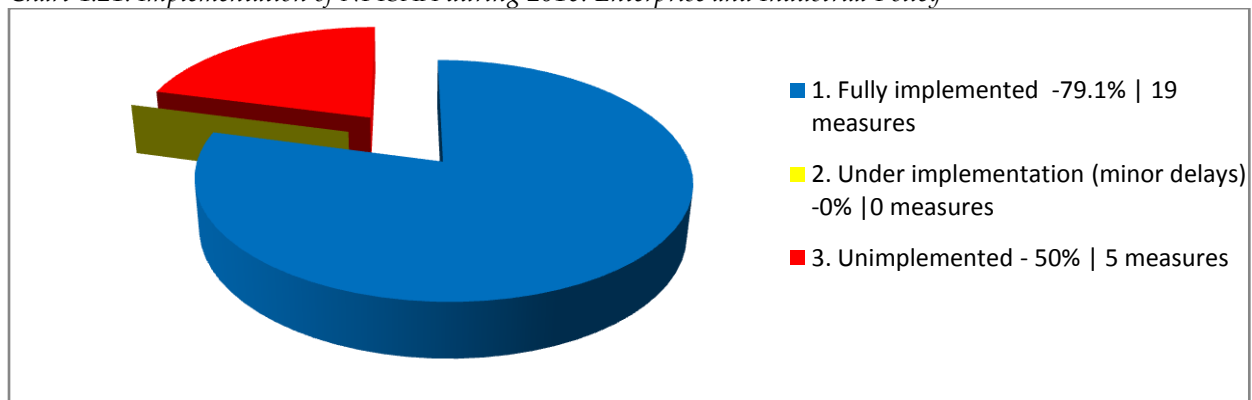
- 65.38% of all measures, namely 17 measures (5 legislative measures and 12 implementing measures) have been fully implemented;
- 15.38% of all measures, namely 4 measures (3 legislative measures and 1 implementing measure) have commenced implementation and are being implemented with slight delays
- 83.33% of all measures 5 (4 legislative measures and 1 implementing measure) have not been implemented. These measures are the following:
 - Adoption of amended laws on labour and on the Social and Economic Council; and of the 3 regulations on the minimum requirements of safety and health at the workplace;
 - Adoption of the Strategy for Social Economic Council.

Based on the findings of the performance status presented in the chart above, the *rate of implementation of this chapter during the fourth quarter was 65.38%*, since 17 out of 26 planned short-term measures are fully implemented, whereas 5 of them have not been implemented. The remaining measures, namely 4 of them (or 15.38%) are under implementation but with slight delays. The *overall rate of implementation of this chapter was 0%*, since 2 of the planned measures for this period have not been implemented.

According to the findings of the report, it can be concluded that this chapter has been implemented at an average level, since most of the planned measures have been successfully implemented. There was a minor delay in the drafting of the three regulations on the minimum requirements of safety and health at the workplace, and serious delays in the adoption of the Strategy for Social Economic Council, Law No. 03/L-212 on labour (amending and supplementing), Law No. 04/L-008 on Social Economic Council (amending and supplementing).

4.21. Acquis Chapter 20: Enterprise and Industrial Policy

Chart 4.21: Implementation of NPISAA during 2016: Enterprise and Industrial Policy



This chapter contains a total of 24 short-term measures, out of which 2 (8.33%) were legislative measures, whereas 22 (91.66%) were implementing measures. Out of all these measures, 96% of them (23 measures: 1 legislative measure and 22 implementing measures) were planned to be implemented within the last quarter of 2016.

In general, with regard to the *rate of implementation* of this chapter, the findings indicate as follows:

- 79.1% of all measures (18 measures; 2 legislative measures and 17 implementing measures) have been fully implemented
- 20.9% of all measures (5 implementing measures) have not been implemented. These measures are the following:
 - Membership in the Enterprise Europe Network in 2021 (COSME)
 - Increased capacity of IPR and KIESA staff for competitiveness program.
 - Establishment of partnership for entrepreneurial learning

Based on the findings of the performance status presented in the chart above, the **overall rate of implementation of this chapter was 79.1%** since 19 out of 24 planned measures have been implemented. Furthermore, the **rate of implementation of this chapter during the fourth quarter was 66.66%**, since 16 of the 24 planned measures have been implemented.

