



**Republika e Kosovës**  
**Republika Kosova – Republic of Kosova**  
**Qeveria-Vlada-Government**

## **National Programme for European Integration 2023-2027**

**June 2023**  
**Prishtina**

*Blank page*

## Table of Contents

<i>Decision of the Assembly of the Republic of Kosova on Adoption of NPEI 2023-2027</i> .....	5
<i>Decision of the Government of the Republic of Kosova on Approval of NPEI 2023-2027</i> .....	6
List of Abbreviations and Acronyms .....	10
Relations between the Republic of Kosova and the European Union .....	14
<b>1. BLOC 1: POLITICAL CRITERIA .....</b>	<b>16</b>
<b>1.1. Democracy and Rule of Law .....</b>	<b>16</b>
1.1.1. Constitution, Assembly and Election System .....	16
1.1.2. Public Administration .....	18
1.1.3. Ombudsperson .....	21
1.1.4. Civilian Oversight of Security Forces .....	22
<b>1.2. Regional Cooperation and International Obligations .....</b>	<b>22</b>
<b>2. BLOC 2: ECONOMIC CRITERIA .....</b>	<b>24</b>
2.1. Existence of a Functional Market Economy .....	24
2.2. Capacity to Cope with Competitive Pressure and Market Forces within the Union .....	32
<b>3. BLOC 3: EUROPEAN STANDARDS – ALIGNMENT OF KOSOVA’S LEGISLATION WITH THE EU ACQUIS .....</b>	<b>40</b>
3.0. Legal Framework on Alignment of Kosova’s Legislation with the EU Acquis .....	40
3.1. Chapter 1: Free Movement of Goods .....	41
3.2. Chapter 2: Freedom of Movement for Workers .....	45
3.3. Chapter 3: Right of Establishment and Freedom to Provide Services .....	46
3.4. Chapter 4: Free Movement of Capital .....	48
3.5. Chapter 5: Public Procurement .....	50
3.6. Chapter 6: Company Law .....	51
3.7. Chapter 7: Intellectual Property Law .....	53
3.8. Chapter 8: Competition Policy .....	55
3.9. Chapter 9: Financial Services .....	57
3.10. Chapter 10: Information Society and Media .....	59
3.11. Chapter 11: Agriculture and Rural Development .....	61
3.12. Chapter 12: Food Safety, Veterinary and Phytosanitary Policy .....	62
3.13. Chapter 13: Fisheries .....	63
3.14. Chapter 14: Transport Policy .....	64
3.15. Chapter 15: Energy .....	65
3.16. Chapter 16: Taxation .....	67
3.17. Chapter 17: Economic and Monetary Policy .....	68
3.18. Chapter 18: Statistics .....	70
3.19. Chapter 19: Social Policy and Employment .....	72
3.20. Chapter 20: Enterprise and Industrial Policy .....	73
3.21. Chapter 21: Trans-European Networks .....	74
3.22. Chapter 22: Regional Policy and Coordination of Structural Instruments .....	75
3.23. Chapter 23: Judiciary and Fundamental Rights .....	77
3.24. Chapter 24: Justice, Freedom and Security .....	82
3.25. Chapter 25: Science and Research .....	88
3.26. Chapter 26: Education and Culture .....	89
3.27. Chapter 27: Environment .....	91
3.28. Chapter 28: Consumer and Health Protection .....	93
3.29. Chapter 29: Customs Union .....	94
3.30. Chapter 30: External Relations .....	96
3.31. Chapter 31: Foreign, Security and Defence Policy .....	97

3.32. Chapter 32: Financial Control .....	98
3.33. Chapter 33: Financial and Budgetary Provisions .....	99
3.34. Chapter 34: Institutions .....	100
3.35. Chapter 35: Other Issues .....	100
<i>Annex: Current Supporting Projects Relevant to Implementation of NPEI 2023-2027 .....</i>	<i>101</i>
<b>MATRIX OF SHORT-TERM MEASURES .....</b>	<b>106</b>



**Republika e Kosovës**  
**Republika Kosova – Republic of Kosova**  
*Kuvendi – Skupština – Assembly*

---

Legislature VIII  
*Spring Session*

Pursuant to Article 65 (1) of the Constitution of the Republic of Kosova, as well as Articles 3 and 103, paragraph 3, of the Rules of Procedure of the Assembly, the Assembly of the Republic of Kosova, in its Plenary Session held on 15 June 2023, following its review of the National Programme for European Integration (NPEI) 2023 – 2027, took the following:

**D E C I S I O N**

The National Programme for European Integration (NPEI) 2023 – 2027 is hereby adopted.

No. 08-V-570  
Prishtina, 15.06.2023

Glauk Konjufca

---

(signed)  
President of the Assembly

The copy of the present decision is submitted to:  
- Government of the Republic of Kosova,  
- Directorate for Support to Assembly Committees, and  
- Archive of the Assembly.



**Republika e Kosovës**  
**Republika Kosovo - Republic of Kosovo**  
***Kuvendi - Skupština – Assembly***

---

Legjislatura VIII  
Sesioni pranveror

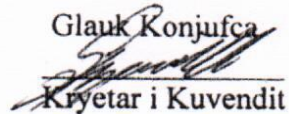
Kuvendi i Republikës së Kosovës, në mbështetje të nenit 65 (1) të Kushtetutës së Republikës së Kosovës dhe të neneve 3 e 103 paragrafi 3 të Rregullores së Kuvendit, në Seancën plenare të mbajtur më 15 qershor 2023, pasi e shqyrtoi Programin Kombëtar për Inegrim Evropian 2023-2027, mori këtë:

**V E N D I M**

Miratohet Programi Kombëtar për Inegrim Evropian 2023-2027.

Nr. 08-V- 570

Prishtinë, 15.06.2023

Glauk Konjufca  
  
Kryetar i Kuvendit

Kopja e Vendimit u dërgohet:

- Qeverisë së Republikës së Kosovës,
- Drejtorisë për mbështetje komisioneve parlamentare dhe
- Arkivit të Kuvendit.



**Republika e Kosovës**  
**Republika Kosova-Republic of Kosova**  
**Qeveria - Vlada - Government**

---

**No. 04/137**

**Date: 31.03.2023**

Pursuant to Article 92, Paragraph 4, and Article 93, Paragraph 4, of the Constitution of the Republic of Kosova, Article 8 of the Law No. 08/L-117 on the Government of the Republic of Kosova, as well as to Article 4 of the Regulation No. 02/2021 on the Scope of Administrative Responsibilities of the Office of the Prime Minister and Ministries, amended by the Regulation No. 04/2021 and Regulation No. 03/2022, in accordance with Articles 17 and 19 of the Rules of the Rules of Procedure (No. 09/2011) of the Government of the Republic of Kosova, the Government of the Republic of Kosova, in its session held on 15 June 2023, adopts the following:

**D E C I S I O N**

1. The National Programme for European Integration (NPEI) 2023 – 2027 is hereby approved.
2. The budget for implementation of the present Programme shall be kept within limits of budget allocations to budget organisations for 2023 and in line with the Medium Term Expenditure Framework 2023-2025.
3. The Office of the Prime Minister is obliged to address comments of the European Commission until the adoption of the Programme and during its implementation.
4. The Office of the Prime Minister and other responsible institutions, as per the Programme, are obliged to implement the present Decision.

5. The General Secretary of the Office of the Prime Minister is obliged to submit the Programme referred to under item 1 of the present decision to the Assembly of the Republic of Kosova for adoption.
6. The present Decision enters into force on the date of its publication in the Official Gazette of the Republic of Kosova.

**Albin KURTI**

---

(signed)  
Prime Minister of Kosova

Submitted to:

- Deputy Prime Ministers
- All ministries (Ministers)
- General Secretary of the OPM
- Government archive





**Republika e Kosovës**  
**Republika Kosova - Republic of Kosovo**  
*Qeveria - Vlada - Government*

Nr. 04/137  
Datë: 31.03.2023

Në mbështetje të nenit 92 paragrafi 4, dhe të nenit 93 paragrafi 4 të Kushtetutës së Republikës së Kosovës, të nenit 8 të Ligjit Nr. 08/L-117 për Qeverinë e Republikës së Kosovës, duke u bazuar në nenin 4 të Rregullores Nr. 02/2021 për Fushat e Përgjegjësisë Administrative të Zyrës së Kryeministrit dhe Ministrive e ndryshuar dhe e plotësuar me Rregulloren Nr. 04/2021 dhe me Rregulloren Nr. 03/2022, në pajtim me nenin 17 dhe 19 të Rregullores së Punës së Qeverisë së Republikës së Kosovës Nr. 09/2011, Qeveria e Republikës së Kosovës, në mbledhjen e mbajtur më 31 mars 2023, merr këtë:

**V E N D I M**

1. Aprovohet Programi Kombëtar për Integrim Evropian (PKIE) 2023 – 2027.
2. Buxheti për zbatimin e këtij Programi është brenda ndarjeve buxhetore të organizatave buxhetore për vitin 2023 dhe në pajtim me Kornizën Afatmesme të Shpenzimeve 2023-2025.
3. Obligohet Zyra e Kryeministrit që të adresojë komentet e Komisionit Evropian deri në miratimin përfundimtar të Programit dhe gjatë zbatimit të tij.
4. Obligohet Zyra e Kryeministrit dhe institucionet e tjera përgjegjëse, sipas Programit, që të zbatojnë këtë Vendim.
5. Obligohet Sekretari i Përgjithshëm i Zyrës së Kryeministrit që Programin nga pika 1, e këtij Vendimi të l'a dërgoj Kuvendit të Republikës së Kosovës për miratim.
6. Vendimi hyn në fuqi ditën e publikimit në Gazetën Zyrtare të Republikës së Kosovës.

**Albin KURTI**

  
Kryeministër i Republikës së Kosovës

**Iu dërgohet:**

- Zëvendëskryeministrave
- Të gjitha ministrive (ministrave)
- Sekretarit të Përgjithshëm të ZKM-së
- Arkivit të Qeverisë

## List of Abbreviations and Acronyms

AI	Administrative Instruction	GDP	Gross Domestic Product
AoJ	Academy of Justice	GP	Government Programme
AP	Action Plan	HEI	Higher Education Institution
APC	Agency for the Prevention of Corruption	IBM	Integrated Border Management
BCP	Border Crossing Point	IMC	Independent Media Commission
CAA	Civil Aviation Authority	IMF	International Monetary Fund
CBK	Central Bank of the Republic of Kosova	Interpol	International Criminal Police Organisation
CEFTA	Central European Free Trade Agreement	IPA	Information and Privacy Agency
CIAAI	Commission for the Investigation of Aeronautical Accidents and Incidents	IPA	Instrument for Pre-Accession Assistance
CEC	Central Election Commission	IT	Information Technology
CoE	Council of Europe	KAA	Kosova Accreditation Agency
COREPER	Committee of Permanent Representatives to the EU	KAS	Kosova Agency of Statistics
CRM	Common Regional Market	KARPNS	Kosova Agency for Radiation Protection and Nuclear Safety
CSO	Civil Society Organisation	KC	Kosova Customs
DEI	Departments of European integration, Office of the Prime Minister	KCA	Kosova Competition Authority
DEIPC	Department of European Integration and Policy Coordination	KfW	German Development Bank
EARK	Employment Agency of the Republic of Kosova	KIA	Kosova Intelligence Agency
EBRD	European Bank for Reconstruction and Development	KIB	Kosova Insurance Bureau
EC	European Commission	KIESA	Kosova Investment and Enterprise Support Agency
ECAP	Election Complaints and Appeals Panel	KIPA	Kosova Institute for Public Administration
ECB	European Central Bank	KJC	Kosova Judicial Council
ECT	Energy Community Treaty	KOSTT	Kosova Transmission, System and Market Operator
EIB	European Investment Bank	KP	Kosova Police
ENQA	European Association for Quality Assurance in Higher Education	KPC	Kosova Prosecutorial Council
EP	European Parliament	KPCVA	Kosova Property Comparison and Verification Agency
ERA	European Reform Agenda	KPST	Kosova Pension Savings Trust
ERO	Energy Regulatory Office	KSF	Kosova Security Force
ERP	Economic Reforms Programme	LD	Legal Department
EU	European Union	LI	Labour Inspectorate
EUO	European Union Office	LP	Legislative Programme of the Government
EUROPOL	European Union Agency for Law Enforcement Cooperation	MAFRD	Ministry of Agriculture, Forestry and Rural Development
Eurostat	Statistical Agency of the European Union	MCC	Millennium Challenge Corporation
FDI	Foreign Direct Investments	MCR	Ministry of Communities and Returns
FIU	Financial Intelligence Unit	MCYS	Ministry of Culture, Youth and Sports
Frontex	EU Border and Coast Guard Agency	MESPI	Ministry of Environment, Spatial Planning and Infrastructure
FVA	Food and Veterinary Agency	MESTI	Ministry of Education, Science, Technology and Innovation
GAM	Governmental Authority on Migration	MFAD	Ministry of Foreign Affairs and Diaspora

MFLT	Ministry of Finance, Labour and Transfers	ReSPA	Regional School of Public Administration
MIA	Ministry of Internal Affairs	RRA	Railway Regulatory Authority
MIET	Ministry of Industry, Entrepreneurship and Trade	SAA	EU – Kosova Stabilisation and Association Agreement
MLGA	Ministry of Local Government Administration	SAC	EU – Kosova Stabilisation and Association Council
MoD	Ministry of Defence	SAD	State Aid Department
MoE	Ministry of Economy	SAP	Stabilisation and Association Process
MoH	Ministry of Health	SAPC	EU – Kosova Stabilisation and Association Parliamentary Committee
MoJ	Ministry of Justice	SC	EU – Kosova stabilisation and association Subcommittee
MRD	Ministry of Regional Development	SEE	South-East Europe
MTEF	Medium -Term Expenditure Framework	SEECF	South-East European Cooperation Process
NAO	National Audit Office	SDGs	Sustainable Development Goals
NBCM	National Border Management Centre	SG	EU – Kosova stabilisation and association Special Group
NDP	National Development Plan	SG PAR	Stabilisation and Association Special Group on Public Administration Reform
NDS	National Development Strategy	SIDA	Swedish International Development Agency
NIPH	National Institute of Public Health	SIGMA/OECD	<i>Support for Improvement in Government and Management</i> (an OECD facility)
NPEI	National Programme for European Integration	SME	Small and Medium Sized Enterprise
NPISAA	National Programme for Implementation of the Stabilisation and Association Agreement	SPRK	Special Prosecution Office of the Republic of Kosova
OECD	Organisation for Economic Cooperation and Development	TAK	Tax Administration of Kosova
OG	Official Gazette	TFEU	Treaty on the Functioning of the European Union
OI	Ombudsperson Institution	TPP	Thermal Power Plant
OPM	Office of the Prime Minister	UN	United Nations
PAK	Privatisation Agency of Kosova	UNDP	United Nations Development Programme
PAR	Public Administration Reform	USA	United States of America
POE	Public Owned Enterprise	WB	Western Balkans
PPRC	Public Procurement Regulatory Commission	WB	World Bank
PRB	Procurement Review Body	WBIF	Western Balkans Investment Framework
RAEPC	Regulatory Authority of Electronic and Postal Communications	WSRA	Water Services Regulatory Authority
RCC	Regional Cooperation Council	WTO	World Trade Organisation

## INTRODUCTION

The National Programme for European Integration 2023-2027 is the main strategic document of the Republic of Kosova for implementation of reforms for integration into the European Union (EU), oriented towards adoption of the EU *acquis* into the national legislation and its implementation and enforcement. It is the sixth programme since the entry into force of the Stabilisation and Association Agreement (SAA) between the EU and the Republic of Kosova. As such, NPEI succeeds the National Programme for Implementation of the SAA (NPISAA), which was implemented during the period from 2016 to 2022. NPEI 2023-2027 will be implemented in conjunction with the European Reform Agenda Action Plan (ERA II AP), through which political priorities agreed between the EU and Kosova as contracting parties of the SAA are implemented. This programme is in line with ERA II AP, Government Programme 2021-2025 and the National Development Plan (NDP) 2023-2025, which implements the National Development Strategy 2030. It was approved by the Government of the Republic of Kosova on 31 March 2023 and adopted by the Assembly of the Republic of Kosova on 15 June 2023.

The regular annual revision of NPEI started in October 2022 and the document was finalized at the end of 2022, while public consultations took place in January 2023. Pursuant to the Government Decision No. 06/22, dated 3 April 2015<sup>1</sup>, revision was led by the departments for European integration of the Office of the Prime Minister (OPM/DEI), as the main coordinating institution, in cooperation with ministries and other line institutions (LI) responsible for each chapter. The work at the level of line institutions was coordinated by Departments for Policy Coordination and European Integration (DIEPCs), namely the equivalent structures. Legal Departments (LDs) and other LI mandated for development and implementation of policies in relevant areas have also participated in this process. OPM/DEI were also an active part of the work throughout the revision process.

Regarding the division of responsibilities, OPM/DIE have proposed short-term measures, based on the reforms agreed in the sixth round of the EU-Kosova Stabilisation and Association Meetings held in 2022, namely the subcommittees and special groups of this round (SC VI and SG VI) and the findings of *EC Kosova 2022 Report*. The proposed measures were then analysed by OPM/DIE in terms of quality, addressing priority reforms and their applicability (based on available capacities, time required, etc.). Finally, the measures were related to the sectoral policy documents and are costed (based on the relevant methodology) confirmed by the LI which are directly responsible for their implementation.

In terms of its content, NPEI 2023-2027 is comprehensive in its scope. It provides for short-term reforms for 2023 and medium-term priority objectives to meet the SAA obligations, through the alignment of national legislation with the EU *acquis* and the implementation of approximated legislation. Based on the structure of the Copenhagen Criteria, it is divided into three blocs: *Political CRITERIA*, *Economic criteria*, and *European Standards – Alignment of Kosova's Legislation with the EU ACQUIS*.

**Bloc 1: Political criteria** covers the areas of legislation, constitution, electoral system reform, public administration and regional cooperation. It is related to chapters 23 and 24 of the *acquis* (of the third bloc), and contains five chapters: *Constitution, Assembly and electoral system; Public administration; Ombudsperson; Civilian oversight of security forces; and Regional cooperation and international obligations*.

**Bloc 2: Economic criteria** is aligned with the Economic Reform Programme (ERP). It also reflects priorities and activities arising from other mechanisms of dialogue with the EU, such as annual priorities, conclusions of SAA structures, or from multilateral mechanisms, such as agreements with the IMF, etc. This bloc contains two chapters: *Existence of a functioning market economy*, and *Capacity to cope with competitive pressure and market forces within the Union*.

**Bloc 3: European standards – alignment of Kosova's legislation with the EU *acquis*** covers all areas of the EU *acquis* with which the national legislation needs to be aligned and implemented, which also requires administrative capacity. This bloc contains 33 chapters of the *acquis* and one chapter on the legal framework for the approximation of domestic legislation with the *acquis*.

---

<sup>1</sup> Government Decision No. 06/22, available at <https://gzk.rks-gov.net/ActDetail.aspx?ActID=62226>, p. 5.

Each chapter is divided into two sections: the narrative section and the matrix of short-term measures. The narrative section summarizes the current situation<sup>2</sup> (legislative framework, policy and institutional framework), and medium-term priority objectives, while the relevant development assistance projects are summarized in the annex at the end of this section.

The matrix of short-term measures contains concrete annual measures for 2023 for the implementation of reforms, namely legislative measures (of framework legislation and bylaws and other regulatory acts) and implementing measures (further divided into policy framework, institutional reforms and institutional capacity building, and for enforcement).

Implementation of this programme and monitoring of its implementation will be a responsibility of relevant state administration bodies, within the scope of their powers. As the central governing mechanism for the fulfilment of the SAA obligations, the Government Cabinet and the heads of other institutions of the state administration are responsible for this at the highest level. Institutional stabilisation-association structures will also play a key role in this process. Overall coordination will be done by OPM/DEI, in cooperation with the relevant LIs, including through regular monitoring and reporting. Measures foreseeing adoption of draft laws are considered implemented upon approval of the respective draft laws by the Government.

The Assembly will be one of the main institutional pillars in the implementation of this programme, in particular through the adoption of legislation, including through the Committee for European Integration and the Stabilisation and Association Parliamentary Committee (SAPC).

On behalf of the EU, the European Commission (EC), including through the EU Delegation (EUO) in Kosovo will play an important role in fulfilling SAA obligations, and consequently in implementation of this Programme.

Civil society and other stakeholders also have a role to play in implementing this Programme. The OPM, as responsible institutions of the Government for European Integration, will cooperate with stakeholders outside public institutions in implementation of this Programme, including through a consultation mechanism with CSOs and other stakeholders within the joint EU-Kosovo stabilisation and association bodies.

---

<sup>2</sup> For a detailed overview of the SAA obligations in all chapters, see the previous versions of the National Programme for the Implementation of the SAA.

## Relations between the Republic of Kosova and the European Union

In 1999, the EU initiated the *Stabilisation and Association Process* (SAP) for Western Balkans countries, as a framework for their EU membership process, and launched in November 2000, at the Zagreb Summit. Based on the Copenhagen Criteria, SAP emphasizes that the European perspective of these countries shall depend on their progress toward a sustainable democracy, rule of law, market economy and regional cooperation. This perspective was reaffirmed at the European Council in Thessaloniki in June 2003. The EU reaffirmed its commitment and called for its acceleration in the EU-Western Balkans Summit held in Tirana on December 6, 2022, the first summit held in the remainder of the Western Balkans region since Croatia's membership into the EU.

Regarding Kosova, in April 2005, the EC published the communication *A European Future for Kosova*, and in 2006 the Council adopted the first European Partnership for Kosova and the second one was adopted in 2008. In response to the European Partnership, the Government adopted and implemented the European Partnership Action Plan (EPAP) during 2008-2012, and then the SAA Action Plan (SAAAP) during 2013-2015, and the Action Plan for the purpose of addressing the recommendations of the Progress Report (APPR).

On 17 February 2008, the Assembly of Kosova declared Kosova an independent and sovereign state. The Republic of Kosova is by now recognized by one hundred and seventeen (117) states<sup>3</sup>, including 22 EU member states.

Until the end of 2009, the reform dialogue between Kosova and the EU was taking place within the Stabilisation and Association process Tracking Mechanism (SATM). Afterwards, in October 2009, the EC published the *Kosova – Fulfilling its European Perspective* communique whereby the reform dialogue was advanced to the Stabilisation and Association Process Dialogue (SAPD), while the process for Kosova's participation in EU Programmes was initiated.

The process towards SAA commenced in October 2011, when EC recommended the initiation of the *Feasibility Study for SAA*. This study, published in October 2012, concluded that Kosova was ready to negotiate the SAA. Negotiations took place from October 2013 to July 2014. Then, the SAA was approved by Governments of Member States, was signed on 27 October 2015, and was approved by the Government of the Republic of Kosova (30 October 2015) and ratified by the Assembly of the Republic of Kosova (2 November 2015). Finally, the SAA entered into force on 1 April 2016. The joint Kosova – EU bodies established under the SAA for overseeing its implementation were made operational during 2016: The Stabilisation and Association Council, the Committee, subcommittees (SC) and special groups, and the Stabilisation and Association Parliamentary Committee. During 2022, these bodies were convened in their sixth round.

Another important development is the adoption and launching of the second phase of implementation of the policy priorities for the implementation of SAA – European Reform Agenda (ERA II), namely of 15 priorities. ERA II, through the Action Plan for implementation of priorities (ERA II AP), is expected to be implemented until the end of June 2023.

It aims at fulfilling the SAA obligations, focusing on key economic reforms, strengthening of the rule of law and consolidation of good governance.

On 15 December 2022, the Republic of Kosova officially applied for EU membership. The application was submitted to the Government of the Czech Republic, in the capacity of the next Presidency of the European Council, namely the Minister of European Affairs, Mikulaš Bek, by the Prime Minister Albin Kurti. On 22 December 2022, the Council of EU (COREPER II) was informed by the Presidency of the Czech Republic about the application, while the Presidency of Sweden expressed its willingness to deal with it during their Council Presidency.

---

<sup>3</sup> Ministry of Foreign Affairs and Diaspora, Government of the Republic of Kosova, List of recognitions, <https://mfa-ks.net/lista-e-njohjeve/>.

Following the dissolution of the Ministry of European Integration (in June 2020), the powers of the main national coordinating institution for European integration, together with its policy-making departments, have been transferred to the Office of the Prime Minister, while the highest political authority of the Government responsible for European integration is the First Deputy Prime Minister for European Integration, Dialogue and Development.

Regarding the *visa liberalization* process, the EC issued a recommendation for abolishing the visa regime with Kosova on 18 July 2018. On 30 November, the EU Council, in the Member State Ambassadors' format, adopted the mandate to amend the EU regulation providing for the abolishment of the visa regime, and its text was adopted on 14 December, in the EU Council – EP – EC triologue. Afterwards, the regulation was unanimously adopted by the EU Council on 9 March 2023 and by the EP LIBE Committee on 23 March. Finally, on 18 April 2023 the *EU Regulation No. 2023/850*<sup>4</sup> was adopted by the EP in plenary session, in Strasbourg, and the following day, on 19 April, it was officially signed by the EP President, Roberta Metsola, and the Minister of the Kingdom of Sweden for European Affairs, Jessika Roswall (on behalf of the EU Council Presidency). Following its publication in the EU Official Gazette, on 25 April 2023, this regulation will enter into force on 15 May 2023. National of the Republic of Kosova will have the right to visa free travel to the Schengen Area following the entry in use of European Travel Information and Authorisation System (ETIAS) but no later than 1 January 2024.

In terms of participation in *EU Programs*, Kosova currently benefits from seven (7) of them: *Europe for Citizens*, *Creative Europe*, *COSME*, *ERASMUS+*, *Customs 2020*, *Fiscalis* and *Horizon 2020*.

---

<sup>4</sup> Regulation (EU) No. 2023/850 of the European Parliament and of the Council of 19 April 2023 amending the Regulation (EU) No. 2018/1806 listing the third countries whose nationals must be in possession of visas when crossing the external borders and those whose nationals are exempt from that requirement (Kosovo), <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32023R0850>.



**1. BLOC 1: POLITICAL CRITERIA**  
**1.1. Democracy and Rule of Law**  
**1.1.1. Constitution, Assembly and Election System**

**Constitution**

The Constitution of the Republic of Kosova, applicable since 15 June 2008, is in accordance with European values and principles. Based on the Copenhagen criteria, the constitutional order of the Republic of Kosova is based on the principles of freedom, peace, democracy, equality, respect for human rights and freedoms, the rule of law, non-discrimination, property rights, environmental protection, social justice, pluralism, separation of state powers and market economy. The Constitution of the Republic of Kosova also incorporates international instruments, including those on human and fundamental rights, protection of persons belonging to communities and non-discrimination. This includes compliance with the principles of the UN Universal Declaration of Human Rights, as well as the Convention for the Protection of Human Rights and Fundamental Freedoms, the Helsinki Final Act.

**Assembly**

This chapter covers the mandate of the Assembly of the Republic of Kosova as a legislative body that adopts laws, resolutions and international agreements, and includes the supervisory function of the Assembly, namely the oversight of the work of the Government and other public institutions which, according to the Constitution and laws, report to it, as well as its role in the European integration process. As required by the SAA, in 2016 the Stabilisation and Association Parliamentary Committee was established, consisting of members of the European Parliament and the Assembly of the Republic of Kosova, where parliamentary political dialogue takes place within the SAA.

***State of Play***

The *EC Kosova Report 2022* estimates that Assembly's work continued to be negatively affected by a polarised political atmosphere and difficulties in achieving decision-making quorum, even though the government relies on a strong majority. The Assembly has increased the number of accelerated procedures to adopt key legislation. The Report also states that efforts should be continued to strengthen the role of the Assembly as a forum for constructive political dialogue and consensus building, especially in relation to EU integration reforms. The approval of the new Rules of Procedure of the Assembly is appreciated, but its internal management should be improved, the annual work plan should be approved, and the electronic voting system should be adopted.

Within the stabilization and association structures, the Assembly is required to ensure the appointment of board members of independent institutions under its power. This process must be completed based on the principle of merit and professionalism, and avoiding politicization of these appointments. Based on a Memorandum of Cooperation with the United Kingdom, the Assembly should commit to ensure the appointment of board members of independent institutions under its power through a transparent and meritorious process. This priority continues to remain among the most important ones for the Government of Kosova, which is therefore reflected in all its main planning documents, including ERA II AP.

***Legislative, Policy and Institutional Framework***

**Legislation:** The composition and structure of the Assembly are defined in Chapter IV of the Constitution of the Republic of Kosova. The organization and functioning of the Assembly and its working bodies, as well as the rights and duties of the MPs, are defined in the Rules of Procedure of the Assembly, adopted on 28 July 2022. To implement Article 132 of the SAA, the Stabilisation and Association Parliamentary Committee (SAPC) was established, as a joint forum of the Assembly of the Republic of Kosova and the EP responsible for exchanging opinions on the implementation of the SAA. This Committee is functional and holds regular meetings on biannual basis.



*Policies:* According to its Rules of Procedure, the Assembly operates mainly based on the Government's Annual Legislative Programme and the Work Plans of the parliamentary committees, while in relation to the SAA, it is currently also implementing reforms foreseen under this Programme and in the ERA II AP.

*Institutional framework:* The Assembly of the Republic of Kosova has 120 deputies, including guaranteed seats for non-majority communities. Its functions, provided for by Article 65 of the Constitution, include the legislative function, the election of the Government and the President of the Republic, as well as the appointment of the heads of the supervisory bodies of independent institutions and the oversight of their performance. In addition, the Assembly, mainly through parliamentary committees, oversees the implementation of laws, recommending measures to be taken in case of non-implementation or inadequate implementation of the laws overseen. The internal functioning of the Assembly is further regulated by the Rules of Procedure approved on 28 July 2022. For its functioning, the Assembly elects the Presidency (the President and Vice Presidents) among its own members and appoints standing and functional parliamentary committees, as well as *ad-hoc* parliamentary committees. The Assembly administration consists of the General Secretary, who is elected by the Presidency of the Assembly, and three General Directors (GD): GD for Legal and Procedural Affairs, GD for Media and Public Relations, and GD for Administration. Key functions, in the context of the implementation of the SAA, including that of approximation and alignment of legislation, are performed by the GD for Legal and Procedural Affairs.

***Medium-term priority objectives:***

- Legislative capacity building of the Assembly, especially of the Directorate for Legal and Procedural Affairs;
- Improving the oversight of the executive, including the security sector, by monitoring the implementation of policies and laws;
- Overseeing the budget expenditures of the Assembly during the fiscal year, including analysis, implementation and monitoring of gender-responsive budgeting;
- Professional capacity building of the Assembly administration through cooperation with the assemblies of other countries (according to the Strategy for International Cooperation and Inter-Parliamentary Relations), in accordance with the new Rules of Procedure of the Assembly.

**Electoral system**

The Republic of Kosova is a democratic parliamentary republic with a multi-party representative system. The Constitution and the Law on General Elections in the Republic of Kosova regulate the electoral system in Kosova. According to the Constitution and the Law, Kosova is considered a single electoral zone with many candidates. By exercising his/her right to vote, a voter votes for one (1) certified political entity and can vote for up to five (5) candidates from the list of candidates of such political entity, while if he/she votes for more than five (5) candidates, then only the vote cast for the political entity is counted. The Assembly of the Republic of Kosova has one hundred and twenty (120) deputies elected by secret ballot based on open lists. Within this division, twenty (20) out of one hundred and twenty (120) seats are guaranteed for the representation of non-majority communities in Kosova. The election legislation in Kosova also guarantees gender equality in the electoral system.

***State of Play***

According to *EC Kosova 2022 Report*, the 2021 local elections were generally well organized, transparent and competitive. The election campaign was dynamic with a large number of candidates offering voters a real choice, other than Serbian municipalities where political competition was limited. The Report estimated the establishment of the Parliamentary *Ad-hoc* Committee to address the EU's recommendations regarding the election process. The Law on Financing Political Parties has also been adopted.

However, the country's institutions must address the challenges identified by EU election observation missions since 2014. Kosova must implement all EU recommendations, especially regarding procedural deficiencies and non-proportional restrictions contradicting international standards. The new election legislation should contain safeguards that limit political interference in the electoral process. Political

parties must seriously address the issue of gender inequality in their programs and take affirmative action to eliminate obstacles that limit women's participation in political life.

#### *Legislative and institutional framework*

*Legislation:* Elections in the Republic of Kosovo are regulated by the Law on General Elections, Law on Local Elections and the Law on Financing Political Parties, which entered into force in July 2022 and is in line with the recommendations of the Venice Commission.

*Institutions:* The institutional framework in this area consists of: Central Election Commission, Election Complaints and Appeals Panel, Municipal Election Commissions and Polling Station Commissions. In addition, the Assembly has established the Parliamentary Ad-hoc Committee on Elections, for addressing the findings and recommendations of the EU Election Observation Missions.

#### **Medium-term priority objectives:**

- Implementation of recommendations of the EU Election Observation Missions;
- Linkage of the address system with the central civil status registry system in the course of the specification of the voters' list;
- Improvement of premises of the Central Election Commission and provision of resources for education, training and capacity building for participants in election processes (political entities, election management bodies, voters and civil society).

### **1.1.2. Public Administration**

This chapter covers the functioning of all public institutions for the implementation of public policies undertaken by the government, which consists of governmental institutional units regulating the functioning of society. Effective public administration is crucial for the development of the country, through transparent, clear and simple administrative procedures, the provision of citizen-oriented public services and to help businesses in the exercise of their activity by facilitating procedures and removing barriers. Public Administration Reform (PAR) is one of the three fundamental pillars for EU integration. Kosovo's obligations in this area, according to Article 120 of the SAA, focus on the consolidation and implementation of legislation and policies, and the enhancement of efficiency, effectiveness, accountability and transparency.

#### **State of Play**

According to *EC Kosovo 2022 Report*, Kosovo has some level of preparation and made limited progress in the public administration reform. Notably, some key positive steps were taken by developing overarching strategies on PAR and public financial management (PFM) 2022-2026, and the continued implementation of the latter. Law on Rationalization and Establishment of Accountability Lines of Independent agencies was also adopted and the review of the Draft Law on Salaries was initiated. Although a part of the legislative framework for PAR has been approved, there is a lack of progress in its implementation. Following the Constitutional Court decisions in 2019, the amendments to the Law on Public Officials (LPO) must be harmonized with the PAR principles. Delays implementing LPO have been detrimental to the organization of centralized recruitment. Finalization of job classifications and systematization of positions has been slow and this has created significant inconsistencies in administrative capacities. Insufficient implementation of the Law on Organization and Functioning of State Administration and Independent Agencies led to an unsatisfactory level of improvement in the administration's performance and accountability. The process of rationalizing agencies has been delayed and there is a need for clearer leadership and strengthened capacities to ensure the delivery of quality results. The strengthening of the capacities of the Ministry of Internal Affairs is also required to ensure the effective implementation of the Law on General Administrative Procedure (LGAP). The EU recommends that in 2023 Kosovo should focus on:

- Enhancing the civil service functioning through expediting and implementing the Law on Public Officials, in accordance with the relevant decision of the Constitutional Court and the PAR principles, by organizing centralized recruitment;

- Developing a coherent salary scheme in accordance with the principles of merit, fairness and equal treatment in the civil service, through finalizing the internal organization of ministries, determining the classification and systematization of jobs in the civil service, to allow conditions for a coherent salary scheme;
- Improving legal certainty and reducing the administrative burden of the public administration on businesses and citizens through implementing the Administrative Burden Prevention and Reduction Program and LGAP;
- Improving accountability in the public sector through effective implementation of Law on the Organization and Functioning of State Administration and Independent Agencies, and expediting the rationalization of agencies by establishing a governing body and adopting a revised rationalization AP.

Furthermore, in the most recent meeting of *SG on Public Administration Reform*, Kosova has undertaken to implement these main reforms:

- To ensure that the new Strategy for RAP is implemented in a timely and appropriate manner;
- To harmonize the new Strategy for the Reform of Public Finance Management with the Law on Public Finance Management;
- To improve the functioning of the civil service and complete the job classification process;
- To improve the capacities of the Office for Strategic Planning for the coordination of the Administrative Burden Reduction Program;
- To ensure that the draft laws, before approval by the Government, are in accordance with the Law on General Administrative Procedure and with the principles for reducing the administrative burden.

#### *Legislative, Policy and Institutional Framework*

*Legislation:* The main laws in this chapter are the following: Law No. 06/L-113 on Organisation and Functioning of State Administration and Independent Agencies, the new Law on Public Officials (suspended by the Constitutional Court until its decision regarding its constitutionality) and Law No. 08/L-196 on Salaries in the Public Sector. Important laws in this area include the Law on General Administrative Procedure and the Law on Governmental Bodies for Information Society.

*Policies:* The framework in this chapter has two components: policies and budget planning. The policy component consists of the Public Administration Reform Strategy 2022-2027 and the Action Plan 2022-2024, with the three previous strategies being integrated, the Public Financial Management Reform Strategy 2022-2026 and the AP for its implementation (including the public procurement pillar and the internal control of public finance pillar), and the National Development Strategy (NDS) 2030 and the National Development Plan (NDP) 2023-2025 (including the Government Legislative Program). The budget planning component consists of the Medium-Term Expenditure Framework 2023-2025 and the annual budget. Another important policy document in this area is the Administrative Burden Prevention and Reduction Program 2022-2027, approved by the Government in September 2022.

*Institutions:* The key institution in this chapter is the Ministry of Internal Affairs (MIA), including the Agency for Information Society (AIS) and the Kosova Institute for Public Administration (KIPA). Furthermore, the Office of the Prime Minister (OPM) is responsible for the policy component within the 'Government Centre' system (through the Office of Strategic Planning, the Government Coordinating Secretariat and the Legal Office), for the process of European integration and development cooperation (through the four European Integration Offices and the Development Cooperation Office), as well as for the coordination of public consultations via *Online Public Consultation Platform* (through the Office for Good Governance). The Ministry of Finance, Labour and Transfers (MFLT) is responsible for the budget planning component within the 'Government Centre' system.

#### *Medium-term priority objectives:*

- Creating an apolitical, professional, merit-based and well-managed civil service through reorganisation of ministries and their subordinate bodies, finalization of the process of job classification, implementation of a new system of salaries and promotions;
- Administrative burden reduction through harmonization with LGAP of special laws and bylaws containing special administrative procedures;
- Continuation of the implementation of the process for rationalization of agencies;
- Improvement of the human resource management system by interconnecting it with the payroll system;
- Capacity building of civil servants coming from non-majority groups in the administration, based on current applicable legislation, by 10% at the central level (from 8.75% currently) and proportional to the population within the relevant municipality at the local level;
- Further strengthening of the administration through capacity development for policy planning, analysis, development, and implementation, in order to create substantive, economically efficient and financially affordable policies;
- Completion of the legal and operational framework of PAR and finalizing costing reforms will form the basis for determining the scope of the general and financial sectoral budget support;
- Further improvement of quality of public consultations, in accordance with the Regulation on Minimum Standards for the Public Consultation Process;
- Providing sufficient funds for the Implementation of the Legal Package on PAR;
- Advancing electronic governance in order to increase the effectiveness of services and transparency to the public;
- Increasing transparency to the public through advancing the portal for data opening, where data will be published by central and local level institutions.

### **Local self-government**

The right for local self-government is guaranteed by the Constitution and is regulated by law. In addition, local self-government is exercised by representative bodies elected through general, equal, free, direct local elections with secret ballots. Local self-government is exercised by representative bodies elected through general, equal, free, direct local elections with secret ballots. The Republic of Kosova observes and implements the European Charter of Local Self-Government to the extent required by signatory country. Local self-government is based on the principles of good governance, gender equality, transparency, efficiency and effectiveness in providing public services, paying particular attention to the specific needs and concerns of women, men, people with disabilities, as well as non-majority communities and their members.

### ***State of Play***

According to *EC Kosova 2022 Report*, disparities between municipalities in performance and service provision are persistent. Kosova adopted laws for the decentralization of a number of social welfare and social protection powers, but the municipalities have not yet received funds for the implementation of such services. Moreover, the municipalities have a very low base of own source revenues and there is room for improvement in collection, especially of property tax. Fiscal autonomy and municipal accountability can also be improved by increasing the size of the general grant or by putting revenue-sharing mechanisms in place. Regarding governance, the municipal assemblies fail to exercise a strong supervisory function over the municipal executive.

### ***Legislative, Policy and Institutional Framework***

**Legislation:** The legislative framework on local self-government consists of the Law on Local Self-Government, Law on Local Elections, Law on Local Government Finance, as well as the AIs and MLGA regulations on the organization and functioning of Municipalities. It has been advanced with the approval of the Law on the Municipal Performance Management System and the Performance-Based Grant Scheme in July 2022.

*Policies:* The Strategy on Local Self-Government 2016-2026 sets the Government's priority policies for the advancement of local self-government, linking the short-term and long-term policies of MLGA and other governmental and local sectors for the key development areas in this field.

*Institutions:* Key institutions in the area of local self-government are the Municipalities and the Ministry of Local Government Administration.

**Medium-term priority objectives:**

- Developing a strategic framework for local economic development;
- Assessing the municipal performance;
- Evaluating the impact of policies in the area of local self-government;
- Developing the state e-municipality platform.

### **1.1.3. Ombudsperson<sup>5</sup>**

This chapter covers the scope of the Ombudsperson Institution (OI), as an independent constitutional institution that monitors, protects and promotes human rights and freedoms. It includes criteria derived from European integration process of the Republic of Kosovo, the current state of fulfilment of its mandate and the challenges faced by the OI and its plans and priorities for the future.

**State of Play**

OI continued to work on fulfilling the constitutional mission of protecting the rights of Kosovo citizens against the actions of public authorities. According to the annual report of the Ombudsperson, there is a progressive increase from year to year of the number of recommendations addressed to the responsible institutions as well as a positive trend of their implementation. This had an impact on increasing citizen trust to the institution and on increasing accountability by public authorities in terms of meeting their constitutional and legal obligations in terms of service provision to the citizens.

According to the conclusions of *SC VI on Justice, Freedom and Security*, the country's institutions must ensure proper monitoring of the implementation of the recommendations of the Ombudsperson's, in order to further increase the level of their implementation. The process of selecting the deputies Ombudsperson must also be finalized in order to make this institution fully functional.

*Legislative, Policy and Institutional Framework*

*Legislation:* The Ombudsperson's mandate is determined by the Constitution and the human rights legal package, namely the Law on the Ombudsperson, Law on Protection against Discrimination, Law on Gender Equality and Law on Child Protection. The Ombudsperson enjoys also special powers defined by other laws. Regarding the transposition of the *acquis* in the national legislation of this area, a considerable (partial) transposition has been achieved so far, namely the Law on Protection against Discrimination and the Law on Gender Equality.

The document of *POLICIES* in this chapter is the Strategy and Development Plan of the IAP 2021-2025.

*Institutions:* OI is an independent constitutional institution that protects, oversees and promotes human rights and freedoms. The National Mechanism for Prevention of Torture operates within the scope of this function, monitoring the places where persons deprived of their liberty are kept when there are suspected violations of human rights and freedoms. It is a guide in fulfilling the mission by *Paris Principles*<sup>6</sup> and *Venice Principles*<sup>7</sup>, as minimum international criteria for any national human rights institution to be considered credible and worthy of exercising its mandate.

**Medium-term priority objectives:**

---

<sup>5</sup> This chapter is related to *chapter 23: Judiciary and fundamental rights*.

<sup>6</sup> The Paris Principles are the minimum criteria set by the UN that a national human rights institution must have to be considered credible, independent and effective in the international context.

<sup>7</sup> Principles for the Protection and Promotion of Ombudsperson Institutions (Venice Principles), Venice Commission, [https://www.venice.coe.int/webforms/documents/default.aspx?pdffile=CDL-AD\(2019\)005-e](https://www.venice.coe.int/webforms/documents/default.aspx?pdffile=CDL-AD(2019)005-e)

- Protecting and overseeing basic human rights and freedoms through an increased OI influence in fulfilling its mandate;
- Promoting the fundamental human rights and freedoms;
- Promoting the Sustainable Development Goals (SDGs);
- Further development of the OI institutional capacities and human resources.

#### **1.1.4. Civilian Oversight of Security Forces**

This chapter covers the democratic civil oversight of security institutions, which refers to the exercise of civilian control by the Assembly of the Republic of Kosovo, namely through the respective Assembly committees (Committee on Kosovo Security Force Affairs, Committee on Oversight of the Kosovo Intelligence Agency), the President, Prime Minister and the Minister of Defence. The SAA contains no specific provision related to this area, but Kosovo implements related requirements deriving from other EU accession mechanisms.

##### *Legislative, Policy and Institutional Framework*

*Legislation:* The legal framework in this area consists of the Law on Ministry of Defence, Law on Kosovo Security Force and Law on Service in the Kosovo Security Force as amended and supplemented and applicable since November 2022. The legal framework in this area was advanced in 2022 with the Law on Military Police in the Kosovo Security Force and the Law on the Parliamentary Commissioner for the Kosovo Security Force. This area is also regulated by the Law on Classification of Information and Security Clearances and Law on the Kosovo Intelligence Agency.

*Policies:* Kosovo Security Strategy 2022-2027 is the main policy document in this chapter.

*Institutions:* According to the relevant legislation, the chain of democratic civil control begins with the Assembly (through relevant parliamentary committees), the President of Kosovo, as Supreme Commander of the KSF, the Prime Minister and Minister of Defence, whose powers are exercised by calling to report, appointment, promotion and oversight of finances. The institutions responsible in this area consist of: The President of the Republic, the Assembly, the Oversight Committee, and the Government, namely the Prime Minister and the Minister of Defence.

#### **1.2. Regional Cooperation and International Obligations<sup>8</sup>**

Within the Copenhagen political criteria, good neighbourly relations and regional cooperation are essential for EU integration, as they establish a favourable climate for stability and political and economic integration of the region. In this area, Kosovo remains committed, constructive and pragmatic to enhance regional cooperation, with the aim of strengthening relations with neighbouring countries, raising the level of comprehensive exchanges and advancing cooperation in areas of common interest. Kosovo also maintains good neighbourly relations and is committed to expanding cooperation in all areas and levels, based on the principles of mutual respect, equality and inclusiveness, within the EU integration agenda and with its direct involvement.

##### *State of Play*

According to *EC Kosovo 2022 Report*, Kosovo generally maintains good bilateral relations with other enlargement countries and neighbouring EU Member States.

On membership in regional organizations and initiatives and other international organizations, the Republic of Kosovo is an active member of about 150 such organisations and initiatives, which cover all areas.

On *bilateral relations in the region*, Kosovo maintains close relations with *Albania*, with which it develops a strategic partnership. Both countries also regularly hold joint meetings of Governments and the Intergovernmental Coordinating Secretariat has recently been established. Eight (8) joint meetings of

---

<sup>8</sup> This chapter is related to *chapter 31: Foreign, Security and Defence Policy*.

Governments have been held so far, while recently two such meetings were held, in November 2021, with 13 agreements signed, and in June 2022, with 19 agreements signed. 61 agreements have been signed in all areas so far, the implementation of which has been improved with the establishment of the Joint Secretariat. The volume of trade between the two countries is also increasing.

Relations with *Bosnia and Herzegovina* have not changed. The latter does not recognize Kosova's citizenship and a strict visa regime between the two countries remains in force, but there is a possibility of abolishing it following a Western Balkans states multilateral agreement signed at the Berlin Process summit on 3 November 2022. Kosova maintains good relations with *Montenegro*, having currently 22 applicable agreements. Kosova also maintains good relations with *North Macedonia*, holding a joint meeting of the two Governments in September 2021 and there are 30 applicable agreements. Kosova also maintains good relations with *Turkey*, having currently 28 applicable agreements and the first political consultations were held in February 2022. Likewise, there are 7 applicable agreements with *Bulgaria* and political consultations were held in October 2022.

Regarding *normalization of relations with Serbia*, over 30 technical agreements deriving from the EU facilitated dialogue, already concluded, are in force, while the political level dialogue has been intensified to reach a comprehensive and internationally binding agreement for the normalization of relations. The Republic of Kosova is committed to contribute constructively to creating the necessary conditions for productive dialogue that will effectively lead to a comprehensive and internationally binding mutual recognition-centred agreement for the normalization of relations. Kosova is quite interest in concluding this last chapter of the normalization of relations with Serbia as soon as possible, and opening the way for establishing good neighbourly relations with Serbia.

Kosova continued its active engagement in regional political cooperation, including the South-East European Cooperation Process and the Regional Cooperation Council, as well as participated in all high-level EU-Western Balkans summits (Brdo, October 2022; Brussels, June 2022, and Tirana, December 2022), as well as at the Berlin Process summit (Berlin, November 2022) and that of the European Political Community (Prague, October 2022). Kosova is also a fully-fledged member of many regional cooperation initiatives and mechanisms in specific areas, such as the Central European Free Trade Agreement, the Regional Initiative for Migration and Asylum, the Energy Community, the Transport Community, the Western Balkans Investment Framework, etc.

Regarding the Berlin Process, at the Berlin Summit held on 3 November 2022, three multilateral agreements were concluded between the leaders of six Western Balkan states: Agreement on Free Movement with Identification Cards in the Western Balkans, Agreement on Recognition of Higher Education Qualifications of in the Western Balkans, and Agreement on Recognition of Professional Qualifications of Doctors, Dentists and Architects in the Context of the Central European Free Trade Agreement. These agreements were approved by the Government of the Republic of Kosova on 8 February 2023 and are expected to be ratified by the Assembly of the Republic of Kosova soon.

*EC Kosova 2022 Report* recommends that Kosova need to prioritize the implementation of the Common Regional Market action plan and the Western Balkans Green Agenda action plan. Another priority is clarifying the fate of missing persons from the 1999 war. The implementation of these two action plans is also part of the Stabilization and Association *Council and Committee* conclusions, while reaching a legally binding final agreement for the normalization of relations with Serbia is part of the conclusions of the *Council and Special Group on Normalization of Relations*.

*Legal, policy and institutional framework:* The key law in this area is Law No. 04/L-052 on International Agreements, while Law No. 04/L-023 on Missing Persons is in force in relation to missing person. State policies in this area are provided for under the Government Programme of the Republic of Kosova 2021-2025, namely in the chapter on foreign policy and diaspora. The institutions responsible in this area are the Ministry of Foreign Affairs and Diaspora, and the Office of the Prime Minister, the latter responsible for the dialogue for the normalization of relations with Serbia, the Common Regional Market and the Berlin Process.

## **2. BLOC 2: ECONOMIC CRITERIA**

### **2.1. Existence of a Functional Market Economy**

The fulfilment of the economic criteria for EU membership is based on the requirements arising from the 1993 European Council conclusions referred to as the Copenhagen Criteria. Functional market economy is the first Copenhagen economic criterion, which includes the following:

- Existence of a broad consensus on essential economic policy; Achievement of macroeconomic stability, including the adequate price stability and sustainability in terms of public finance and external balance of payments;
- Free interaction of market forces based on the mechanisms of supply and demand, including price setting and trade liberalization;
- Eliminating essential barriers to the market input and output (on establishment of new enterprises or bankruptcy of existing ones);
- Existence of a legal system, including regulation of property rights, as well as enforcement of laws and contracts;
- A financial sector sufficiently developed to channel savings towards productive investments.

The Maastricht Criteria, or convergence economic criteria, deal with the monetary integration in the Euro Area, while countries aiming to adopt the Euro need to fulfil numerous economic indicators, measuring: price stability (CPI); sustainability and adequacy of public finance, through limiting the budget deficit (to 3% of GDP) and the government debt in relation to GDP; stability in long term interest rates; and stability in exchange rate.

Based on the Council conclusions, the EC has started a new approach in the recent years to promote the economic and political development in Kosova, similar to instruments and mechanisms used in member states. In such a context, the Enlargement Strategy for Kosova (and the Western Balkans in general) is based on three pillars, one of which is economic governance. One of the main instruments to strengthen the economic governance is the dialogue with the EU, including preparing the Economic Reform Programme (ERP). Similarly, the new enlargement methodology establishes six blocs of negotiation chapters for opening and closing of accession negotiations. The economic criteria are included in the first bloc for fundamental reforms (the so-called '*fundamentals first*' approach), along with the rule of law and public administration reform. The EC's monitoring of progress related to economic governance is based on the evaluation of the fulfilment of the Copenhagen economic criteria and the ERP mechanism. For all the Western Balkans countries, the ERPs stand for the fundamental of the EC policy guidelines which are approved at the ministerial level for the WB countries and Turkey.

#### ***State of Play***

According to the EC assessment, Kosova is at an early stage and has achieved some progress in the development of a functional market economy. The easing of COVID-19-related movement restrictions and the resumption of travel and financial flows from the diaspora led to a very strong return to economic growth in 2021, which was moderate in the first quarter of 2022.

According to the EC, despite the resilience the economy has shown during the pandemic, long-term structural challenges, such as the high level of the informal economy, corruption and generally weak rule of law, continue to hamper the private sector. The financial sector has remained stable and lending has continued to expand. Although the economic recovery has created new jobs, the lack of data prevents a proper assessment of the state of the labour market. In order to improve the functioning of the market economy, the *EC Kosova 2022 Report* recommends that in the following year Kosova should focus on:

- Cushion the impact of adverse shocks by well-targeted support measures when needed while planning the return to the deficit ceiling of 2% of GDP in the medium term;
- Prepare a review of the social security system, including war veteran pensions, with a view to improving the cost-efficiency and fairness of the social security schemes, and a review of tax expenditure, quantifying the size of the revenue forgone from all exemptions and reduced rates;



- Improve the quality of public spending by reforming the public wage system and addressing bottlenecks in the management of capital investment; implement relevant business environment measures, in particular the simplification, merging and abolishment of licences and permits as well as the implementation of laws on inspection and electronic identification;
- Implement active labour market measures to support employment, resume publishing of the labour force survey data and continue to implement measures aiming to formalise informal employment;
- Implement relevant measures to improve the business environment, in particular the simplification, abolition and consolidation of permits and licenses, and the implementation of inspection laws on electronic identification.

Furthermore, issues requiring increased attention in the following period have been identified in the conclusions of the *SC VI on Economic and Financial Affairs and Statistics*, including macro-fiscal stability, the preparation of the 2023 budget based on realistic assumptions, the implementation of ERP, the transparency of public expenditures, the improvement of the execution of capital expenditures and the content for approval of the new pension initiatives and social services in line with the recommendations in the ERP guidelines. In the financial sector, it is recommended to approve and implement the Law on Microfinance and Non-Banking Microfinance Institutions and Law on Banks, and the implementation of the recommendations of the in-depth analysis for staff and competencies for key policies, in particular related to financial stability functions. Regarding the business environment, structural reforms and the private sector development, the conclusions of *SC VI on Economic and Financial Affairs and Statistics* underline the importance of the KIESA restructuring, the adoption of legislation on sustainable investments, the continuation of the reform for access to finance and the expansion of loan guarantees, the adoption and implementation of the Strategy and AP on the Prevention and Combating of the Informal Economy, Money Laundering, Terrorist Financing and Financial Crimes, and continuing with digitalization and simplification of permits and licenses.

### **Macroeconomic stability**

*EC Kosova 2022 Report* estimates that after a very strong return of economic growth in 2021, Kosova's economic growth was moderate in the first quarter of 2022. According to estimates of the Ministry of Finance, Labour and Transfers, the real growth in 2022 is expected to be 4.1%.

Kosova's GDP per capita remains the lowest in the region. It stood at 26% of the EU average in 2021. Due to the high level of the informal economy and the high level of economic inactivity, especially among women, Kosova has high income inequality.

EU considers that net Foreign Direct Investment (FDI) flows increased by 10% in 2021 and stood at 4% of GDP, covering less than half of the current account deficit, while in 2022 FDI has recorded an annual increase of 46.6%, according to CBK data. As for the structure of FDI, they are mainly oriented towards real estate activities, followed by financial and insurance activities.

Higher commodity prices and a strong economic recovery led to higher inflation in 2021. Annual inflation rose in 2021 from 0.6% in the first quarter to 6.7% in December. The upward pressure on prices continued in 2022 as well, with consumer prices increased by 14.2% from the previous year in July. The main causes were the increase in food and energy prices, triggered by Russia's war waged against Ukraine, while the 2021 budget improved significantly, due to the increase in income and the conservative approach towards spending. The primary budget deficit narrowed to 1.3% of GDP, which corresponds to a deficit of 0.6% of GDP according to the definition of fiscal rules. Furthermore, as a result of good economic and fiscal performance in 2021, the ratio of public debt to GDP has declined, but the investor base for government debt still remains narrow. Progress in fiscal governance has been mixed. The 2022 budget, approved in December 2021, assumed unrealistic GDP growth (7.8%) and a quite a high increase (67%) of public investments, while the support extended to most sensitive categories by improving the budget balance in 2021 was adequate, but more robust contingency planning is needed.

The Ministry of Finance, Labour and Transfers (MFLT) underlines that according to annual data from the Kosova Agency of Statistics (KAS), the real GDP in 2021 marked an increase by 10.75% compared to the previous year. Based on the latest KAS publication on national accounts, GDP recorded a real annual growth of 4.5% in the first quarter of 2022, and 2.1% in the second quarter. Consequently, the real GDP in the first six months of 2022 recorded an average increase of 3.2%. This increase reflects the positive developments in the export sector of goods and services and the increase of private consumption. The global energy crisis that emerged in the last quarter of 2021 and deepened further with Russia's military attack against Ukraine, was also reflected in our country, slowing economic growth compared to the growth recorded in the same period of the previous year.

The economic activities recording a growth in the first part of the year were: wholesale and retail trade by 10.4%, transport and storage by 10%, financial and insurance activities by 8.1%, processing industry by 6.6%, and hotels and restaurants by 5.3%, while the construction sector decreased by 9.6%, electricity and gas supply by 3% and health and social work activities by 3.1%.

Based on preliminary data, total consumption is estimated to have recorded an average increase of 5.2% in real terms (private consumption by about 6.5%, while public consumption recorded a decrease of 3.0%). This increase in consumption was characterized by developments such as the increase in the import of consumer goods, by about 17.5% (y-o-y), the decrease of new consumer loans by about 6.1% (y-m-y); the increase in emigrants' remittances by 0.2%; and the increase of 19.8% in total VAT collection. Total (private and public) investments during the first two quarters of 2022 recorded an average real decrease of about 9.2%, mainly as a result of the decrease in capital expenditures. The growth of new investment loans in the second quarter was 35.0%, while the import of capital goods recorded an increase of 6.2% (y-o-y) for this six-month period.

The current account balance during the period January-July 2022 reached at €-561 million, significantly higher compared to the same period of the previous year (an increase of 34.3%). The export of goods recorded an increase of about 29.3%, while the export of services recorded an even more significant annual increase of 40.8%. The latest data on the export structure show a decrease in the share of the export of basic metals in the total export (to 25.7%, from 36.2% in the previous year), as well as an increase in the share of the category of other manufactured items, which for the period January-July constitutes 21.4% of total exports, and the category 'plastic, rubber and articles thereof' had a share of 14.0%. Other important sectors were the mineral products, with a share of 9.1%, and processed food items, beverages and tobacco, with 6.8%. Regarding the contribution of the categories to the increase in the export of goods, the most significant contribution was recorded by the export of other manufactured articles, with 10.3 percentage points, plastic, rubber and articles thereof with 7.7 p.p., and mineral products with 5.9 p.p. Similarly, the export of services recorded a significant increase of 40.8%, driven mainly by the increase in travel services, with a positive contribution of 27.3 p.p., computer, information and telecommunication services with 6.6 p.p., and transport with 3.2 p.p.

The import of goods recorded an increase of 25.1%, driven mainly by the increase in the import of mineral products, which contributed with 10.6 p.p., the increase in the import of basic metals and articles thereof, with a contribution of 3.1 p.p., while the category of plastic, rubber and articles thereof as well as that of processed food items, beverages and tobacco contributed positively with 2.2 p.p. each. The import of services recorded an increase of 37.2%, driven mainly by a significant increase in the import of travel services, with a contribution of 15.2 p.p., and the category of transport with a contribution of 12.9 p.p.

The deficit of goods during the period January-July 2022 expanded by about 24.2%, while the surplus of services during this period marked an increase of about 44.3%. The primary income balance during the period January-July 2022 marked an increase of 71.6% compared to the same period of the previous year. The secondary income balance had an annual increase of 7.6% for the period January-July. The category of financial and non-financial corporations, households and non-profit organizations serving households contributed the most to this increase, with 4.7 p.p.

Another component that is important in the external sector and affects the reduction of the current account deficit is remittances, which had an increasing trend over the last 5 years. Remittances increased by 3.75% during the period January-August 2022.

Consumer price inflation increased by an average of 11.4% during the period January-September 2022, with a significantly upward trend (from a rate of 7.1% in January reaching its peak in July, with an increase of 14.2%). This increase trend was a continuation from last year, but it was even more in March of this year, reaching a double-digit value. The increase in inflation mostly reflected the increase in the prices of food, transport as a result of higher import prices, as well as the increase in the prices of the category 'use of personal transport equipment'.

Producer prices in Kosova rose increased by 9.85% on average during the first half of 2022 compared to the same period in 2021.

As regards public debt, the legal framework for managing the state debt consists of Law No. 03/L-175 on Public Debt, adopted on 29 2009. This Law gives the Republic of Kosova the authority "to borrow money; make loan guarantees, pay expenses for debt issuance and pay the principal and interest on its State Debt". Moreover, according to the Law, the outstanding amount of the total debt shall in no case exceed 40% of GDP. As a result of the COVID-19 pandemic, the Government decided to amend the fiscal rules: fiscal deficit as a percentage of GDP was changed from 2% to 6.5%, and the bank balance as a percentage of GDP was changed from 4.5% to 3%.

The total debt portfolio currently consists of domestic and international debt. According to the table below, the state debt as of 30 September 2022 amounted to €1.691 billion, representing 20.48% of GDP (including Government guarantees). Of the total amount of total state debt, €577.35 million are international debt.

*Table 1: Total Government debt (in EUR millions and as a percentage of GDP)*

	2017	2018	2019	2020	2021	January-September 2022
<b>International debt</b>	422.15	416.43	409.10	525.80	571.64	577.35
<b>Domestic debt</b>	574.27	676.62	791.94	961.90	1,061.49	1,114.48
<b>Total debt</b>	996.42	1,093.05	1,201.05	1,487.69	1,633.13	1,691.83
<b>Total debt (% of GDP)</b>	16.37%	17.04%	17.51%	22.44%	21.53%	20.48%

*\*It includes the amount of state guarantees*

At the end of the third quarter of 2022, the total debt reached the value of €1,691.83 billion, which, compared to the previous year, recorded quite a slight increase of about 0.53%.

Revenues generated during the period January-September 2022 stood at €1,832.9 million. Compared to 2021, revenues recorded an annual increase of about 13.8%. Tax revenues reached at €1,644 million, or an increase of 14.2% compared to the same period of the previous year. Non-tax revenues during this period reached at €188.8 million, or 9.9% more compared to the same period of the previous year. On the other hand, budget expenditures, including interest payments for this year, during this period reached at €1,579.8 million - an increase of 6.1% compared to the same period of 2021. The highest increase was recorded in the category of subsidies and transfers with 29.1%, followed by goods and services with 8.5%, while the category of wages and salaries and that of capital expenditures recorded a decrease of 4.6% and 28.7% respectively.

## **Functioning of the product market**

### *Business environment, judicial system and administrative capacities*

The Republic of Kosova continued with reforms with a view to a favourable business environment to establish businesses and operate in the market. The Law on Commercial Court was adopted last year. The budget and other resources, including human resources, were provided immediately after the approval of this law. Cases were transferred from other courts in July 2022 and the Commercial Court was fully operational in August 2022.

This will have positive effects in dealing with cases related to the business law and contractual relations. Other important reforms for the business environment include the inspection reform, simplification of legislation for permits and licenses and digitalization of services. Progress in these areas is also highlighted in *EC Kosova 2022 Report*.

Law No. 06/L-016 on Business Organisations defines the types of business organisations through which economic activities in Kosova can be conducted, other entities required to register with the KBRA; the organisation, powers and functions of the KBRA; the requirements, conditions and procedures for registration and deregistration for each type of business organisation; organisation of business organisations; and the rights and obligations of shareholders, authorized representatives, owners, directors, managers, and third parties with respect to business organisations. This law improves doing business in Kosova by facilitating business registration procedures and clearly defines all responsibilities and functions of KBRA. Further alignment of this law with EU legislation is needed, especially regarding minimum capital requirements, acquisition of companies, cross-border mergers and detection requirements of foreign companies and branches, as well as with EU Directives on the use of digital assets and cross-border operations.

On *institutional framework*, the institution responsible for this area is KBRA within the Ministry of Trade and Industry. KBRA registers all domestic and foreign business organisations in accordance with Law No. 06/L-016 on Business Organisations. KBRA provides information and cooperates with KAS, TAK, KC, KP and other agencies. It also registers all new businesses, business data modifications, business closures, issuance of registration certificate with fiscal number, VAT certificate, import-export certificate, as well as providing free of charge information and forms.

Regarding *policies* and reforms, Kosova has made progress in facilitating business start-ups and facilitating service delivery through the '*one-stop-shop*' concept. The procedures for opening a business have been simplified and shortened, and that can be done at any KBRA municipal centre depending on the location of the application entity's placement activity. For individual businesses and partnerships, registration takes place within one day, while for joint-stock and limited liability companies within two days.

The judicial system is a very important factor for the economic development of the country and plays a key role in facilitating investment, adequately protecting the contractual rights of businesses, and enhancing the private sector. This system is regulated by the Constitution of the Republic of Kosova, Law on Courts, and Law on Kosova Judicial Council. The *Law on Commercial Court* has recently been adopted and this court has become operational aiming at increasing the efficiency of the resolution of commercial disputes, as the only address for the resolution of all commercial and business disputes.

The Law on Courts has defined the Court of Appeal as a second instance court with territorial jurisdiction throughout Kosova, while the Supreme Court, as the highest judicial instance in the country, includes the Appellate Panel of Kosova Property Agency and the Special Chamber on Privatization Agency of Kosova Related Matters. Regarding property right, Article 119, point 1 of the Constitution of the Republic of Kosova provides a legal environment conducive to market economy, freedom of economic activity and security of the public and private property, recognizing public property and private property as constitutional categories. The Constitution guarantees the right to property and offers guarantees that exclude the possibility of arbitrary deprivation of property. Once the types of property are determined by the Constitution, the regulation of their content is delegated to the legislature. The Assembly adopted Law No. 03/L-154 on Property and Other Real Rights, which governs the creation, content, transfer, protection, and termination of real rights as well as regulates ownership and, as limited real rights, possession, real security rights and real rights of use. However, there is still no law regulating public property in general. Law No. 08/L-014 on Property Rights of Foreign Citizens was adopted in 2022, which regulates property rights for EU citizens, in accordance with the SAA.

Establishing an effective and equal system of property rights creates legal certainty for investors and consequently increases investment opportunities. This also creates more opportunities for citizens to use

property as collateral and thus improves access to finance and contributes to the financial independence of women in the country. The protection and use of property rights also has an impact on doing business.

The laws on inheritance and notary were adopted in 2018. Additionally, AI No. 10/19 on Cadastre of Immovable Property, AI No. 09/19 on Division of Cadastral Zones were approved in November 2019. In order to simplify the registration procedures and reduce relevant costs, AI No. 08/2019 on Fees for Products and Services of Kosova Cadastral Agency was approved in 2019.

*Mediation* is regulated by Law No. 06/L-009 on Mediation. The current practice of implementing alternative forms of dispute resolution has proved very useful. However, the analysis and recommendations suggested in practice have shown that there should be better coordination between the mediation centre and the Court or Prosecution Office and that the role and importance of the mediation centre, administration fees of the case in a mediation at the mediation centre, and financial cost covered from the budget of the Republic of Kosova need to be further clarified.

One of the innovations of the enforcement procedure, which affects the enforceability of decisions, has been achieved by Law No. 05/L-118 amending and supplementing the Law No. 04/L-139 on Enforcement Procedure, which shifted enforcement from courts to private enforcement agents appointed by the Ministry of Justice (MoJ) to perform entrusted public authorizations, excluding the power to decide on enforcement procedure and to apply enforcement in all matters related to family law and the reinstatement of workers and civil servants and other remuneration.

Kosova Cadastral Agency (KCA) is a public institution for the registration, maintenance and updating of owners' rights over immovable property. The Agency is the central authority for the maintenance of the cadastral database, property registers, mapping and GIS and for geospatial data infrastructure. The Agency responsible for certifying persons in the Municipal Cadastral Offices (MCOs) and licensing companies and surveyors for conducting cadastral surveying. Registration of immovable property rights is done at the MCO and is monitored and published KCA website on daily basis. The legal deadline for application through the MCO for sale, inheritance and mortgage transactions is 30 days, while based on the latest data from the MCO, this process takes an average of 10 days.

### **State influence on the product market**

According to the EU estimation, although some progress has been achieved in 2021, state aid policies in Kosova need further alignment with EU rules and principles. The current framework lacks a coherent approach to state aid, as well as a comprehensive strategy and cost-benefit assessments for aid and subsidies granted. According to the EC, there is an inventory of state aid schemes, as required by the SAA, but their alignment with existing state aid legislation is at an early stage. Regarding state aid, the new Law No. 05/L-100 on State Aid, adopted in 2016, lays the foundation for the development of the state aid system, principles and procedures for its granting. It sets out the basic definitions, including that of state aid, the mechanism and framework for state aid control, and the basis for establishing a comprehensive inventory and reporting system. The *acquis* rules in this area are transposed through secondary legislation (for more, see chapter 8).

Law No. 03/L-087 regulates the ownership of publicly-owned enterprises (POE), their reporting and corporate governance, in line with international principles. There are 17 POEs in Kosova, in which the Government of the Republic of Kosova is a shareholder. Kosova New Energy Enterprise JSC (NKEC) was established on 24.05.2018 and is registered as a Central POE, but this enterprise has no operational and financial business. With the entry into force of Law No. 05/L-120 on Trepça, the POE Trepça has been transformed into Trepça JSC, where the Government owns 80% of the shares, while 20% is owned by the employees.

MoE initiated the amendment of the legal basis for POEs in 2017, in order to strengthen their corporate governance, however draft law submitted to the Government for approval in 2018, has been returned for review.

## **Privatization and restructuring**

According to *EC Kosova 2022 Report*, Kosova undertook steps to dissolve the privatisation agency and to set up a sovereign wealth fund. In early 2022 the government issued a decision forbidding PAK to sell assets under its administration, which are envisaged to be transferred to a sovereign wealth fund. In June 2022, the government adopted a concept document on the sovereign fund. The sovereign fund is expected to take over socially-owned enterprises (SOEs) and assets managed by PAK and some publicly owned enterprises managed by the Ministry of the Economy after improving their financial performance. The EC recommends that in the future the legal framework for the governance and supervision of POEs should be amended in order to address the issues of poor performance and mismanagement.

Pursuant to the Law No. 04/L-034, privatization takes place through two main methods: the Spin Off method and the Liquidation method or the so called Asset Sale. Privatization Agency of Kosova (PAK) is established as an independent public body that exercises its functions and responsibilities with full autonomy according to the Law No. 04/L-034 on PAK, as amended and supplemented by Law No. 04/L-115, No. 05/L-080 and Law No. 06/L-023 on PAK.

In accordance with the Government Programme for the transfer of a significant number of SOE properties (land, other valuable assets) from the PAK administration to the “Sovereign Fund”, which was established in 2022, PAK has prepared the exit strategy for the period January 2022-June 2024. It is in compliance with the PAK goals and plans set out in the legal framework to complete its main processes without unnecessary delays.

## **Functioning of the financial market**

This section will mainly focus on the stability and development of the financial sector from the perspective of the structure, size and efficiency of financial intermediation. Aspects of the legislative nature and requirements arising from the SAA will be elaborated in more detail in other relevant chapters such as the chapter on free movement of capital and that of financial services.

The financial system consists of the banking sector, with 11 commercial banks (9 of them foreign-owned ones), accounting for 67% of the total of assets of the financial sector, the insurance sector, with 12 insurance companies (7 of them foreign-owned), pension funds (2 funds), financial auxiliaries (58), the microfinance sector with 30 MFIs/NBFI (12 of them foreign-owned), and the securities market. The financial system has continued to expand continuously during 2021, reaching the rate of financial intermediation at 108.7% of GDP. Banks are the main financial intermediaries of the financial sector, followed by pension funds and MFIs/NBFI.

The financial system of Kosova until the end of September 2022 was sound, stable and liquid, despite the growing risks induced by the increase in the level of prices in the country and globally. Thus, banks and financial institutions managed to be profitable, liquid and well capitalized. Furthermore, lending activity in the banking sector had an accelerated growth rate, recording an annual increase of 18.6% in August 2022. The banking sector is also characterized by an increase in deposits of 11.8% during this period, which constitutes the main source of financing the banks' activity. However, due to the continuous increase in prices in the country, expectations for the following period suggest increased profitability, liquidity and credit risk.

The banking sector continues to have a high level of liquidity. The ratio of liquid (broad) assets to short-term liabilities in September 2022 decreased 3.3 p.p. compared to the same period of the previous year, namely to 35.1%, which despite declining is significantly above the recommended minimum level (25.0%).

The banking sector scored a record net profit of €97.0 million by the end of August 2022 (significantly higher than the historical average), and recorded an increase in annual profit by 20.6% (increase by €16.6 million). The high level of profit generated in this period was as a result of the increase of revenues (by 14.0%), and of the decrease of expenditures (by 10.0%) compared to the same period of the previous year. Interest income (loans and placements with commercial banks) had the main contribution to the accelerated

increase in income, followed by non-interest income (fees and commissions). The higher profit also impacted the improvement of financial performance indicators, such as ROA (return on assets) and ROE (return on equity), which stood at 2.7% (2.5% in August 2021) and ROE at 23.9% (21.0% in August 2021).

The banking sector continues to be well capitalized, well above the required minimum regulatory level of 12%, at 15.8% in September 2022 (17.9% in September 2021). The reduction of this indicator came as a result of the higher growth of risk-weighted assets (16.9%) compared to the growth of capital (3.4%). Commencement of dividend distribution at the end of 2021, and the reduction of reserves from the revaluation of investments in financial instruments have impacted the slowing down of capital growth. On the other hand, the risk-weighted assets have recorded a higher growth compared to the previous period as a result of the significant increase in lending during this period.

Non-performing loans (NPLs) to total loans continue to be at a low level in the banking sector and continued the downward trend of the pre-pandemic period. The NPLs level remained at 2.1% (2.4% in September 2021). The decrease in the NPLs level was more a result of the accelerated increase in lending supported by the annual decline in the NPL value. The NPLs value decreased by 0.1% (1.9% increase in September 2021, 26.7% increase in September 2020). Bank lending increased by 18.7% (11.9% in September 2021, 7.7% in September 2020). Non-performing loans continue to be well-provisioned, standing at 152.8% by September 2022 (144.4% in September 2021).

Regarding other sectors, the value of pension sector assets reached at €2.28 billion in June 2022, representing about 25.5% of the total financial system assets. On annual terms, the pension sector assets have increased by 5.5% in June 2022, which is the result of the increase in the value of collected contributions. The value of pension contributions by June 2022 reached at €116.5 million (€104.3 million in the previous period), while the return on investment was negative in the amount of €162.4 million, in contrast to the positive return of the previous year in the amount of €108.8 million.

The insurance sector represents only 2.8% of the total system assets, with a value of €253.6 million. Compared to the previous year, this sector recorded an increase of 10.6% (9.9% in the previous period). The sector recorded an accelerated annual increase in revenues (gross written premiums) of 13.1%, reaching at €61.4 million (€54.3 million in the previous period and an annual increase of 12.6%). Accelerated revenue growth reflects the performance of third-party liability sales, as cross-border insurance has decreased due to the government's decision to fully cover cross-border insurance premium rates for all compatriots. On the other hand, the claims paid reached at €30.9 million (€31.2 million in the previous period). As a result of faster growth in gross written premiums compared to claims paid, the ratio of claims to written premiums decreased to 50.3% from 57.5% in June 2021. The sector operated with a net profit of €2.5 million by June 2022 (€1.5 million in the previous period) due to the increase in gross written premiums, other income sources, despite the increase in the value of claims paid.

Micro-financial institutions represent about 4.2% of the total financial system assets (June 2022), and the assets of this sector in August 2022 reached at €380.9 million. The lending activity of the sector recorded accelerated annual growth of 16.7% in August 2022 (11.6% in August 2021, 19.0% in March 2022), followed by the same trend for households (14.6%) and for non-financial institutions (21.0%). Leasing activity by MFIs continued to expand, with annual growth of 15.4% in August 2022 (10.4% in August 2021, 15.4% in March 2022). The sector keeps being profitable, reaching the highest level of €12.0 million compared to the same periods of previous years. The sector has a credit portfolio with a level of non-performing loans of 2.1% (August 2022), provisioned at the level of 146.1%.

Central Bank of Kosova (CBK), established by Law No. 03/L-209 for the Central Bank of the Republic of Kosova, is the sole supervisory and regulatory authority of financial institutions. Its primary objective is to promote and maintain a stable financial system, including a safe and efficient payment system. The following units within the CBK Financial Supervision section are responsible in for licensing, regulation and supervision of financial institutions: Banking Supervision Department, Insurance Supervision Department, Licensing and Standardization Department, Pension Funds and Securities Market Supervision Division, Anti-Money Laundering and Prevention of Terrorist Financing Division.

### *Medium-term priority objectives*

In the medium term, the key priorities foreseen to be achieved are the following:

- Maintaining the share of capital expenditure in the budget;
- Continuing with reforms that are important in the context of macroeconomic stability and the financial sector, including the implementation of the fiscal rule for the budget deficit;
- Adopting and implementing the new Law on Publicly-Owned Enterprises and its bylaws;
- Privatization and liquidation of socially-owned enterprises;
- Ensuring property rights by addressing informality in the real estate sector;
- Increasing judicial efficiency in order to reach 0% of backlog cases by 2023;
- Improving access to finance for SMEs by increasing the Kosova Credit Guarantee Fund;
- Continuous improvement of the regulatory framework for the banking system in line with international standards and EU legislation;
- Further approximation of insurance regulations in Kosova with relevant European Directives (subject to changes to EU legal requirements and international standards, existing regulations will be subject to amendment in order to be in full compliance with these requirements).

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

This chapter addresses the second point of Copenhagen economic criteria, which deals with the state capacity to cope with and be competitive in the EU market. Key factors to achieve this goal and on the basis of which the EC monitors and assesses the progress towards the membership consists of the following:

- Development of human and physical capital to a satisfactory level where the aspects of development on education, research and infrastructure are assessed;
- Adequate sectoral structure and cooperation, including the sectoral composition, development of SMEs and issues of restructuring of enterprises; and
- Satisfactory market integration of economy with the EU member states.