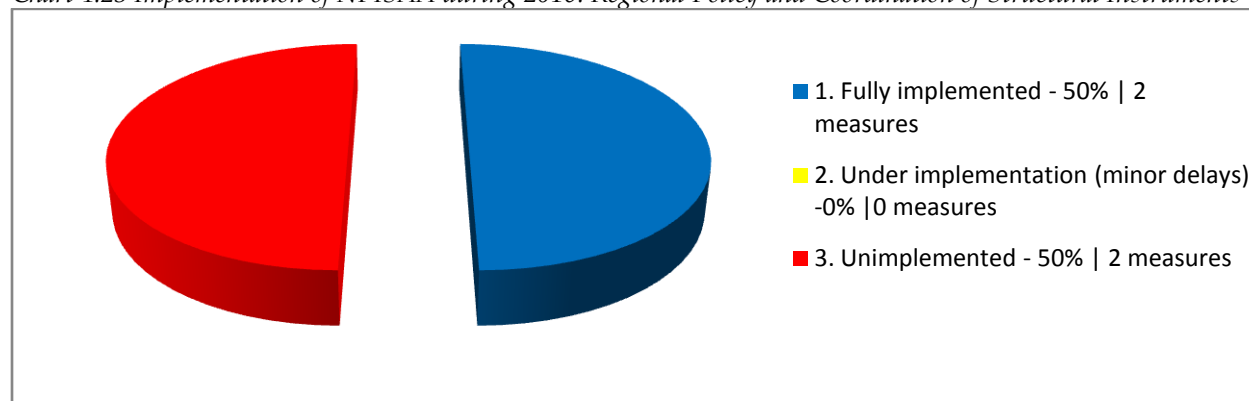
According to the findings of the report, it can be concluded that this chapter is considered to have a high level of implementation, since most of the planned measures have been successfully implemented. There was a minor delay regarding the Membership in the Enterprise Europe Network in 2021 (COSME) and it is known that it was depending on the framework contract signed in November 2016 between the Government of Kosovo and the European Commission. There were also slight delays regarding the building of capacities of DPI and KIESA staff for competitiveness program planned to be implemented through the project which is being implemented with some slight delays.

4.22. Acquis Chapter 21: Trans-European Networks

No short-term measures have been planned for this chapter.

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

Chart 4.23 Implementation of NPISAA during 2016: Regional Policy and Coordination of Structural Instruments



This chapter contains a total of 4 short-term measures (all implementing measures), for which it is needed the signature of financial agreement of IPA 2015, drafting of several policy documents for EU development assistance and preparation for determining the classification of regions according to NUTS system. Out of all measures, 2 measures (50%) were planned to be implemented within the last quarter of 2016.

In general, with regard to the *rate of implementation* of this chapter, the findings indicate as follows:

- 50% of all measures, namely 2 measures (2 implementing measures) have been fully implemented;
- 50% of all measures, namely 2 measures (2 implementing measures) have not been implemented.

These measures were the following:

- Beginning of preparations for classifying regions according to NUTS system
- At the level of development of national policies, in the absence of strategic government documents, a concept paper for regional development will be drafted and adopted, which will determine the definition of the term “regional development” as well as the definition for establishment of institutional structures for regional development in the Kosovo territory, as well as necessary capacities for efficient absorption of various EU funds and programmes.

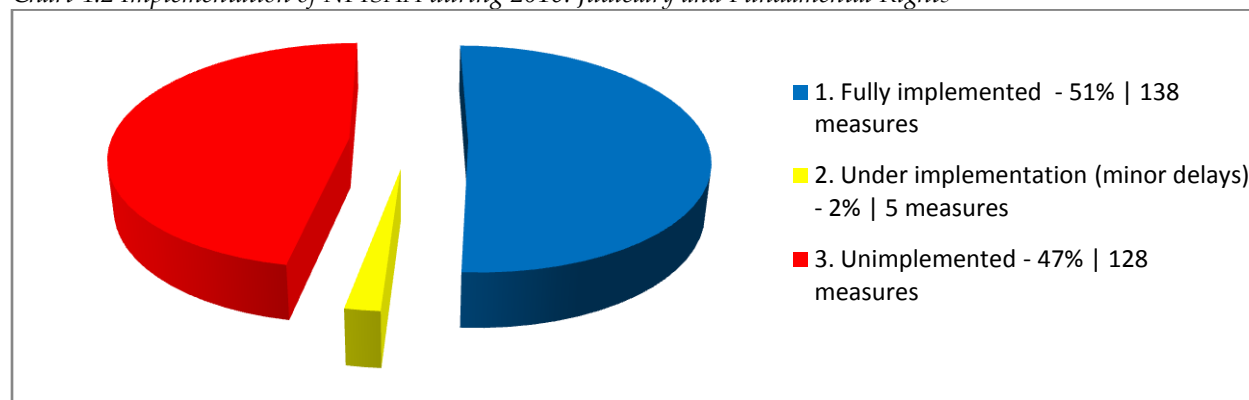
Based on the findings of performance status presented in the chart above, the **rate of implementation of this chapter during the fourth quarter was 50%**, since 2 out of 4 measures planned to be implemented

during this period have been fully implemented. To summarize, *the overall rate of implementation in this chapter is 50%*, since 2 out of 4 planned short-term measures have been fully implemented, whereas 2 of them have not been implemented.

According to the findings of the report, it can be concluded that the rate of implementation of this chapter is not satisfactory since half of the planned measures have been implemented, and the remaining measures have not been completed although they commenced implementation earlier.