According to *EC Kosova Report 2022*, Kosova is at an early stage in terms of ability to cope with competitive pressure and market forces in the EU. Inadequate quality of education and skills mismatches make the transition from school to the labour market difficult. Some progress has been made in improving road infrastructure. The recent energy crisis highlighted the urgency to ensure a reliable and clean supply of energy and the diversification of its sources. Kosova made some progress regarding the digitalization of the economy. Structural changes are progressing slowly as the economy remains heavily dependent on small and micro firms that cannot compete internationally. The export structure remains dominated by basic metals with slightly increasing percentages of mineral, plastic and textile products. *EC Kosova Report 2022* recommends that during the following year Kosova focuses in particular on:

- Improve the quality of vocational training and education at all levels, with the view of narrowing the skills mismatch;
- Strengthen energy security and energy efficiency incentives in the residential and private sectors;
- Increase the share of renewables in power generation in a cost-efficient way;
- Advance tailored financial and non-financial support for SMEs to improve their competitiveness and export capacity.

Further, the *SC VI conclusions* require the reorganization of the KIESA and the implementation of the Strategy and AP on the Prevention and Combating of the Informal Economy, Money Laundering, Terrorist Financing and Financial Crimes. Kosova also needs to improve the business environment by increasing digitalization, simplification and removal of licenses and permits.

The Government's priorities remain focused on the development of physical capital through infrastructure development, human capital development through education reforms and measures to support the private sector. The strategic framework with priority measures and objectives consists of the Government Programme 2022-2023 and sectoral strategic documents, such as the Kosova Education Strategy 2022-2026.



The development of economically important sectors such as energy, infrastructure, telecommunications and information society, and tourism are priority objectives.

In the context of regional cooperation and integration in the EU, the Republic of Kosova is committed to implement the Common Regional Market (CRM) Action Plan and the Western Balkans Green Agenda, within the Berlin Process.

### **Education and innovation**

*EC Kosova 2022 Report* estimates that improving the quality of education and aligning it with the labour market needs remains the key challenge in Kosova, while little progress has been achieved in improving the scientific research, development and innovation system. This report points out that despite the legal provision for allocating 0.7% of GDP to science and innovation, the budget allocated for 2022 was less than 0.1% of GDP, due to a lack of funds. In addition, Kosova has successfully completed negotiations with the EU to become a full associate member of the *Horizon Europe* Programme, but it should further improve performance to access grants.

The Government's priorities remain focused on the physical and human capital development through infrastructure development, education reforms and measures to support the private sector. The strategic framework with priority measures and objectives consists of the Government Programme 2021-2025 and sectoral strategic documents, such as the Private Sector Development Strategy and the Kosova Education Strategic Plan 2022-2026. The priority objectives are to develop economically important sectors such as energy, infrastructure, agriculture, telecommunications and information society and tourism.

The Education Strategy 2022-2026 was approved on 30 September 2022. It includes, for the first time, digitalization of education as a specific objective. The strategic framework emphasizes the objective of quality, comprehensive and digitalized education, alignment of vocational education with market needs, effective management of the education system at all levels and improvement of the environment for research and innovation. Pre-university education is provided by public and private education and training institutions, or public and private enterprises. Early childhood education is provided by public, private institutions, public-private partnership ones, as well as community-based institutions and kindergartens. In vocational education, in addition to vocational schools, there are also 4 Competence Centres. Five (5) Resource Centres for learning and counselling and two (2) Special Schools operate for children with special needs. The gross enrolment rate in pre-university education is presented in the table below.

*Table 2: Gross enrolment at the pre-university level, in percentage*

<b>Level/Year</b>	<b>2020/2021</b>	<b>2021/22</b>
Preschool (3, 4, 5 years old)	36.40%	37.8%
Pre-primary (age-5 years)	88.10%	89.1%
Primary	101.20%	101.1%
Lower secondary school	90.90%	91.4%
Higher secondary school	81.10%	79.6%

*Source: Annual Statistical Report with Education Indicators, 2021/22, EMIS, MESTI.*

*Table 3: The number of students at all levels of education in the public and private sector 2021/2022*

<b>Level</b>		<b>Private</b>	<b>Public</b>	<b>Total</b>
<b>University</b>	Bachelor	28,765	41,419	<b>70,184</b>
	Master	3,436	8,441	<b>11,877</b>
	PhD		328	<b>328</b>
	<b>Total</b>	<b>32,201</b>	<b>50,188</b>	<b>82,389</b>
Special education (1+2+3)		0	291	<b>291</b>
Higher secondary (3)		3,712	67,138	<b>70,850</b>
Primary/Lower secondary (1 2)		6,452	21,7977	<b>224,429</b>
Preschool and primary (0-5)		7,966	24,431	<b>32,397</b>

*Source: Education Statistics in Kosova 2021/2022, EMIS/MESTI and KAS*

Currently, seven (7) public universities and twenty-two (22) private colleges operate in Kosova.

In 2022, ENQA reinstated the associate member status to the Kosova Accreditation Agency (KAA), as an independent authority guaranteeing the quality of education and scientific research work in Higher Education Institutions (HEIs) in Kosova. MESTI is the policy-making body in the area of education, science and scientific research, while scientific and research activities are carried out by HEIs, academies and institutes, as subordinate institutions of MESTI, including the Academy of Sciences and Arts of Kosova, the Albanology Institute, the Institute of History, universities and other institutions involved in scientific research. The NARIC Centre also operates within MESTI, which makes higher education diplomas obtained outside of Kosova equivalent. Although Kosova has not formally joined the Bologna process (the application for formal admission was submitted in 2014), the legal basis harmonizes current education practices with the priorities of the Bologna Declaration, especially certain provisions of the Law on Higher Education and the National Qualifications Framework and facilitating the recognition of prior learning and qualifications acquired in other countries.

### **Physical capital**

According to *EC Kosova 2022 Report*, slow progress in improving road and rail infrastructure is affecting the implementation of major projects. There has been no progress on Route 7 (Peace Highway), despite the increase in the EU grant for the implementation of this project. The report highlights that Kosova remains highly dependent on coal (over 90% of electricity is generated by two unstable and polluting lignite power plants, which the government plans to renovate).

The Assembly ratified the Millennium Challenge Compact (MCC) and the Program Implementation Agreement between Kosova and the MCC for developing battery storage to provide electricity balancing reserve. To establish a sustainable market in Kosova and Albania, Kosova signed two agreements with Albania: the Electricity Markets Cooperation Framework Agreement and a Memorandum of Understanding aiming to recognise each other's electricity and supply licenses (for more details, see chapter 15).

As electronic communications, progress has been made in the digitalization of the economy. With 96% of households with access to broadband Internet, Kosova has reduced the infrastructure gap between urban and rural areas. *EC Kosova 2022 Report* recommends that Kosova needs to further develop the legal framework and infrastructure necessary to stimulate e-commerce and enable international e- payments. This lack of infrastructure was exacerbated by COVID-19, meaning that physical commerce transactions were largely impossible for several months.

### **Road infrastructure**

The key objectives in this sector include the following: i) the integration of Kosova in regional road network through the development of the roads 6 and 7 through the pan-European corridors, ii) decreasing the transport expenses, and decreasing the traffic congestion through new roads including transit roads around urban centres, iii) increasing the safety through horizontal and vertical signalization, improvement of road infrastructure quality and campaigns for traffic safety, and iv) maintenance and improvement of existing roads that enable good private and public transport service.

The Government of the Republic of Kosova remains committed to further improve the road and rail infrastructure, focusing on the completion of major international and regional road sections, as well as the international railway line to enable faster and cheaper movement of citizens and freight, thus reducing the costs and distance of transporting people and goods. This will make it easier for businesses to place goods in local and international markets, while modernization of the international rail network will help the transport of goods and the economy in general. In the first half of 2021, general investments (private and public) increased significantly, averaging about 23.4%. This growth is mainly based on the increase of private investments, which are expected to have continued with a positive trend in 2022. In the coming period, special emphasis will be given to the investment clause through which the Government intends to invest in large infrastructure projects, to overcome the structural challenges curbing the maximum use of

the country's development potential. To enable inclusive economic growth, the Government has also increased the potential for capital expenditure at municipal level.

The Prishtina-Vërmicë and Prishtina-Hani i Elezit highways are important road links with the two neighboring countries (Albania and North Macedonia) and international corridors. Segments of the R7 Highway have been completed, the Morinë-Gjurgicë section (Connection to N9) and the sections towards Podujeva and Vushtrri.

Infrakos JSC, POE with 100% shares owned by the Government of the Republic of Kosova, manages the railway infrastructure under the state ownership. The railway network of Kosova consists of 335,079 km of railway. Four railway lines need different levels of rehabilitation, in order to bring them to modern standards of speed and safety. Last year, both people and cargo transport marked a substantial growth. The railway network has a maintenance that ascertains the necessary safety of train traffic. The railway infrastructure consists of:

- Railway line 10 (bordering Serbia - Leshak - Mitrovica - Fushë Kosovë - Hani i Elezit - North Macedonia), of a length of 149.110 km, with a single pair of rails, not power supplied, wide 1435 mm, Category D3, axis masses 22.5 tons and longitudinal masses 7.2 tons/m;
- Eastern railway line (Serbian border - Podujeva - Prishtina - Fushë Kosovë), of a length of 45.198 km, a single pair of rails, not power supplied, width 1435 mm, category D3, axis masses 22.5 tons and longitudinal masses 7.2 tons/m and 5 tons/m.
- Western railway line (Fushë Kosovë-Peja), of a length of 81.940 km, a single pair of rails, not power supplied, width 1435 mm, Category C2, axis masses 20 tons and longitudinal masses 6.4 tons/m; and
- Southwest railway line (Kline Xërxë-Prizren), of a length of 58.831 km, a single pair of rails, not power supplied, width 1.435 mm, Category D3 and B1, axes masses 22.5 tons and 18 tons, and longitudinal masses 7.2 tons/m and 5 tons/m.

Regarding the current investments in the railway infrastructure, POE Infrakos JSC is developing a modernization project for the railway line 10, a project which is divided into three phases: (i) the works for the first phase have continued and so far 72.3% of the works on the line have been completed. In total, so far have been built: 57.52 km, of which 49.18 km are tracks on an open line, 8.34 km are tracks in stations; (ii) for the second phase of the works, talks have been held to avoid claims and notices of termination of the contract by both parties. From these talks, it was concluded that the issue of price correction should be applied according to the Construction Index published by KAS, and a new order was issued to resume the works. These issues have been regulated by amendment A1 as of 10 October 2023, regarding the rehabilitation project contract for the railway line of the second phase (Fushë Kosovë - Mitrovica); and (iii) regarding the third phase Mitrovica - Leshak - Border with Serbia, the drafting of the design project has been initiated.

Preparations have begun for the drafting of the feasibility study and conceptual design for the Kosova-Albania railway line project. The two Governments signed the agreement for the financing of the feasibility study and conceptual design on 20.06.2022,. The next step is for the Ministry of Infrastructure and Energy of Albania to publish the tender, while the bid evaluation and the selection of the winning company is expected to be done by the joint group of experts.

Since the railway 10 connects Kosova with Serbia and North Macedonia is part of the expansion of Trans European Transport Network (TEN-T), then it is a priority route for which necessary funds have been secured by EBRD and WBIF grants for its modernization.

General Rehabilitation and Modernization of the first phase of this railway route (Fushe Kosova-Hani i Elezit - Border with North Macedonia), commenced in August 2019. Following the completion of the modernization project, the Railway Route 10 will meet the Technical Specifications of Interoperability and the Criteria of the European Rail Traffic Management System (ERTMS).

Railway Regulatory Authority (RRA) was established by Law No. 03/L-076 and operates based on Law No. 04/L-063 on Kosova Railways. RRA is an independent institution for the regulation, supervision and organization of the railway sector in Kosova, and also acts as a licensing body, for issues of interoperability and notification entities, for the regulation of the railway market and railway safety. The body for the investigation of railway accidents/incidents operates within the OPM, thus it is independent from RRA.

In January 20023, the Government approved the Multimodal Transport Sectoral Strategy 2023-2030, which includes the railway sector, and also reflects the interoperability of the railway system, the safety and standards of the European railway system, and the strategies developed under the Transport Community Establishment Treaty for the Western Balkan countries.

### **Air transport**

Kosova has the Prishtina International Airport “Adem Jashari” that operates with combined military and civil services. The public-private partnership contract between the Republic of Government of Kosova and Turkish-French Consortium Limak- Aeroport de Lyon entered into force in April 2010, whereby the Prishtina International Airport was given on concession, and that was also an example of successful concession projects in Southeastern Europe.

The new terminal, inaugurated on 23 October 2013, is an investment of about EUR 100 million and it provides more comfort for passengers, first class services, as well as sufficient space and a relaxing social environment for passengers, men and women. The new terminal has a area of 44,000 m<sup>2</sup>, and a capacity enabling the reception of 4 million passengers a year. As part of the basic regional and international network, the goal is to expand and continuously increase the capacity of this airport.

### **Energy**

The energy system in the Republic of Kosova consists of electricity generation, transmission, distribution, unregulated customers, as well as customers with the right to universal service. Suppliers and wholesalers are also among electricity market participants.

There are also two district heating systems. Space heating in Kosova is done overwhelmingly by biomass (mainly firewood), electricity, to a small extent by coal and other materials, as well as district heating in Prishtina and Gjakova. District heating sector in Kosova consists of 4 district heating companies (Prishtina, Gjakova, Mitrovica and Zvecan). Prishtina District Heating, Termokos, is connected to the cogeneration system in *Kosova B* TPP. This has significantly affected the increase of the quality of supply and the reduction of environmental pollution. The new biomass-based heating plant in Gjakova started to operate by providing high quality heating supply to 40% of citizens.

In the absence of a natural gas system and taking into account the very limited district heating system, currently the main burden of ensuring the supply of consumers with energy resources falls on the electricity system.

Kosova has secured energy independence with the new Connection Agreement signed between the Transmission, System and Market Operator (KOSTT) and ENTSO-E in June 2020. KOSTT has been operating as an independent regulatory area within the AK bloc (Albania-Kosova), within the synchronous area of Continental Europe since December 2020. The allocation of interconnection capacities and the management of congestion of the interconnection network will be realized within the structure of this bloc. This has paved the way for KOSTT to integrate into the regional energy market, participate in the Albanian Power Exchange (ALPEX) and put the 400 KV Kosova-Albania line into operation.

*Generation* is mainly based on lignite power plants (*Kosova A* TPP and *Kosova B*) and RES (water, wind and solar energy). *Transmission of energy*: KOSTT, 100% owned by the Republic of Kosova, where shareholder rights are exercised by the Assembly, is the sole market transmission operator. It operates with two separate licenses: for transmission system operation of and for market operation. The market operator is responsible for the energy market organization and development, while the transmission operator is responsible for the energy transmission, operation and maintenance of the transmission system, as well as system

balancing. *Energy distribution*: KEDS, privately owned, is the sole operator of the distribution system. It is responsible for the distribution system operation and maintenance and the management of the generators connected therein. KESCO is a supplier licensed for electricity supply, including *Public Service Obligation* determined by the Regulator to provide consumers with the right to universal service. The regulator has also assigned the last resort obligation to the supplier. Seven (7) privately owned electricity suppliers have been licensed thus far, but have not yet started commercial operations.

According to 2021 data, the burden of energy generation falls on coal/lignite-based power plants. They cover about 93% of all energy generation, while the rest is provided by RES-powered plants (mostly small hydro power plants) and imports. Energy generation is mainly done by the Kosova Energy Corporation of (KEK JSC), part of which are two TPPs (*Kosova A* and *Kosova B*) and coal mining. These TPPs started operating in 1970s, respectively 1980s, and as such are obsolete and their continued operation requires investments in accordance with the environmental conditions based on EU parameters. Therefore, during the next two years, it is planned to invest in the *Kosova B* TPP.

Kosova, as an ECT signatory party, agreed in July 2022 on decarbonisation goals, which were also reflected in the Energy Strategy 2022-2031, approved by the Government in December 2022. This basic policy document has 5 strategic objectives: Improving the energy system reliability; Decarbonisation and promotion of renewable energy; Increasing energy efficiency; (iv) Strengthening regional cooperation and market functioning; and Consumer Protection and Empowerment. Preparatory actions are also being undertaken for the implementation of competitive RES capacity development schemes through auctions. The first auction will be held this year as a pilot project for a capacity of 100MW from photovoltaic panels, with investments from the private sector. In addition, supported by donors, Kosova will develop a project with a capacity of 100 MW within KEK, and another one with a capacity of 50 MW storage of RES supplied heating energy, which will supply Termokos with energy for heating.

In order to increase the flexibility of the system and achieve strategic objectives, Kosova has signed an Agreement with MCC for the development of an electricity storage project, with a capacity of 170 MW (340 MWH), which will facilitate the RES integration into the energy system.

The main institutions in the energy sector are the following: Ministry of Economy (MoE); Kosova Agency for Energy Efficiency (KAEE); Kosova Fund for Energy Efficiency (KFEE); Energy Regulatory Office (ERA), an independent regulatory agency responsible for regulating the energy market (electricity, natural gas and heating energy); Independent Commission for Mines and Minerals (ICMM), an independent regulatory agency responsible for regulating the mining activities, including coal; and KOSTT JSC, a public enterprise managing the transmission network and is the operator of the transmission system and the market. Other governmental institutions, such as the Ministry of Environment, Spatial Planning and Infrastructure (MESPI), the Ministry of Finance, Labour and Transfers (MFLT), as well as the Kosova Competition Commission, have an important role in monitoring the social, economic and spatial responsibilities of the energy sector. In the development of policies in this area, the Assembly also has a role and is responsible for adopting laws in this area and the Energy Strategy.

### **Electronic communications market**

In Kosova, the electronic communications and ICT sectors are of great economic importance. In recent years, the share of these sectors reached at about 2.2% in the GDP. With regard to market developments, the landline historically has had a low development in our country. The following operators are currently active in the market for the provision of landline telecommunication services: (1) Kosova Telecom J.S.C. (former PTK), licensed on 30.07.2004; (2) IPKO Telecommunications LLC, licensed on 08.09.2006; (3) Kujtesa.net, licensed on 07.01.2014; (4) Fiberlink (Decision No. 607 (Prot. No. 013/B/15), has assigned the numeric bloc from the geographic numbering series for use by "FiberLink" L.L.C.); (5) Mts d.o.o possesses general authorization based on the Agreement on Telecommunication between the Republic of Kosova and Serbia, under the EU facilitation.

Downward trend of *landline telephony* continued in 2022, from previous years. According to the data, the landline telephony penetration rate in Kosova in the second quarter of 2022 was 3.96%. The penetration rate of landline telephony in Kosova continues to be very low compared to the regional countries, and also to the EU countries. The highest share in the market belongs to the company Telecom of Kosova, followed by IPKO, then MTS D.O.O and Kujtesa Net. However, all landline telephony indicators show a very slow and declining trend.

Regarding *postal services*, Law No. 06/L-038 on Postal Services establishes rules for ensuring the provision of postal service and universal postal service throughout the country, defines standards for universal postal service and establishes a system to ensure compliance with such standards. This law is partially in line with Directive 97/67/EC of the European Parliament and of the Council. According to RAEPC data, there is a significant decrease in the total number of postal deliveries. The POE Post of Kosova J.S.C covers the overall postal services market, with 86.9%, while private operators' share is 13.10% of the overall market.

The mobile telephony market has the widest spread in all electronic communications. Mobile telephony services in Kosova are provided by three operators in the 900/1800 MHz frequency band, including the operator with temporary authorization and limited infrastructure mts D.O.O.: (1) Kosova Telecom JSC/Vala licensed on 30.07.2004 for 15 years, while under Decision No. 1419, dated 30.07.2019, RAEPC renewed the right to use frequency resources to this POE for 20 years. (2) IPKO Telecommunications LLC licensed on 06.03.2007 for 15 years, while under Decision No. 1420, dated 30.07.2019, RAEPC renewed the right to use frequency resources to this company for 20 years; (3) Mts D.O.O., with temporary authorization based on the EU facilitated telecommunications agreement between the Republic of Kosova and Serbia. This company provides services through limited infrastructure only in certain locations and does not have the right of extension. In addition to three authorized mobile network operators mentioned above, currently in the Republic of Kosova there is another virtual mobile operator: Dukagjini Telecommunications J.S.C. (D3 mobile) licensed on 24.06.2008, which mainly provides M2M services. The total number of mobile phone users at the end of the second quarter was 1,728,014 respectively 10.99% lower compared to the same period last year, with the number of users being 0.23% lower compared to the previous quarter (Q1 2022).

The number of broadband fixed line internet lines by the second quarter of 2022, reported by the operators reaches the figure of 392,457 subscribers. This shows an increase of 6.04% subscribers compared to the first quarter of 2022, respectively an increase of 3.05% compared to the same period of 2021. Internet penetration according to households (per 100 inhabitants) turns out to be 21.62%. The number of users of mobile Internet services ('Mobile Broadband'), or Internet access through the 3G and 4G mobile network, in the second quarter of 2022 reached 1,430,668 users, an increase of 1.24% compared to the previous quarter, respectively decrease of about 19.84% compared to the same period of the previous year. Regarding the market distribution of Internet services by users per operator, at the end of second quarter of 2022, Telecom of Kosova had 6.14%, IPKO 26.69%, Kujtesa 18.23%, Artmotion 27.16% and others the rest. Regarding the division of the Internet services market by revenues per operator, at the end of the second quarter of 2022, Telecom of Kosova had 7.73%, IPKO 27.20%, Kujtesa 17.69%, Artmotion 16.47% and others the rest.

*Regulatory and policy framework:* Law for Electronic Communications and other applicable legislation determine an overall legislative framework, in compliance with EU Directives (Package of Directives of 2009, as amendments to the 2002 Package for Electronic Communications). This law, inter alia, has established a legal basis for transition from the License regime to General Authorization regime, for the provision of electronic services and communication networks. This implies an increase of opportunities and quality improvements of the environment for new investments and fair competition, which is also a main objective (priority) of the Government. The European Electronic Communications Code (Directive (EU) 2018/1972) is in the process of transposition. The concept document for the Electronic Communications Code is expected to be approved by the Government in the first quarter of this year, and then the drafting of the Electronic Communications Code will resume, with the aim of having it approved by mid-2024. As a strategic document that follows the Digital Agenda for Kosova 2013-2020, the Digital Agenda 2030 has been drafted, which is in the last stage pending approval by the Government. It reflects

the strategic objectives of the Digital Agenda for Europe, by considering and adjusting to the reality and the state of the ICT sector in Kosova.

### **Sectoral structure and that of enterprises**

The structure of enterprises by economic activities is dominated by the trade and services sectors. According to the outcome of the KAS (2021)<sup>9</sup> Structural Business Survey, their distribution in sectors is as follows: Trade – 17,554 (38.6%); Business services and other services – 10,302 businesses (22.7%); Processing/manufacturing industry – 5,832 (12.8%); Accommodation and food service activities – 4,370 businesses (9.6%); Construction – 3,838 (8.4%); Information and communication – 1,576 businesses (3.5%); Transport and storage – 1,611 businesses (3.5%); Mining and quarrying – 170 businesses (0.4%); Water supply, sewerage, waste management and land revitalization activities – 152 businesses (0.3%); and Supply of electricity, gas, steam and air conditioning – 63 businesses (0.1%).

The total number of new businesses registered with KBRA as of November 2022 is 9,432. Compared to the same period in 2021 (9,854), there are approximately 4.5% fewer registered businesses. Regarding the other categories, we have an increase in the number of companies. The number of closed businesses is 1,601, about 13.4% more compared to the same period of 2021 (1,412). The number of registered businesses with foreign owners is 828, compared to 726 in the same period of 2021. The number of registered businesses owned by women is 2,644, more than in the same period of 2021 (2,534).

Table 4: Number of registered businesses, 2015 – November 2022

Description	2015	2016	2017	2018	2019	2020	2021	January-November 2022
Registered	9,833	10,553	9,335	9,966	10,054	9,805	9,854	9,432
Closed	2,205	2,378	1,589	1,892	1,766	1,356	1,412	1,601
Owned by women	2,020	2,332	2,096	2,443	3,016	1,764	2,534	2,644

Source: Kosova Business Registration Agency (KBRA)

### **Economic integration with EU and price competitiveness**

Kosova's trade deficit during the nine-month period of 2022 reached over €3.4 billion, which is very high despite the growth of exports. Export coverage by import increased from 11% in January-September 2019 to 14% in the same period of 2020, 16% in that of 2021 and 17% by November 2022. Trade exchange in goods recorded the value of €4.8 billion by September 2022, with an increase of €930.3 million compared to the same period of the previous year. Exported goods amounted to €687.9 million, an increase of €140.5 million or 26%, compared to the nine-month period of 2021. Imports amounted to over €4.1 billion, with an increase of €789.8 million, or 23%. Inflationary pressures in the euro area countries, with which Kosova carries out most of its commercial exchanges, were reflected in the country's economy. Therefore, developments in the country's price level continue to be determined by the fluctuation of prices in international markets, due to the high dependence of the country's economy on imports, which is also confirmed by the similar behaviour of the consumer price index to the import price index.<sup>10</sup> Thus, although Kosova exports have increased to record levels, the current account deficit deteriorated, due to the increase in imports.

#### ***Medium-term priority objectives:***

- Reducing energy consumption through energy efficiency measures by implementing measures in public buildings, households, the private sector and multi-residential buildings;
- Increasing cost-effectiveness of international trade transactions by simplifying and standardizing all formalities and procedures at the border, with the aim of aligning practices, in accordance with multilateral agreements;
- Aligning supply and demand through development of occupational standards and curriculum review;
- Promoting quality in vocational education and training based on labour market requirements.

<sup>9</sup> [Anketa Strukturore e Ndërmarrjeve \(ASN\), 2021 | \(rks-gov.net\)](#)

<sup>10</sup> The overall import prices index in Kosova in the second quarter of 2022 increased by an average of 23.3% compared to the second quarter of 2021.

### 3. BLOC 3: EUROPEAN STANDARDS – ALIGNMENT OF KOSOVA’S LEGISLATION WITH THE EU ACQUIS

#### 3.0. Legal Framework on Alignment of Kosova’s Legislation with the EU Acquis

Alignment and implementation in accordance with EU *acquis* are the main prerequisites for the membership of the Republic of Kosova in the EU. The alignment process implies compliance of the national legislation with EU *acquis*, and contains two components: firstly, assuming the obligations deriving from EU *acquis*, and secondly, their enforcement in practice. This provision requires the alignment to initially focus on the fundamental *acquis* elements in the area of internal market, freedom, security and justice, as well as in other trade related areas. It also requires that the alignment of legislation be done according to a programme agreed between the Republic of Kosova and the EC, which should also foresee the modalities for monitoring the implementation of the alignment of legislation.

##### *Legislative and institutional framework*

*Legislation and procedures:* The obligations arising for Kosova are combined in several legal acts, while the priorities and concrete legislation alignment reforms and modalities for monitoring the implementation are defined in the NPEI. Consequently, monitoring the legislation alignment progress is very crucial in order to update the progress of this process. The implementation of *acquis* requires administrative capacities, legal mechanisms and guidelines for the alignment of legislation. The alignment of legislation is regulated by the following bylaws and guidelines/manuals:

- Rules of Procedure of the Government of the Republic of Kosova;
- Regulation on Government Legal Service;
- AI on Standards for Drafting on Normative Acts;
- Practical Guideline for Alignment of the Legislation of the Republic of Kosova with EU *Acquis*, and
- Practical Manual on Compiling Tables and Statement of Compliance.

The legislation alignment assessment goes through several procedural steps. The initial step commences from responsible institution that drafts the Statement of Compliance (SoC) and Tables of Concordance (ToC) with EU *acquis*, preliminarily assessing the level of approximation. The next step is the Legal Opinion on Compliance (OC) with EU *acquis*, which summarises two types of findings: on the substance of the draft-normative act, and on the level of compliance of the SoC and ToC with the EU *acquis*. After receiving the OC, the responsible institution that has compiled the draft legal act forwards it to the OPM for procedural and constitutional consent, and the latter forwards it to the Government for approval. After approval by the Government, the draft laws are submitted to the Assembly for adoption. The draft law package with all relevant documents is forwarded to the relevant parliamentary committees, which review, analyze and, as appropriate, amend and supplement the relevant draft law, which, after approval by the committee, is submitted for final adoption by the Assembly in the plenary session.

The whole process of alignment of legislation is related to the translation of the EU *acquis* into the official languages of Kosova (Albanian and Serbian), which is an internal part of the alignment process. The process of translating EU legislation is regulated by Regulation on the Process of Translation of EU Legislation into the Official Languages of the Republic of Kosova, which defines the translation procedures, coordination of the translation process, as well as the unification of the terminology of the EU *acquis* in the official languages of Kosova. In the course of regional cooperation, a Cooperation Agreement was signed between Kosova and Albania for the establishment of a Technical Commission for the Translation of EU Legislation into Albanian, as well as cooperation in the area of approximation of legislation (2015), for the coordination of the joint agenda for translation of EU acts based on the exchange of translated EU legal acts. The Commission created the electronic platform ‘albterm.net’ in which the acts of the *acquis* translated into Albanian are updated based on the translation calendar of the EU *acquis*. In addition, a Cooperation Agreement was signed with the University of Prishtina “Hasan Prishtina” for translation of EU *acquis*.

*Institutions:* The Legal Office within the OPM is the coordinating institution responsible for the alignment of legislation, while the Legal Departments of ministries and equivalent units of independent institutions



are responsible at the level of line institutions. Another responsible institution is the Assembly, mainly through the General Directorate for Legal and Procedural Affairs and parliamentary committees.

***Medium-term priority objectives:***

***Alignment of legislation:***

- Revision of the legislation concerning the government legal service and of practical guidelines/manuals for approximation of legislation in order to improve the scope of the process of approximation of Kosova legislation with EU *acquis*;
- Reviewing the AI on Standards for Drafting on Normative Acts;
- Reviewing the manual and guide for alignment of legislation;
- Compiling the manual for drafting of normative acts;
- Making function the Electronic System for the Alignment of Legislation and its connection with NPEI components;
- Updating the list of the EU *acquis* and forwarding to the legal departments of line institutions for alignment of legislation that includes draft normative acts based on the conclusions of the SAA structure, EC Kosova Annual Report, ERA II requirements;
- Increasing the number of advanced professional trainings that are intended for substantial alignment in primary areas of alignment for eight chapters: Freedom of Goods Movement, Right of Establishment and Freedom to Provide Services, Public Procurement, Company Law, Intellectual Property Law, Competition Law, Judiciary and Human Rights, Justice, Freedom and Security.

***Translation of legislation:***

- Increasing the number of translations of EU *acquis* acts in the official languages of Kosova and establishing Commissions for the Certification of translated EU *acquis* acts in the official languages of Kosova;
- Enhancing cooperation between stakeholders (line ministries) in Kosova regarding the translations of *acquis* acts and enhancing stakeholder cooperation and coordination (coordinating units in line ministries) in the regional countries for translation of EU *acquis* acts in the official languages of Kosova;
- Drafting of the guide for the certification of EU *acquis* in the official languages of the Republic of Kosova;
- Updating the electronic platform 'albterm.net' on ongoing basis for the publication of EU acts translated into the official languages of the Republic of Kosova.

### **3.1. Chapter 1: Free Movement of Goods**

This chapter ensures the development of quality infrastructure to enable products to be traded in the EU internal market according to common rules and procedures. This general principle is complemented by a harmonized regulatory framework, according to the 'old approach' (which sets specific requirements for products) and the 'new approach' (which defines the essential specifications for products). When products are governed by national rules, the principle of free movement of goods prevents them from creating unjustifiable barriers to trade. Most *acquis* that should be transposed under this chapter consists of that for products, while sufficient administrative capacities are essential to announce restrictions on trade and apply horizontal and procedural measures in areas such as standardization, conformity assessment, accreditation, metrology and market surveillance.

***State of Play***

EC Kosova 2022 Report estimates that Kosova has reached some level of preparation in this chapter. It notes that some progress was made with the adoption of the Law on Inspections, the adoption of amendments to the Law on Chemicals and the implementation of the Programme for the Elimination of Trade Barriers. Further alignment with EU *acquis* is needed and the administrative and human resources capacity of quality infrastructure institutions needs to be strengthened. The EU recommends that in 2023 Kosova should focus on:

- Increase the enforcement capacity of quality infrastructure, in particular of conformity assessment and market surveillance bodies;
- Adopt the new law on general product safety to further align legislation with the EU *acquis*;
- Start implementing requirements of Regulation on Chemicals REACH.

Further, in the SC VI on *Internal Market and Competition*, Kosova has undertaken to implement the following key reforms:

- Approve the new Law on the General Product Safety, bylaws related to the internal organization of the Accreditation Directorate and the Kosova Metrology Agency, and related to different groups of construction products;
- Prepare a concept paper for alignment with EU Regulation 1020/2019 on Market Surveillance and Compliance of Products and EU Regulation 2019/515 on Mutual Recognition of Goods;
- Have three accredited laboratories in the area of Metrology, including the full implementation of the quality management system;
- Make the e-standard system fully functional and suitable for use by businesses.

#### *Legislative, Policy and Institutional Framework*

##### **Horizontal legislation**

The main legislative act for standardization is Law No. 06/L-019 on Standardization, effective since February 2018. In line with the EU *acquis* requirements, it defines the rules and principles for conducting standardization activities in the Republic of Kosova, as well as the organization and functioning of the Kosova Standardization Agency. Also, 6 bylaws are in force, which have partially transposed the relevant *acquis*.

The main legislative act for accreditation is Law No. 05/L-117 for Accreditation. In accordance with the EU *acquis* requirements, this law defines the accreditation principles and rules for the accreditation of conformity assessment bodies that perform conformity assessment activities in Kosova. Also, 4 bylaws are in force, which have partially transposed the relevant *acquis*.

The main legislative act for conformity assessment is Law No. 06/L -041 on Technical Requirements for Products and Conformity Assessment. In accordance with the *acquis* requirements, it regulates the way of determining the technical requirements for products and the adoption of technical regulations, the conformity assessment of products under the defined technical requirements, the obligations of the economic operators of the products and the owners of the products in use, the validity of foreign conformity documents and conformity marks, the notification of technical regulations and procedures for conformity assessment, as well as inspection supervision in the implementation of all laws and technical regulations related to the compatibility and safety of non-food products. Also, there are 11 applicable bylaws, which have partially transposed the relevant *acquis*.

The main legislative act for metrology is Law No. 06/ L -037 on Metrology. In accordance with the *acquis* requirements, it regulates the system of measurement units, measurement standards, conformity assessment procedures for measuring tools, metrological requirements for pre-packaged products, authorizations for metrology, consumer protection and general safety from inaccurate measurement results. Also, there are 17 applicable bylaws, which have partially transposed the relevant *acquis*.

The main legislative acts for Market Surveillance are the following: Law No. 06/L-041 on Technical Requirements for Products and Conformity Assessment (for details, see the conformity assessment section), Law No. 04/L-078 on General Product Safety, and Law No. 03/L-181 on Market Inspectorate and Inspective Supervision. Law on General Product Safety, in line with the *acquis* requirements determines the requirements for the general safety of the products, the obligations of producers and distributors, public information, promoting voluntary measures as well as overseeing the fulfilment of the requirements defined by this law. Also, there are 2 applicable bylaws, which have partially transposed the relevant *acquis*. The new law (approved by the Government on 14.09.2022 and under the adoption procedure before the Assembly) is fully compliant with Directive 2001/95/EC of the European Parliament and of the Council of

3 December 2001 on General Product Safety and Directive 357/87/EC of 25 June 1987 of the European Parliament and of the Council on Imitation of Food Products. Law on the Market Inspectorate and Inspective Supervision, in line with the *acquis* requirements defines the principles, organisation, powers and procedures of market inspective supervision in the territory of the Republic of Kosova. Also, there are 4 applicable bylaws, which have partially transposed the relevant *acquis*.

### **New and global approach**

The following areas are part of the new and global approach: Low Voltage Devices (LVD), Electromagnetic Compatibility (EMC), Toy Safety, Machinery, Noise Emissions from Equipment Used Outside Buildings, Elevators, Personal Protective Equipment (PPE), Protective Equipment and Systems intended for use in atmospheres potentially explosive (ATEX), Gas equipment and hot water boilers, Simple Pressure Equipment (SPVD), Dispense aerosols, Cable cars, Construction products, Recreational boats, Eco-design requirements for energy-related products (ErP) and energy labelling of products, Radio equipment and wire communication terminal equipment (R&TTE), Technical regulation for radio equipment, Explosives for civil use and pyrotechnic articles, Medical products and equipment.

### **Old approach**

Regarding the old approach, in addition to the manufacturers of the relevant products, the state is also responsible for the safety of the products and therefore the relevant state authorities should be established and empowered to carry out conformity assessment tasks (e.g. registration, assessment and approval). The old approach includes the following areas: motor vehicles, pollutant emissions from engines of non-road mobile machinery, chemicals (Registration, Assessment, Authorization and Restriction of Chemicals, RAAR), classification, labeling and packaging (CLP) of chemicals, motor vehicles, good laboratory practices (GLP), detergents and fertilizers, and precursors and herbs.

### **Procedural measures**

Procedural measure cover the following areas: Notification Procedures, External Border Controls, Cultural Goods, Crystal Glass and Textile Labelling and Protective Products.

*Policies:* In order to fulfil the SAA obligations for the free movement of goods, ERA II contains a priority, with a focus on improving the business environment. Also, PRE 2022-2024 reform measure #13 aims to further develop the quality infrastructure and strengthen the role of market surveillance authorities.

*Institutions* responsible in this chapter are as follows:

*Horizontal issues:*

- Ministry of Industry, Entrepreneurship and Trade, namely the Quality Infrastructure Division within the Industry Department;
- Kosova Accreditation Directorate (KAD) within MINET, the sole National Accreditation Body recognized by law, to evaluate in accordance with international standards the technical competency of Conformity Assessment Bodies that perform activities such as testing, calibration, certification, and voluntary or mandatory inspection in the public and private sector;
- Market Inspectorate within MIET, responsible for overseeing the implementation of consumer protection legislation, the safety of products and services, the trading of oil and its derivatives, the prevention of unfair trade practices, the fight against the informal economy, hotel and tourist services etc.
- Kosova Standardization Agency (KSA), a national body approving standards, harmonizing them and thus promoting economic development, creating a basis for competition in the region and beyond;
- Kosova Metrology Agency (KMA), in charge of maintaining, developing and using national standards of measurement units, ensuring their equivalence and international recognition, consumer protection through the control of measuring instruments for official and commercial transactions, health protection, environmental and technical safety, and quantitative control of pre-packages;

*New and global approach:*

- MIET, in charge of low voltage devices, electromagnetic compatibility and safety of toys, machines, elevators, cable cars, construction products, etc.;
- MoE, in charge of simple pressure equipment and recreational boats
- MIA, in charge for explosives for civil use and pyrotechnic products
- MoH, including the Kosova Medicines Agency (KMA), in charge of medical products and equipment;
- Regulatory Authority for Electronic and Postal Communications (RAEPC), responsible for legal alignment as well as for market surveillance in the area of Radio Equipment and Telecommunications Terminal Equipment (R&TTE);

*Old approach:*

- MESPI, namely the Department of Vehicles (with approving authority powers), while those of 'technical services' are exercised by private bodies authorized by this Ministry. This department is the responsible authority to carry out the supervision of the motor vehicle market, while the MESPI departments in the area of environment are responsible for chemicals and detergents, including for the transposition of Regulation (EC) 1907/2006.
- MIET, in charge of transposition of *acquis* as regards emissions of pollutants from engines of non-road mobile machineries;
- MAFRD, in charge of fertilizer legislation;
- Phytosanitary Inspectorate, in charge of the supervision of the fertilizer market;
- Ministry of Health, in charge of legislation on drug precursors, including the Kosova Medicines Agency (KMA), responsible for implementation, and the Health Inspectorate, responsible for market surveillance;

*Procedural measures:*

- Kosova Medicines Agency (KMA), responsible for transparency regarding pricing and reimbursement of medical products;
- MIET, in charge of transposition and implementation of legislation on crystallized glass, textiles and footwear.

***Medium-term priority objectives:***

*Horizontal measures:*

- Adoption of bylaws for implementing the Law on General Inspection, with emphasis on market surveillance;
- Full membership of KAD in EA, signing of MLA with EA;
- Full membership of the Metrology Agency in BIPM, OIML and Euramet;
- Making functional the time and frequency laboratory, and strengthening of the existing metrology laboratories;
- Organising awareness-raising activities for businesses regarding the role of quality infrastructure;
- Conducting a survey on how well informed the business are about the quality infrastructure, including the SAA;
- Capacity building of the staff responsible for quality infrastructure;
- Transposition of EU Regulation 2019/1020 on Market Surveillance and Compliance of Products and EU Regulation 2019/515 on Mutual Recognition of Goods in primary legislation (Drafting of the new Law on Market Surveillance of Products);
- Implementation of the Programme for elimination of barriers in trade 2021-2025 (according to Articles 34-36 TFEU).

*New and global approach:*

- Adoption of bylaws for implementing the law on construction products;
- Capacity building of the staff responsible for quality infrastructure and technical rules.

### 3.2. Chapter 2: Freedom of Movement for Workers

The *acquis* in this chapter requires that citizens of an EU Member State have the right to work in another Member State. EU migrant workers must be treated in the same way as national workers in relation to working conditions, social conditions and tax advantages. The *acquis* also includes a mechanism to coordinate national social security provisions for insured persons and their family members who move to another Member State.

#### *State of Play*

*EC Kosova 2022 Report* estimates that Kosova has some level of preparation in the field of free movement of workers. Some progress was made during the reporting period, notably as regards the conclusion of bilateral agreements on social security. It is emphasized that EU citizens and their family members are not eligible to work in Kosova without a work permit. This report recommends to continue negotiating and concluding new bilateral agreements on social security, notably with EU Member States.

#### *Legislative, institutional and policy framework*

Legislation in this area consists of the following key acts: Law no. 04/L219 on Foreigners, Law No. 03/L-212 of Labour, Law No. 04/L-131 on Pension Schemes Financed by the State, and Law No. 04/L-220 on Foreign Investments. The above normative acts have transposed the following *acquis* acts:

- Directive 96/71/EC concerning the posting of workers in the framework of the provision of services and amending Regulation (EU) No. 1024/2012 on administrative cooperation through the Internal Market Information System ('the IMI Regulation').
- Directive 96/71 in 2014, which regulates in more detail the issue of the inspection of foreign workers and the process of international cooperation by the competent social security authorities of the countries from which the foreign workers are posted, namely foreign employers located in Kosova for a certain time.
- The directive which regulates the inspection of foreign workers is Directive 2014/67/EU of the European Parliament and of the Council of 15 May 2014 on the enforcement of Directive 96/71/EC concerning the posting of workers in the framework of the provision of services and amending Regulation (EU) No. 1024/2012 on administrative cooperation through the Internal Market Information System ('the IMI Regulation') (Text with EEA relevance).
- Regulation 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems;
- Regulation 987/2009 of the European Parliament and of the Council of 16 September 2009 laying down the procedure for implementing Regulation 883/2004 on the coordination of social security systems.

*Institutions:* Institutional and framework includes the following institutions: Ministry of Economy; Ministry of Finance, Labour and Transfers; Ministry of Industry, Entrepreneurship and Trade; Ministry of Foreign Affairs and Diaspora; and Ministry of Internal Affairs.

#### *Medium-term priority objectives:*

- Negotiating and reaching social security agreements for its citizens living and working outside of Kosova, as well as for employees of EU Member States employed in Kosova, in line with European Commission recommendations.
- Reviewing the legislative framework for regulation and management of pensions and benefits including better management of state-funded pensions through a single body in MFLT;
- Alignment of legislation with *acquis* by transposing: Directive 79/7/EEC on equal treatment in matters of social security in accordance with the country's possibilities and capacities; Directive 2014/67/EU of the European Parliament and of the Council of 15 May 2014 on the enforcement of Directive 96/71/EC concerning the posting of workers in the framework of the provision of services and amending Regulation (EU) No 1024/2012 on administrative cooperation through the Internal Market Information System ('the IMI Regulation') (Text with EEA relevance);

- Revision of the legislative framework for social and family services and the formula for funding social and family services.

### 3.3. Chapter 3: Right of Establishment and Freedom to Provide Services

The EU legislation on the freedom of establishment and freedom to provide services requires member states to ensure that the right of establishment of EU citizens and legal entities in each Member State and the freedom to provide cross-border services defined in Articles 49 and 56 TFEU, will not be hampered by national legislation, apart from the exceptions set out in the EU Treaty. *Acquis* also harmonizes the rules regarding regulated professions to ensure mutual recognition of qualifications and diplomas between member states; for some regulated professions a common minimum training curriculum must be followed in order for the qualification to be automatically recognized in an EU Member State. Regarding postal services, *acquis* also aims to open the postal services sector to competition in a gradual and controlled manner, within a regulatory framework that ensures a universal service.

#### *State of Play*

According to the EU estimation, Kosova remains moderately prepared in this area. During the reporting period, Kosova made some progress, including the establishment of the Point of Single Contact. Kosova has a monitoring mechanism to implement the five-year action plan to make sectoral laws compliant with the EU Services Directive but needs to further intensify it. The postal market has been liberalised since 1 January 2022, but the legal framework needs further alignment with the EU postal *acquis*. Kosova needs to align legislation with the EU *acquis* on the mutual recognition of professional qualifications. The EU recommends that in 2023 Kosova should focus on:

- Remove the identified barriers to the right of establishment and freedom to provide services by rolling out the action plan for the full implementation of the law on services;
- Complete the alignment with the EU postal *acquis* as regards the Regulation on Cross-Border Parcel Delivery Services;
- Align with the EU *acquis* on mutual recognition of professional qualifications.

Further, in the conclusions of SC VI on *Internal Market and Competition* the following aspects have been identified to be addressed:

- Continue the alignment process of the national legislation with the Services Directive;
- Continue preparations for establishing the Single Point of Contact, including human and IT resources.
- Make businesses, professional associations and municipalities aware of the simplification of administrative procedures related to the implementation of the five-year Action Plan.
- Continue the alignment with *acquis* for postal services, including the regulation for cross-border parcel delivery services.
- Further develop the capacities of the institutions dealing with postal services to ensure a successful review and alignment process.
- Adopt bylaws for implementing the Law on Regulated Professions;
- Strengthening capacities of the Division for Regulated Professions within MESTI, including recruitment of the necessary staff.

#### *Legislative, institutional and policy framework*

#### **Right of establishment and freedom to provide services**

*Legislation:* The main legislative act in the area of services is Law No. 05/L-130 on Services, effective since February 2017. In line with the *acquis* requirements, it defines the basic principles and criteria that enable the right of establishment and freedom to provide services in Kosova, guaranteeing at the same time security and high quality of services for their beneficiaries. There are also two (2) applicable bylaws, which have partially transposed the relevant *acquis*.

*Policies:* ERA II contains a priority for the fulfilment of SAA obligations for services, focusing on the creation of the e-Kosova service portal. Also, ERP 2022-2024, within the reform number 18, aims to increase competitiveness in the service trade sector.

The key institution responsible for this sub-area is the Ministry of Industry, Entrepreneurship and Trade, namely the Trade Department. It proposes, drafts, analyses and implements trade policies in accordance with the legislation and relevant strategic documents of the Republic of Kosova.

### **Postal services**

*Legislation:* The main legislative act in this area is Law No. 06/L-038 on Postal Services, effective since January 2019. In line with the *acquis* requirements, it establishes rules for ensuring the provision of postal service and universal postal service in the entire territory of the Republic of Kosova, defines the conditions for access to the postal network, promotes free competition, determines the fee principles, ensures the transparency of accounts for the provision of universal postal service, defines the standards for the universal postal service, and establishes a system to ensure compliance with such standards. 2 bylaws are also in force.

The main *institutions* in this area are the following: Ministry of Economy, in charge of the development of primary policies and legislation in this area, and the Regulatory Authority of Electronic and Postal Communications (RAEPC), as a regulatory body that implements and supervises the regulatory framework and development policies in this area.

### **Mutual recognition of professional qualifications**

*Legislation:* The main legislative act in this area is Law No. 05/L-066 on Regulated Professions, effective since January 2016. In line with the *acquis* requirements, it defines the conditions and criteria for practicing the regulated profession that is related to the protection of the public interest. There are also 4 applicable bylaws, which have partially transposed the relevant *acquis*.

The main *institution* in charge in this area the Ministry of Education, Science, Technology and Innovation, namely the Division for the Examination of Regulated Professions within the Department of Higher Education, Science and Technology.

### ***Medium-term priority objectives:***

*Right of establishment and freedom to provide services:*

- Implementation of the Action Plan for Transposition of the Directive (2006/123/EC) on Services in the Internal Market for the Period 2017 – 2022;
- Implementation of AI No. 04/2018 on the Functioning of the Single Point of Contact;
- Implementation of the Action Plan to establish the Single Point of Contact (SPC);
- Implementation of AI No. 05/2018 on Notification Procedure and the Compliance Assessment of Draft Normative Acts with the Law on Services;
- Draft analysis on the diagnosis of important service trade sectors as a basis for establishing appropriate policies;
- Continue the operationalisation of the Single Point of Contact for Services through the gradual digitalization of services;
- Continue the alignment the national legislation with the Services Directive;
- Professional skills capacity building for the staff of the Legal and Trade Departments for the evaluation of the harmonization of draft normative acts with the Law on Services;
- Make businesses, professional associations and municipalities aware of the simplification of administrative procedures related to the implementation of the five-year Action Plan;
- The Law on Electronic Identification and Trusted Services in Electronic Transactions will be implemented;

*Postal services:*

- Continue with the *acquis* alignment for postal services;

- Further work will be done on developing the capacities of institutions dealing with postal services to ensure a successful review and alignment process;

*Mutual recognition of professional qualifications:*

- Compilation and publication of the list of regulated professions;
- Completion of secondary legislation for the implementation of the Law on Regulated Professions;
- Capacity building of staff in the area of regulated professions.

### **3.4. Chapter 4: Free Movement of Capital**

This chapter requires member states to remove all restrictions on the movement capital and payments within the EU, between member states and with third countries, with some exceptions. *Acquis* also includes rules for cross-border payments and the execution of transfer orders related to securities. The Directive on fighting money laundering and terrorist financing requires entities that are subject to it to identify customers and report suspicious transactions, especially when it comes to high value objects and cash transactions of high value. This directive also requires entities to take additional steps such as record keeping, training and establishment of internal procedures in this area. A key requirement in the fight against financial crime is the creation of effective administrative and enforcement capacities, including cooperation between authorities dealing with supervision, enforcement and prosecution.

#### ***State of Play***

According to the EU estimation, Kosova has some level of preparation in this area. According to *EC Kosova 2022 Report*, some progress was made with the adoption of the Law on Property Rights of Foreign Citizens, which addresses the issue of real estate acquisition by foreigners in Kosova, including EU citizens and companies. Although initial steps were taken, the recommendations of the previous report remain valid. The EU recommends that in 2023 Kosova should focus on:

- Further align Kosova's legal framework with the EU Payment Service Directive 2;
- Increase efforts to fight economic and financial crime and align the Law on the Prevention of Money Laundering and Terrorist Financing with the EU *acquis*;
- Strengthen inter-institutional cooperation in the fight against economic and financial crime.

Further, in the conclusions of *SC VI on Economic and Financial Affairs and Statistic*, the following aspects have been identified to be addressed:

- Adopt the new law on payment services, transposing the Payment Service Directive 2;
- Following the adoption of the law on the property rights of foreign citizens, adopt all necessary bylaws, including mutual rights;
- Adopt a concept document on money laundering.

*Legislative, Policy and Institutional Framework*

#### **Liberalization of capital movement**

*Legislation:* The main legislative act in this area is Law No. 03/L-154 on Property and Other Real Rights, effective since August 2009. In line with the *acquis* requirements, it regulates the establishment, content, transfer, protection and extinction of real rights. There are also 2 applicable bylaws, which have partially transposed the relevant *acquis*.

The main *institution* in this area is the Ministry of Justice, which is responsible for the legislative framework and policies on property rights in Kosova.

#### **Payment system**

*Legislation:* The main legislative act in this area is Law No. 04/L-155 on Payment System, effective since May 2013. In line with the EU *acquis* requirements, it defines the rules for authorising payment institutions that provide payment services and for the licensing of operators of payment systems, clearing and settlement of securities by the CBK, the conditions and standards for the provision of such services and the operation of payment, clearing and settlement systems, as well as the facilities and procedures according



to which CBK exercises its supervisory powers. Also, 3 bylaws are in force, which have partially transposed the relevant *acquis*.

*Policies:* CBK Strategic Plan 2022-2024 is the main policy document in this area.

*Institutions:* CBK is an independent public institution, with the primary objective of promoting and maintaining a stable financial system and an efficient payment system.

### **Preventing and combating money laundering**

*Legislation:* The main legislative act in this area is Law No. 05/L-096 on the Prevention of Money Laundering and Combating Terrorist Financing, effective since 2016. It defines the measures, competent authorities and procedures for detecting and preventing money laundering and combating terrorist financing. In line with the *acquis* requirements, it also defines the measures, competent authorities and procedures for detecting and preventing money laundering and combating terrorist financing. Also, 12 bylaws are in force, which have partially transposed the relevant *acquis*.

*Policies:* The key policy document in this area is the Strategy and AP on the Prevention and Combating of the Informal Economy, Money Laundering, Terrorist Financing and Financial Crimes 2021-2024.

*Institutions:* The Financial Intelligence Unit within the MFLT is the main institution in this area. FIU is an independent central institution responsible for seeking, obtaining, analyzing and disseminating to the competent authority and disclosing information regarding potential money laundering and terrorist financing.

#### ***Medium-term priority objectives:***

##### *Liberalization of capital movement:*

- Strengthening the property rights system;
- Adopting and implementing legislation in the area of property rights of foreign citizens, in particular EU citizens in line with the SAA.

##### *Payment system:*

- Adoption of the new law on the payment system (for the transposition of the Payment Service Directive 2);
- Adoption of the secondary legislation on payment system for purposes of alignment with the Payment Service Directive in the Internal Market No. 2015/2366;
- Drafting the Strategy on the Development of Payment Systems in the Republic of Kosovo;
- Capacity building on the EU Payment Service Directive (PSD2);
- Providing training on the CBK supervisory capacity building on the Payment System Supervision Standards, based on the requirements deriving from the ECB Regulation and the CPSS-IOSCO principles;
- Training on TIPS (Fast Payment System, known as Instant Payments);
- Capacity building on risk assessment for systemically important payment systems and supervision of payment systems;

##### *Prevention of money laundering and terrorist financing:*

- Transposition of Directive 2015/849 and Directive 2018/843 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing through the amendment of Law No. 05/L-096 on the Prevention of Money Laundering and Combating Terrorist Financing;
- Raising the quality of information the FIU receives from the reporting entities;
- 3<sup>rd</sup> National Money Laundering and Counter Terrorism Financing Risk Assessment;
- Kosovo's membership in Moneyval;
- Increase in the number of FIU staff;
- Provide specific instructions to reporting entities on how to prepare and conduct risk assessments;
- Strengthen the overall structure of the supervisory framework and develop supervision based on risk and on the most vulnerable sectors;

- Strengthen capabilities to identify beneficial ownership and limit abuse of legal entities and legal agreements for the purposes of AML/CFT;
- Review of AML/CFT risk assessment methodology and strengthen of risk assessment, risk management and strategic framework;
- Investigation and prosecution of terrorist financing;
- Capacity building for preventive measures against terrorist financing and on financial sanctions.

### 3.5. Chapter 5: Public Procurement

This chapter is based on the general principles of transparency, equal treatment, free competition and non-discrimination deriving from the TFEU, Part III, Title IV and Title VII and from the jurisprudence of the European Court of Justice. These general principles are applicable to all procurement procedures including procedures that are outside the scope of EU directives on procurement, such as procurement procedures below the EU minimum. EU legislation also includes Directive 2007/66/EC of the European Parliament and of the Council of 11 December 2007 on Legal Remedies. This directive provides provisions for the establishment of independent and effective procedures to review certain values against decisions taken by contracting authorities. Review institutions should be independent and have adequate capacity to guarantee the effectiveness and efficiency of operation of the procurement system. In accordance with the principle of legal protection deriving from the EU legal order, review mechanisms are required to also operate outside the scope of the relevant implementing directives.

#### *State of Play*

According to the EU estimation, Kosova has some level of preparation in this area. However, the new legislation on public procurement and concessions that was intended to align with *acquis*, has not yet been finalized. Two electronic procurement modules have been introduced to increase transparency and monitor the implementation of contracts. Public procurement remains prone to irregularities and vulnerable to corruption during the procurement process and contract implementation. The EU recommends that in 2023 Kosova should focus on:

- Adopt the law on public procurement and law on concessions, in accordance with the relevant *acquis*, and their proper implementation; prepare the implementing legislation;
- Build capacities of public procurement institutions and enhance cooperation between them to ensure the sustainable implementation of the public procurement regulatory framework;
- Ensure that the Procurement Review Body is fully functional and independent, its capacity limitations are addressed, and complaints are reviewed in a timely, effective and transparent manner.

Further, in the conclusions of *SC VI on Internal Market and Competition* the following aspects have been identified to be addressed:

- Adopt the law on public procurement and law on concessions, in accordance with the relevant *acquis*, ensure their enforcement and prepare the relevant implementing legislation;
- Build capacities of public procurement institutions and enhance cooperation between them to ensure the sustainable implementation of the public procurement regulatory framework;
- Ensure that the Procurement Review Body is fully functional and independent, addressing its capacity limitation and ensure that its review process is conducted in a timely, effective and transparent manner.

#### *Legislative, Policy and Institutional Framework*

Legislation is partially aligned with EU standards and is based on the main principles of this area. With the law on public procurement being amended and supplemented, the preferential treatment for local bidders has been eliminated. The main law is Law No. 04/L-042 on Public Procurement, amended and supplemented by Law No. 04/L-237, Law no. 05/L-068 and Law No. 05/L-092. A number of bylaws and procedural acts for the implementation of the law area also in force, including standard forms for each type of notification, the code of ethics, reporting forms for signed contracts and tender dossiers, the form for

submitting complaints to PRB and instructions for minimal value procedures. The most recent amendment to the Rules and Operational Guidelines for Public Procurement was made through Regulation No. 001/2022 on Public Procurement, in force as of November 2022, through which the document “Rules and Operational Guidelines for Public Procurement” is divided into two documents: Regulation No. 001/2022 on Public Procurement and the Operational Guideline for Public Procurement. The above normative acts have transposed the following *acquis* acts:

- Directive 2014/24/EC of the European Parliament and of the Council of 26 February 2014 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts, repealing Directive 2004/18/EC, which should be transposed by Member States within 24 months from its entry into force;
- Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC;
- Directive 2007/66/EC of the European Parliament and of the Council of 11 December 2007 related to legal remedies.

*Policies:* The main public procurement policy document is the 2022-2026 Public Financial Management Reform Strategy and the AP for its implementation. Its key objective for public procurement aims to improve the efficiency and effectiveness of procurement processes through amending the legislative framework, training, developing implementation tools and advancing the e-procurement system.

The *institutions* in charge under this chapter are the following: Ministry of Finance, Labour and Transfers, Public Procurement Regulatory Commission (PPRC); Procurement Review Body (PRB), and the Central Procurement Agency (CPA) within the MFLT.

***Medium-term priority objectives:***

- Further aligning the country’s legislative framework with the EU legal framework based on SAA requirements, and utilizing the experience and best practices of EU member states in the area of public procurement;  
Prepare the secondary legislation in the area of public procurement in accordance with the amendment of the Law on Public Procurement, including procurement manuals, guidelines, forms and standard models for tender and contract documents;
- Training and increasing the quality of Public Procurement training in order to develop professional staff capacities in the area of public procurement to cope with a growing market and its expected role in national economic development;
- Adoption of regulations and instructions for market research as part of assessment before awarding centralized public procurement decisions.

### **3.6. Chapter 6: Company Law**

This chapter establishes rules on the establishment, registration, merger and division of companies and the requirements for financial reporting on which the right to establish companies is based. Thus, this area includes the rules that enable businesses to set up and operate anywhere within the EU. EU norms also provide protection for shareholders and other stakeholders, with particular emphasis on companies, employees and creditors. This chapter aims to increase the efficiency, competitiveness and long-term sustainability of doing business, in order to encourage businesses located in different EU states to increase cooperation among themselves.

***State of Play***

*EC Kosova 2022 Report* underlines that Kosova has taken concrete steps to fill the gaps of the partial alignment of the Law on Business Organisations through the adoption of two implementing acts: the one for registration of business organisations and the one for the registration of representative offices of foreign business organisations. Kosova has for the first time adopted the Corporate Governance Code, which establishes the corporate governance principles of the EU and the Organisation for Economic Cooperation

and Development (OECD). Regarding financial reporting and auditing, this report states that the new Law on Financial Reporting, Accounting and Auditing is being partially implemented and requires further alignment with *acquis* in all these areas, including non-financial reporting of companies. The EU recommends that in 2023 Kosovo should focus on:

- Further alignment with *acquis* for business organizations, in particular with the requirements for charter/initial capital, the rights of shareholders and the promotion of their long-term involvement, the change of ownership and the 2019 directive on the use of digital instruments and cross-border operations;
- Assess the technical conditions for KBRA's compliance with the European Business Register System (BRIS), and it is estimated that there is insufficient coordination for the exchange of information between KBRA and the Kosovo Council for Financial Reporting KCFR;
- Implement mandatory audits according to international standards and ensure that large companies submit and publish their financial statements through the KCFR;
- Adequate financing of the Public Supervisory Board, which would enable the normal functioning of the supervisory structures.

Further, in the conclusions of *SC VI on Internal Market and Competition* the following aspects have been identified to be addressed:

- Align with the provisions of Directive EU/2017/1132 and further alignment of the legislation with *acquis* in areas where there are deficiencies or partial alignment of the Law on Business Organisations, including minimum capital requirements, aspects of information disclosure related to companies and their branches, cross-border mergers, shareholder protection and acquisition bids;
- Assess the technical conditions for KBRA's compliance with the European Business Register System (BRIS);
- Provide adequate resources to exercise supervisory powers, supervision inspections and quality control of professional associations, audit firms and legal auditors and for making functional software for receiving and processing financial statements; and
- Further alignment with *acquis* for corporate accounting and auditing.

#### *Legislative, Policy and Institutional Framework*

##### **Company law**

*Legislation:* The main legislative act in this area is Law No. 06/L-016 on Business Organisations, effective since 2018. It is partially aligned with the *acquis* requirements and covers the rules for the types of undertakings, their setup, registration and operation. With a view to implementation of the primary legislation, 8 bylaws are in force, which have partially transposed the relevant *acquis*.

*Policies:* The main policy document in this area is the Government Programme and National Development Plan 2023-2025, which defines the priority policies for the development of the private sector and enterprises.

The main *institution* responsible for this area is KBRA within MIET. It is the only institution responsible for registering businesses in Kosovo in the Business Register. This electronic data system enables through the 'one-stop shop' concept a simple, fast and cost-free process through the connection between the 29 municipal registration centres (with the possibility of increasing them) with the KBRA Central Office. The system had an impact on enhancing transparency, as well as increasing standards and efforts to align the registration procedures with EU directives.

##### **Financial reporting and auditing**

*Legislation:* The legislative framework for this area consists of Law No. 06/L-032 on Accounting, Financial Reporting and Auditing, effective from January 2019, partially aligned with the *acquis* acts. It regulates the accounting and financial reporting system of business organizations, the powers and responsibilities of the Kosovo Council for Financial Reporting (KCFR), audit requirements, qualifications for professional

accountants, licensing of auditors and local and foreign audit firms, as well as professional accounting organisations.

The main *institutions* in charge in this area are the following: MFLT and KCFR, the latter is an independent professional body and competent authority for developing and adopting the accounting standards and the licensing of auditors and auditing firms/associations and for developing the professional ethics standards as defined by the provisions of the law. This council shall consist of seven (7) members: 1 from CBK, 1 from universities providing higher education in accounting and auditing, 1 from MFLT, 1 from professional accounting associations licensed by KCFR, and 3 members from the business community who have knowledge and experience in finance and business administration. The KCFR administrative functions are performed by the KCFR Administrative Division within the MFLT.

#### ***Medium-term priority objectives:***

##### *Company law:*

- Align the local legislation with *acquis*, namely Directive 2017/828, Directive 2019/1151 and Directive 2019/2121;
- Align the legislation, including the BRIS interconnection system;
- Implementation of corporate governance;
- Improving the human and technical capacities of the *one-stop-shop* centres and business services and undertaking affirmative measures to encourage the under-represented gender, in accordance with the Law on Gender Equality; and
- Staff training on the use of software and new electronic platform;

##### *Financial reporting and auditing:*

- Issue bylaws in accordance with the amended Law on Accounting, Financial Reporting and Auditing;
- Develop and implement of auditing and financial reporting standards and rules for ongoing professional education and development in the area of accounting and auditing;
- Develop and implement the quality inspection methodology of audits, in accordance with the audit regulation.

### **3.7. Chapter 7: Intellectual Property Law**

This chapter is a well-developed areas in the EU, with harmonized rules for all member states, where *acquis* establishes the rules for legal protection of trademarks, industrial designs, patents, geographical indications and designations of origin, trade secrets and protection of integrated circuit topography. Membership in the European Patent Convention and the European Patent Organization is important for the EU patent system. Copyright and related rights include literary creations or works, music, motion pictures, computer software, and television and radio broadcasts. These rules include procedures for registering private parties or economic operators to protect ‘creations’ and to become the right or patent holders.

#### ***State of Play***

*EC Kosova 2022 Report* estimates that Kosova has some level of preparation. It finds that some progress was made to align with the EU *acquis* in the area by adopting the Laws on Patents, Trade Secrets, Trademarks, Industrial Design and Topographies of Semi-conductors. On the other hand, it highlights that Kosova needs to further align its legal framework on intellectual property rights, notably on copyright and allocate resources for its effective implementation and enforcement, including training on law enforcement and prosecution. It needs to ensure that appropriate collective licensing agreements are enforced to guarantee remuneration for right holders. The EU recommends that in 2023 Kosova should focus on:

- Adopt the Law on Copyright and Related Rights and finalise alignment of related secondary legislation;
- Take concrete and sustainable steps to increase the capacity and coordination of policy-making institutions and law-enforcement agencies to ensure the enforcement of intellectual, industrial and commercial property rights;

- Establish a functioning collective management system by strengthening its existing one in the fields of music and audio-visual and by creating an additional Collective Management Organisation in the fields of literary and visual works.

Further, in the conclusions of *SC VI on Internal Market and Competition*, the following aspects have been identified to be addressed:

- Take steps to further align with *acquis* legislation in the area of copyright and related rights, in particular with the Collective Rights Management Directive;
- Continue efforts to ensure the implementation of appropriate collective licensing agreements in order to guarantee remuneration for right holders;
- Continues awareness raising on the protection of industrial property rights, contributing to the increase in the number of applications for intellectual property, as well as the awareness of the right holders to seek legal protection through the increase in the number of applications addressed to law enforcement institutions to act;
- Ensure alignment with the Directive on Enforcement of the Industrial Property Rights and its effective implementation.

In horizontal terms, *EC Kosova 2022 Report* underlines that in order to effectively implement industrial property rights, Kosova must increase cooperation between the institutions responsible for policy development and those for implementation. Moreover, the report emphasizes that the long procedures for handling applications and the lack of implementation of the decisions taken are the main limitations for effective enforcement of laws in the field of intellectual property.

*Legislative, institutional and policy framework*

### **Copyright and related rights**

*Legislation:* This area is regulated by Law No. 04/L-065 on Copyright and Related Rights, partially aligned with *acquis*. It protects the copyrights owed by authors in relation to their works in the area of literature, science and art (related rights), and defines the administrative bodies responsible for its implementation. 4 (four) bylaws are also in force.

The main *institution* in this area is the Ministry of Culture, Youth and Sports, namely the Office for Copyright and Related Rights. The basic activity of the Office is to issue permits to associations for collective administration of rights, supervision of the actions and activities of associations for administration of rights, revoking of permits, promotion and undertaking of activities for providing appropriate information to authors, right holders and public opinion related to copyright and related rights, developing legislation and giving recommendations for the development of policies in the area of copyright and related rights.

### **Intellectual property law**

*Legislation:* The laws governing this area are the following: Law No. 08/L-059 on Patents; Law No. 08/L-075 for Trademarks; Law No. 08/L-055 on Industrial Design; Law No. 05/L-051 on Geographical Indications and Designations of Origin; Law No. 06/L-015 on Customs Measures for Protection of Intellectual Property Rights; Law on Market Inspectorate; and Law No. 08/L-053 for Semiconductors Topographs. Each one covers one of the components of this area. Through them, Kosova has reached a satisfactory level of alignment with *acquis* but it must provide adequate capacity to implement such laws. Also, there are 9 bylaws related to the primary acts in the industrial property sector.

The main administrative *institution* for this area is the Industrial Property Agency (KIPA) within MIET, which is responsible for the legal protection of inventions, trademarks, industrial designs, designations of origin, geographical indications and topographies of integrated circuits, and other matters deriving from international agreements to which the Republic of Kosova is a party. It also plays the role of an archive where all protected elements are stored. Other institutions in this area, which are responsible for the implementation of the law, are the following: Kosova Customs, Market Inspectorate, Kosova Police

(Economic Crime Unit and Cyber Crime Unit). For this purpose, a Task Force against Physical and Digital Piracy is also functioning, which is chaired by DCRRO and with members from all the aforementioned institutions and the Agency for Administration of Sequestered or Confiscated Assets.

***Medium-term priority objectives:***

*Copyright and related rights:*

- Adopting the Law on Copyright and Related Rights and bylaws in accordance with the new law;
- Committing to guarantee the proper implementation of collective licensing agreements, in order to guarantee the reimbursement of right holders, the awareness of right holders regarding the importance of the establishment of new Associations of Collective Management of copyright and the promotion of the importance of the collective management of rights;
- Efficient cooperation between the Task Force against Piracy and the contact points established to combat piracy in the seven (7) regions, and raising awareness of combating different forms of piracy, especially digital piracy;

*Intellectual property law:*

- Gradual alignment with the *acquis*, especially with regard to trademarks, trade secrets, patents and industrial design;
- Increase of human resources of KIPA, establish the Promotion Division and Legal Division;
- Intensify the inter-institutional cooperation with implementing institutions and policy-making institutions in the area of industrial property;
- Raising awareness of SMEs on the importance of protecting industrial property;
- Membership in international and European organisations (WIPO and EPO).

### **3.8. Chapter 8: Competition Policy**

Protection of free market competition is one of the EU powers and this chapter therefore consists a priority within the SAA. It includes antitrust rules, against restrictive agreements between companies, as well as those against abuse of a dominant position and concentration of companies that impede or may impede competition. This chapter also requires the establishment of a state aid control system which allows the Government to grant state aid in accordance with restrictive conditions, in order to prevent the impact on competition between economic operators in the market.

***State of Play***

According to the EU estimation, Kosova has some level of preparation in this chapter. According to *EC 2022 Kosova Report*, competition legislation has been aligned to some extent with *acquis*, but further efforts are needed to adopt implementing legislation and ensure its enforcement. Similarly, its estimates that Kosova should continue to align the antitrust framework and ensure its enforcement. The EU recommends that in 2023 Kosova should focus on:

- Adopt the Law on State Aid and finalise alignment of related secondary legislation;
- Ensure the functional capacity and operational independence of the competition and state aid authorities and increase cooperation and coordination between all stakeholders, including ministries, regulators and the judiciary; and
- Aligning state aid schemes with EU state aid rules.

Further, in the conclusions of *SC VI on Internal Market and Competition* the following aspects have been identified to be addressed:

*Competition:*

- Increase administrative capacities and investigate cartels;
- Continue the alignment of legislation, taking into account the EC recommendations;
- Appoint urgently the members of the Competition Commission;
- Review legislation on vehicle homologation;

*State aid:*

- Appoint urgently the members of the State Aid Commission and ensure its functioning;

- Adopt bylaws, transposing the content of the Regulation on Regional Aid and the Regulation on Horizontal Aid;
- Continue the good progress achieved in the enforcement of state aid rules, with a focus on complaints and investigations *ex officio*;
- Capacity building of the Department for State Aid
- Enhance cooperation with regulators and awareness raising on state aid

#### *Legislative, Policy and Institutional Framework*

**Competition:** Regarding legislation, the main law in this area is Law No. 08/L-056 on Protection of Competition, effective since June 2022. In line with the *acquis* requirements, it establishes the rules and measures for the protection of free and effective market competition; the powers and organization of the Kosova Competition Authority (KCA), and the procedures for its enforcement. Also, 13 bylaws are in force, which have partially transposed the relevant *acquis*. The main *policy* document in this areas is the Competition Authority Strategy 2020-2023, while ERA II contains a priority for strengthening institutional capacities for the drafting and implementation of legislation. The main institution in this area is KCA, which is responsible for preventing and prohibiting anti-competitive practices, including prohibited agreements, abuse of dominant position, concentrations or sale and purchase of shares in enterprises, initiation of investigative procedures, market surveillance and proposing measures for ensuring competition in the market as well as for advocacy. The administrative decision-making body is the Kosova Competition Commission. It consists of five (5) members, elected by the Assembly, at the proposal of the Government. In addition to these, the courts are responsible for judicial decisions for competition protection.

**State aid:** Regarding *legislation*, the main law in this area is Law No. 05/L-100 on State Aid, applicable since January 2017, which is partially aligned with *acquis*. It sets out the principles and procedures for granting state aid, the mechanism and framework for state aid control, and the basis for establishing a comprehensive inventory and reporting state aid system. There are also four applicable (4) bylaws, which have partially transposed the relevant *acquis*. Regarding *policies*, ERA II contains a priority, with a focus on strengthening the legislative and implementing institutional capacities for the fulfilment of SAA obligations. The responsible *institutions* for this area are the following: State Aid Commission (SAC), as a decision-making body, and the Department for State Aid (DSA). SAC consists of five (5) members, elected by the Assembly, at the proposal of the Government. SAC is responsible for the drafting of implementing legislation, the control of state aid countrywide, as well as developing and maintaining the comprehensive registry/inventory and regional state aid mapping.

#### **Medium-term priority objectives:**

##### *Competition:*

- Draft the secondary legislation deriving from the new law on competition;
- Further alignment *acquis*;
- Conclude cooperation memorandums with relevant institutions;
- Draft the strategy for awareness raising on competition policies;
- Organize seminars with courts, business associations, lawyers and civil society; and
- Institutional and human capacity building, including capacities for analysis *ex ante* and assessment *ex post*, and vocational training programs for KCA staff.

##### *State aid:*

- Further alignment of the national legislation with *acquis*, i.e. transposition of Commission Regulation (EC) No. 794/2004 of 21 April 2004 implementing Council Regulation (EC) No. 659/1999 laying down detailed rules for the application of Article 93 of the EC Treaty;
- Drafting and adopting the regulation on sectoral aid;
- Development of other secondary legislation;
- Finalization of state aid schemes inventory and alignment of the schemes with SAA requirements;
- Delivery of awareness-raising activities for state aid institutions and trainings for SAD staff;



- Development of the information system for monitoring state aid.

### 3.9. Chapter 9: Financial Services

This chapter sets EU rules on banking, insurance, supplementary pensions, investment services and securities markets, aiming at ensuring fair competition between financial institutions and their stability. They include rules on their authorisation, operation and supervision. Lately, *acquis* has established a comprehensive regulatory and supervisory framework for alternative investments, capital and social funds, in order to increase transparency towards investors and public authorities.

#### *State of Play*

*EC Kosova 2022 Report* estimates that Kosova has some level of preparation in this chapter. The reports highlights that some progress was made regarding the functioning of the CBK Supervisory Board and in addressing the issue of uninsured and unregistered vehicles. As recommendations in the previous report have not been fully addressed, in the coming year Kosova should in particular:

- Continue to implement the roadmap for implementation of Solvency II measures and enhance the supervisory role on the insurance sector;
- Further advance in implementation of the Basel III framework and adopt amendments to Kosova's legal framework governing microfinance institutions and non-bank financial institutions, in accordance with best practices.

Further, in the conclusions of *SC VI on Economic and Financial Affairs and Statistic*, the following aspects have been identified to be addressed:

- Full implementation of Solvency I measures and approval of the roadmap for the future transposition of Solvency II;
- Adopt the draft law on banks and establish an independent function within the CBK for resolution/decision-making in cases of commercial banks;
- Continue alignment with the Basel framework;

#### *Legislative, institutional and policy framework*

*Legislation:* The laws in the area of banking are the following: Law No. 05/L-150 Amending the Law No. 03/L-209 on the Central Bank of the Republic of Kosova (CBK); Law no. 04/L-093 on Banks, Microfinance Institutions and Non-Banking Financial Institutions and Law No. 04/L-155 on the Payment System. CBK is revising the Law on Banks, Microfinance Institutions and Non-Banking Financial Institutions, with the aim of drafting a new law on banks only. During this process, work was done in particular on alignment with the Directive of the European Parliament and the Council 2014/59/EU (the BIRD Directive).

Regulation on the Liquidity Coverage Ratio (LCR) and the Regulation on the Net Sustainable Financing Ratio (NSFR) were approved in 2022, in accordance with EU Regulation 2015/61 with regard to liquidity coverage requirement of 10 October 10, 2014, EU Regulation 2018/1620 to supplement Regulation 2015/61 with regard to liquidity coverage requirement of 13 July 2018, and EU Regulation 2019/876 on the Net Sustainable Financing Indicator. The following three regulations also adopted as well: Regulation on Country and Transfer Risk, Regulation on Liquidity Risk Management, which has been amended and supplemented to align with the Basel Committee Principles for the management and supervision of liquidity risk, and the Regulation on the Corporate Governance of Banks.

*Deposit insurance* is regulated by Law No. 03/L-216 on the Establishment of a Deposit Insurance System For Financial Institutions in Kosova, amended and supplemented by Law No. 04/L-133 Amending Supplementing Law No. 03/L-216 on the Establishment of a Deposit Insurance System for Financial Institutions in Kosova. It regulates the insurance of deposits of natural and legal persons, as well as the establishment, governance and authority of the Deposit Insurance Fund of Kosova.

The area of *insurance* is regulated by the following laws: Law on CBK, Law No. 04/L-018 on Compulsory Motor Liability Insurance and Law No. 05/L-045 on Insurance.

In the area of *pensions*, Law on CBK defines pension funds as financial institutions, and it therefore defines the exclusive CB power to license, regulate and supervise the Kosova Pension Funds. Law No. 04/L-101 on Pension Funds and CBK Regulations on Pension Funds are also in force, partially aligned with EU Directive 2003/41/EC of the European Parliament and the Council of 3 June 2003 on the activities and supervision of institutions for occupational retirement provision, through which the basis for full alignment of the requirements of this directive have been determined.