4.24. Acquis Chapter 23: Judiciary and Fundamental Rights

Chart 4.2 Implementation of NPISAA during 2016: Judiciary and Fundamental Rights



This chapter contains a total of 271 short-term measures, out of which 40 (14.7%) were legislative measures, whereas 231 (85.24%) were implementing measures. Out of all these measures, 76% (206 measures: 15 legislative measures and 191 implementing measures) were planned to be implemented within the last quarter of 2016.

In general, with regard to the *rate of implementation* of this chapter, the findings indicate as follows:

- 51% of all measures, namely 138 measures (14 legislative measures and 124 implementing measures) have been fully implemented;
- 2% of all measures, namely 5 measures (2 legislative measures and 3 implementing measures) have commenced and are being implemented with slight delays;
- 47% of all measures (24 legislative measures and 104 implementing measures) have not been implemented.

In the area of *judiciary and anticorruption policy*, there were delays in adopting the following legal acts:

- Laws on: Office of Disciplinary Counsel/Prosecutor; Bar Examination (amendment); mediation; enforcement procedure; prevention of conflict of interest; and confiscation of unjustified assets;
- Regulations on: lay judges; appointment, transfer, promotion and any movement of judges; certification of court translators and interpreters in criminal proceedings (in line with the Kosovo Criminal Procedure Code); and on expenditures of witnesses during the criminal proceeding;

In the area of *fundamental rights*, there were delays in adopting the following legal acts:

- Juvenile Justice Code; law amending the Law No. 03/L-047 on protection and promotion of the rights of communities and their members in Kosovo; and law amending the Law no. 03/L-172 on protection of personal data;
- Regulations on: organization, structure and functioning of the Gender Equality Agency; return of displaced persons; and the method of coordination, reporting and cooperation

- with the Office of Good Governance and of institutional mechanisms for protection against discrimination;
- Strategy for Execution of Criminal Sanctions; National Strategy for the Protection of Personal Data; Strategy and AP on Human Rights in the Republic of Kosovo; Strategy and AP for Inclusion of RAE communities in Kosovo society; and the Strategy for the Protection and Promotion of Language Rights;
- On property rights, KPA has reiterated that with regard to the implementation of the compensation scheme for social housing, there are 143 decisions to be enforced through compensation. The amount necessary for compensation for these properties is EUR 3.2 million. Despite great efforts, the Agency did not ensure these means. These decisions cannot be enforced without these means. Furthermore, due to the lack of material means, the 35 unimplemented decisions for demolition of illegal constructions built in private properties cannot be implemented.

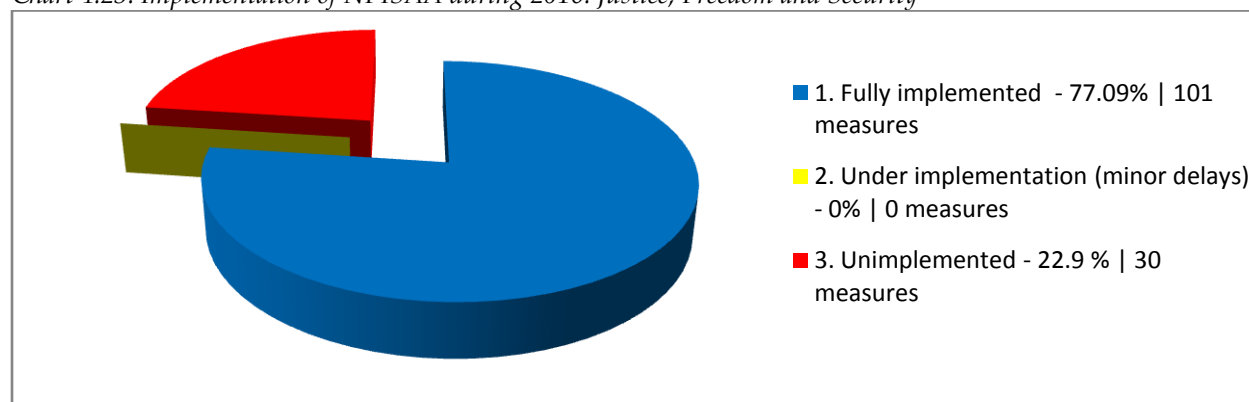
Based on the findings of performance status presented in the chart above, the **rate of implementation of this chapter during the fourth quarter was 50%**, since 103 out of 206 measures planned to be implemented during this period were fully implemented. To summarize, the **overall rate of implementation of this chapter was 51%**, since 138 out of 271 planned short-term measures were fully implemented, whereas 128 of them have not been implemented. The remaining measures, namely 5 of them (or 2%) are under implementation, with slight delays.

According to the findings of the report, it can be concluded that the rate of implementation of this chapter is considered to be unsatisfactory since the majority of the planned measures have not been implemented.

Thus, we can conclude that during the reporting period the Kosovo Judicial Council, the Anti-Corruption Agency, AFLA and NAPPD did not submit any input on the reporting period; therefore, due to the lack of data on the rate of implementation of measures under the responsibility of these institutions, these measures were considered as not implemented so far (with serious delays).