In the area of *the financial market*, the internal debt market has been developed, with the issuance of Kosova Government securities through the electronic securities trading platform. The securities market of the Government of the Republic of Kosova is regulated by Law No. 04/L-175 on Public Debt, which entered into force in November 2009 and the bylaws, namely Regulation MoF-CBK No. 01/2014 on the Primary and Secondary Market of Government securities, of 2012 (amended and supplemented in 2014).

The key participating and regulatory institution in the country's financial system, the Central Bank of the Republic of Kosova (CBK), is mandated by the Constitution (Articles 11 and 140) and its operation is regulated by the provisions of the relevant law. It enjoys administrative, financial and managerial independence and autonomy.

Kosova Pension Savings Trust (KPST) is an independent public institution established by the Assembly of the Republic of Kosova, the activity of which is regulated by the Assembly, while supervision is carried out by the CBK. Established in December 2001 and operationalized in August 2002, KPST is responsible for administering and managing the mandatory pension and voluntary contributions of employees in Kosova. The powers and responsibilities of the KPST over administering the pension funds are vested pursuant to Law No. 04/L-101 on Kosova Pension Funds, through its Board of Directors. KPST has its main and sole office in Prishtina, while other services relating to contributors and beneficiaries are also carried out in six other TAK centres (Mitrovica, Peja, Gjakova, Prizren, Ferizaj and Gjilan).

The Kosova Insurance Bureau (KIB) was established on 07 August 2011 by 10 insurance companies licensed to operate in the Republic of Kosova, based on Law No. 04/L-018 on Compulsory Motor Liability Insurance. KIB is a professional organisation with legal entity capacity, established for non-profit purposes. The Government of the Republic of Kosova recognizes the institutional status of the payment bureau with unrestricted rights, guaranteeing the implementation of all obligations stipulated under the international insurance card system. The Bureau is funded by its members and its activity is supervised by the Central Bank of Kosova. Within the Kosova Insurance Bureau operate the Compensation Fund, Border Insurance, Insurance Information Centre and the Green Card.

### ***Medium-term priority objectives:***

#### ***Banking sector:***

- Adaptation of the requirements for the Liquidity Coverage Ratio and the Net Sustainable Financing Ratio;
- Adaptation of the requirements for Liquidity Risk Management;
- Regulatory development and regulation of counterparty credit risk, cybercrime risk, and financial climate;
- Training and qualification of bank supervision staff in the application of the standards of the Basel Framework for Capital and International Financial Reporting Standards (IFRS), including technical assistance, in cooperation with the IMF (within the FSSR);
- Capacity building for the administration of emergency situations in case of crises and the solution of problematic banks;
- Capacity building of the staff in order to align the CBK regulations with the new Basel regulations, directives and standards and other aspects;

#### ***Deposit Insurance Fund:***

- Advance cooperation with safety net partners and strengthen cooperation with stakeholders in the financial sector;
- Increase of public awareness through continued and effective communication;

- Advance differential premium system and reporting by member banks;

*Insurance sector:*

- Further alignment of national insurance regulations with relevant European directives;
- Commencement of the implementation of the solvency standards (Solvency II) and the training and qualification of the staff responsible for insurance supervision for their application;

*Regulatory reporting framework and financial indicators:*

- Development of specific methodologies for preventing and addressing the challenges of institutions with unsatisfactory performance in the insurance sector;

*Pension sector*

- Review and draft manuals and guidelines for the supervision of pension funds on a risk-based approach, setting parameters/standards for evaluating their performance and managing the risk of supplementary pension funds;
- Training and qualification of pension supervision staff in the application of IOPS standards and basic principles.

### **3.10. Chapter 10: Information Society and Media**

This chapter aims to develop electronic communications, information society services and audiovisual policies that promote and encourage competition, development and a more comprehensive approach to contemporary services and new technologies. The legislation and standards in this chapter relate to the EU regulatory framework for the provision of broadband services, safety of electronic communications networks and services, by promoting and protecting effective competition through the implementation of adequate mechanisms which guarantee the protection of competition and the provision of appropriate and adequate services throughout the territory of the Republic of Kosova.

#### ***State of Play***

According to the EU estimation, Kosova has some level of preparation in this area. According to *EC Kosova 2022 Report*, Kosova made some progress in this chapter, specifically in aligning the legislative framework with *acquis* and its implementation. Kosova advanced with the implementation of the Digital Agenda 2013-2021 and the Regional Roaming Agreement, providing consumers with roaming free services as of July 2021. On the other hand, according to this report, Kosova should find a sustainable solution for funding the public broadcaster and ensuring its editorial independence. The draft e-government strategy has not been approved, and financial resources should be provided for cybersecurity and the digital switchover from analogue to digital television should be advanced. The EU recommends that in 2023 Kosova should focus on:

- Conclude the alignment of Kosova's legislation with the European Electronic Communications Code, the EU Network and Information Security Directive and the EU's Toolbox for 5G cybersecurity, and revise the Law on the Independent Media Commission in line with the Audio-visual Media Service Directive;
- Ensure that telecoms and media regulators are given adequate resources to fulfil their mandates independently and develop a solution for the sustainable funding of the public service broadcaster;
- Implement number portability to ensure effective use of numbering resources and foster competition.

Further, the conclusions of *SC VI on Innovation, Information Society and Social Policy* are largely similar to the recommendations of *EC Kosova 2022 Report*. According to them, Kosova should, inter alia, finalize and approve the 2030 Digital Agenda and ensure synergy between green policies, and they are required to commit to continuing the alignment with the *acquis* in this chapter.

#### ***Legislative, Policy and Institutional Framework***

*Legislation:* The main act in the area of *electronic communications* is Law No. 04/L-109 on Electronic Communications. It regulates electronic communication activities according to the principle of technological neutrality and the EU regulatory framework, promoting competition and efficient

infrastructure and guaranteeing adequate services in the territory of the Republic of Kosova. The main act in the areas of *information society* is Law No. 04/L-094 on the Information Society Services. It creates opportunities and favourable circumstances for the developing electronic commerce, the use of electronic transactions and electronic signatures by the Government, businesses and citizens, as well as reducing the problems of misuse during electronic transactions and addressing the security of IT systems. The main act in the area of *audiovisual policies* is the Law on the Independent Media Commission (IMC), which defines the powers of the IMC, in order to promote the development of a sound market of audiovisual media services at the service of all citizens of the Republic of Kosova. The following applicable laws also apply to this chapter: Law No. 08/L-007 on Measures to Reduce the Cost of Deploying High-Speed Electronic Communications Networks, Law No. 08/L-022 on Electronic Identification and Trusted Services in Electronic Transactions; Law No. 03/L-166 on Preventing and Combating Cybercrime; Law on General Administrative Procedure; Law on Information Society Government Bodies, and the Interoperability Framework of the Republic of Kosova. They regulate specific areas and are partially in accordance with *acquis*. There is also a significant number of applicable bylaws, which have partially transposed the relevant *acquis*.

*Policies:* the main documents for this chapter are the following: Digital Agenda for Kosova 2013-2020, Kosova Information Technology Strategy and AP for the period 2016-2019; State Strategy for Cyber Security and AP 2016-2019; as well as the Electronic Atlas for Broadband Telecommunication Infrastructure.

The main institution in the area of *electronic communications* is the Ministry of Economy (MoE), which is responsible for policies to promote growth and economic stability, enable local business development, encourage economic cooperation to attract foreign investment, and promote competition and a sustainable market. The Regulatory Authority of Electronic and Postal Communications (RAEPC) is a regulatory body that implements and supervises the regulatory framework defined by laws in the area of electronic communications and the information society, as well as that of postal services. The main institution in the area *information society* is the Ministry of Internal Affairs, namely the Agency for the Information Society, which is responsible for drafting, developing and coordinating the information and communication technology policies in the institutions of the Republic of Kosova. The main institution in the area of *audiovisual policies* is IMC, which is responsible for the regulation, management and supervision of the broadcasting frequency spectrum, namely the rights, obligations and responsibilities of natural and legal persons who provide audio and audiovisual media services.

***Medium-term priority objectives:***

- Drafting and adoption of laws and bylaws in the area of electronic communications to transpose Directive 2018/1972 establishing the Electronic Communications Code;
- Adoption and start of implementation of the Digital Strategy of Kosova 2030;
- Opening of frequency bands with special economic value for the provision of IMT services;
- Encouraging competition in the broadband electronic communications market, to raise the efficiency of market regulation and to offer higher speed Internet access in Kosova;
- Reduction of roaming fees with EU states;
- Drafting and adoption of primary and bylaws transposing the EU NIS Directive and secondary legislation related to the EU eIDAS Regulation;
- Review of the Kosova Information Technology Strategy and its implementation;
- Enhancement of the Interoperability Platform, and interconnection of most of the existing electronic systems through this Platform;
- Increase in the number of electronic services for institutions and entities in the “e-Kosova” services portal;
- Establishment of the Disaster Recovery Centre.;
- Drafting the license package for multiplex at state and regional level;
- Amendment of the IMC bylaws, in accordance with the amended and supplemented Law on IMC, to be harmonized with Directive 2018/1808 on Audio-visual Media Services;
- Amendment of the Law on RTK;

- Implementation of the process switching to digital terrestrial broadcasting.

### 3.11. Chapter 11: Agriculture and Rural Development

This chapter covers a large number of binding rules, many of which are directly applicable in this development stage. The proper application of these rules and their effective enforcement and control by an efficient public administration are essential for the functioning of the Common Agricultural Policy (CAP). Their running requires the setting up of management and quality systems such as a paying agency and the integrated administration and control system, and the capacity to implement rural development measures.

#### *State of Play*

*EC Kosova 2022 Report* highlights that Kosova in general has some level of preparation in this chapter, especially in the implementation of the annual programs of agri-rural development and the evaluation of their implementation, while the progress in land consolidation and land protection is insufficient. It also highlights the prevalence of small farms and fragmented arable land and the need to ensure that the Agriculture Program includes measures for compliance with EU public, animal and plant health and welfare standards. The EU recommends that in 2023 Kosova should focus on:

- Perform a qualitative assessment of the effectiveness of direct payments and rural development programmes provided under the financial framework 2014-2020;
- Adopt the Law on Agriculture Land;
- Adopt the programme for agricultural and rural development 2022-2027;
- Take urgent and effective measures to stop the loss of agricultural land and implement the legislation on spatial planning, including through the drafting of a joint AP of MAFRD, MESPI and local authorities to address the ongoing loss and degradation of agricultural land;
- Take effective action towards developing its organic farming and quality policy sectors; and
- Improve the interconnection of agricultural information systems (Integrated Administration and Control System, Agricultural Market Information System and Farm Accounting Data Network) in the process of creating an integrated system.

Further, in the *SC VI on Agriculture and Fisheries*, Kosova has undertaken to implement these key reforms:

- Finalize and adopt the AI on the verification of agricultural and food products and continue with the registration of Sharri cheese and Rahovec wine as geographical indications;
- Finalize and adopt the new draft law on wines;
- Finalize the draft law on spirit drinks;
- Finalize the Agriculture and Rural Development Programme 2022-2027;
- Draft the draft law on agricultural land;
- Adopt the concept document for land regulation;
- Finalize the draft law on the organization of the common market;
- Initiate the FADN 2021-2024 project.

#### *Legislative, Policy and Institutional Framework*

*Legislation:* The legislative framework in this area consists of the Law Agriculture and Rural Development, which has transposed the Council Regulation (EC) No 73/2009 and the Council Regulation (EC) No. 1217/2009. There are also 30 AIs in force in the areas of agriculture, rural development, viticulture and advisory services, which have partially transposed the relevant *acquis* acts.

*Policies:* The main documents in this chapter are the following: Agriculture and Rural Development Strategy 2022-2028; Direct Payments Program 2022, Rural Development Measures Program 2022, Green Report 2021, Organic Agriculture AP 2018-2021, and the Viticulture and Wine Sector Strategy 2018-2022.

*Institutions:* The main institution responsible for this chapter is the Ministry of Agriculture, Forestry and Rural Development (MAFRD), namely the following departments: Department of Rural Development Policy-Managing Authority, responsible for drafting policies for rural development and measures to

support rural development; Department for Agricultural Policies and Markets, responsible for agricultural policies and the Direct Payments Program; Department for Vineyards and Vines, responsible for the development and implementation of policies for wines, Department of Economic Analysis and Agricultural Statistics, responsible for economic analysis and the collection and processing of statistics for the development and implementation of policies in all areas of this chapter; and the Agricultural Development Agency/Payment Agency, responsible for the implementation of the direct payment program and rural development measures.

**Medium-term priority objectives:**

- Implement the for Agriculture and Rural Development Strategy and Programme 2022-2028, according to CAP, and the review of the legal framework;
- Support to businesses in the development of rural areas by increasing employment and social capital;
- Growth of competitiveness in agriculture, especially in the agri-food sector, promoting development and employment opportunities, and improving the quality of life in rural areas;
- Growth of farms potential production that enables the increase of domestic production and reduced import of agricultural products;
- Sustainable management of natural resources (agricultural land, forests and irrigation water);
- Improving policies for the management and conservation of agricultural land;
- Comprehensive institutional and sectoral reforms to create efficient services;
- Capacity building for implementation of Common Market Organization (CMO) legislation and management of the Integrated Agricultural Information System in Kosova.

### **3.12. Chapter 12: Food Safety, Veterinary and Phytosanitary Policy**

The integrated approach of the EU on food safety aims to ensure a high level of food safety, animal health, animal welfare and plant health within the EU through coherent measures farm-to table and appropriate monitoring, ensuring the effective functioning of the internal market. *Acquis* in this chapter covers food safety, including general policies that ensure hygiene in food production; veterinary medicine, to protect the health of animals, their well-being and the safety of food of animal origin in the domestic market; and phytosanitary, including issues such as seed quality, plant protection material, harmful organisms and animal nutrition.

**State of Play**

According to *EC Kosova 2022 Report*, some progress has been made in the development of the food control and traceability system, food safety management and veterinary laboratory information, and the Food and Veterinary Agency (FVA) system for laboratory information management. Redeployment of inspectors from Municipalities to FVA and their training is a progress. The EU recommends that in 2023 Kosova should focus on:

- Timely secure the means and resources required for effectively operating the Food Control and Traceability Management System and the Laboratory Information Management System developed with EU support ;
- Selection of the operator for the management of the collection system of animal by-products and the operation of the factory for the processing of animal waste;
- Improve surveillance and control of the animal diseases through improved planning and implementation of disease control and surveillance programmes, including by taking over the responsibility of financing fully oral rabies vaccination campaign to be carried out from autumn 2023 onwards;
- Provide funds to ensure a sufficient number of inspectors in FVA;
- Develop and implement a comprehensive disease monitoring and control system, in accordance with the EU *acquis* and World Organization for Animal Health requirements;
- Implement programs for the eradication of endemic diseases in Kosova, including animal health control at the farm level, animal transport and livestock markets;

- Adopt and implement the multi-year program of control and surveillance of animal diseases, and take full ownership of the vaccination campaigns for the eradication of rabies;
- Improve reporting on animal movements and take measures to implement the relevant regulation at the level of the livestock market, slaughterhouse and transport.

Further, in the *SC VI on Agriculture and Fisheries*, Kosovo has undertaken to implement these key reforms:

- Provide adequate financial resources to FVA, including to ensure an adequate number of inspectors;
- Adopt the AI on animal by-products for the transposition of Regulation (EC) 1069/2009 and implementing Regulation (EC) 142/2011;
- Implement the aspects of the Rural Development Strategy 2022-2028 related to the improvement of agrifood enterprises;
- Continue to strengthen cooperation mechanisms with Serbian counterparts to fight illegal trade in live animals and agrifood products.

*Legislative, Policy and Institutional Framework:* The main *laws* in this chapter are the following: Law on Food, Law on Veterinary and Law on Plant Protection Products. The main *policy* documents in this chapter are the following: Annual National Plan of Controls and Sampling and Annual National Plan of Official Controls. The main *institutions* in this area are the following: Ministry of Agriculture, Forestry and Rural Development, responsible for drafting legislation and policies, and the Food and Veterinary Agency, responsible for their implementation.

***Medium-term priority objectives:***

- Completion of the legislative framework regulating food safety, animal and plant health, partially transposing EU legislation;
- Drafting the Multi-Annual National Control Plan;
- Further advancement of the Animal Identification and Registration Database;
- Improvement of infrastructure at border veterinary inspection points and provision of quarantine facilities for animals;
- Further capacity-building on emergency response in case of outbreaks of disease;
- Inclusion of 'cross-compliance' measures in the area of food safety and animal health and welfare under the agriculture programme;
- Operational capacity building of institutions in charge of plant health to ensure an effective system of control and plant diseases;
- Continue of empowering mechanisms of cooperation with Serbian counterparts in the fight against illegal animal trade and agricultural and food products.

### **3.13. Chapter 13: Fisheries**

This chapter establishes rules for the conservation of living aquatic resources and management of the fish fleet capacity, including control, the implementation of structural actions for market operators, the implementation of marketing standards, the organization of the market, the involvement of producer organizations, the assessment of fish stocks, and the collection of reliable data. Implementation in this chapter requires measures to prepare the administration and operators for participation in the EU's common fisheries policy.

***State of Play***

According to *EC Kosova 2022 Report*, Kosovo is still at an early stage of preparation in this chapter, and no progress has been made. The EU recommends that in 2023 Kosovo should focus on:

- Further align its market and data collection policy with the EU *acquis*;
- Establish an inventory of fish species;
- Enhance administrative capacities for policy management, inspection and control.

Further, in the *SC VI on Agriculture and Fisheries*, Kosovo has undertaken to implement these key reforms:

- Strengthen the administrative capacities to ensure the appropriate alignment of the legislation;
- Align with *acquis* the legislation on fisheries control, aquaculture, market policies and data collection;
- Use the TAIEX instrument for data collection methodology and the advancement of fisheries legislation and policies;
- Complete the process to create a fish stock in a pilot area.

*Legislative and institutional framework:* The main *law* in this chapter is the Law on Fisheries and Aquaculture, which is not aligned with *acquis*, while three (3) AIs are also in force on fisheries and sports-recreational fishing equipment, licensing activities in aquaculture and defining fishing regions/zones. The main *institution* responsible in this chapter is MAFRD, namely the Department for Agricultural Policy and Markets, responsible for legislation and policies, in cooperation with the Federation of Sport Fishermen of Kosova (KFRSF). The implementing institution in the area of aquaculture is the Inspectorate.

***Medium-term priority objectives:***

- Fish inventory;
- Alignment of aquaculture legislation with *acquis*.

### **3.14. Chapter 14: Transport Policy**

EU *acquis* and policies in this chapter aim at the functioning of the internal market through safe, efficient and ecologically sustainable services with an integrated transportation system as environmentally friendly as possible. They relate to technical, safety and social standards, including state aid control and the transport market liberalisation.

***State of Play***

*EC Kosova 2022 Report* highlights that Kosova has generally achieved a below-average level of preparation in this chapter, and has made some progress, notably on rail transport, including the establishment of a national body for the investigation of air and rail accidents and incidents. The EU recommends that in 2023 Kosova should focus on:

- Invest in road maintenance and inspections, organise prevention campaigns and establish a systematic monitoring mechanism for the collection of crash data;
- Transpose the EU rail market *acquis* and adopt the new rail safety and interoperability law;
- Adopt the strategy on multimodal transport, which should include inter alia the civil aviation strategy;
- Continue efforts to align Kosova's aviation regulation with the European Common Aviation Area Agreement;
- Adopt the intelligent transport system strategy and AP and ensure sufficient capacities and resources for implementation;
- Continue efforts for alignment with *acquis* regarding the passenger rights in all transport types.

The conclusions of *SC VI on Transport, Environment, Energy and Regional Development* are similar to the *EC Kosova 2022 Report* recommendations. Regarding road transport, efforts should be increased to implement legislation and improve road safety data as prerequisites, and continue with the identification of high-risk road axes and the full implementation of recommendations for improving the quality of the road network. It is also required to continue with the transposition of *acquis* on road, rail and air transport.

***Legislative, Policy and Institutional Framework***

*Legislation:* The main laws in this chapter are the following: Law No. 04/I-179 on Road Transport, Law No. 03/I-051 for Civil Aviation and Law No. 04/I-063 for Kosova Railways. The Law on Road Transport aims to regulate and develop the passenger and goods road transport, the provision of services, open and non-discriminatory access to the market and regulate the driving and rest regime. The Law on Civil Aviation aims at the technical and economic regulation and promotion of civil aviation and encouraging its development in accordance with international norms. The Law on Railways aims to regulate and develop



railway transport, improve safety, open and non-discriminatory access of operators and provide services to the market. Kosovo has also ratified the Transport Community Treaty between the EU and the South-East European countries, while they are also in other laws (Law on Roads, Law on Driving License; Law on Vehicles; Law on Road Traffic Provisions; Law on Land Transportation of Dangerous Goods) and a considerable number of bylaws, partially harmonized with *acquis*. *Policies*: The main policy document in this chapter is the Multimodal Transport Sectorial Strategy 2022-2030 (MMTSS) and the five-year Action Plan for its implementation.

The leading *institution* in this area is the Ministry of Environment, Spatial Planning and Infrastructure (MESPI), which drafts and implements legislation and policies, defines mandatory standards for all types of transport, in accordance with *acquis* and international laws. The other responsible institutions in this chapter are the following: MIA, Civil Aviation Authority (CAA), Commission for the Investigation of Aeronautical Accidents and Incidents (CIAAI); Railway Regulatory Authority (RRA); and Infrakos.

***Medium-term priority objectives:***

- Adoption of the Action Plan 2022-2025 for implementation of the Multimodal Transport Sectorial Strategy 2022-2030;
- Amendment of the Law on Railways, with a view to transposing the EU railway market *acquis*, and in particular with a view to aligning it with Directive 2012/34, supplemented-amended with Directive 2016/2370;
- Drafting of the Law on Railway Transport Safety, with a view to further transposing the EU legislation on railway safety;
- Ensuring the signature of the 2020-2024 financial agreement, submitted to Infrakos in October 2019, between the Infrastructure Manager and authorities in charge;
- Amendment of the Law on Land Transportation of Dangerous Goods;
- Adoption of the Law on Multimodal/Combined Transport;
- Commencement of the implementation of the 4<sup>th</sup> Railway Package, which includes standards and authorization for rolling stock, training of the workforce, independent infrastructure management and liberalization of internal market for passengers and goods;
- General rehabilitation and modernization of the 10<sup>th</sup> Railway Line (Serbia border - Leshak - Fushë Kosovë - Hani i Elezit - North Macedonia border);
- Draft design preparation for the south-western line (Klina - Prizren);
- Preparation of the design project for the railway line Prishtina - Peja;
- Preparation of the feasibility study for the construction of the railway line Kosova - Albania;
- Rehabilitation of the Railway Line 7 (Fushë Kosovë - Podujevo - Merdarë).
- Completion of the transposition of the remaining parts of the first phase of the European Common Aviation Area (ECAA) Agreement;
- Progressive implementation of the obligations arising from Phase II of the ECAA Agreement;
- Implementation of the State Aviation Security Plan and Programme in accordance with Regulation (EU) No. 2018/1139.

### **3.15. Chapter 15: Energy**

Competitiveness, security of supply and sustainability are the main objectives of EU policies in this chapter. They include rules related to competition and state aid, conditions for equal access to resources for the exploration and generation of hydrocarbons and the internal energy market, as well as the promotion of renewable energy sources (RES), energy efficiency, nuclear security and radiation protection.

***State of Play***

*EC Kosova 2022 Report* estimates that Kosovo has some level of preparation in this chapter, in particular through the increase in RES participation and investments for energy efficiency of public buildings, while there has been little progress in the security of supply and there has been no progress in the opening of energy market. The EU recommends that in 2023 Kosovo should focus on:

- Align the Energy Strategy with the National Energy and Climate Plan and implement it;
- Continue the environmental upgrade of the Kosova B thermal power plant and the works for decommissioning of the non-working parts of Kosova A thermal power plant;
- Align the legislation with EU directives on large combustion plants and industrial emissions;
- Implement the liberalization of the retail market by ERO;
- Prepare the programme for protection of vulnerable consumers and prepare a plan and mitigation measures to support these consumers;
- Adopt the Law on RES;
- Start the implementation of a competitive tendering process for renewable energy projects, in accordance with the state aid legislation;
- Signing the direct agreement with the service provider on the use of the national electronic register for issuing, cancelling and trading with guarantors of origin;
- Putting into operation a biomass supply chain for the cogeneration plant in Gjakova for the next heating season.

The conclusions of *SC VI on Transport, Environment, Energy and Regional Development* are similar to the EC Kosova 2022 Report recommendations. Regarding energy efficiency, it is emphasized the undertaking of measures to plan the replenishment of the Energy Efficiency Fund on an annual basis and its extension to residential buildings and SMEs, as well as the provision of energy efficiency incentives for the private and residential sectors (with a focus on social aspects and low-income families) and the use of existing EU programs in Kosova.

#### *Legislative, Policy and Institutional Framework*

*Legislation:* Law No. 05/1-085 on Electricity and Law No. 06/1 -079 on Energy Efficiency are the two main laws in this chapter. The Law on Electricity defines the rules and measures for the operation of the electricity sector, guaranteeing a safe, reliable, regular and quality supply of electricity, at real prices, taking into account the environmental protection and the efficient use of energy. The Law on Energy Efficiency aims to promote and improve energy efficiency in Kosova through the definition and achievement of energy efficiency targets, as well as the development of the energy services market and other energy efficiency measures. Several laws are also in force (Law on the Energy Regulator, Law on Thermal Energy, Law on Natural Gas) and a significant number of bylaws, which have partially transposed the relevant *acquis* acts.

*Policies:* the main document in this chapter is the Energy Strategy of the Republic of Kosova 2023-2027.

The main *institution* in this chapter is the Ministry of Economy (MoE), which is responsible for the design and implementation of policies, including those for competition and a stable market and the sustainable development of energy and mining resources. The other responsible institutions in this chapter are the following: MESPI, MIET, MFLT, ERO, KOSTT, KESCO (responsible for the distribution and supply of electricity), Kosova Energy Efficiency Fund (KEEF) and the Kosova Agency for Radiation Protection and Nuclear Safety (KARPNS).

#### *Medium-term priority objectives:*

- Adoption of the programme for implementation of the Energy Strategy 2022-2031 and ensuring its implementation;
- Implementation of the action plan of the energy support package;
- Revision of the legal framework, including the Law on Energy Efficiency;
- Review the implementing legislation;
- Finalization of the Energy and Climate Plan 2025-2030, based on the goals set in the Ministerial Council held on December 15, 2022;
- Draft and adopt the f new cross-border balancing rules;
- Decommissioning of gasification, nitrification, heating plant and other auxiliary facilities which do not obstruct the normal operation of active units of *Kosova A* TPP;

- Implementation of the 'day ahead' market;
- Membership of KOSTT in ENTSO-E (European Network of Transmission System Operators);
- Membership of ERO in ACER (Agency for the Cooperation on Energy);
- Adoption of incentive policies and implementation of energy efficiency measures in households and businesses;
- Adoption of the Law on Renewable Energy Sources;
- Adopt legislation to support competitive schemes and announce RES auctions;
- Implement a capital investment plan for network strengthening and expansion and medium voltage projects to reduce technical and commercial losses;
- Finalize the national plan for increasing the number of buildings with close to zero energy consumption (CZEC);
- Carry out activities for the installation of electro-filters and the reduction of nitrogen oxides (NOx) in *Kosova B* TPP;
- Carry out activities for the construction of the solar park;
- Undertaking activities for the construction of the battery system for energy storage with a capacity of 170 MW;
- Preparations necessary for the "Prishtina Solar District Heating" Project;
- Preparations necessary for the realization of the "Doubling the cogeneration capacity for Termokos from 140 to 280 MW" Project;
- Supporting consumers of individual households, including vulnerable consumers, by increasing the energy efficiency of the units of housing and buildings;
- Supporting household consumers, including vulnerable consumers, in investing in energy-efficient household appliances and renewable energy systems;
- Stimulation of energy saving by SMEs.

### 3.16. Chapter 16: Taxation

*Acquis* in this chapter cover value added tax (VAT), excise duties and corporate tax, including cooperation between tax administrations, exchange of information to prevent fiscal evasion, with the aim of equal tax treatment of domestic and foreign transactions (from import).

#### *State of Play*

*EC Kosova 2022 Report* estimates that Kosova has some level of preparation in this chapter, while it has achieved good progress with the implementation of risk-based inspections and tax collection (for 16% within the last year). Regarding indirect taxes, it is estimated that VAT is broadly compliant with the *acquis*, while the legal basis and procedures for the taxation of electronic commerce must be created. Regarding direct taxation, it is emphasized that no progress has been made in amending the Law on Personal Income, which has contradictory provisions and it should be further aligned with *acquis*. The EU recommends that in 2023 Kosova should focus on:

- Pursue further alignment of tax legislation including the personal income tax, and value added tax with the *acquis*;
- Ensure more systematic implementation of risk-based tax audits and continue implementing the Strategy for Combating the Informal Economy, Money Laundering, Financing of Terrorism and Financial Crime;
- Increase cooperation with law enforcement and judicial institutions to ensure timely adjudication of tax evasion and fraud cases, with emphasis on high-risk sectors.

Further, in *SC VI on Internal Market and Competition*, Kosova has undertaken to implement the following key reforms:

- Take steps towards a complete and comprehensive review of tax policies, especially in relation to the digitalization of tax services;
- Implement anti-corruption measures foreseen in the TAK Integrity Plan and the publication of its implementation report (Q4 2022);

- Adopt the Law on TAK and Procedures, the Law on VAT, the Law on Corporate Income Tax and the Law on Personal Income Tax, in accordance with European best practices;
- Accelerate actions to improve the taxpayer register by comparing data with other registers, aiming at a more efficient administration and improved taxpayer compliance management;
- Strengthen further TAK's compliance risk management functions in Compliance Risk Management and ongoing tax audits in risk-based sectors and regularly publish reports on the implementation of this methodology and the Audit Improvement Strategy 2020-2022;
- Continue and strengthen the alignment of the tax system/jurisdictions with the standards of the OECD's comprehensive Base Erosion and Profit Shifting (BEPS) framework, including the automatic exchange of information during the drafting and review of relevant legislation;
- Draft and adopt the AI determining which plots of agricultural land are cultivated and connect the register of cultivated plots with the property tax system.

#### *Legislative, Policy and Institutional Framework*

*Legislation:* The main laws in this chapter are the following: Law on Personal Income Tax, Law on Corporate Income Tax, Law on VAT, Customs and Excise Code, Law on Excise on Tobacco Products, Law No. 04/L-185 on Special Excise Rates on Initial Production and Small Production of Alcoholic Products Manufactured in Kosovo, Law on Forgiveness of Public Debts, and the Law on Kosovo Pension Funds. These laws have been partially transposed the relevant *acquis*. There are also applicable bylaws, which have partially transposed the relevant *acquis*.

*Policies:* The main documents in this chapter are the following: TAK Strategic Plan 2021-2025 and Compliance Strategy 2021-2025 (which aims to continuously improve the quality of services provided to taxpayers who voluntarily fulfil their legal obligations).

The leading institutions in this chapter are the following two MFLT executive agencies: TAK and KC. TAK is the main tax collection agency in the Republic of Kosovo and has the power to implement fiscal laws, administer international taxes and fees, with a special mission of providing assistance to taxpayers in fulfilling tax liabilities in accordance with the law and ensuring that tax revenues go to the state budget accounts, and the establishment of an effective payment system. KC is also responsible for the VAT collection at the border for all imports and for the collection of excise revenues.

#### *Medium-term priority objectives:*

- Development and implementation of the legal framework for VAT, corporate tax and personal income tax in line with EU legislation including the Code of Conduct for Business Taxation and the relevant directives;
- Drafting and adopting of bylaws on VAT, CIT and PIT law and alignment with *acquis*, in particular with the Code of Conduct for Business Taxation and the relevant directives;
- Increasing the collection of tax debts;
- Implementation of the modernization of TAK Information Technology;
- Continuing implementation the tax compliance improvement approach based on assessment of the risks identified;
- Implementation of the TAK Strategy 2022-2026;
- Improving the tax control function according to good international practices;
- Modernization of the Large Taxpayers Department;
- Fighting against the tax evasion, tax avoidance and expansion of tax basis;
- Increasing compliance regarding timely declaration.

### **3.17. Chapter 17: Economic and Monetary Policy**

This chapter establishes specific rules requiring the independence of central banks, by prohibiting direct financing of the public sector by the central banks and by prohibiting privileged access for the public sectors in financial institutions. Member States are expected to co-ordinate their economic policy and are subject to the Stability and Growth Pact on fiscal surveillance. Until the conditions for the

adoption of the Euro are fulfilled participate in the Economic and Monetary Union as a Member State with derogation from the use of the euro and shall treat their exchange rates as a matter of common interest. *Acquis* in this chapter derives from Title VIII (Article 119-144) of the TFEU, and from the respective implementing legislation.

### *State of Play*

*EC Kosova 2022 Report* estimates that Kosova is moderately prepared in the area of monetary policies in this chapter, noting that some progress has been made with some data collection and transmission to Eurostat, however, further efforts are needed to address the methodological inconsistencies on national accounts. It also recommends that the CBK has adequate staff for the exercise of its basic functions and that the Law on CBK should be revised to align it with *acquis*. On economic policies, it is recommended to have them further aligned with the budgetary framework directive, implement the fiscal rule related to funding for veterans and entrench the provisions for the independent fiscal council in the Law on Public Financial Management and Accountability, which is being amended and supplemented. The EU estimates the progress achieved in terms of conducting fiscal risk assessments for POEs and the processing of statistics according to the European System of Accounts (ESA) 2010, and underlines the timely submission of the ERP, but notes delays in the implementation of the planned reforms. The EU recommends that in 2023 Kosova should focus on:

- Increase reporting capacities for governmental financial statistics according to the ESA 2010 and ensure regular monitoring of standards;
- Develop new draft law on public financial management and accountability addressing current regulatory weaknesses for an effective public financial management system, while ensuring coherence with the reform priorities in the new Public Financial Management Reform Strategy 2022-2026;
- Improve the quality of macroeconomic forecast in the budgetary process and advance work on the establishment of an independent body for fiscal oversight.

According to the *SC VII on Economic and Financial Affairs and Statistics*, Kosova has undertaken to implement measures similar thereto.

### *Legislative, Policy and Institutional Framework*

*Legislation:* The main act in the area of *monetary policies* is the Law on CBK, which is partially in accordance with *acquis*. There are also some other laws that are partially relevant to this area and which are presented in chapter 9 and 4 respectively. In 2002, Kosova unilaterally adopted Euro as its legal currency, and since then, Euro has been the de facto currency in Kosova, hence the Kosova monetary policy is quite limited. The only traditional instrument of the monetary policy which is available to the Central Bank is the bank reserve requirements. Considering these limitations, the Government of Kosova and the CBK have established the Emergency Liquidity Assistance (ELA), which is an emergency fund to be activated in case of lack of liquidity in the banking sector. CBK, transformed from the Kosova Central Banking Authority, is a public legal entity based on the Articles 11 and 140 of the Constitution and the provisions of the law, enjoying administrative, financial and management autonomy. Pursuant to Article 6 (independence and autonomy) of the Law on CBK, the members of the decision-making bodies or the personnel of the CBK will not receive instructions from any other person or entity, i.e., not even from the government entities.

*Economic policies* are governed by the following laws: Law No. 03/L-048 on Public Financial Management and Accountability, Law No. 03/L-175 on Public Debt, Law on Budget Appropriations of the Republic of Kosova, and Law No. 04/L-008 on Social Economic Council. Regulation No. 01/2015 on the Work of the National Council for Economic Development of Kosova is also in force.

*Policies* in this chapter define the national, sectoral strategic documents and the Government Programme (as one of the key documents guiding the development of the Government's policies in the medium-term planning). In general, there is consensus on the essence of national economic policies, with a special focus on the orientation towards creating conditions for sustainable economic growth and the generation of

sustainable employment. Legal mechanisms have been established and contribute to the maintenance of overall macro-economic stability, including fiscal rules and the public debt ceiling. The Medium-Term Expenditure Framework (MTEF) has also been developed to support the planning and implementation of priorities and reforms. MTEF is the mechanism that the Government uses to establish its fiscal policy and serves as the main document for policy planning in the country. The fiscal framework includes planning on revenues and expenditure for the next three years, sets expenditure limits for all budget organisations, defined based on Government priorities, as well as financing of the deficit and the banking balance level.

*Institutions:* The Government is the decision-making body regarding policies at the national level, including the strategic and financing framework. In terms of sectoral policies, the ministries responsible for certain aspects of economic policies are the following: MFLT for the public financial management framework, MoE for the policies of publicly-owned enterprises; MIET for economic policies for the development of the private sector, trade and strategic investments; and other institutions according to their legal mandate. MFLT, in cooperation with OPM, coordinates the ERP drafting.

For *mid-term priority objectives*, see bloc 2 and chapters 4 and 9 of this bloc.

### **3.18. Chapter 18: Statistics**

*Acquis* in this chapter requires the existence of a statistical infrastructure based on the principles of impartiality, reliability, transparency, confidentiality of individual data and distribution of official statistics. It includes common rules for methodology, classifications and procedures for collecting statistical data in areas such as macro-economic and price statistics, demographic and social statistics, regional statistics, business statistics, transport statistics, foreign trade statistics, agriculture statistics, environment, science and technology, etc. This *acquis* consists of a large number of acts directly applicable to member states, as well as manuals and methodological guidelines.

#### ***State of Play***

*EC Kosova 2022 Report* estimates that Kosova has some level of preparation in this chapter, while progress some progress was made in improving data collection methodology and their transmission to Eurostat. Communication between statistical institutions has somewhat improved and there has been quite a moderate increase in statistical products. According to the Report, there have been quite few improvements in aligning the sectoral statistics with European standards, coordination at the technical level and the use of available administrative data sources should be updated, and considerable efforts are also needed, especially for alignment with European statistical standard macro-economic, business and environmental statistics. The EU recommends that in 2023 Kosova should focus on:

- Increase the number of statistical products and their transmission to Eurostat;
- Improve statistical governance and coordination between the main statistical institutions and ensure better access to and use of available administrative data sources;
- Intensify preparations for the next population census by ensuring adequate resources and full coverage of the territory.

Further, conclusions of *SC VI on Economic and Financial Affairs and Statistics* require to continue strengthening the professional independence of the Kosova Agency of Statistics (KAS), to ensure the implementation of the Law on Official Statistics. It is also necessary to continue with the development of sectoral statistics, implement the AP for the implementation of Eurostat's recommendations and increase the KAS coordinating role in the national statistical system and ensure that it has an active role in generating and modifying administrative data used for official statistics.

#### ***Legislative, institutional and policy framework***

*Legislation:* The basic law in this chapter is the amended and supplemented Law No. 04/1-036 for the Official Statistics of the Republic of Kosova, in force since 2011, while the following relevant laws and bylaws are also applied: Law No. 03/1-209 CBK, Law No. 03/1-048 on Public Financial Management and Accountability, amended and supplemented by Law No. 03/- 221, Law No. 04/1-116 and Law No. 04/1-

194, Law No. 05/L-020 on Gender Equality (which requires the collection, storage, and processing of all official data aggregated by gender); Regulation on Balance of Payments and International Investments Position Statistics, Regulation on Monetary - Financial Statistics and Financial Accounts Statistics, and Regulation MoF -No. 01/2017 on Annual Financial Statements of Budget Organisations;. The AI on Storing and Use of Statistical Material and AI on Special Processing of Statistics, Regulation No. 11/2013 on Implementation of Standards for Classification of Economic Activities in the Version of NACE-Rev. 2 (in accordance with Regulation No. 1893/2006 of the European Parliament) and the classification of statistical regions in Kosova according to NUTS (approved by the relevant institutions of Kosova and Eurostat) are also in force for implementation of the Law on Official Statistic.

*Policies:* The Programme of Official Statistics 2023-2027, a medium-term planning document containing the priority areas and aspects of the production of statistics, is the main policy document in this chapter. Following the EC counterpart assessment report on the Kosova statistical system of, KAS has drawn up a plan for the implementation of its recommendations, and this process is ongoing.

*Institutions:* Based on the applicable legislation, the statistical system consists of KAS (within OPM), MFLT, CBK and other institutions authorized by KAS. As a coordinating institution of the state statistical system and producers of statistics, KAS ensures the coherence and compliance of the statistical system with the approved standards. As such, it is responsible for statistical methodology; harmonizing official statistical data and identifying and prioritizing the needs of their users; as well as generating, managing, maintaining and updating the registers of population, households, residential houses, businesses, spatial units, agricultural households and other registers, in accordance with plans and decisions. CBK is responsible for monetary-financial statistics and external sector statistics, which are in accordance with standards developed by the IMF, WB, ECB, Eurostat, etc. MFLT is responsible for projections and analyses in support of decision-making related to economic policies, the release and publication of the fiscal sector statistics and public debt statistics, as well as provide information on the number of job seekers, the number of services delivered, benefits from unemployment, subsidies for vulnerable families, etc. Other main providers of administrative data, according to their legal mandate, used for the compilation of official statistics are the following: MESTI, MAFDR, MESPI, MIET and MIA. There are also numerous other institutions generating, processing and publishing various administrative data. KAS uses administrative data in certain periods to inform the public of the situation in the respective areas, which it tries to combine with data from the surveys it conducts.

***Medium-term priority objectives:***

- Strengthening human resources and cost-effectiveness in KAS;
- Strengthening quality management and methodology, including, inter alia:
  - Modernization of the whole system for data collection through the implementation of the CAPI, CAWI and CATI method;
  - Further development and advancement of the Single Integrated Metadata Structure Metadata System as well as raising the quality of metadata description for all statistical and other research submitted by production statistics;
  - IT system architecture, based on shared and documented processes;
- Increasing and improving official statistics, including:
  - Full implementation of the ESA 2010 Methodology in economic statistics, in particular in national accounts;
  - Increasing the number of GDP tables for the transmission programme, which will be sent to Eurostat;
  - Further improvement of National Accounts and Government Finance Statistics, in line with ESA 2010, IMF manual and the one of GFSM 2014;
  - Compiling and publishing supply and use tables (SUT), where all data sources will be used, balancing SUT with current and constant prices (using all deflators);
  - Calculation of GDP according to Purchasing Power Parity (PPP);
  - Continuous improvement of government accounts data under COFOG;

- Implementation of the International Classification of Crime for Statistical Purposes (ICCS);
- Implementation of the International Standard Classification of Education ISCED 2011;
- Implementation of ESSPROS in social protection statistics;
- Development and improvement of transport, hotel and tourism, construction, investment statistics, and statistics on the use of ICT by businesses;
- Expansion of livestock and livestock production statistics with new indicators (meat, milk, eggs, etc., as separate surveys).
- CBK will enrich the statistical and research activities related to the economy in general and the financial system in particular through the following strategic actions:
  - Compilation and publication of statistics on Financial Accounts for Kosova, in accordance with the methodology foreseen with ESA 2010;
  - Further comprehensive advancement of monetary and financial statistics;
  - Compilation of balance of payments statistics on a monthly basis for reporting to Eurostat;
  - Development of the online reporting platform by non-financial corporations.

### 3.19. Chapter 19: Social Policy and Employment

*Acquis* in this chapter includes include minimum standards for labour law, equality, health and safety at work and non-discrimination. The Member States participate in social dialogue at European level and in EU policy processes in the areas of employment, social inclusion and social protection.

#### *State of Play*

*EC Kosova 2022 Report* estimates that Kosova has reached some level of preparation in this chapter. It notes that some progress was made in the preparation of the Youth Guarantee Employment Plan and the provision of funds for social services and recommends the amendment of the Law Labour in accordance with *acquis* (including rules on non-discrimination in employment, social policies and maternity/parental leave). It is also estimated that Kosova has aligned with *acquis* its legislation on occupational safety and health and focus on its implementation is required, and the capacities of the Labour Inspectorate (IP) need to be strengthened. Furthermore, according to the EU, it is underlined that Kosova continues to face labour market structural challenges, as a result of the rapid growth of the working-age population mismatching sustainable job creation, and the persistently low participation of women in the labour market and generally precarious employment opportunities. The EU recommends that in 2023 Kosova should focus on:

- Ensure implementation of the Youth Guarantee Implementation Plan;
- Adopt the new Law on Labour in line with *acquis*;
- Intensify inspections in work sectors with higher risk;
- Pursue thorough reforms in the area of the social assistance schemes to ensure better targeting and impact on poverty and improve delivery of social services in municipalities.

Further, the conclusions of *SC VI on Innovation, Information Society and Social Policy* require the adoption and implementation of the Law on Labour and the legislation on health and safety at work, and it is recommended to raise the capacities of the LI and the Employment Agency of the Republic of Kosova (EARK), amend and supplement the Law on Local Finance, and select the most adequate funding formula.

#### *Legislative, Policy and Institutional Framework*

The main laws in this chapter are the following: Law on Labour and Law on Safety and Health at Work. The legislation on safety and health at work has largely been aligned with *acquis*: so far, 25 directives (individual directives according to Article 16 (1) of the Framework Directive 89/391 and others) have been transposed into 19 national regulations. Employment and Labour Market Strategy 2022-2027 is the main *policy* document in this chapter. The *institutions* in charge in this chapter are the following: MFLT, OPM, MoE, MIET, MoH and MESTI. MFLT drafts and implements legislation and policies, including active measures to reduce unemployment through employment promotion and passive measures to meet the social assistance needs of vulnerable citizens. It also sets standards for the safety and protection of



employees in the workplace and supervises their implementation, leads and supervises the public administrative employment institutions and those providing social care to vulnerable persons and cooperates with the Municipalities and other relevant institutions in the implementation of employment and social welfare policies, promotes and encourages dialogue between social partners (employees' organizations, trade unions, employers' organizations and the Government), and administers and supports the social security system, including the pension system and unemployment benefits. LI and EARK are also part of MFLT.

***Medium-term priority objectives:***

- Implementation of guaranteed employment, and, related to this, strengthening of capacities of employment centres and VET reform;
- Adoption of the new law on treatment of persons with disabilities;
- Adoption of the new law on safety and health at Work and of bylaws for its implementation;
- Reform of the social assistance schemes, including:
  - Adoption of the new law on social and family services;
  - Adoption of the new law on the social assistance scheme;
  - Adoption of the new law on social insurance and state funded pensions.

### **3.20. Chapter 20: Enterprise and Industrial Policy**

This chapter consists mainly of policy principles and instruments such as the Council's communications, recommendations and conclusions, which are largely implemented through the Competitiveness and Innovation Programme at all EU levels, as well as sectoral policies for industry and SME support. Through these policy principles, EU seeks to promote and enhance competitiveness and industrial strategy. These principles derive from Article 173 of TFEU aiming to speed up the structural changes, encourage an environment favourable for businesses and SMEs as well as domestic and foreign investments, as well as to encourage and support innovation and entrepreneurship.

***State of Play***

*EC Kosova 2022 Report* estimates that Kosova has a moderate preparation in this chapter, and that some progress was made with the adoption of the Law on the Commercial Court, for the resolution of commercial disputes of foreign businesses and investors, and the Law on Property Rights of Foreign Citizens. The EU recommends that in 2023 Kosova should focus on:

- Adopt and start implementing a strategy for industrial development and business and the sustainable economic growth pillar of the National Development Strategy 2030;
- Improve the capacities of MIET and KIESA.

Further, the conclusions of *SC VI on Internal Market and Competition* have, inter alia, identified the following aspects to be addressed:

- Adopt the Strategy for Supporting the Business Environment and Industrial Development of Kosova,
- Continue implementing the administrative burden reduction program, with a focus on concrete measures to improve the business environment, in the short and medium term, mainly through the simplification, consolidation and removal of licenses and permits;
- Enforce the law on sustainable investments and implementing legislation;
- Reorganize KIESA to enable designing and promoting the promoting follow-up services and programs in support of foreign direct investments, and the investor complaints process, applying the principles of the Systemic Investment Response Mechanism, as proposed by the World Bank;
- Finalize the design of the smart specialization strategy to increase the coherence of scientific research and innovation, education and training, trade and investment, and industry and enterprise strategies.

*Legislative, Policy and Institutional Framework*

*Legislation:* The main laws in this chapter are the following: Law No. 04/L-220 for Foreign Investments; Law No. 06/L-016 on Business Organizations, Law No. 04/L-159 on Economic Zones, Law No. 08/L-074 on Tourism, and Law No. 04/L-034 on the Privatization Agency of Kosova as amended by Law No. 06/L-023. These normative acts have partially transposed the EU Directive 90/314 on Tourist Packages.

*Policies:* The main documents in this chapter are the following: The Government Programme 2021-2025, which contains the key Government priorities in these areas; Economic Reform Programme, which is a mid-term document reviewed on an annual basis and contains priorities and measures for the following year and the following two years; and the National Strategy for Innovation and Entrepreneurship 2019-2023.

*Institutions:* Ministry of Industry, Entrepreneurship and Trade (MIET), as the main responsible institution in this chapter, exercises its mandate through KIESA, the Industry Department, the Entrepreneurship Department, the Innovation Department of and the Department of Strategic Investments. MIET is responsible for the drafting and implementing the legislation and policies, in accordance with *acquis*, and relevant international instruments, as well defining the mandatory standards in the area of trade, industry, tourism, strategic goods, economic zones, private sector, innovation, entrepreneurship, foreign and strategic investments and SME support. MESTI also has responsibilities in this chapter, while the National Council for Economy and Investments functions as an inter-institutional coordinating structure. MESTI is responsible for research and innovation and for providing support for the inclusion of relevant aspects of this chapter within the relevant curricula of vocational education and training.

***Medium-term priority objectives:***

*Enterprise and industry policies:*

- Designing the strategy for industrial policies;
- Improving the environment for doing business and developing tourism;
- Promotion and support of investments;
- Supporting businesses in certifying their products with the European and international standards by providing small grants for SMEs and subsidies for SMEs for the purchase of production/processing machinery, ensuring, where possible, equal gender representation;
- Industry development through strengthening the policy framework and supporting key sectors in order to increase the productivity and export;
- Promotion of export by preparing SMEs for export and identifying/developing potential markets;

*Innovation:*

- Designing policies and creating appropriate mechanisms for the development of innovation;
- Adoption of the primary and secondary legal infrastructure for the Innovation ecosystem;
- Establishment of the Innovation Fund;
- Full operationalization of Centre for Innovation and Entrepreneurship and efficient use of the Innovation and Training Park in Prizren.

### **3.21. Chapter 21: Trans-European Networks**

This chapter covers the necessary road, energetic and telecommunications networks that connects European states, with the possibility of including third countries as well. The EU policies in this chapter therefore focus on creating a modern infrastructure that connects regional and national networks, to enable the four EU economic freedoms. Policies in this chapter aim at integrating the interoperable European infrastructure of transport, energy and telecommunications, and identifying the technical standards and priority projects of common interest, as well as the development of funding instruments for their implementation.

***State of Play***

*EC Kosova Report 2022* estimates that Kosova has some level of preparation in this chapter, and that some progress made, notably with the implementation of five action plans of the Transport Community Treaty, i.e. transport facilitation, rail, road (including road safety), waterborne and multimodality, and the

operationalisation of the electrical interconnection with Albania. On the other hand, it is necessary to continue with the legislation alignment with *acquis*. The EU recommends that in 2023 Kosova should focus on:

- Implement the pending connectivity projects and strengthen institutional and administrative capacities for the implementation of strategic infrastructure projects;
- Improve the capacity of the regulatory authority of electronic and postal communications to enforce telecommunications market regulations.

Within the *SC VI on Transport, Environment, Energy and Regional Development* further efforts and concrete measures are required from Kosova to implement the actions foreseen in the five Action Plans of the Transport Community - rail, road transport, road safety, waterborne and multimodality, approved in October 2020 and June 2021.

#### *Legislative, Policy and Institutional Framework*

**Transport networks:** The main *laws* in this chapter are the following: Law on the Ratification of the Transport Community Treaty, Law on Railways, Law on Roads, Law on Road Transport, and Law on Land Transportation of Dangerous Goods. These laws are largely in accordance with *acquis* and similar instruments and reflect the standards and other good international practices. The main *policy* document in this area is the Sector and Multimodal Transport Strategy 2015-2025 (SMMTS) and the 5-year Action Plan for its implementation. The main *institution* in this area is the Ministry of Environment, Spatial Planning and Infrastructure (MESPI) is responsible for the drafting and implementing legislation and policies, defining the mandatory standards in the area of transport, including alignment with EU *acquis* and similar instruments and other international standards and good practices. The other responsible institutions in this area are the following: CAA, CIAAI, RRA and Infrakos,

**Energy networks:** Law No. 05/L-085 on Electricity and Law No. 05/L-082 on Natural Gas are the two main *laws* in this area. The main policy document is the Energy Strategy of the Republic of Kosova 2023-2027. The main *institution* in this chapter is the Ministry of Economy (MoE), which is responsible implementing the policies, including those for sustainable development of energy and mining resources. The other responsible institutions in this chapter are the following: KOSTT, KEDS and ERO.

#### ***Medium-term priority objectives:***

##### *Transport networks*

- Construction of the R7 Morine-Prishtine-Merdarë highway, the Besi-Merdarë segment;
- Completion of the expansion segment of the National Road N9, Zahaq - Peja and the construction of the segment of the Kijeve-Zahaq highway;
- Construction of National Road N2 Prishtina - Mitrovica;
- General Rehabilitation and Modernization of the 10th Railway Line (Border with Serbia - Leshak - Fushë Kosovë - Hani i Elezit - Border with North Macedonia);
- General rehabilitation and modernization of the 7<sup>th</sup> Railway Line (Border with Serbia - Podujevo - Prishtina - Fushë Kosovë);

##### *Energy networks:*

- Operationalisation of the joint electricity market with Albania;
- Harmonization of the Network Code with the ENTSO-E Network Code;
- Further development and modernization of the transmission network, to enable energy transition (generation diversification) according to the objectives of the Energy Strategy 2022-2031;
- KOSTT's participation in the European PICASO platforms for ancillary services (secondary regulation-aFRR) and MARI (tertiary regulation-mFRR).

### **3.22. Chapter 22: Regional Policy and Coordination of Structural Instruments**

This chapter covers the EU structural and cohesion funds within the enlargement package, aiming to align the level and convergence of the respective country's development throughout its territory. This is necessary for the future member state to be able to operate in accordance with EU *acquis* standards. This

chapter includes the compilation, adoption and implementation of programs for these funds. Since they are negotiated with the EC and implemented by the respective country after accession, preparations are required during this process. *Acquis* in this chapter consists mainly of framework and implementing regulations that do not require amendments to national legislation, but are implemented directly through it, implementing the EU financial instruments in accordance with the rules established thereof.

### *State of Play*

According to EU's assessment, Kosova is at early stage of preparation in this area. According to *EC Kosova 2022 Report*, Kosova has not yet established the institutional structures for regional and structural funds, while it has operationalised those for implementing programs and projects. This report highlights that further strengthening of administrative capacities and resources is needed, in particular for the planning and management of EU funds, including IPA funds. To fulfil the SAA obligations, Kosova must ensure that financial cooperation continues to support democratic, economic and institutional reforms within the stabilization-association process. Kosova should strengthen donor coordination and closely coordinate EU financial assistance with other sources from member states and other development partners, as well as provide regular information on all sources of assistance. The EU recommends that in 2023 Kosova should focus on:

- Adopt the Regional Development Action Plan 2023-2025, implement the Regional Development Strategy and adopt the Law on Regional Development;
- Strengthen institutional and administrative capacities across the IPA structures; and
- Improve the single project pipeline, including indications of project completeness and maturity.

### *Legislative and institutional framework, programming and monitoring*

*Legislation:* As stated above, *acquis* in this chapter consists mostly of framework and implementing regulations, but the proper implementation of structural and cohesion funds requires the transposition of *acquis* in related areas, such as state aid, environment and public procurement, which are covered in the relevant chapters of this Programme. Since 2007, Kosova has benefited from EU financial assistance under the Instrument for Pre-Accession Assistance (IPA), in accordance with EU legislation on IPA funds, including recently Regulation (EU) 2021/1529 of the European Parliament and of the Council, dated 15 September 15, 2021, establishing the Instrument for Pre-Accession Assistance (IPA III) and Commission Implementing Regulation (EU) 2021/2236 on specific rules for the implementation of Regulation (EU) 2021/1529 of the European Parliament and of the Council establishing the Instrument for Pre-Accession Assistance (IPA III). *Institutions:* This chapter is covered by the Office of the Prime Minister and the Ministry of Regional Development.

*Programming:* The Financial Framework Partnership Agreement between Kosova and the EU entered into force in September 2022, which regulates the implementation of IPA III financial assistance (2021-2027) for Kosova. Furthermore, after its signing in September and ratification by the Assembly, the Financial Agreement for the IPA 2021 Programme entered into force in November 2022, which allows the implementation of more than €83 million: €67.7 million from the EU and other donors and €16 million co-funded by Kosova.

In March 2022, the negotiations between Kosova and the EU for a new tranche of sectoral budget support (SBS) for public administration reform were completed, where new indicators were negotiated, the implementation of which by March 2023 will enable the benefit of funds in the amount of €5.5 million, enabling the reallocation of funds that could not be obtained during the period 2018-2019 due to the failure to achieve the objectives. The payment was made for the successful achievement of the budgetary support resilience indicators "EU4 Resilience" within the framework of IPA 2019, part 2, in the amount of €5.25 million, as well as the last one for the SBS programme on public financial management in the amount of €5 million. The Agreement amending IPA 2018 Programme has entered into force as well, according to which the unspent funds of €5.94 million have been reallocated to the project for the replacement of *Kosova B* TPP filters.

In February 2022, the second grant was approved for the construction of the highway Prishtina-Merdare border crossing point, in the amount of €38 million, as part of the 6<sup>th</sup> round of investment grants of the Western Balkans Investment Framework (WBIF), while in December 2022, the Operational Board approved three applications: (1) the grant for preparing a social housing project, in the amount of €2.08 million (part of the 28<sup>th</sup> round of technical assistance); (2) the investment grant for the solar park in KEK, in the amount of €33.07 million; and (3) the investment grant for central heating in the capital in the amount of €22.47 million (both part of the 7<sup>th</sup> round of investment grants).

In terms of cooperation with other countries, the Multi-Year Programmes (IPA 2021-2027) for cross-border cooperation with the regional countries have been endorsed by the EC: Kosova - Albania Programme, Kosova - Montenegro Programme and Kosova - North Macedonia Programme.

*Monitoring:* IPA Joint Monitoring Committee conducts the monitoring of implementation of programmes and projects funded by IPA resources, and meets on an annual basis. Monitoring of donor assistance in general and EU assistance in particular is done in two ways: through the use of regular reporting to donors within the Aid Management Platform (AMP) and participation of officials in the meetings of Projects Steering Committees.

### **3.23. Chapter 23: Judiciary and Fundamental Rights**

This chapter covers the following areas: judicial system, anti-corruption policy and fundamental rights. EU policies in this chapter aim to maintain and further develop the Union as an area of freedom, security and justice. An independent and efficient judiciary is of paramount importance, while impartiality, integrity and a high standard of adjudication by the courts is essential for safeguarding the rule of law. This requires a judiciary free from political influence and with sufficient financial and human capacities, as well as legal guarantees for fair trial procedures. Member States are also required to fight corruption effectively, as it represents a threat to the stability of democratic institutions and the rule of law. This also requires a solid legal and institutional framework to underpin a coherent policy of prevention and deterrence of corruption. Member states must ensure compliance with the fundamental rights, as guaranteed by the EU acquis and by the Fundamental Rights Charter.

#### **Judicial system**

##### ***State of Play***

*EC Kosova 2022 Report* estimates Kosova is at an early stage in developing a well-functioning judicial system. The overall administration of justice continues to be slow, inefficient and vulnerable to undue influence. On the other hand, some progress was achieved with the start of implementing the Rule of Law Strategy and Action Plan and initiating the reform of the legislative framework governing the prosecutorial system by amending the Law KPC. Kosova completed the roll-out of an electronic Case Management Information System (CMIS) across all courts and prosecution offices and continued to strengthen the Central Criminal Records System. The EU recommends that in 2023 Kosova should focus on:

- Improve the integrity and professionalism in the judicial system by improving the existing tools (asset declaration system, disciplinary proceedings, performance evaluations and integrity checks limited to high judicial institutions), including through appropriate legislative changes;
- Implementation by rule of law institutions of the joint initiative for legal reform in the justice system by ensuring that any justice reform is carried out in line with relevant Venice Commission recommendations and European standards;
- Step up efforts to reduce the backlog of cases based on a revised plan supported by a digitalisation strategy; to that end, ensure the systemic use of the CMIS by judges, prosecutors and support staff for automatic case assignment, and further promote and properly finance the use of alternative dispute resolution tools, such as mediation, supported by a monitoring and evaluation system to follow up on the impact of mediation services.

Further, in *SC VI on Justice, Freedom and Security*, Kosova has undertaken to implement the following key reforms:

- Continue implementing effectively and expeditiously the Rule of Law Strategy and AP, through a regular and structured process that includes appropriate inter-institutional coordination;
- Ensure that future appointments to the KJC and KPC are made in a timely manner.

#### *Legislative, Policy and Institutional Framework*

*Legislation:* The main laws in the area of the judicial system are the following: Law on Courts, Law on KJC, Law on KPC, Law on State Prosecutor, Criminal Code of the Republic of Kosova and Criminal Procedure Code of the Republic of Kosova (revised and approved in August 2022).

*Policies:* Rule of Law Strategy and AP 2021-2026 is the key strategic document in this area, which aims to strengthen the judiciary and prosecution, criminal justice, access to justice and the fight against corruption. Independent institutions have adopted the following policy documents in this area: Strategic Plan of the Prosecutorial System 2022-2024, National Backlog Reduction Strategy and Action Plan, Judicial Crisis Management Action Plan and Strategic Plan for Improving Access to Justice 2022-2025.

The leading *institutions* in this area are the following: Ministry of Justice (MoJ), responsible for drafting policies; KJC and KPC, with primary responsibilities for the management of courts and prosecution offices, including the procedures for appointing, disciplining and evaluating judges and prosecutors; and the Academy of Justice, responsible for capacity building of judges and prosecutors.

### **Anticorruption policy**

#### *State of Play*

*EC Kosova 2022 Report* estimates that some progress was made in this area was made with the adoption of new Criminal Procedure Code, the Law on Anti-Corruption Agency (ACA), the new Law on Declaration of Asset and the Law on Financing Political Parties. Yet there is a need to improve the implementation of the overall legal framework. In spite of the fact that the Corruption and Financial Crime Department was established during the reporting period, Special Prosecution Office filed few indictments in high profile cases. The EU recommends that in 2023 Kosova should focus on:

- Further strengthen the capacity of the Anti-Corruption Agency, in terms of staff and expertise, to ensure it can effectively carry out its mandate;
- Further strengthen the efficiency of confiscation regime by promoting systematic use of both extended and ‘regular’ confiscation by criminal prosecution and police; increase the level of specialisation and expertise in seizure and confiscation of assets; establish a confiscation fund;
- Further strengthen law enforcement-prosecution cooperation and encourage multidisciplinary cooperation and the target-based approach to ensure proactive investigations and effectively combat high-level corruption cases; systematically conduct financial investigations during the criminal investigations; ensure the security of judges and prosecutors;
- Continuation of efforts of justice institutions to implement recommendations issued by the 2022 evaluation mission on organized crime and corruption;
- Effectively implement the new legislation on political party financing.

Further, in *SC VI on Justice, Freedom and Security*, Kosova has undertaken to demonstrate commitment to continued progress in targeted cases of high-level corruption and organized crime, especially in the context of visa liberalization. There should be further alignment with *acquis* of legislation related to money laundering, specifically the Fourth Anti-Money Laundering Directive, as well as continue to implement the recommendations from PECK II to counter money laundering/terrorist financing to further align with the MONEYVAL and FATF standards.

#### *Legislative, Policy and Institutional Framework*

*Legislation* against corruption was revised in 2022, in accordance with the Venice Commission recommendations and European standards. The main laws in this area are the following: Criminal Code, the new Criminal Procedure Code, and Law on KACA, the amended Law on Declaration, Origin and Control of Assets and Gifts, Law on Financing of Political Entities, Law on Protection of Whistle-blowers

and Law on Prevention of Conflict of Interest in the Exercise of Public Function. The main *policy* documents in this area are the following: Anti-Corruption Strategy and AP 2018-2022 and the Judicial System Strategy for Resolving Cases of Corruption and Organized Crime 2022-2024<sup>2024</sup> and Rule of Law Strategy, which includes a section on anticorruption policy. On 22 February 2023 the Government established the working group for drafting of the Anticorruption Strategy.

. The main *institutions* in this area are the following: MoJ and OPM, responsible for drafting policies; ACA, responsible for initiating and conducting the procedure related to preliminary investigation of corruption cases and forwarding criminal reports on suspected corruption cases and enforcement of the legislation on declaration of assets, prevention of conflict of interest in the exercise of public function and the protection of whistle-blowers; and National Anti-Corruption Coordinator within the State Prosecutor's Office; as well as law enforcement agencies.

### **Fundamental rights, protection of minorities and cultural heritage**

#### ***State of Play***

*EC Kosova Report 2022* estimates that the legal framework guarantees the protection of fundamental rights and is in line with European standards. Kosova showed commitment to addressing gender equality issues by further implementing the Law on Gender Equality in the public administration recruitment process and by improving inter-institutional coordination on fighting gender-based violence, including by adopting a new Strategy and Action Plan against Domestic Violence and Violence against Women. Moreover, additional efforts are needed to effectively enforce fundamental rights. The government's capacity to streamline and oversee fundamental rights policies and legislation requires improvement, including in coordinating the mechanisms to protect human rights, gender equality and non-majority communities, at both central and local levels. Human and financial resources are still lacking and relevant authorities are still dependent on donor support and guidance and need to assume greater ownership, and fundamental rights issues should be higher on the political agenda. The EU recommends that in 2023 Kosova should focus on:

- Set up a sustainable mechanism of coordination and oversight legislation, strategies and policies of fundamental rights; strengthen the implementation of existing instruments; adopt a functional system of measuring and reporting on the implementation of the Human Rights Program and Action Plan; adopt the sub-legal acts deriving from the new Law on Child Protection; adopt the Civil Code;
- Strengthen the implementation of the Law on Gender Equality; adopt the Law on Domestic Violence and Violence Against Women; continue efforts to ensure proper functioning of the system of protection, prevention and adjudication of all forms of gender-based violence by implementing the relevant strategy and action plan; adopt the Strategy for Return and Communities, the Law on Kosova Property Comparison Verification Agency addressing the Ombudsperson's recommendations; implement the Strategy for the Advancement of the Rights of the Roma and Ashkali communities 2022-2026;
- Strengthen child protection and child-friendly justice, including for children belonging to minorities and children with disabilities;
- Adopt the Law on Cultural Heritage and the Law on Religious Freedom; advance the protection of cultural heritage by fully enforcing legislation on special protective zones and illegal construction; implement the Constitutional Court Decision on the Visoki Dečani monastery; re-establish relations with the Serbian Orthodox Church and reconvene the Implementation and Monitoring Council.

Further, in *SC VI on Justice, Freedom and Security*, Kosova has undertaken to implement the following key reforms:

- Take concrete steps to strengthen the coordination of existing mechanisms for human rights at the central and local level and strengthen the role of anti-discrimination officers in ministries and municipalities;

- Adopt bylaws for the Law on Child Protection, to take more concrete steps for the implementation of the Law on Persons with Paraplegia and Tetraplegia, and the Law on Blind Persons; approve with priority the Civil Code and all relevant specialized legislation to ensure a consistent and harmonized implementation of the new civil legislation;
- In the area of freedom of expression, ensure, without further delay, the stable funding of RTK, while maintaining its independence; review the Law on IMC to update its powers in relation to online audiovisual media services regulated by the 2010 Audiovisual Media Services Directive.

#### *Legislative, Policy and Institutional Framework*

*Legislation:* The main laws in the area of fundamental rights are the following: the Law on Protection against Discrimination, the Law on the Ombudsperson and the Law on Gender Equality, in force since 2015 as a package of laws in this area, in accordance with European standards. The Law Child Protection is also in force, in accordance with the EU Directive on combating the sexual abuse and sexual exploitation of children and child pornography. The main laws in the area of protection of minorities and cultural heritage are the following: the Law on the Protection and Promotion of the Rights of Communities and their Members in the Republic of Kosovo, the Law on the Use of Languages, the Law on Cultural Heritage and the Law on Special Protected Areas.

*Policies:* The main policy documents in this area are the following: Programme for the Protection and Promotion of Human rights;

National Strategy on the Rights of Persons with Disabilities 2013-2023, Kosova Programme for Gender Equality, National Strategy on Rights of the Child 2019 – 2023., National Strategy against Domestic Violence (approved in January 2022), and the Strategy for the Advancement of the Rights of the Roma and Ashkali Community in the Republic of Kosovo (approved in July 2022).

*Institutions:* Human rights mechanisms have been established based on a holistic approach, with human rights officers in every central and local institution, coordinated by the Office for Good Governance (OPM). The Deputy Prime Minister responsible for human rights is responsible for setting priorities, developing and coordinating the Government policies protecting the fundamental human rights and freedoms defined in the Constitution and applicable legislation. Kosovo also has the Ministry for Communities and Return, the Language Commissioner, the Agency for Gender Equality and the Ombudsperson Institution as a legal mechanism for the protection, supervision and promotion of the fundamental rights and freedoms of natural and legal persons, as well as the National Mechanism for Prevention of Torture and other cruel, inhuman and degrading treatment and punishment in all places where persons deprived of their liberty are held.

### **Protection of personal data**

#### *State of Play*

*EC Kosova 2022 Report* estimates that the Law on Protection of Personal Data remains broadly in line with the EU General Data Protection Regulation and the Law Enforcement Directive. Further progress has been made with the appointment of the of the Information and Privacy Agency (IPA) Commissioner, which had a positive impact on the implementation of the Law and the internal organization of the IPA, while the regulation on internal organisation and systematization of positions within IPA was approved in December 2021. Although restrained by limited human resources, IPA started processing complaints on access to public documents and on data protection in an independent and efficient manner.

*Legislative, Policy and Institutional Framework:* The main law in this area, the Law on Protection of Personal Data is broadly in line with the EU General Data Protection Regulation and the Law Enforcement Directive. The policy framework consists of the Plan of regular inspections and controls for the Protection of Personal Data, approved by IPA. The Agency for Information and Privacy is the responsible *institution* in this area, as an independent agency responsible for supervising the implementation of the Law on Protection of



Personal Data, aiming at protecting the fundamental rights and freedoms of natural persons related to the processing of personal data and guaranteeing access to public documents.

***Medium-term priority objectives:***

*Judicial system:*

- Reforming the justice system through completion of legislative amendments, ensuring improvement of accountability mechanisms for judges and prosecutors as subject to preliminary review, in accordance with the Venice Commission Opinion and the analysis of the Rule of Law Sector Functional Review;
- Advancing the civil legal framework to ensure unique implementation of civil law principles;
- Further advancement of capacities for notaries through increasing the number of notaries in accordance with the amendments in the new Law on Notaries;
- Further advancement of the electronic case management system in the courts and the prosecution office, including the application of CEPEJ performance indicators in the CMIS program;
- Strengthening human and infrastructural capacities to ensure an efficient and genuine system of disciplinary procedures and performance evaluation of judges and prosecutors;
- Administrative capacity building in courts through increasing the number of support staff to ensure effective administration of justice;
- Further promotion of alternative dispute resolution mechanisms (mediation) in the courts and the prosecution offices, in order to reduce the huge caseload;

*Anti-corruption policy:*

- Advance the legal framework and supervisory bodies to enhance the implementation rate of cases of sequestration and confiscation of property, including their administration;
- Further advancement of inter-institutional coordination mechanisms for the efficient and effective examination of corruption, economic crime and organized crime cases;
- Further advancement of professional capacities of the Special Prosecution Office (SPRK), to ensure efficient implementation of the organizational structure in this prosecution office;
- Further advancement of capacities of Anti-Corruption Agency (ACA), to ensure the effective and efficient implementation of the procedure of preliminary investigations, control of the origin of assets of senior public officials and corruption risk assessments in sensitive sectors;
- Establish monitoring mechanisms within ACA for the implementation of integrity plans;

*Fundamental rights, protection of minorities and cultural heritage:*

- Create adequate mechanisms for continuous monitoring of Ombudsperson's recommendations, in order to increase the implementation level;
- Full operationalization of institutional mechanisms for protection against discrimination and empowering the gender equality officers within the ministries and municipalities;
- Capacity building of institutional mechanisms for gender equality, protection from domestic violence and violence against women through strengthening the role of women and girls in decision-making and economic empowerment to eliminate gender-based violence and domestic violence;
- Creation and development of relevant Gender Impact Assessment policies, in addition to the current regulatory framework;
- Advance the sector of property rights, aiming at a clearer definition of property rights by law and providing more efficient, accessible and affordable mechanisms through which citizens will be able to benefit legal recognition of their rights;
- Financial support to shelters for victims of gender-based violence;
- Improve the policies for the execution of criminal sanctions, as well as raising awareness of the courts to increase the number of cases of imposing alternative punishments against prison sentences;
- Improve inter-institutional coordination to ensure effective investigations and timely prosecution of cases of attacks on journalists, sexual violence and domestic violence, as well as cases of crimes and hate speech;

- Ensure sustainable funding of the public broadcaster;
- Advance legal and policy framework on heritage protection, including the establishment of mechanisms for conservation and integrated development;
- Establish legal mechanisms for the export/import and prevention of trafficking of cultural objects, in accordance with the relevant EU directives;
- Advance mechanisms for monitoring and systematic maintenance of cultural heritage monuments;
- Professional capacities building of all coordinating bodies in the protection of cultural heritage, and financial support of institutions for cultural heritage and reorganization of their organizational scheme;

*Protection of personal data:*

- Advance policies;
- Improve the inspection mechanisms for the supervision of the implementation of the Law on Protection of Personal Data;
- Establish the IT infrastructure for the electronic management of complaints and inspection cases.

### **3.24. Chapter 24: Justice, Freedom and Security**

This chapter consists of the following areas: border management, migration, prevention and control of irregular migration, visa policy, document security, combating organized crime and police cooperation, the fight against terrorism, combating narcotics and judicial cooperation in criminal and civil matters. EU policies in this area aim to maintain and further develop the EU as an area of freedom, security and justice and guarantee the security, rights and freedom of movement in the EU. *Acquis* in this area is based on the general principles deriving from the TFEU on the Functioning of the EU, as well as the jurisprudence of the European Court of Justice. This chapter also requires the alignment of private international law, and extradition agreements between member states and policies in all other areas. Kosova should transpose gradually *acquis* this chapter, develop and implement an adequate policy framework, and establish institutions with the capacity to implement the transposed *acquis*. Member states must also have the necessary administrative capacities of law enforcement agencies and other relevant bodies to achieve European standards in these areas. While the detailed EU policies in this chapter are part of Schengen *acquis*, including the one that provides for the abolition of internal border controls in the EU, for the new member states the essential parts of this *acquis* is applied after a special decision of the Council is taken following the membership.

#### **Border management**

##### ***State of Play***

*EC Kosova 2022 Report* estimates that the BCP infrastructure and the Border Police performance on border procedures has improved, but little progress has been made in the implementation of the NBMC Development Plan 2020-2025, and better border-related risk assessment and strategic analysis, including security, is needed and better cooperation with other border authorities is required. Another challenge is the lack of access to international databases. The EU recommends that in 2023 Kosova should focus on:

- Better strategic assessment and analysis of border-related risks, including security;
- Strengthen cooperation with other border authorities;
- Continuation of capacity building of the Passenger Information Unit, drafting standard operating procedures and increasing the coverage of data received from carriers;
- Continuation of the work on establishment of the National Coordination Centre (NCC), as set out by the Frontex Regulation.

Further, in *SC VI on Justice, Freedom and Security*, Kosova has undertaken to implement these key reforms:

- Ensure the full potential of the NBMP through the full implementation of the Action Plan for this institution;
- Strengthen the defence-sensitive border management system through inter-regional cooperation, including regular exchange of information, as well as with EU agencies that play an important role

in the implementation of defence-sensitive border management, such as EU Asylum Agency (EUAA) and Frontex.

*Legislative and institutional framework:* This field is regulated by the Law on State Border Control and Surveillance and the Law on Cooperation between Authorities Involved in Integrated Border Management. The amended draft-law on surveillance of the state border is in the process of adoption by the Assembly. Five (5) bylaws are also in force, which have been partially transposed the relevant *acquis* and 12 customs cooperation agreements. The main *institutions* in this area are the following: KP, KC and FVA.

## **Visa policy**

### ***State of Play***

*EC Kosova 2022 Report* estimates that Kosova has yet to fully align its legislation with the EU visa policy. Kosova currently imposes visa requirements on nationals of 88 countries, based on a 2013 Government decision. The visa-issuing authorities have the capacity to digitally collect biometric identifiers from visa applicants, although the equipment needs upgrading.

*Legislative and institutional framework:* This area is regulated by the Law on Foreigners and six (6) bylaws which have partially transposed the relevant *acquis*. The *institutions* in charge in this area are the following: Ministry of Foreign Affairs and Diaspora, respectively the Department for Consular Affairs and the Foreign Service Missions; Ministry of Internal Affairs, respectively the Department of Citizenship, Asylum and Migration; and the Kosova Police, respectively the Border Police.

## **Migration**

### ***State of Play***

*EC Kosova 2022 Report* estimates that although Kosova has not been affected by large movements of migrants, it has raised the accommodation capacities and the readiness to handle a possible migration flow. This report also identifies several challenges, including the need for closer inter-institutional cooperation and coordination, and emphasizes that the Governmental Authority on Migration (GAM) should take a more proactive role in leading policies in this area. Notably, the EU recommends that during the coming year, Kosova should focus on the further improvement of governance in this area, the coordination and monitoring of policies, and capacity on data collection and analysis.

Further, *the SC VI on Justice, Freedom and Security* underlines that Kosova has undertaken to implement the following key reforms:

- Strengthen inter-institutional cooperation and coordination, especially between different political and security institutions, including the interoperability of IT systems;
- Improve data management systems, including putting in place a harmonized and sustainable biometric data registration and collection mechanism, in line with applicable international and EU standards, and ensure interoperability/interaction of information management systems and databases, including at the regional level, through the further development of the information system for migration management.