4.25. Acquis Chapter 24: Justice, Freedom and Security

Chart 4.25: Implementation of NPISAA during 2016: Justice, Freedom and Security



This chapter contains a total of 131 short-term measures out of which 15 (11.45%) were legislative measures, while 116 (88.54%) were implementing measures. Out of all these, 74.8% measures (98 measures: 7 legislative measures and 91 implementing measures) were planned to be implemented within the last quarter of 2016.

In general, with regard to the *rate of implementation* of this chapter, the findings indicate as follows:

- 77.09% of all measures, namely 101 measures (7 legislative measures and 94 implementing measures) have been fully implemented;
- 22.9% of all measures (8 legislative measures and 22 implementing measures) have not been implemented. These measures are the following:

Legislative measures:

- Adoption of laws on: Asylum; Narcotic Medicaments, Psycho-tropes and Precursors; Private international Law; and Critical Infrastructure;
- Conclusion of police cooperation agreements with Estonia and Turkey;
- Adoption of the Regulation on Integration of Foreigners; AI no. 16/2013 on Conditions of Admission and Initial Treatment of Asylum-seekers; and AI no. 01/2014 on residence permit;

Implementing measures:

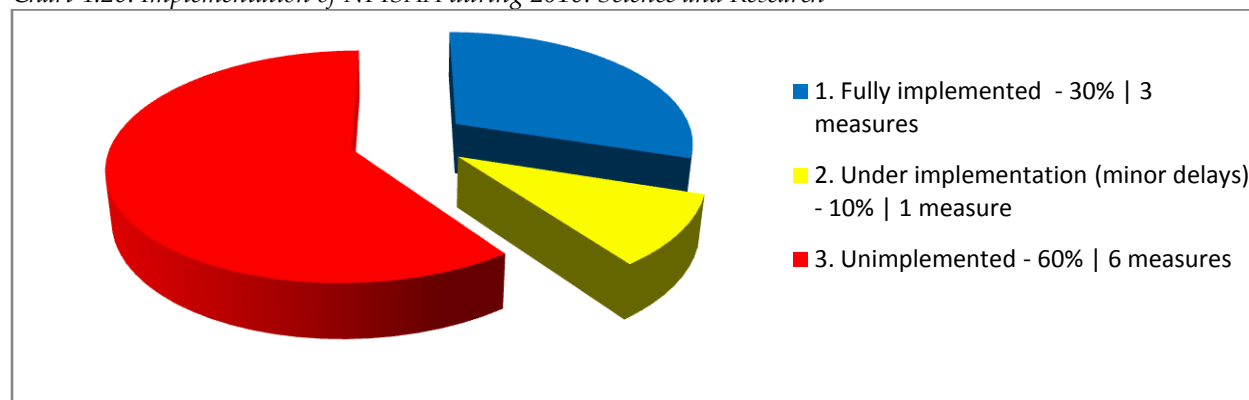
- Adoption of the new 2016-2021 National Community Safety Strategy and AP; and the 2016-2021 Small Arms and Light Weapons Control and Collection Strategy;
- Completion of the digitalization process of civil status registries returned from Serbia;
- Compiling and updating the list of terrorist groups; conduction of the analysis of legislation in the fight against corruption; and development of the cybercrime reporting web platform;
- Implementation of Law on interception of telecommunications/drafting of bylaws;
- Provision of equipment for the prevention and investigation of cybercrime;
- Creation of the Common Integrated Risk Analysis Model;
- Adoption of the decision on institutional mechanisms for the integration of foreigners; and of municipal reintegration plans in the entire country;
- Advancement of statistics on: narcotics; THB; terrorism; and organized crime and corruption; and provision of training on integration of foreigners.

Based on the findings of performance status presented in the chart above, the ***rate of implementation of this chapter during the fourth quarter was 71.4%***, since 70 out of 98 measures planned to be implemented during this period were fully implemented. To summarize, the ***overall rate of implementation of this chapter was 77.09%***, since 101 out of 131 planned short-term measures were fully implemented, whereas 30 of them have not been implemented.

According to the findings of the report, it can be concluded that the rate of implementation of this chapter is considered to be of a satisfactory level since the majority of the planned measures have been successfully implemented. There was a minor delay regarding the adoption of the AI on the recognition of foreign documents for conformity which will be implemented with the supplementing-amending of the Law on technical requirements for products and conformity assessment. The latter is in the process of drafting and is expected to be adopted soon.

4.26. Acquis Chapter 25: Science and Research

Chart 4.26: Implementation of NPISAA during 2016: Science and Research



This chapter contains a total of 10 short-term measures out of which, 3 of them or 30% were legislative measures, while 7 of them or 70% were implementing measures. Out of all these measures, 40% of them (4 implementing measures) were planned to be implemented within the last quarter of 2016.

In general, with regard to the *rate of implementation* of this chapter, the findings indicate as follows:

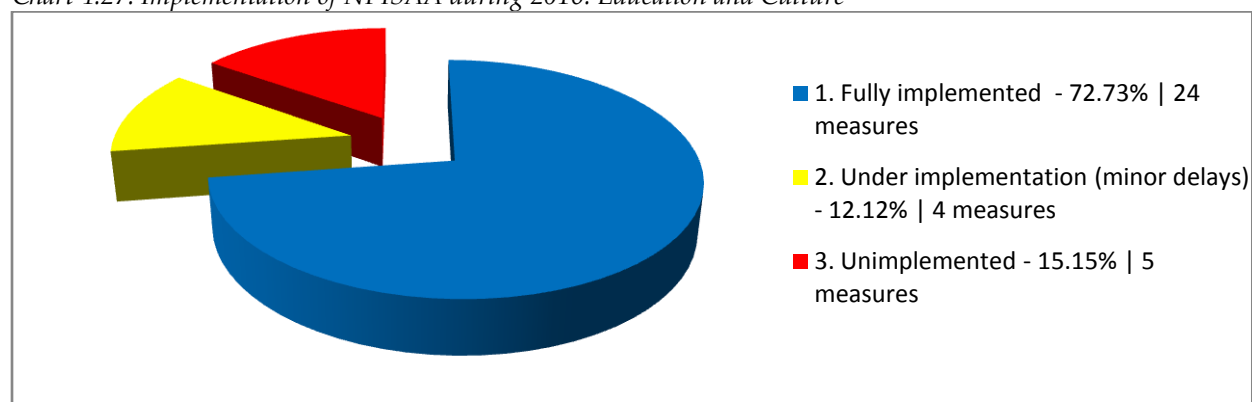
- 30% of all measures, namely 3 measures (1 legislative measure and 2 implementing measures) have not been fully implemented;
- 10% of all measures, namely 1 implementing measure has commenced implementation and is being implemented with slight delays;
 - There are delays in allocating grants for *Horizon 2020*.
- 60% of all measures, namely 6 measures (2 legislative measures and 4 implementing measures) have not been implemented at all. These measures are the following:
 - National Innovation Strategy;
 - National Science Plan;
 - AI for licensing of science magazines.

Based on the findings of the performance status presented in the chart above, the *rate of implementation of this chapter during the fourth quarter was 50%*, since 2 out of 4 measures planned to be implemented during this period have been fully implemented. The *overall rate of implementation of this chapter was 30%*, since 3 out of 10 planned short-term measures have been fully implemented, while 6 of them were not implemented at all. The remaining 1 measure (or 10%) is being implemented with slight delays.

According to the findings of the report, it can be concluded that rate of implementation of this chapter is not satisfactory, since most of the planned measures have not been successfully implemented. There was a minor delay, as shown above, regarding the allocation of grants for Horizon 2020 as a result of lack of applications. The foreseen funds are transferred to 2017.

4.27. Acquis Chapter 26: Education and Culture

Chart 4.27: Implementation of NPISAA during 2016: Education and Culture



This chapter contains a total of 33 short-term measures, out of which, 4 (12.12%) were legislative measures, while 29 (87.87%) were implementing measures. Out of all these, 90.9% of them (2 legislative measures and 28 implementing measures) were planned to be implemented within the last quarter of 2016.

In general, with regard to the *rate of implementation* of this chapter, the findings indicate as follows:

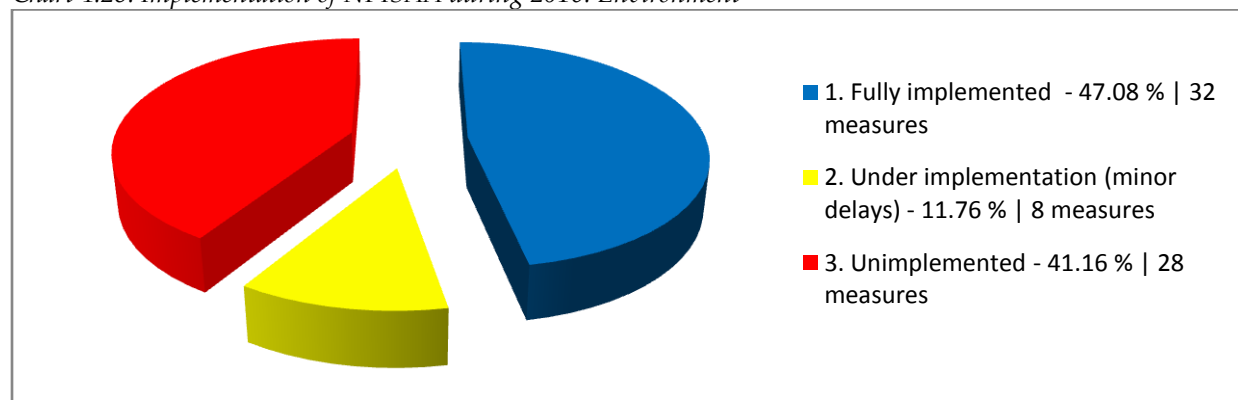
- 72.73% of all measures, namely 24 measures (2 legislative measures and 22 implementing measures) have been fully implemented;
- 12.12% of all measures, namely 4 measures (1 legislative measure and 3 implementing measures) have commenced implementation and are being implemented with slight delays, as follows:
 - Finalizing and piloting the core curricula for preschool education level, and
 - Strategy for Education and Career Guidance.
- 15.15% of all measures, namely 5 measures (1 legislative measure and 4 implementing measures) have not been implemented. These measures are the following:
 - Law on higher education;
 - Strategy on security in pre-university education institutions.