*Legislative, Policy and Institutional Framework:* The main laws in this area are the following: Law on Citizenship, Law on Foreigners, Law on Preventing and Combating Trafficking in Human Beings and Protecting Victims of Trafficking, Law on Asylum, and 23 bilateral readmission agreements. Bylaws deriving from these laws are also in force. The main *policy* documents in this area are the following: Migration Strategy 2021-2025, Light migration profiles (such as comprehensive documents with standard migration data and data on other areas potentially affecting the migration phenomenon, such as economic and social situation, labour market, human capital, education, trade, etc.), and the Guideline on the best interests of the child. The *institutions* in charge in this area are the following: MIA, respectively the Department of Citizenship, Asylum and Migration; Kosova Police, respectively Border Police and Directorate for Investigation of Trafficking, Department for Reintegration of Repatriated Persons; as well as the Governmental Authority on Migration and Municipalities.

## **Asylum**

### ***State of Play***

*EC Kosova Report 2022* estimates the legal and institutional framework in this area is mostly in line with EU *acquis*, but there is a need to continue building capacities for handling asylum applications, including increasing the number of staff, and there are deficiencies in the effective implementation of the legislation. The EU recommends that in 2023 Kosova should focus on:

- Establish a fully effective entry system;
- Enhance the capacities of front-line officers for the identification and referral of persons seeking international protection and persons with specific needs;
- Further capacity building of the Border Police for protection sensitive to migration;
- Provide qualified interpreters to serve these centres and the Border Police.

Further, the *SC VI on Justice, Freedom and Security* underlines that Kosova has undertaken to implement the following key reforms:

- Improve data management systems, including introducing a harmonized and sustainable biometric data registration and collection mechanism, in accordance with applicable international and EU standards;
- Gradually increase the expert/specialized staff of the relevant institutions, through transparent employment procedures, with a focus on the competency and technical expertise required;
- Regarding procedures, further capacity building of managers for refugee status determination (RSD), to ensure quality management and decision-making standards for asylum, standardized application of country of origin information (COI) and accelerated use of simplified procedures for clearly founded and unfounded cases during pre-admission/border control procedures.

*Legislative, Policy and Institutional Framework:* The law regulating this area is the Law on Asylum, which has partially transposed six (6) *acquis* acts, and AI on the Procedure and Criteria of Determining the Status of the Stateless Person, the Manner of Acquisition of the Citizenship by the Stateless Person and the Person with Refugee Status. The responsible *institution* in this area is the Ministry of Internal Affairs, respectively the Department of Citizenship, Asylum and Migration (within which the for Asylum Seekers Centre also operates).

## **Fight against money laundering and terrorist financing**

### ***State of Play***

*EC Kosova 2022 Report* estimates that the Law on Combating Money Laundering and Terrorist Financing should be amended and supplemented to align with AML and CFT Directive IV and V not to impose unnecessary restrictions on the financial sustainability of low-risk CSOs. It also emphasizes that money laundering and terrorist financing are not investigated as criminal offenses in themselves, but only in conjunction with other criminal offences, and that parallel financial investigations are not systematically conducted in cases of organized crime, and that generally the combating money laundering and terrorist financing is not yielding convincing results. This report and the conclusions of *Subcommittee VI on Justice, Freedom and Security* require the implementation of the recommendations of the FATEF/Moneyval reports and the increase of cooperation between the relevant authorities.

*Legislative, Policy and Institutional Framework:* The main laws in this chapter are the following: Criminal Code, Law on the Prevention of Money Laundering and Combating Terrorist Financing, Law on Declaration, Origin and Control of Property of Senior Public Officials and on Declaration, Origin and Control of Gifts of all Public Officials. A number of bylaws deriving from the laws that regulate this area are also in force. The main *institutions* in charge in this area are the following: Financial Intelligence Unit; MFLT, KC and TAK; KP; State Prosecutor; and Special Prosecution Office of the Republic of Kosova.

## **Combating narcotics**

### ***State of Play***

*EC Kosova 2022 Report* estimates that the Law on Narcotics needs to be amended and supplemented to become more comprehensive, in accordance with the latest *acquis*, and the National Drug Observatory still remains without a head, while the decision taken to increase the number of its staff has not yet been implemented. It is also estimated that there are difficulties in collecting data related to drugs, in the absence of a functional Health Information System. The EU recommends that in 2023 Kosova should focus on:

- Understanding of the drug market by law enforcement agencies and prosecutors, through analytical work, reviewing the intelligence overview and identifying intelligence gaps;
- Improving inter-institutional cooperation and information exchange in combating drug trafficking in the justice sector chain;
- Full operationalisation of the National Drug Observatory.

Further, *the SC VI on Justice, Freedom and Security* underlines that Kosova has undertaken to implement the following key reforms:

- Law enforcement agencies to continue to increase seizures of illegal drugs, especially cocaine and heroin, and work with an intelligence-to-incarceration concept;
- Improve inter-institutional cooperation and the exchange of information, at all levels, in combating drug trafficking;
- Operationalize the National Drug Observatory within the MIA.

*Legislative, Policy and Institutional Framework:* The main laws in this area are the following: Criminal Code; Criminal Procedure Code; Law on Narcotic Medicaments, Psycho-Tropes and Precursors, which is based on the UN on Narcotic Drugs and Psychotropic Substances, and against Illicit Traffic in Narcotic Drugs and Psychotropic Substances. The AI on Methadone Administering and Managing for Maintenance Programs. The policy document in this area is National Strategy and Action Plan against Narcotics 2018-2022. The *institutions* in charge in this area are the following: Kosova Police, respectively Directorate for Investigation of Drug Trafficking (with the support of other KP departments); KC; AKI; Ministry of Health, respectively Health Inspectorate, Kosova Agency for Medical Products and Equipment; Kosova Forensics Agency; State Prosecutor; MoJ, respectively the Department of Forensic Medicine; and KJC. The National Coordinator and the Secretariat responsible for this area also operational within the Ministry of Internal Affairs.

## **Fight against organized crime and police cooperation**

### ***State of Play***

*EC Kosova 2022 Report* estimates that there is well-established cooperation with Interpol and EUROPOL, but the tools provided under the Criminal Code and the Law on Extended Powers for Confiscation of Assets are still not fully used by the police and prosecutors. It is also estimated that there should be more proactive investigations, final court decisions and final confiscation of assets. Measures are also needed to strengthen the prosecution and ensure that there is no political interference in the operational activities of all law enforcement bodies. Organized crime in the northern part of the country continues to remain a challenge for law enforcement agencies. The EU recommends that in 2023 Kosova should focus on:

- Effectively implement the intelligence-led and community policing approaches, by establishing intelligence structures, continuing to train analysts in the Police Directorate for Intelligence Analysis;
- Further reinforce the capacity of the SPRK to investigate and prosecute high-profile organised crime cases; provide training to strengthen police-prosecutor cooperation, the capacity to conduct financial investigations, confiscate assets and effectively protect witnesses;
- Implement the Strategy and Action Plan against Trafficking in Human Beings 2022-2026, adopting a victim-centred approach; enhance efforts on prevention; improve early proactive identification of victims of trafficking, in particular those belonging to vulnerable communities, as well as their referral to appropriate assistance and support services.

Further, the SC VI on Justice, Freedom and Security underlines that Kosova has undertaken to implement the following key reforms:

- Strengthen multidisciplinary cooperation in investigative procedures through communication and exchange of information between institutions, joint inspections and multidisciplinary investigative teams;
- Implement a joint (police-prosecution) approach based on objectives to combat serious and organized crime as part of the principle of intelligence-led policing;
- Prosecution and law enforcement authorities to define concrete strategic priorities for dealing with special phenomena of organized crime and high-level corruption;
- Systematically conduct financial investigations at all stages of criminal investigations for all serious cases of organized crime and corruption.

*Legislative, Policy and Institutional Framework:* The main laws in this chapter are the following: Criminal Code, Criminal Procedure Code, Law on Witness Protection, Law on Prevention and Fight of the Cyber Crime, Law on Managing Sequestered or Confiscated Assets, Law on Protection of Whistleblowers, Law on Police, Law on Narcotic Medicaments, Psycho-tropes and Precursors, Law on Preventing and Combating Trafficking in Human Beings and Protecting Victims of Trafficking, Law on Crime Victim Compensation, Law on State Border Control and Surveillance, Law on Execution of Criminal Sanctions, Law on Kosova Intelligence Agency, Law on State Prosecutor, Law on Classification of Information and Security Clearances, Law on Courts, Law on the Protection of Personal Data and Law on Interception of Electronic Communications. A number of *acquis* acts have been transposed therein, and the *policy* documents in this area are the following: National Strategy and Action Plan of the Republic of Kosova against Organized Crime, National Strategy and Action Plan of the Republic of Kosova against Narcotics and Strategy on Controlling and Collecting Small Arms and Light Weapons. The *institutions* in charge in this area are the following: MIA, KP, MFLT, MoJ, KIA, KJC, KPC, Prosecution Offices and Courts.

### **Fight against terrorism**

#### ***State of Play***

*EC Kosova 2022 Report* estimates that Kosova has continued to combat the threat of terrorism, MIA has taken measures related to conditional release to ensure that the conditional release panel, in addition to social issues, pays more attention to security aspects when dealing with prisoners who get out of prison. The EU recommends that in 2023 Kosova should focus on:

- Establish a Joint Threat Assessment Centre, including a threat level assessment system that would facilitate communication between all agencies involved;
- Amend and supplement the Law on the Prevention of Money Laundering and Combating Terrorist Financing, to fully align it with EU and international standards.

Further, the SC VI on Justice, Freedom and Security underlines that Kosova has undertaken to implement the following key reforms:

- Establish the office of the national coordinator with adequate financial and human resources;
- Finalize and adopt the joint national strategy against terrorism/violent extremism, taking into account the EU counter-terrorism strategy and the counter-terrorism agenda for the EU from 2020;
- Establish and operationalize a structure/mechanism within the Ministry of Internal Affairs for the protection of critical infrastructure, with the necessary budget and resources, starting from staff training and the drafting of bylaws and other necessary related documents.

*Legislative, Policy and Institutional Framework:* The main laws in this chapter are the following: Criminal Code, Criminal Procedure Code, Law on the Prevention of Money Laundering and Combating Terrorist Financing, Law on Prohibition of Joining the Armed Conflicts Outside State Territory. The main *policy* documents in this chapter are the following: National Strategy of the Republic of Kosova against Terrorism 2018-2023 and National Strategy for Prevention and Combating against Informal Economy, Money Laundering, Terrorist Financing and Financial Crimes 2019-2023. The *institutions* in charge in this area are

the following: MIA; KIA; MFLT, respectively KC and TAK; FIU; OPM; and PSRK. The Secretariat responsible for this area is also operational within the Ministry of Internal Affairs.

### **International judicial cooperation in criminal and civil matters**

#### ***State of Play***

*EC Kosova 2022 Report* estimates that although Kosova is not a party to most multilateral treaties governing mutual judicial cooperation, it unilaterally applies the standards of internationally recognized treaties. Further, in the conclusions of *Subcommittee VI on Justice, Freedom and Security*, it is recommended to complete the legal framework in this area and continue efforts to negotiate new bilateral agreements on international judicial cooperation in criminal and civil matters.

*Legislative and institutional framework:* This area is regulated by the Law on International Legal Cooperation in Criminal Matters and the Law on International Legal Cooperation in Civil Matters, which have transposed a number of *acquis* acts. The responsible *institution* in this area is MoJ, namely the Department for International Legal Cooperation.

#### ***Medium-term priority objectives:***

##### **Border management:**

- Advance international cooperation with authorities such as Frontex, Selec, etc.;
- Open new border crossing points with neighbouring countries;
- Advance border surveillance and control equipment;

##### **Visa policy:**

- Extending KVIS to other diplomatic and consular missions of the Republic of Kosova;

##### **Asylum:**

- Establish a stable central and local cooperation system for asylum seekers seeking international protection;
- Construct a facility for vulnerable groups within the Centre for Asylum Seekers;

##### **Migration:**

- Advance international cooperation in combating irregular migration;
- Promote regular and circular migration;
- Capacity building for alternative accommodation of migrants, the Reception Centre for Foreigners, the renovation of the Belvedere Camp and the creation of a new Reception Centre for foreigners.

##### **Fight against money laundering and terrorist financing:**

- Further improvement of the policy framework in the area of fight against money laundering and terrorist financing;
- Kosova's membership in Moneyval;
- Strengthen the capacities of the Financial Intelligence Unit (FIU), in combating terrorist financing and money laundering;
- Strengthen inter-institutional cooperation, including inter-institutional cooperation with law enforcement authorities and reporting entities, especially in the area of dealing with suspicious financial transactions;
- Strengthen risk assessment, risk management and strategic framework;
- Reinforce the preventive measures on money laundering and terrorist financing;
- Strengthen the overall structure of the supervisory framework;
- Strengthen capabilities to identify beneficial ownership and limit abuse of legal entities and legal agreements for the AML/CFT purposes;
- Strengthen AML/CFT investigations and criminal prosecution;

##### **Fight against narcotics:**

- Advance cooperation with the EMCDDA;

##### **Fight against organized crime and police cooperation:**

- Create a database for criminal records, including records of convicted persons;

- Develop the legal framework for vetting in the justice system, subordinate agencies of the Ministry of Internal Affairs and public security.
- Finalize, adopt and implement policies for the vetting process in subordinate agencies of the MIA, including the establishment of vetting process mechanisms;
- Increase the number of judges and enhance specialisation of prosecutors and judges in the area of organized crime;
- Technical capacity building for laboratories of the Kosova Forensics Agency;
- Increase the number of asset confiscation orders and generally improving results in the permanent confiscation of illegally acquired assets;

*Fight against terrorism:*

- Technical, logistical and technological capacity building in the area of terrorism and preventing the spread of extremism through the Internet and social media;
- Fusion of counter terrorism, radicalism and violent extremism strategies;
- Technical, logistical and technological capacity building in the area of terrorism;
- Cybersecurity capacity building against terrorism;
- Strengthen capacities and approach for de-radicalization and re-integration;
- Increased involvement of municipal authorities in planning and implementation of rehabilitation and reintegration, as well as in the prevention work, including creation of multidisciplinary teams in municipalities;
- Strengthening the role of probation services in supervising sanctions and community measures and supporting conditionally released violent extremist prisoners;
- Strengthening capacities of prosecutors and judges in identifying different forms of violent extremism;
- Strengthening capacities for defining and protecting critical infrastructure;

*International judicial cooperation in criminal and civil matters*

- Advance international judicial cooperation in matters of extradition and mutual legal assistance in criminal and civil matters;
- Membership (adherence) to the Hague Convention on the recognition and execution of court decisions in civil and commercial matters;
- Membership in the Hague Conference on Private International Law.

### **3.25. Chapter 25: Science and Research**

This chapter provides for the capacities to implement the EU *acquis* and policies in the area of scientific research and technological development and to pursue its objectives in such areas. Such capacities are prerequisites for participating in EU programmes for scientific research and innovation, with the aim of facilitating integration into the European Research Area.

***State of Play***

*EC Kosova 2022 Report* estimates that Kosova is at an early stage of preparation in this chapter, while limited progress was made in terms of performance in the European Union Framework Programmes on Research and Innovation. The EU recommends that in 2023 Kosova should focus on:

- Develop a strategic approach to the development, prioritisation and promotion of scientific research and innovation;
- Ensure higher government spending on research;
- Continue efforts to increase participation in the Horizon Europe programme;
- Provide statistical data on numbers of researchers, percentage of GDP spent on research and innovation, and performance related to the European Research Area priorities.

Further, in SC VI on *Internal Market and Policies*, Kosova has undertaken to implement the following key reforms:



- Prepare statistical data (according to the OECD Frascati Manual) on the Government's expenditure on research and innovation in relation to GDP and performance in relation to the priorities of the European Research Area;
- Provide the necessary statistical indicators so that Kosova can participate in the European Innovation Scoreboard;
- Strengthen and improve participation in the *Horizon Europe* Programme, in order to reach at least the levels of 2019 and participate in the main initiatives of this program (ESS, EOSC, EuroHPC), in particular in the EuroHPC joint undertaking, and join the XI round of the European Social Survey;
- Complete the entrepreneurship analysis process for the Smart Specialisation Strategy.

#### *Legislative and institutional framework*

Research activity is regulated by Law No. 04/L-135 on Scientific- Research Activity, which foresees good European practices in support of researches with a focus on economic and social development, as well as contains provisions that regulate the interrelation of research with the economy and industry.

The main one in this chapter is the Ministry of Education, Science, Technology and Innovation (MESTI), which is responsible for the development of policies in the area of science and scientific research. MESTI, jointly with MIET, also consist the main institution responsible for research and innovation, the former mostly covering the scientific framework and the later covering the industrial side and that of policies as entrepreneurship concepts. In addition, the National Science Council is the structure responsible for the administration of national scientific research priorities. Kosova is an associated member country, with full rights as an international cooperation partner in the EU *Horizon 2020* Framework Programme for Research and Innovation, reaching a participation rate of 20.01%, with 21 projects funded.

#### *Medium-term priority objectives:*

- Ensuring funding for scientific-research activity;
- Kosova's integration into the European Research Area (ERA);
- Improving scientific and industrial innovation in view of economic development of the country.

### **3.26. Chapter 26: Education and Culture**

The areas of education, training, youth and culture are primarily the competence of the Member States. TFEU foresees that the EU encourages the cooperation and support among Member States by supporting their actions and by fully respecting their responsibilities for the content of learning, organisation of the education and vocational training systems, and the national and regional cultural diversity. The *acquis* in this chapter mainly consists of a cooperation framework using programmes and an open method of coordination to move towards convergence of national policies and the attainment of shared objectives.

#### *State of Play*

*EC Kosova 2022 Report* estimates that Kosova has reached some level of preparation in this chapter. While there has been some progress, the quality of education needs to be improved and key legislation (including on pre-school education, higher education and accreditation agency) should be adopted. The COVID-19 pandemic further constrained the quality of teaching at all levels of education. The EU recommends that in 2023 Kosova should focus on:

- Systematically apply quality assurance mechanisms at all education levels, particularly in the pre-university and professional education; in the area of higher education, continue post-accreditation monitoring of programmes;
- Fully implement the Curricular Framework for primary education through quality textbooks and program monitoring;
- Increase the provision of quality vocational education and training for professions in demand in view of the Youth Guarantee.

Further, in *SC VII on Innovation, Information Society and Social Policy*, several aspects have been identified to be addressed in the following period, including:

- Improving the quality of education at all levels through systematic application of existing quality assurance mechanisms, such as quality coordinators, inspection of schools in education, including VET, and ensuring strict monitoring of conditions of the Kosova Accreditation Agency on accreditation of higher education programmes;
- Adoption of the Law on Early Childhood Education, Law on Textbooks and Teaching Materials, amended Law on Higher Education and Law on the Kosova Accreditation Agency;
- Ensuring implementation of the Law on Education Inspection, and providing the Commission with the intended objectives for the inspection of schools for the coming years;
- Publication of accurate data in the area of education and youth;
- Improving the quality of education at all levels through the systematic implementation of quality assurance mechanisms, measures for the professional development of teachers and participation in the *Erasmus+* Programme.

#### *Legislative, Policy and Institutional Framework*

The *laws* in the area of education are the following: Law No. 03/L-060 on National Qualifications, Law No. 04/L-037 on Higher Education, Law No. 05/L-018 for the State Matura Exam; Law No. 03/L-068 on Education in the Municipalities of the Republic of Kosova, Law No. 06/L-046 on Education Inspectorate in the Republic of Kosova, Law No. 02/L-52 on Preschool Education, and Law no. 04/L-032 for Pre-University Education. The laws in the area of vocation education and training are the following: Law No. 04/L-138 on Vocational Education and Training, Law no. 04/L-143 on Adults Education and Training, and Law No. 03/L-060 for National Qualifications. The laws in the area of sport are the following: Law No. 02/L-57 on Institutions of Culture, Law No. 2003/24 on Sport, Law No. 04/L-056 for the National Ensemble of Songs and Dances “Shota”, Law No. 04/L-59 for the Philharmonic, Opera and Ballet of Kosova, Law No. 2004/22 on Cinematography, Law No. 02/L-88 on Cultural Heritage, and Law No. 04/L-106 on Theatres. The main *policy* documents in this chapter are the following: Education Strategy 2022-2026, National Strategy for Cultural Heritage 2017-2027, and Youth Strategy 2019-2023.

The main *institution* in this chapter is MESTI, which is responsible for drafting and implementing legislation and policies at all education levels, managing the teacher training certification system and promoting scientific research policies. The Diploma Recognition Centre operates within the MESTI and is responsible for the recognition of high professional and university qualifications obtained abroad. Institutions responsible for the curricular framework, licensing, accreditation and certification of various education levels are operational, including the National Qualifications Authority, the Kosova Accreditation Agency and the Agency for Adult Education and Vocational Training. Municipalities are responsible for pre-university education regarding the construction of school buildings; student enrolment; employment of teachers and other personnel; registration, licensing and inspection of preschool institutions; participation fees in pre-school institutions; communication mechanisms with parents; etc. The main institution in the area of culture is the Ministry of Culture, Youth and Sports, which is responsible for the drafting and implementing the legislation and policies, while the Cultural Heritage Inspectorate supervises the implementation of the Law on Cultural Heritage and other relevant legislation, while there are other institutional operational in the area culture, art and cinematography. The following institutions are responsible for implementation and monitoring of legislation on special protected areas: MESPI, MLGA and Municipalities.

#### *Medium-term priority objectives*

- Harmonization of vocational education and training with the labour market demands and implementation of the Curricular Framework;
- Effective management of the education system at all levels;
- Improving the quality and integrity of higher education, in accordance with international standards;
- Strengthening the capacities of the Education Inspectorate, in accordance with EU legislation and international standards;

- Professional development of teachers;
- Inclusion capacity building in pre-primary education.

### 3.27. Chapter 27: Environment

The promotion of sustainable development and protection of environment are the objectives of EU policies in this chapter. It is based on preventive action, namely the “polluter pays” principle, fighting environmental damage at source, shared responsibility and the integration of environmental protection into other policies. The *acquis* comprises over 200 major legal acts covering horizontal legislation and implementing acts. Compliance with the *acquis* requires significant investment, while a strong and well-equipped administration at national and local level is imperative for its application and enforcement.

#### *State of Play*

*EC Kosova 2022 Report* estimates that Kosova is at an early stage of preparation in this chapter, while limited progress was made, notably on environmental reporting and air quality monitoring. Furthermore, greater political commitment is needed to address environmental degradation and climate change challenges and substantially improve the implementation of its legislation, to align it with the Green Agenda for the Western Balkans’ goals. The EU recommends that in 2023 Kosova should focus on:

- Increase the waste collection coverage, apply widely reduction, separation recycling and reuse of waste;
- Address effectively the issue of illegal dumpsites, and introduce circular economy measures to reduce waste, develop and approve inter-municipal integrated waste management plans, and establish the extended producers responsibility system;
- Harmonise with and start implementing legal provisions on environmental liability, damage and crime;
- Implement the “polluter pays” principle and raise public awareness on environmental protection;
- Implement the Climate Change Strategy and the Action Plan;
- Prepare a roadmap for alignment with the Green Agenda for the Western Balkans and climate *acquis* and adopt a National Energy and Climate Plan, in line with the Energy Community requirements and finalise the drafting the long-term decarbonisation strategy.

The conclusions of *the SC VI on Transport, Environment, Energy and Regional Development* are similar to the *EC Kosova 2022 Report*, with several aspects to address, including:

- Adopt the Strategy for Environmental Protection and Sustainable Development 2022-2030;
- Adopt the Air Quality Action Plan and an air quality plan for Prishtina;
- Develop and initiate implementation of a comprehensive plan for the development of institutional capacities for the implementation of waste management legislation;
- Finalize the establishment of the underground water monitoring network for the entire territory and start collecting data;
- Participate more actively in the activities under the Civil Protection Mechanism of the Union;
- Continue the approximation of laws and the adoption of strategic documents for climate change, nature protection, noise protection, protection against industrial pollution and forestry.

#### *Legislative, Policy and Institutional Framework*

*Legislation:* The main laws for the environment are the following: Law on Environmental Protection aims to harmonize economic development and social well-being with the basic principles for environmental protection according to the sustainable development concept, promoting a healthy environment and gradual alignment with EU environmental standards; Law on Strategic Environmental Assessment regulates the strategic environmental assessment of plans and programs, to ensure a high degree of protection of the environment and human health; Law on Environmental Impact Assessment aims to prevent and reduce the negative impact of proposed public and private projects, aiming at preserving and improving the environment, protecting human health and improving the quality of life. Laws regulating specific areas in this chapter are also in force: Law on Waste, Law on Noise Protection, Law on Nature

Protection, Law on the National Park “Bjeshket e Nemuna”, Law on the National Park “Sharri”, Law on Air Protection from Pollution, Law on Chemicals, Law on Biocide Products, Law on Kosova Forests, Law on Protection against Natural and Other Disasters, Law on Emergency Management Agency, Law on Fire Protection; Law on Fire-fighting and Rescue, Law on Hunting, and Law on Agricultural Land. These laws are largely aligned with *acquis*, while a large number of applicable bylaws have partially transposed the relevant *acquis* acts.

*Policies:* the main documents in this chapter are the following: Strategy for Environmental Protection, for Climate Change Strategy 2019-2028 and Climate Change AP, Water Strategy 2017-2036, and ERA II AP, which contains a priority in this chapter, with a focus on advancing the legislative framework and policies and strengthening of institutional capacities. A number of documents are also applicable in specific areas: Integrated Waste Management Strategy 2021-2030 and AP 2021-2023, Biodiversity Strategy and AP, National Emission Reduction Plan (NERP) 2018-2027, Forestry Strategy, National Strategy on Non-Wood Forest Product Sector, Strategy for Climate Protection in the Forestry Sector, National Response Plan, and Disaster Risk Reduction Strategy and AP. Even these policy documents are largely aligned with the EU's goals.

The main institution in this chapter is the Ministry of Environment, Spatial Planning and Infrastructure (MESPI), which is responsible for drafting and implementing legislation and policies, including alignment with the EU *acquis* and standards and international conventions, and setting mandatory standards. The following institutions and regulators are also operational in this chapter: MAFRD, MoH (including NIPH), MLGA, MCYS, MFAD, WSRA, Environmental Protection Agency/Hydrometeorological Institute and Regional River Basins Authority.

***Medium-term priority objectives:***

- Adopt the draft law on environmental protection;
- Adopt a concept document in the area of environmental protection;
- Adopt the long-term for decarbonisation strategy;
- Revision of the Climate Change Strategy and AP, and its implementation;
- Transposition of Directive no. 2004/35 / EC on Environmental Responsibilities, Directive no. 2003/04 / EC on Access to Information, Directive no. 66/2010 / EC on Eco-label, Regulation no. 1221/2009 / EC EMAS, as well as Regulation no. 2011/832 / BE EMAS Global;
- Finalization of the draft of the National Energy and Climate Plan, its submission to the Energy Community Secretariat by 30 June 2023, and its adoption in 2024;
- Adoption of AI on amending and supplementing AI No. 15/2010 on criteria for defining of air quality monitoring points, number and frequency of measurements, classification of pollutants which are monitored, the methodology of work, form and timing;
- Adoption of the AI on responsibilities of the waste owner, producer and importer of the product (based on the “polluter pays” principle);
- Establishment of deposit recovery system for glass bottles, plastic and cans;
- Establishment of Extended Producer Responsibility Schemes of four categories (EEEW, batteries and accumulators, end-of-life vehicles, and oils);
- Providing support in the development of integrated waste management plans for the relevant regions that will be involved in inter-municipal cooperation;
- Adoption of the law on amending and supplementing Law No. 04/L-147 on Kosova Waters;
- Development of Surface and Groundwater Monitoring Programme;
- Adoption of plans for the management of the basins of the Ibri, Morava e Binçës and Lepenci Rivers;
- Preparation of Flood Risk Maps;
- Rehabilitation of the sanitary landfill in Peja, construction of a new cell, and closure of the illegal landfill in Istog;
- Adoption of the amended and supplemented Law on Nature Protection;
- Institutional capacity building for the designation of NATURE 2000 sites;

- Increasing the number of nature protected areas for another 50 areas;
- Finalization of four (4) Detailed Regulatory Plans for national parks;
- Adoption of the national programme for wildlife management and hunting;
- National forest inventory III;
- Improving capacities for environmental inspection.

### 3.28. Chapter 28: Consumer and Health Protection

Consumer and health protection is very important, extending across all sectors and impacting all economic operators whose products are consumed and used by the public. The *acquis* acts in this chapter protect the consumer's economic interests in relation to product safety, dangerous imitations and liability for defective products. The EU also ensures high common standards for tobacco control, blood, tissues, cells and organs, as well as medicines for human and veterinary use. The EU also ensures high common standards for upholding patients' rights in cross-border healthcare and tackling serious cross-border health threats including communicable diseases.

#### *State of Play*

*EC Kosova 2022 Report* estimates is at an early stage of preparation in this chapter, with legislation partially harmonized with *acquis*. Although enforcement of consumer protection remains limited, pending reform of the market inspectorate, there has been significant progress in surveillance, investigation, case tracking, management and vaccination against COVID-19. It also requires strict implementation of tobacco control, in accordance with *acquis* and international obligations. The EU recommends that in 2023 Kosova should focus on:

- Amend the law on consumer protection to remove problematic articles and increase awareness on consumers' rights and traders' obligations, particularly regarding online buying;
- Increase human and financial resources necessary to implement health sector reforms and to strengthen the health care system including further roll-out of the electronic public health information system, notably for Roma and Ashkali communities;
- Ensure the rigorous implementation of tobacco control in line with the relevant EU *acquis* and international obligations.

Further, in the conclusions of *SC VI on Internal Market and Competition*, the following aspects have been identified to be addressed:

- Amend and supplement the Law on Consumer Protection, to remove controversial elements and technical defects;
- Adopt the new law on general product safety;
- Continue and improve awareness activities for consumer rights and merchant obligations, especially in relation to online buying, in cooperation with stakeholders;
- Build capacities of MIET human resources, especially of inspectors, to better protect consumers;
- Adopt basic laws on public health: law on health, law on health insurance and the law on health promotion and education;
- Adopt legislation and action plan for tobacco control;
- Establish measures for the provision of adequate primary health care services and mandatory health insurance, and implement further measures to improve quality standards in healthcare, including investments in health promotion activities and training;
- Work on the preparation of the basic package and carry out consultations and awareness before starting to collect premiums for the Health Insurance Fund;
- Adopt and implement of the Action Plan for contagious diseases;
- Align legislation with the EU cosmetic regulation, to enable Kosova businesses to export to the EU market.

*Legislative, Policy and Institutional Framework*

**Consumer protection:** This area is regulated by Law No. 06/L-034 on Consumer Protection, which is partially aligned with *acquis* and regulates market relations and conditions in business-to-consumer relations, including product labelling, price indicators, public services and unfair commercial practices, consumer rights related to contracts, administrative and judicial protection of consumer interests and the institutional framework. There are also six (6) applicable bylaws for its implementation. The policy document in this area is the Consumer Protection Programme 2021-2025, which guides policies and priorities. The main *institution* in this area is MIET, specifically the Consumer Protection Department, having a coordinating and administrative role, which also received consumer complaints against the violation of their rights and forwards them to the relevant regulatory institutions. The Consumer Protection Council is also operational as an inter-institutional coordinating and advisory structure for policies in this area. It includes FVA, CBK, ERO, and CSOs and business associations.

**Protection of public health:** The main policy document in this area is the Sectoral Health Strategy, while the Strategic Plan has been adopted in order to continue improving the health of the mother, child, adolescent and reproductive health, as a comprehensive framework of goals for reducing the morbidity and mortality of mothers and children in Kosovo. The main *institution* in this chapter is the Ministry of Health, which is responsible for drafting and implementing the policy legislation and setting mandatory standards in this area. The provision of health services is organized at three levels of the public system: primary, secondary and tertiary/specialized care. The main institution responsible for the control of smoking is the MoH Health Inspectorate, while the central inspectorates and other bodies of line ministries - such as the Sanitary Inspectorate (FVA), Market Inspectorate (MIET), Labour Inspectorate (MFLT), Education Inspectorate (MESTI), Transport Inspectorate (MESPI), Kosovo Police (MIA), and Municipal Inspectorates - are secondary institutions for this purpose.

**Medium-term priority objectives:**

*Consumer protection:*

- Implementation of the Consumer Protection Programme 2021-2025;
- Strengthening and further development of administrative capacities in the Department of Consumer Protection;
- Continuous realization of awareness and awareness activities for consumer protection;
- Continuous increase of the level of involvement of consumer associations as well as relevant actors in the area of consumer protection.

*Protection of public health:*

- Continue the development and harmonization of legislation with *acquis* on patient's rights in cross-border health care, mental health, organ transplantation, injury prevention, tobacco protection, nutrition, physical and mental activity;
- Operationalise the state authority, respectively the Division for Biomedicine, based on the Law on Transplantation of Tissue and Cells;
- Develop a new health strategy and implement the existing strategies, including the strategic framework for cancer control, health promotion and education, primary health care, mental health, antimicrobial resistance, immunization program, mother, child, adolescent and reproductive health, vaccination, and HIV-AIDS;
- Operationalise the Health Insurance Fund through the completion of the legal framework that enables the start of the collection of contributions for the implementation of the compulsory health insurance scheme.

### 3.29. Chapter 29: Customs Union

*Acquis* in the area of customs union consists almost exclusively of legislation which is directly binding for the Member States. It includes the EU Customs Code and its implementing provisions, combined nomenclature, common customs tariff and provisions on tariff classification, customs duty exemption, duty suspensions and certain fee quotas. Other provisions are also part of it, such as those on customs control of counterfeit goods, drugs precursors, export of cultural goods, as well as on mutual administrative assistance in customs matters and transit. Member States must ensure that the necessary implementing and

enforcement capacities, including links to the relevant EU computerised customs systems are in place, and to implement special rules laid down in related areas of the *acquis*, such as external trade.

### *State of Play*

*EC Kosova 2022 Report* estimates that Kosova has reached some level of preparation in this area. It made some progress during by continuing to improve systematic exchange of excise data with other customs jurisdictions and by enforcing customs measures, such as for the protection of intellectual property rights. Regarding legislation, it is estimated that there has been no progress in aligning the Customs and Excise Code with the EU Customs Code, although the updated draft code is pending adoption. Progress was also made in trade facilitation through the approval of the fifth authorized economic operator and the improvement of systems, procedures and administrative capacities has continued, but the fees charged are not in accordance with the provisions of the SAA and should be abolished. Kosova Customs has also been active in combating illegal cross-border activities, including smuggling of goods such as narcotics and hazardous materials, infringement of intellectual property rights, and additional measures are therefore required to improve the effectiveness and efficiency of the KC. The EU recommends that in 2023 Kosova should focus on:

- Pursue further alignment with the Union Customs Code and the excise *acquis*, including the Customs and Excise Code;
- Increase the number of field inspections and coordinated actions between Kosova Customs and other law enforcement agencies in the fight against customs fraud and tax evasion;
- Reduce fees charged to exporters/importers at inland customs terminals.

Further, in the conclusions of the *SC VI on Internal Market and Taxation*, the following aspects have been identified to be addressed:

- Continue coordination between KC, law enforcement agencies and other relevant institutions in combating the informal economy and customs fraud, including through reports of regular meetings and audited reports of operations carried out jointly by KC and TAK;
- Implement the KC's anti-corruption plans;
- Adopt the amended and supplemented Customs and Excise Code, to further align it with the EU *acquis* and practices;
- Reduce fees charged to exporters/importers for the use of inland terminals located in privately-owned infrastructure and proceed with their relocation to publicly-owned locations;
- Take steps towards the inclusion of Kosova in the Convention on the Common Transit Procedure and the Simplification of Formalities in the Trade in Goods.

### *Legislative, Policy and Institutional Framework*

The main law in this chapter is the Customs and Excise Code of Kosova No. 03/L-109, largely in accordance with *acquis* and the EU customs framework, specifically with EU Regulation No. 952/2013 of the European Parliament and the Council of 9 December 2013 on the Union Customs Code. There are also 24 bylaws in force which complete the legal framework for the scope of the DK.

*Policies* in this chapter are partially determined by Kosova's international trade agreements and relations, such as the SAA and other multilateral and bilateral trade agreements and the strategic framework for the management of public finances. Kosova Customs operates based on the Operational Strategy, which defines the goals and objectives foreseen by the Government in this chapter, while at the end of 2019 the Strategic Plan 2020-2024 was also adopted. Kosova has been participating in the EU *Customs 2020* Programme, while it is in the process of signing the new *Customs 2021-2027* agreement.

The main *institution* in this chapter is the Kosova Customs (KC), which is an executive agency within the MIET and is responsible for the implementation of policies and decisions, while the MFLT is the institution responsible for the drafting of legislation and policies on behalf of the Government. In addition to the collection of customs revenues, KC is the key institution for collecting VAT from imports, excise taxes and protecting the society from fiscal evasion and smuggling of prohibited goods with a detrimental effect in

the form of economic crime. KC uses the latest version of the ASYCUDA World Customs System 4.3.2, which allows many modules to have some features that were missing in the previous version. The other institutions with which KC cooperates in this chapter are the following: MIET, MIA (mainly KP), and MAFRD (mainly FVA).

#### *Medium-term priority objectives*

- Alignment of legislation with *acquis*, including bylaws implementing the Customs and Excise Code;
- Modernization of Kosova Customs according to the standards of the EU Customs Guide;
- Implementation of the Economic Operators Authorization (AEO) Programme;
- Further strengthening of coordination between Kosova Customs, law enforcement agencies and other relevant institutions to combat the informal economy and customs fraud;
- Finalizing of the information exchange of border agencies through SEED+ at national level of CEFTA countries;
- Application for informal observer status in the EU Common Transit Convention.

### **3.30. Chapter 30: External Relations**

*Acquis* in this area mainly consists of acts directly applicable by the Member states, their transposition is not therefore required. These acts result from the EU's multilateral and bilateral trade commitments and from a number of autonomous trade measures. Some directives on export credits and dual-use goods require amendments in national legislation. Candidate countries are required to progressively align their policies towards third countries and to align their positions within international organisations (e.g. WTO, OECD) on policies and positions adopted by the EU and the Member States.

#### *State of Play*

*EC Kosova 2022 Report* estimates that Kosova is at an early stage of preparation in this chapter and made limited progress. The trade deficit increased during the reporting period. Kosova has yet to establish a humanitarian and development policy. Kosova is at an early stage of preparation as regards its application for WTO observer status and made some progress in implementation of Common Regional Market Action Plan (TPR/CRM). The EU recommends that in 2023 Kosova should focus on:

- Remove remaining unjustified trade restrictions; implement commitments under the Common Regional Market Action Plan 2021-2024; ratify and implement CEFTA Additional Protocol V on trade facilitation and Additional Protocol VI on trade in services as soon as possible; and finalise the negotiations on, and adopt, the Additional Protocol VII on dispute settlement; adopt the new Law on Internal Trade and the Law on External Trade;
- Approve the Regulation on the establishment of the Trade Facilitation Enquiry Point;
- Start the process to establish a development and humanitarian aid policy.

Further, in the conclusions of the *SC VI on Internal Market and Taxation*, the following aspects have been identified to be addressed:

- Draft bylaws related to electronic commerce and approve of the relevant CEFTA decision;
- Implement the TPR/CRM Action Plan, RM; ratifying and implementing CEFTA Additional Protocol V and Additional Protocol VI, and continuing negotiations for Additional Protocol VII; and the approval of CEFTA decisions related to the implementation of such protocols.

#### *International agreements and similar instruments*

In the context of economic relations and the overall framework of the EU integration perspective, Kosova currently benefits from preferential trade arrangements with the EU under the SAA, and has in force a number of bilateral agreements for economic cooperation with EU countries and other countries (available at Official Gazette). Kosova also implements the Agreement for the Elimination of Double Taxation on Income and Capital and the fight against tax evasion and avoidance with 18 countries: Belgium, Great Britain, Finland, Germany, Hungary, North Macedonia, Slovenia, Albania, Turkey, Austria, Switzerland, Luxembourg, United Arab Emirates, Croatia, Latvia, Lithuania, Malta and Saudi Arabia.