Based on the findings of the performance status presented in the chart above, the *rate of implementation of this chapter during the fourth quarter was 73.72%*, since 22 out of 30 measures planned to be implemented during this period have been fully implemented. The *overall rate of implementation of this chapter was 72.73%*, since 24 out of 33 planned short-term measures have been fully implemented, while 5 of them have not been implemented at all. The other part, namely 4 measures (or 12.12%), is being implemented with slight delays.

According to the findings of the report, it can be concluded that this chapter has been implemented at an average level, since most of planned measures have been successfully implemented. There were some slight delays in finalizing and piloting the core curricula for pre-school education level, which is designed but is soon expected to be adopted and to have the piloting started, whereas the Strategy for Education and Career Guidance has been drafted but it is not yet adopted in the Assembly.

4.28. Acquis Chapter 27: Environment

Chart 4.28: Implementation of NPISAA during 2016: Environment



This chapter contains a total of 68 short-term measures, out of which, 22 (32.35%) were legislative measures, while 46 (67.65%) were implementing measures. Out of all these, 51.47% or 35 of them (14 legislative measures and 21 implementing measures) were planned to be implemented within the last quarter of 2016.

In general, with regard to the *rate of implementation* of this chapter, the findings indicate as follows:

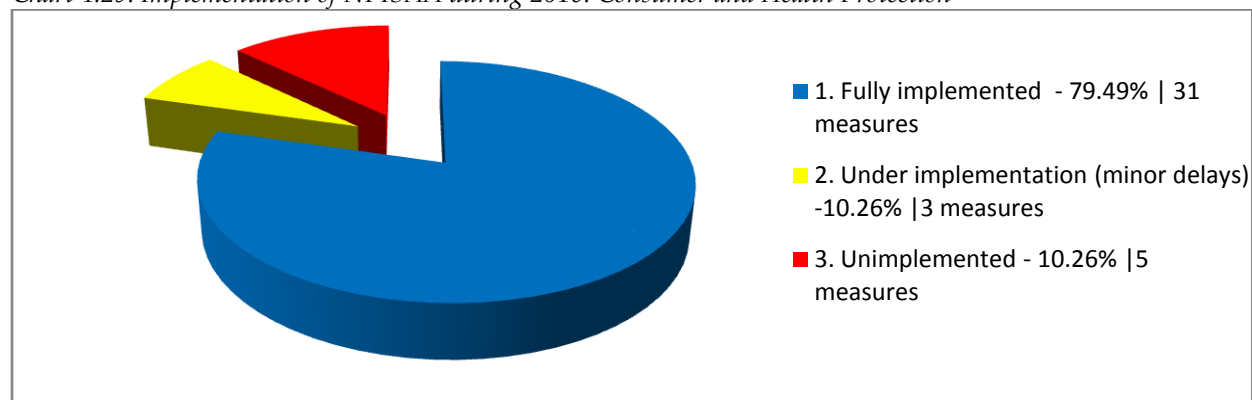
- 47.08% of all measures, namely 32 measures (9 legislative measures and 23 implementing measures) have been fully implemented;
- 11.76% of all measures, namely 8 measures (5 legislative measures and 3 implementing measures) have commenced implementation and are being implemented with slight delays;
 - Adoption of the Law on forests in Kosovo, the Law on biocide products, the AIs on the list of categories of hazardous waste by origin and content - List Y, on the classification of surface water bodies and classification of underground water bodies, as well as on the adoption of the Action Plan for Air Quality, National Plan for the Reduction of Emissions (NPRE) and the National Program for Forestation of Bare Surfaces 2016-2025;
- 41.16% of all measures, namely 28 measures (8 legislative measures and 20 implementing measures) have not been implemented at all. These measures are the following:
 - Adoption of the Law on infrastructure and spatial information, Law on hunting; Law on air protection from pollution; Law on protection against noise; functionality of the Authority for river basins; establishment of the Kosovo Institute for Waters; establishment of the Botanic Garden, etc.

Based on the findings of the performance status presented in the chart above, the *rate of implementation of this chapter during the fourth quarter was 48.57%*, since 17 out of 35 measures planned to be implemented during this period have been fully implemented. To summarize, the *overall rate of implementation of this chapter was 47.08%*, since 32 out of 68 planned short-term measures have been fully implemented, while 28 (41.16%) of them were not implemented at all. The other part, namely 8 measures (or 11.76%), is being implemented with slight delays.

*According to the findings of the report, it can be concluded that the rate of implementation of this chapter is **not satisfactory**, since most of the planned measures have not been successfully implemented.*

4.29. Acquis Chapter 28: Consumer and Health Protection

Chart 4.29: Implementation of NPISAA during 2016: Consumer and Health Protection



This chapter contains a total of 39 short-term measures, out of which, 5 (12.82%) were legislative measures, while 34 (87.17%) were implementing measures. Out of all these, 32 measures (5 legislative measures and 27 implementing measures) or 82.05% were planned to be implemented within the last quarter of 2016.

In general, with regard to the *rate of implementation* of this chapter, the findings indicate as follows:

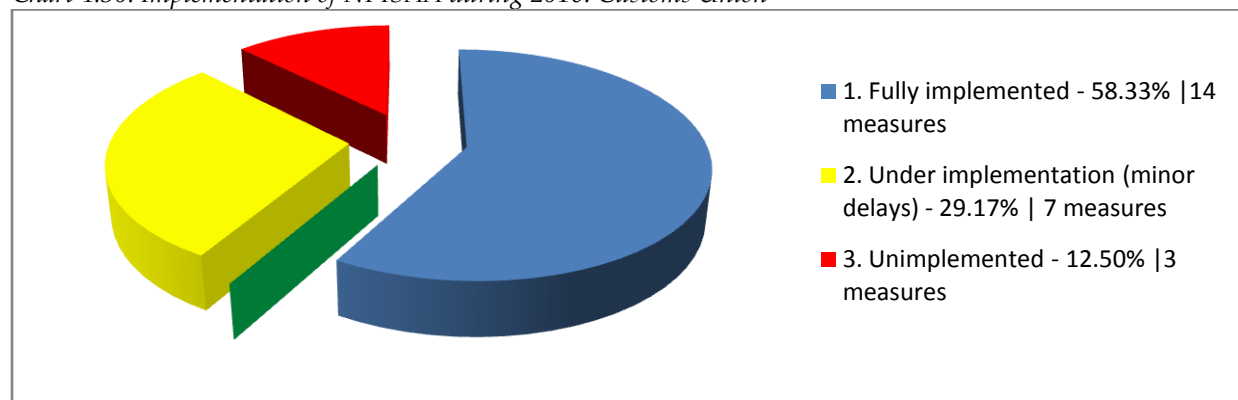
- 79.48% of all measures, namely 31 measures (1 legislative measure and 30 implementing measures) were fully implemented;
- 7.69% of all measures, namely 3 measures (2 legislative measures and 1 implementing measure) have commenced implementation and are being implemented with slight delays
- 12.83% of all measures, namely 5 measures (2 legislative measures and 3 implementing measures) were not implemented at all. These measures are the following:
 - Amendment of the Law on consumer protection;
 - The Administrative Instruction on combined remarks (new bylaw) is not adopted;

Based on the findings of the performance status presented in the chart above, the *rate of implementation of this chapter during the fourth quarter was 69.23%*, since 32 out of 39 measures planned to be implemented during this period have been fully implemented. To summarize, the *overall rate of implementation of this chapter was 79.48%*, since 31 out of 39 planned short-term measures have been fully implemented, while 5 of them (or 12.83%) were not implemented at all. The other part, namely 3 measures (or 7.69%), is being implemented with slight delays.

According to the findings of the report, it can be concluded that the rate of implementation of this chapter is satisfactory, since most of planned measures have been fully implemented. It is worth mentioning that there was a minor delay regarding the supplementing/amending of the Law on consumer protection whereas the Administrative Instruction on combined remarks (a new bylaw) was not adopted and was transferred to the Legislative Plan for 2017.

4.30. Acquis Chapter 29: Customs Union

Chart 4.30: Implementation of NPISAA during 2016: Customs Union



This chapter contains a total of 24 short-term measures, out of which, 5 (20.83%) were legislative measures, while 19 (79.17%) were implementing measures. All these measures or 100% of them (24 measures: 5 legislative measures and 14 implementing measures) were planned to be implemented within the last quarter of 2016.

In general, with regard to the *rate of implementation* of this chapter, the findings indicate as follows:

- 58.33% of all measures, namely 14 measures (14 implementing measures) were implemented;
- 29.17% of all measures, namely 7 measures (3 legislative measures and 4 implementing measures) have commenced implementation and are being implemented with slight delays, as follows:
 - Adoption of the Customs and Excise Code of Kosovo No. 03/L-109, amended and supplemented by the Law No. 04/L099 and secondary legislation;
 - Adoption of the Law No. 03/L-170 on customs measures for protection and intellectual property rights;
 - Improving the current electronic system INES.
- 12.50% of all measures (4 measures: 2 legislative measures and 2 implementing measures) have not been implemented. These measures are the following:
 - Adoption of AIs as they will be developed after the adoption of the above laws;
 - Strengthening capacities in the Sector of Origin with two (2) new Customs Officers.

Based on the findings of the performance status presented in the chart above, ***the rate of implementation of this chapter is 58.33%***, since 14 (implementing measures) out of 24 measures planned to be implemented during this period have been fully implemented, while 10 of them were not yet fully realized.

According to the findings of the report, it can be concluded that the rate of implementation of this chapter is not satisfactory, since less than half of the planned measures have not been successfully implemented. In this chapter there were some problems or delays regarding the adoption of the Customs and Excise Code of Kosovo and the adoption of the Law on customs measures for protection of intellectual property rights and the secondary legislation. There were no developments regarding the adoption of AIs as such AIs will be developed after the adoption of the abovementioned laws and the capacities of the Sector of Origin for two (2) Customs Officers were not increased.

4.31. Acquis Chapter 30: External Relations

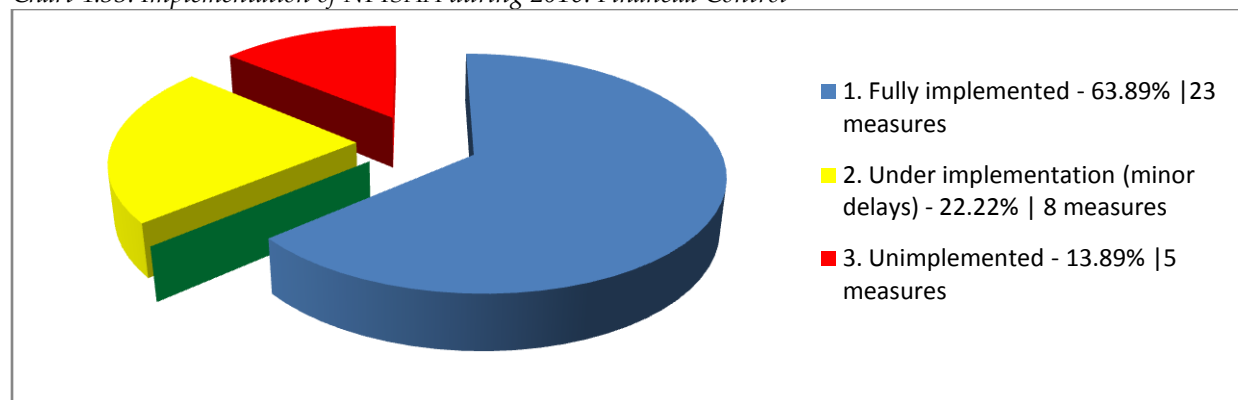
No short-term measures have been planned in this chapter.

4.32. Acquis Chapter 31: Foreign, Security and Defence Policy

No short-term measures have been planned in this chapter.

4.33. Acquis Chapter 32: Financial Control

Chart 4.33: Implementation of NPISAA during 2016: Financial Control



This chapter contains a total of 36 short-term measures, out of which, 8 (22.22%) were legislative measures, while 28 (77.77%) were implementing measures. Out of all these, 97.22% of them (35 measures: 7 legislative measures and 28 implementing measures) were planned to be implemented within the last quarter of 2016.

In general, with regard to the *rate of implementation* of this chapter, the findings indicate as follows:

- 63.89% of all measures, namely 23 measures (3 legislative measures and 20 implementing measures) have been implemented;
- 22.22% of all measures, namely 8 measures (5 legislative measures and 3 implementing measures) have commenced implementation and are being implemented with slight delays:
 - Adoption of the Law on public financial management and accountability and the Law on internal audit, consequently there are delays in the adoption of some accompanying regulations;
 - Installation of the software for a more effective audit, consequently there are delays in the accompanying indicators as a result of failure to install the software for developing the institutional capacity at the National Audit Office;
 - Increasing the number of non-statutory performance audits and IT audits.
- 13.89% of all measures (5 measures: all of them implementing measures) have not been implemented. These measures are the following:
 - Establishment of the Council for monitoring the implementation of the PIFC Strategy;
 - Installation of the software for more effective audit, consequently of related measures for developing institutional capacity at the National Audit Office.

Based on the findings of the performance status presented in the chart above, the *overall rate of implementation of this chapter was 63.89%*, since 23 (3 legislative measures and 20 implementing measures) out of 36 measures planned to be implemented during this period have been fully implemented, while 13 measures have not been fully implemented. On the other hand, these findings show that the *implementation level of this chapter during the fourth quarter is 65.71%*, since 23 out of 35 planned short-term measures (3 legislative measures and 20 implementing measures) have been fully implemented.

According to the findings of the report, it can be concluded that this chapter has been implemented at an average level, since most of planned measures have been successfully implemented. In this sector there are some delays regarding the adoption of the Law on public financial management and accountability and the Law on internal audit, consequently there are some delays in the adoption of some accompanying regulations. Also, there are delays in the establishment of the Council for monitoring the implementation of the PIFC Strategy. Regarding the external audit, there are delays in the advancement of information technology for developing institutional capacity at the National Audit Office.

4.34. Acquis Chapter 33: Financial and Budgetary Provisions

No short-term measure was planned within this chapter.