In 2018, Kosova signed a Joint Declaration on Cooperation with EFTA states aiming at a free trade agreement with four EFTA member states.

Within the region, Kosova is part of the Central European Free Trade Agreement (CEFTA), along with Albania, North Macedonia, Montenegro, Serbia, Bosnia and Herzegovina and Moldova. In the context of regional cooperation, Kosova will also continue to make its contribution within the Berlin Process, respectively within the implementation of the Common Regional Market Action Plan.

### **3.31. Chapter 31: Foreign, Security and Defence Policy**

The Common Foreign and Security Policy (CFSP) and the European Security and Defence Policy (ESDP) are based on legal acts, including legally binding international agreements, and on political documents. *Acquis* consists of political declarations, decisions and agreements. Member States must be able to conduct political dialogue in the framework CFSP, to align with EU statements, take part in EU actions and apply agreed sanctions and restrictive measures. Applicant countries are required to progressively align with EU statements, and to apply sanctions and restrictive measures when and where required.

#### ***State of Play***

According to the SAA (Articles 5, 11 and 13), Kosova will continue to align its foreign policy with certain measures stemming from the ESDP. Part of the SAA obligations is the normalization of relations with Serbia, respect for the principles of regional cooperation and effective cooperation with the EU mission for the duration of its mandate. By unilaterally implementing the sanctions and other restrictive measures imposed by the EU against Russia and Belarus due to the military attack against Ukraine, the Republic of Kosova has demonstrated its commitment to the alignment of its foreign policy with the EU CFSP.

#### ***Dialogue with Serbia***

The Republic of Kosova remains committed to the EU facilitated dialogue for the normalization of relations with Serbia, with the aim of reaching a comprehensive legally binding final and mutual recognition-centred agreement for the normalization of relations. Kosova pays serious attention to the Brussels dialogue, not only on improving the wellbeing of citizens and the bilateral relations between two states, but also because this dialogue is currently the most important contributor for peace and stability in the region. *EC Kosova 2022 Report* assesses that despite regular monthly meetings at the level of chief negotiators and a high-level meeting (in August 2022), no progress was made towards a final agreement. The parties have reached an agreement on the Roadmap for the implementation of the Energy Agreements in June 2022, and for the travel of citizens between the two countries only with identity cards, in August 2022.

*Legislative, Policy and Institutional Framework:* The main laws in this chapter, in accordance with the EU principles and objectives, are the following: Law on the Ministry of Defence, Law on the Kosova Security Force and Law on Service in the Kosova Security Force. Law on the Military Police in the KSF and the Law on Parliamentary Commissioner for the KSF (adopted in 2022), as well as the Law on Classification of Information and Security Clearances, Law on KIA, Law on Overseas Deployment of the KSF, Law on the on the Prevention of Money Laundering and Combating Terrorist Financing; and Law on Prohibition of Joining the Armed Conflicts Outside State Territory area also applicable. The *policy* documents in this chapter are the following: KSF Security Strategy, Defence Strategy and Comprehensive Transition Plan. The *institutions* in charge in this chapter are the following: Ministry of Foreign Affairs and Diaspora (including the Foreign Service), Office of the Prime Minister, Ministry of Defence and Ministry of Internal Affairs.

#### ***Medium-term priority objectives:***

- Adopt the Foreign Policy Strategy;
- Train civil servants in the area of foreign policy and security;
- Adoption of the Action Plan by MFAD for the most efficient development of the political dialogue between the Republic of Kosova and the EU;

- Intensify lobbying for membership in regional and global multilateral organizations, in particular in the EU, NATO, OSCE and UN.

### 3.32. Chapter 32: Financial Control

This chapter covers the Public Internal Financial Control (PIFC) and external auditing (EA) and protection of financial interests of EU and protection of Euro from counterfeiting. The EU does not have a lot of specific PIFC and EA legislation, but good practices. In this area, the candidate countries also adopt the international PIFC and EA standards established by the International Organization for Supreme Audit Institutions (INTOSAI) and EU good practices.

#### *State of Play*

*EC Kosova Report 2022* assesses that Kosova has some level of preparation in this chapter, and that progress was made in addressing last year's recommendation with some efforts undertaken mainly in closing the remaining gaps in the implementation of primary and implementing legislation on PIFC, improved implementation of the recommendations on EA, and providing a reform direction by integrating all key elements of the PIFC Strategy in the new Public Finance Management Strategy 2022-2026. High-level political support is needed for the appropriate functioning of internal controls at all levels of the administration and further improvement in implementation of internal and external audit recommendations. The EU recommends that in 2023 Kosova should focus on:

- Start with implementation of the new Public Finance Management Strategy 2022-2026 and related the PIFC elements, within the time frame determined in the related public finance management action plan;
- Improve managerial accountability by aligning special laws with the overarching Law on the Organisation and Functioning of the State Administration and Independent Agencies, and clarify the accountability lines within and between public institutions;
- Ensure systematic and timely implementation of external audit recommendations, especially with regard to performance audits that have been undertaken in recent years.

Further, the conclusions of *SCVI on Economic and Financial Affairs and Statistics* have identified several aspects to be addressed, including improving managerial accountability and the extent of implementation of recommendations, strengthening the performance capacities of internal audit units, quality assurance, continuing the expansion of audit committees (including at the level local) and conducting a detailed analysis to identify organizations dealing with high-risk PFM (which may need mandatory risk management as a function in the budget organization). In terms of EA, the amendment of the Law on the Auditor General and the National Audit Office is required, removing the obligation to conduct regularity audits every year in all budget organisations, and the beginning of the implementation of the risk-based audit approach. The report also underlines the need for budgetary organisations to continue monitoring and reporting on the implementation of EA recommendations and to provide the necessary resources for this, and encourages the increase in the number of performance audits by the NAO, with a focus on topics of public interest. In the area of protection of the EU financial interest, it is recommended to further align the criminal legislation on combating fraud and take steps to establish a coordination service against fraud.

#### *Legislative, Policy and Institutional Framework*

*Legislation:* Kosova has a comprehensive legislative framework applicable in the area of public internal financial control, including laws, instructions, regulations, international standards. This area is regulated by Law No. 06/L-021 Public Internal Financial Control and bylaws for its implementation. This law regulates the public internal financial control system, which includes financial management and control, internal audit, as well as their harmonization with international standards on internal control and internal audit. The applicable legislation public internal financial control contains the general principles and refers to the INTOSAI standards, the COSO Framework and the Standards of the Institute of Internal Auditors. The following laws are applicable in this chapter: Law on Public Financial Management and Accountability, Law on Local Government Finance, Law on Budget Appropriations of the State, Law on

Public Procurement, Law on Publicly-Owned Enterprises; Law on the Organization and Functioning of the State Administration and Independent Agencies, Law on the Auditor General and NAO, Law on Access to Public Documents. Regarding protection of the Euro from counterfeit, the CBK AI on Retaining Counterfeit Euro Banknotes and Coins from Circulation, an instruction applies to all financial institutions operating in Kosovo and licensed by the CBK. The CBK has also issued a document “Valuable Tips for Cash Operators” which sets out step-by-step actions on how to treat suspected money laundering.

The basic policy document is the Public Financial Management Reform Strategy 2022-2026 and the Action Plan for its implementation. NAO is developing the new Strategic Plan 2023-2026, drawing up annual operational plans and annual audit plans, as well as annual training and professional development plans for its implementation.

The *institutions* in charge in this chapter are the following: MFLT, which is responsible for internal control; and NAO, which is responsible for external audit. Budget organizations also have responsibilities in this area, through internal audit units, audit committees and management accountability structures.

***Medium-term priority objectives:***

*Public internal financial control:*

- Implement the Public Financial Management Strategy, part of the public internal financial control;
- Prepare and sending an official communication to PSEs for the establishment of Audit Committees where they are absent;
- Finalize the AI on certification of internal auditors in the public sector;

*External audit*

- Review the Law on the Auditor General and NAO, to establish the risk-based audit approach instead of periodic regularity audits;
- Further professional development to gradually increase performance audits, with a focus on topics of public interest;
- More systematic monitoring of the timely implementation of external audit recommendations;
- Continue drafting the Annual Audit Report on time, with better quality and effective recommendations, with an impact on improving the management of public funds;
- Further development of IT audits;
- Enhance quality of mandatory regularity audits and non-statutory performance audits through increased quality control for the planning, execution and reporting phases;
- Fulfil the constitutional and legal mission through audits in accordance with the INTOSAI Framework on Professional Audit Statements;
- Develop and strengthen institutional capacities to support auditing and corporate governance;
- Develop and maintain relationships with external parties, promoting auditing, increasing impact and integrating into global and regional organisations for international auditing standards.

### **3.33. Chapter 33: Financial and Budgetary Provisions**

This chapter covers rules regarding the EU own financial resources, which are mainly composed of contributions from the member states, based on their own traditional sources from the customs and agricultural and sugar taxes; sources based on VAT and sources based on the level of national gross income. The member states need to have appropriate administrative capacities to adequately coordinate and ensure correct calculations, summing, payment and control of their resources. The *acquis* in this area is directly applicable and does not require transposing into national legislation.

*Legislative and institutional framework*

*Legislation:* The main acts in this chapter are the following: Law No. 03/L-048 on Public Financial Management and Accountability, Law on Budget Appropriations for 2022, Law No. 05/L -037 on VAT and AI MoF-No. 03/2015 implementing the Customs and Excise Code and UA MoF-No. 05/2014 amending and supplementing AI No. 11/2009 implementing the Customs and Excise Code, amended and supplemented by AI No. 05/2010 and AI No. 06/2013. VAT is charged with the standard norm of eighteen

per cent (18%), while the deducted VAT norm is calculated and paid by 8% for some basic goods and services, including their import. The collection and control procedures for customs obligations and import taxes are conducted by Kosova Customs. The Customs and Excise Code is partially in accordance with the EU Customs Code, namely with Council Regulation (EEC) 2913/92 on the Establishment of the Community Customs Code.

The leading institution this chapter is the Ministry of Finance, Labour and Transfers and KC and TAK as contributing structures.

***Medium-term priority objectives:***

- Prepare the Medium-Term Expenditure Framework as a basis for the development of annual budget projections;
- Consolidate the legal framework on public financial management.

**3.34. Chapter 34: Institutions**

This *acquis* chapter is not covered by this Programme at this phase of EU accession.

**3.35. Chapter 35: Other Issues**

This *acquis* chapter is not covered by this Programme at this phase of EU accession.

*Annex: Current Supporting Projects Relevant to Implementation of NPEI 2023-2027<sup>11</sup>*

Project title	Scope	Main beneficiary institutions	Funding source and budget	Duration
<b>0. Horizontal projects</b>				
<i>Governance Programme – component for European integration (reform processes for EU integration)</i>	SAA implementation	OPM/LI	Government of Germany   €5,000,000	2021- 2023
<b>I. BLOC I: POLITICAL CRITERIA</b>				
<b>1.1. DEMOCRACY AND RULE OF LAW</b>				
<b>1.1.2. Public administration</b>				
<i>Project for Decentralization and Support to Municipalities</i>	Local self-government	MLGA	EU, Kosova Government, Government of Sweden, Government of Switzerland and Government of Norway   €25,950,000	2023- 2025
<b>III. BLOC III: EUROPEAN STANDARDS – ALIGNMENT OF KOSOVA’S LEGISLATION WITH THE EU ACQUIS</b>				
<b>2.1. Existence of a functional market economy</b>				
<i>Development Policy Funding for Public Finance and Sustainable Growth (DPL)</i>	Public financial management	MFLT	WB / International Development Association   €50,600,000	2022-2023
<i>Public Finance and Economic Growth Program</i>	Public financial management	MFLT	OPEC Fund for International Development   €40,000,000()	2022-2023
<i>Technical assistance to support the implementation of Public Financial Management Reforms in Kosova</i>	Public financial management	MFLT, PPRC, PRB	EU   €3,300,352 (loans)	2020- 2023
<b>3.8. Chapter 8 of the acquis: Competition policy</b>				
<i>EU support for the Kosova Competition Authority and the State Aid Commission</i>	Competition, state aid	MFLT / DSA, KCA	EU   €2,998,000	2019-2023
<b>3.10. Chapter 10 of the acquis: Information society and media</b>				
<i>Kosova Digital Economy (KODE)</i>	Information Society	ME	WB / International Development Association   €20,700,000	2023
<i>Increasing the competitiveness of the ICT sector</i>	Information Society	MoE	EU   €3,000,000	2024
<i>Supporting the digitalisation of businesses through ICT</i>	Information Society	ME	EU   €4,000,000	2024
<i>Development of ICT Infrastructure in Education</i>	Information Society	MoE	EU   €800.000	2023
<i>Kosova CED Operational Grant</i>	Media	MCYS	EU and Kosova Government   €205,280	2022-2024
<b>3.11. Chapter 11 of the acquis: Agriculture and rural development</b>				
<i>Support for strengthening sustainable and multipurpose forest management to improve livelihoods in rural areas and address climate change in Kosova</i>	Forestry	MAFRD	Government of Sweden and EU   €3,900,000	2023
<i>Capacity Building for Kosova in relation to the EU Common Market Organisation and Agricultural Statistics</i>	Agriculture	MAFRD	EU   €1,500,000	2023
<i>Support for strengthening the production and plant protection system and capacities in Kosova</i>	Forestry	MAFRD	EU   €1,200,000	2023
<i>“EU4Resilience’ - Kosova (IPA 2019 Economic Emergency Package to fight Covid-19): Measure 11 - Increasing the budget for grants and subsidies for the Ministry of Agriculture, Forestry and Rural Development for increasing agricultural production</i>	Agriculture	MAFRD	EU   €5,000,000	2023
<i>Support for strengthening sustainable and multipurpose forest management to improve rural livelihoods and address climate change in Kosova</i>	Forestry	MAFRD	EU   €1,500,000	2023
<i>Support for Improvement and Rehabilitation of Irrigation Systems</i>	Agriculture	MAFRD	EU   €10,000,000	2025
<i>Technical assistance to develop institutional and operational capacities related to vineyards and wineries</i>	Agriculture	MAFRD	EU   €800,000	2025
<i>Support for improving the implementation arrangements and performance of Kosova’s agri-rural policy</i>	Agriculture	MAFRD	EU   €7,000,000	2025
<i>Support for achieving a sustainable phytosanitary sector gradually aligned with EU organisational, institutional and regulatory standards</i>	Agriculture	MAFRD	EU   €2,200,000	2025

<sup>11</sup> This list of current relevant projects funded by the EU and other development partners has been drawn up based on the contributions of line institutions, and may not include all current projects relevant to the public policy areas within this programme.

<i>Sustainable use of natural resources for the environment and economic development</i>	Forestry	MAFRD	Government of Sweden   €3,359,995	2025
<i>Sustainable and Inclusive Rural Economic Development - SIREN Kosova</i>	Agriculture	MAFRD	Government of Austria   €4,293,511	2023
<b>3.12. Chapter 12 of the acquis: Food safety, veterinary and phytosanitary policy</b>				
<i>Support for establishing disease surveillance and control programmes and alignment with chapter 12 of the acquis</i>	Food safety	FVA	EU   €1,600,000	2023
<i>Designing and overseeing the construction of the regional offices of the Kosova Food and Veterinary Agency</i>	Food safety	FVA	EU   €206,900	2023
<i>Construction works for five regional offices of the Kosova Food and Veterinary Agency</i>	Food safety	FVA	EU   €2,526,056.37	2023
<i>Support for the Kosova Food and Veterinary Agency</i>	Food safety	FVA	EU   €1,500,000	2023
<b>3.14. Chapter 14 of the acquis: Transport policy</b>				
<i>General Rehabilitation of the 10<sup>th</sup> Railway Line (Border with Serbia - Leshak - Fushë Kosovë - Hani i Elezit with North Macedonia</i>	Transport	Kosova Railways / Infrakos J.S.C.	WBIF, EBRD and EIB   €134 086 076.72	2024
<i>Ratification of the loan agreement for emergency liquidity of vital infrastructure between Kosova and EBRD</i>	Publicly-Owned Enterprises	MoE	EU   €30,000,000	2023
<b>3.15. Chapter 15 of the acquis: Energy</b>				
<i>Development of the energy sector VII – Improvement of the transmission network</i>	Energy	KOSTT	KfW   €25,000,000	2027
<i>Solar Central Heating</i>	Energy	Termokos J.S.C.	KfW, EBRD and WBIF   €80,500,000	2030
<i>Consultancy Services to Support the Expansion of Central Heating in Prishtina</i>	Energy	Termokos J.S.C.	EU   €1,500,000	2023
<i>Efficiency in Public Buildings in Prishtina and Prizren</i>	Energy	Municipality of Prishtina, Municipality of Prizren	EBRD   €10,700,000	2026
<i>Rehabilitation and expansion of the central heating network in the city of Prishtina</i>	Energy	Termokos J.S.C.	KfW and POE Termokos J.S.C.   €20,600,000	2024
<i>The project for the installation of individual energy meters - MCC “Prishtina Heat Save”</i>	Energy	Termokos J.S.C.	Government of the USA, Municipality of Prishtina and POE Termokos J.S.C.   €9,900,000	2026
<i>Project for doubling the thermal energy generation capacity from 140MW to 280MW</i>	Energy	Termokos J.S.C.	EU, Municipality of Prishtina, POE Termokos J.S.C.   €50,000,000	2028
<i>Feasibility study and EIA for Central Heating Systems in Kosova</i>	Energy	MoE	WBIF and EBRD   €2,350,000	2023
<i>Government-to-government sector cooperation with DEA Partner: Danish Energy Agency</i>	Energy	ME	Government of Denmark   €2,500,000	2027
<i>German Economic Team Kosova</i>	Energy	MoE	Government of Germany   €112,348	2024
<i>Feasibility study for the North Macedonia-Kosova gas pipeline</i>	Energy	MoE	WBIF   €650,000	Ongoing
<i>Master plan for the distribution of natural gas in the Republic of Kosova</i>	Energy	MoE	WBIF   €1,500,000	Ongoing
<i>Compact Programme</i>	Energy	ME	Government of the USA   \$236,000,000	2029
<i>Support for the Energy Efficiency Fund</i>	Energy	MoE, KAEE, KFEE	EU   €16,360,000	2023
<i>Implementation of energy efficiency measures in public institutions</i>	Energy	MoE, KAEE, KFEE	WB   \$31,000,000	2023
<i>Improving the environment at the Kosova B Thermal Power Plant (installation of electro-filters and deNox reduction equipment)</i>	Energy	KEK	EU   €37,000,000	Ongoing
<i>Solar4 Kosova – Photovoltaic Plant in KEK</i>	Energy	KEK	WBIF   €100,000,000	Ongoing
<b>3.19. Chapter 19 of the acquis: Social policies and employment</b>				
<i>EYE - Increasing Youth Employment (Phase 3)</i>	Employment, vocational education and training	MESTI, EARK	Government of Switzerland and Government of Kosova   €4,776,980	2021- 2024
<i>ALLED2- Harmonization of education and training with the needs of the labour market</i>	Employment, education	MESTI, MFLT, EARK KCA, KAA	EU and the Government of Austria   €4,5000,000	2019-2023
<i>Job training</i>	Employment, vocational education and training	MESTI, MFLT, EARK	Government of Germany   €7,2000, 000	2021- 2024
<i>Migration and Diaspora</i>	Employment	MFLT, EARK, MIA, MFAD	Government of Germany   €2,5000, 000	2019-2023

<i>Migration and Development</i>	Employment	MFLT, EARK	Government of Germany   €3,080,000	2020-2023
<i>Employment Growth Project</i>	Employment	MFLT, EARK	Government of Switzerland   €2,000,000	2021-2024
<i>Kosova Challenges Fund Project – Vocational Education and Training</i>	Employment, vocational education and training	MESTI	KfW   €7,000,000	2020-2025
<i>Workforce development activity through the private sector</i>	Employment, vocational education and training	MESTI, MIET, MoE, MAFRD	Government of the USA   €10.000	2022-2027
<i>European Union Support to Vocational Education and Training, Professional Re-qualification and Occupation (ESVET PRO)</i>	Employment, vocational education and training	MESTI	EU   €2,000,000	2020-2023
<b>3.20. Chapter 20 of the acquis: Enterprise and industry policies</b>				
<i>Kosova's response to the Covid-19 Pandemic for SMEs</i>	SMEs	KCGF	Government of Switzerland   CHF5,500,000	2021- 2023
<i>Promoting Private Sector Employment (PPSE)</i>	Tourism	MIET	EU   €40,000,000 (loan)	2021- 2025
<i>Innovation and entrepreneurship fund C.V. –ENIF</i>	SMEs	MIET	EU, EIF, EBRD and KfW   €40,000,000	2017- 2025
<i>Promoting the common regional market through quality infrastructure and e-commerce</i>	Trade	MIET, MED, KMA	Government of Germany	2022-2025
<b>3.23. Chapter 23 of the acquis: Judiciary and fundamental rights</b>				
<i>Case Management Information System (CMIS)</i>	Justice system	KJC, KPC	Government of Norway	2013-2025
<i>EUKOJUST</i>	Justice system	KJC, KPC, MoJ, AoJ	EU   €7,000,000	2020- 2024
<i>Bureau of International Narcotics and Law Enforcement Affairs (INL)-US Embassy</i>	Justice system	KJC	INL	2022 ongoing
<i>National Centralised Criminal Record System - NCCR</i>	Justice system	KJC	EU	2017-2022
<i>Justice activity</i>	Justice system	KJC	USAID	2020-2025
<i>Commercial justice</i>	Justice system	KJC	USAID	2019 – 2024
<i>KOSEJ II</i>	Justice system	KJC, KPC, AoJ	BE   €1,000,000	2019-2022
<i>Western Balkans Rule of Law Initiative</i>	Justice system	KJC		?
<i>Return and Reintegration in Kosova, the fifth phase</i>	Community rights	MCR	EU   €8,000,000	2023
<i>EU Community Stabilisation Program, the fourth phase</i>	Community rights	MCR	EU   €4,960,000	2023
<i>Support to close the collective centres in Kosova</i>	Community rights	MCR	EU   €2,999,475	2023
<i>Revitalization of Marin Barleti Street and Lumbardhi cinema in Prizren</i>	Cultural heritage	MCYS	EU and Kosova Government   €3,400,000	Ongoing
<i>Cultural Heritage as a Driver for Intercommunity Dialogue and Social Cohesion</i>	Cultural heritage	MCYS	EU and Kosova Government   €2,369,654	Ongoing
<i>Cultural heritage as driver for Economic Revival of Janjevë/Janjevo</i>	Cultural heritage	MCYS	EU and Kosova Government   €3,400,000	Ongoing
<i>Inclusive development programme / Integrated Activities through new government co-financing with Ministry of Culture, Youth and Sports</i>	Cultural heritage	MCYS	UNHABITAT and Kosova Government:   €638.762	Ongoing
<i>Restoration of Great Hammam in Prishtina</i>	Cultural heritage	MCYS		Ongoing
<i>Restoration of Mehmed Pasha Mosque (Bajrakli) in Prizren</i>	Cultural heritage	MCYS		Ongoing
<i>Restoration of Çarshia Mosque (Sulltan Murati) in Prishtina</i>	Cultural heritage	MCYS		Ongoing
<i>Restoration of Mejtepe Ruzhdije in Gjakova</i>	Cultural heritage	MCYS		Ongoing
<i>Restoration of Mejtepe Ruzhdije in Prizren</i>	Cultural heritage	MCYS		Ongoing
<i>Community Stabilization Programme</i>	Social policies	SFPD, CSW	EU   €1,959,906.54	2021-2023
<i>Strengthening the provision of social services to the most vulnerable groups in Kosova, in response to COVID-19</i>	Social policies	SFPD, CSW	EU   €3,210,687	2020- 2023
<i>Kosova Emergency Project for COVID-19</i>	Social policies	MoH, MFLT, SFPD, CSW	World Bank   €29,140,000	2020-2023

<i>Strengthening the fight against violence against women and domestic violence - phase III</i>	Fundamental rights	SFPD, CSW, Shelters for victims of domestic violence	Government of Ireland, Government of Norway and Council of Europe   €400,000	2021- 2023
<i>Promoting decent work through strengthening Occupational Safety and Health (OSH) management and social dialogue</i>	Employment	MFLT, universities	Government of Sweden   €4,073,472	2020-2023
<b>3.24. Chapter 24 of the acquis: Justice, freedom and security</b>				
<i>Countering violent extremism and foreign fighters in prisons</i>	Justice system	KJC, Basic Court in Prishtina, AoJ, KIPA, OPM/ AGE	OPDAT, ICITAP	?
<i>Fighting serious crimes in the Western Balkans</i>	Internal affairs	MoJ, KP, KPC, KJC, MoJ	EU, Government of Germany and Government of Italy   €17,915,000	2023
<i>Support to internal affairs</i>	Internal affairs	MIA	EU   €6,500,000	2026
<i>Global Automated Targeting System</i>	Internal affairs	MIA	Government of the USA   \$8,000,000	
<i>Project against Economic Crime in Kosova (PECK III)</i>	Internal affairs, anticorruption policy	FIU, MIA, AMSCA OB, CBK, MFLP, KC, KIPA, KJC, PIK, MoJ, MLGA	EU   €2,460,000	2020-2023
<b>3.25. Chapter 25 of the acquis: Science and research</b>				
<i>Innovation and Training Park in Prizren (ITP)</i>	Entrepreneurship, innovation	Innovation and Training Park - Prizren	Government of Germany and Kosova Government   €13,000,000	2022-2023
<i>Growth of Research Culture in Higher Education in Kosova - ResearchCult</i>	Education	MESTI	EU/Erasmus+ and Kosova Government   €1,150,130	2019- 2023
<b>3.26. Chapter 26 of the acquis Education and culture</b>				
<i>Support for Education in Kosova (IPA II 2018)</i>	Education	MESTI, Municipalities	EU   €3,000,000	2021-2025
<i>Support for Education in Kosova - IPA II-2016 /039 745/ 05 / Kosova</i>	Education	MESTI, Municipalities, preschool institutions	EU and Kosova Government   €7,000,000	2018- 2024
<i>Increasing the availability of data on children's disability in the school context - study</i>	Education	MESTI, Municipalities, Schools	UNICEF   €70,000	2022-2023
<i>The cost of current preschool modalities in Kosova including public, community-based kindergartens and public-private partnerships</i>	Education	MESTI	WB   €70,000	2022-2023
<i>KSV /020 Support for the Vocational Education and Training Reform in Kosova - Phase 2</i>	Education	MESTI	Government of Luxembourg   €8,500,000	2018- 2023
<i>Expanding community-based integrated Early Childhood Care and Development services in Kosova</i>	Education	MESTI	Save the Children Italy   €418,000	2022- 2024
<i>Improving inclusive education and employment for children and young people with disabilities</i>	Education	MESTI, Municipalities	Save the Children Italy   €650,000	2021- 2023
<i>Building Capacity for Inclusion in Education – INCLUDE</i>	Education	MESTI	EU and Council of Europe €2,223,000	2020- 2023
<i>ALLED2 – S.H.T.S. “11 Marsi” Prizren and AVETAE</i>	Vocational education and training	MESTI, MFLT, public universities, KAA, KCA	EU   €50.000	2019 ongoing
<i>Developing and implementing the PhD curricula in ICT for the Kosova Education System</i>	Education	MESTI, UP	EU/Erasmus+   €909,347	2019- 2023
<i>Strengthening university autonomy and increasing accountability and transparency of Western Balkan Universities</i>	Education	MESTI	EU/Erasmus+   €999,371	2021-2024
<i>Agreement with ADA Austria</i>	Education	MESTI, universities	Government of Germany and Kosova Government   €2,000,000	2020-2023
<b>3.27. Chapter 27 of the acquis: Environment</b>				
<i>Developing the waste water treatment plant in Mitrovica</i>	Environment	Municipality of Mitrovica	EBRD, EIB   €48,800,000	2022-2025
<i>Integrated Water Resources Management in Kosova - Phase 1</i>	Water	MESPI	Government of Switzerland   CHF6,000,000	2027



<i>Developing the Waste Water Treatment System in Prishtina</i>	Waters	Municipality of Prishtina	KfW and EU   €48,800,000	2035
<i>Solid Waste Management Program II-IV</i>	Waste collection	Kosova Landfill Management Company	KfW and EU   €20,000,000	2035
<i>Wastewater Plant Developing in Gjilan</i>	Waters	Municipality of Gjilan	EBRD, EIB and WBIF   €23,500,000	2027
<i>Program - Promoting and increasing opportunities for water safety</i>	Waters	MESPI, MoE	WB/International Development Association   €25,100,000	2025
<i>Construction of wastewater treatment plants in Kosova B</i>	Environment	KEK	EU   €8,000,000	Ongoing
<i>EU support for clean air (Design for reducing sulfur dioxide)</i>	Environment	KEK	EU   €2,000,000	Ongoing
<i>Kosova A TPP decommissioning</i>	Environment	KEK	WBIF   €50,000,000	Ongoing
<i>Sewage system and rainwater in Prishtina</i>	Waters	RWC Prishtina	EU   €20,000,000	Ongoing
<i>Construction the Waste Water Treatment Plant in Gjakova</i>	Waters	RWC Gjakova	KfW, Government of Switzerland, Government of Kosova, Municipality of Gjakova   €16,800,000	Ongoing
<i>Wastewater discharge in the South-West of Kosova - Phase V</i>	Waters	Municipalities of Peja, Gjakova and Prizren	KfW   €27,000,000	2023
<i>Improvement of the water supply and sewerage system as well as the protection of water resources of RWC Gjakova</i>	Waters	RWC Gjakova	WBIF   €904,500	Ongoing
<i>Project for waste water treatment in Prishtina</i>	Waters	RWC Prishtina	Government of France   €66,000,000 (loan)	Ongoing
<i>Waste Water Treatment Plant in Gjilan</i>	Waters	RWS Hidro-Morava JSC	EBRD and EIB   €23,558,965	2025
<i>Water safety and canal protection</i>	Waters	NH Ibër - Lepenc	WB   €22,000,000	2023
<b>3.28. Chapter 28 of the acquis: Consumer and health protection</b>				
<i>Health Support Program in Kosova (Phase II)</i>	Health	MoH	€17,350,000	2015-2025
<i>AQH Project</i>	Health	MoH	Government of Switzerland   CHF€8,500,000	2016-2023
<i>COVID-19 Emergency Project for Kosova + Additional Funding</i>	Health	MoH, MFLT	WB/International Development Association   €61,000,000 (loan)	2020- 2023
<i>EU4Health – Contribution to availability and access to vaccines against COVID-19 in Kosova</i>	Health	MoH	EU   €7,000,000	2020- 2023

## MATRIX OF SHORT-TERM MEASURES

LEGISLATIVE MEASURES										
No.	SAA provisions	National acts to be aligned	Acquis acts to be transposed	Responsible institution	Supporting institutions	Time-frame	Level of alignment	Budget		
								BRK	Donors	Total
<b>1. BLOC I: POLITICAL CRITERIA</b>										
<b>1.1. Democracy and Rule of Law</b>										
<b>1.1.1. Constitution, Parliament and Election System</b>										
1.1.1.	<u>Framework legislation</u>									
1.1.1.	This section does not contain any measures.									
1.1.1.	<u>Bylaws and other regulatory acts</u>									
1.1.1.1	Article 120	New legislation on elections, adopted		Assembly	CEC OPM	Q4 2023		0	0	0
<b>1.1.2. Public Administration</b>										
1.1.2.	<u>Framework legislation</u>									
1.1.2.1	Article 120	Draft-law amending laws containing special administrative procedures and their alignment with the Law on General Administrative Procedure, second phase, approved		MIA		Q3 2023		5,000	0	5,000
1.1.2.2	Article 120	Draft-law amending the Law on Organization and Functioning of the State Administration and Independent Agencies, approved		MIA		Q3 2023		5,000	0	5,000
1.1.2.3	Article 120	Draft-law on the third wave of rationalization of agencies, approved		MIA		Q4 2023		5,000	0	5,000
1.1.2.4	Article 120	Draft-law amending the Law on Allocation for Use and Exchange of Municipal Immovable Property		MLGA		Q4 2023		10,440	3,500	13,940
1.1.2.5	Article 120	Draft-law amending the Law on Inter-municipal Cooperation, approved		MLGA		Q4 2023		10,440	3,500	13,940
1.1.2.	<u>Bylaws and other regulatory acts</u>									
1.1.2.6	Article 120	AI on open local administration, adopted		MLGA		Q4 2023		10,440	3,500	13,940
<b>1.1.3. Ombudsperson</b>										
1.1.3.	<u>Framework legislation</u>									
1.1.3.	This section does not contain any measures.									
1.1.3.	<u>Bylaws and other regulatory acts</u>									
1.1.3.	This section does not contain any measures.									
<b>1.1.4. Civilian Oversight of Security Forces</b>										
1.1.4.	<u>Framework legislation</u>									
1.1.4.	This section does not contain any measures.									
1.1.4.	<u>Bylaws and other regulatory acts</u>									
1.1.4.	This section does not contain any measures.									
<b>1.2. Regional Cooperation and International Obligations</b>										
1.2.	<u>Framework legislation</u>									
1.2.	This section does not contain any measures.									

1.2.	<u>Bylaws and other regulatory acts</u>									
1.2.	This section does not contain any measures.									
2. BLOC II: ECONOMIC CRITERIA										
2.1. Existence of a Functional Market Economy										
2.1.	<u>Framework legislation</u>									
2.1.	This section does not contain any measures.									
2.1.	<u>Bylaws and other regulatory acts</u>									
2.1.	This section does not contain any measures.									
2.2. Capacity to Cope with Competitive Pressure and Market Forces within the Union										
2.2.	<u>Framework legislation</u>									
2.2.	This section does not contain any measures.									
2.2.	<u>Bylaws and other regulatory acts</u>									
2.2.	This section does not contain any measures.									
3. BLOC III: EUROPEAN STANDARDS – APPROXIMATION OF KOSOVA’S LEGISLATION WITH THE EU ACQUIS										
3.0. Legal Framework on Approximation of Kosova’s Legislation with the EU Acquis										
3.0.	<u>Framework legislation</u>									
3.0.	This section does not contain any measures.									
3.0.	<u>Bylaws and other regulatory acts</u>									
3.0.	This section does not contain any measures.									
3.1. Chapter 1: Free Movement of Goods										
3.1.	<u>Framework legislation</u>									
3.1.	This section does not contain any measures.									
3.1.	<u>Bylaws and other regulatory acts</u>									
3.1.1	Articles 20, 80, 74 – point 3	Regulation amending the Regulation (MIET) No. 01/2018 on Labelling and Marking of Textile Products, adopted	Commission delegated Regulation (EU) 2018/122 of 20 October 2017 amending Annexes I, II, VI, VIII and IX of Regulation No. 1007/2011 of the European Parliament and of the Council on the names of textile fibres and corresponding labelling and marking of the fibre composition of textile products	MIET		Q3 2023	F	1,500	0	1,500
3.1.2	Articles 20, 80, 74 – point 3	Decision on publication of the list of titles and references of harmonized standards for electrical equipment intended for use within certain voltage limits, adopted	Summary of references of harmonized standards published in the Official Gazette – Directive 2014/35/EU of the European Parliament and of the Council of 26 February 2014 on harmonization of laws of Member States relating to making designed electrical equipment for use within certain voltage limits available on the market (10.05.2022)	MIET		Q3 2023	F	1,500	0	1,500
3.1.3	Articles 20, 80, 74 – point 3	Decision on publication of the list of titles and references of harmonized standards on electromagnetic compatibility, adopted	Summary of references of harmonized standards published in the Official Gazette - Directive 2014/30/EU of the European Parliament and of the Council of 26 February 2014 on alignment of laws of Member States regarding	MIET		Q3 2023	F	1,500	0	1,500

			electromagnetic compatibility (19.09.2022)							
3.2. Chapter 2: Freedom of Movement for Workers										
3.2.	Framework legislation									
3.2.	This section does not contain any measures.									
3.2.	Bylaws and other regulatory acts									
3.2.	This section does not contain any measures.									
3.3. Chapter 3: Right of Establishment and Freedom to Provide Services										
3.3.	Framework legislation									
3.3.	This section does not contain any measures.									
3.3.	Bylaws and other regulatory acts									
3.3.1	Articles 51, 56, 57, 58, 59, 74	AI amending the AI on Standards and Procedures for Verification of Standards of Profession, approved	Directive 2005/36/EC of the European Parliament and of the European Council of 7 September 2005 on recognition of professional qualifications Directive 2013/55/EU of the European Parliament and of the European Council of 20 November 2013 (amending the Directive 2005/36/EC on recognition of professional qualifications and Regulation (EU) No. 1024/2012 on administrative cooperation through the Internal Market Information System (IMI Regulation) for the recognition of professional qualifications)	MESTI		Q4 2023	P	52,500	0	52,500
3.3.2	Articles 51, 56, 57, 58, 59, 74	Regulation on cross-border delivery services of remittances, adopted	Regulation (EU) 2018/644	RAEPC	MoE	Q3 2023	F	0	0	0
3.4. Chapter 4: Free of Movement of Capital										
3.4.	Framework legislation									
3.4.1	Article 89	Draft-law on the register of beneficial owners, approved	Directive 2015/849/EU of the European Parliament and of the Council, of 20 May 2015 on prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending the Regulation (EU) No. 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC	MIET	MFLT/FIU	Q4 2023		5,000	0	5,000
3.4.2	Article 64	Draft-law on payment services, approved	Directive PSD 2	MFLT	CBK	Q4 2023		3,400	7,000	10,400
3.4.	Bylaws and other regulatory acts									
3.4.	This section does not contain any measures.									

3.5. Chapter 5: Public Procurement										
3.5.	Framework legislation									
3.5.1	Article 79	Draft-law amending the Law on Public Procurement	Directive 2014/24/EU on procurement in the classic sector Directive 2014/25/EU on services/utilities Directive 2009/81/EC Council Directive 89/665/EEC Council Directive 92/13/EEC	MFLT	PPRC PRB MFLT/CPA	Q1 2023	P	2,685	0	2,685
3.5.	Bylaws and other regulatory acts									
3.5.	This section does not contain any measures.									
3.6. Chapter 6: Company Law										
3.6.	Framework legislation									
3.6.1	Article 51	Draft-law on business organisations, approved	Directive (EU) 2017/1132 Directive (EU) 2017/828 Directive 2019/1151 Directive 2019/2121 Directive 2004/109/EC Directive 2013/50/EU	MIET	MFLT/TAK MFLT/KC	Q4 2023		6,000	0	6,000
3.6.	Bylaws and other regulatory acts									
3.6.	This section does not contain any measures.									
3.7. Chapter 7: Intellectual Property Law										
3.7.	Framework legislation									
3.7.	This section does not contain any measures.									
3.7.	Bylaws and other regulatory acts									
3.7.1	Articles 77-78	AI on procedures, conditions for licensing of collective management organisations, approved		MCYS		Q4 2023		500	0	500
3.8. Chapter 8: Competition Policy										
3.8.	Framework legislation									
3.8.	Competition									
3.8.	This section does not contain any measures.									
3.8.	State aid									
3.8.	This section does not contain any measures.									
3.8.	Bylaws and other regulatory acts									
3.8.	State aid									
3.8.	This section does not contain any measures.									
3.8.	Bylaws and other regulatory acts									
3.8.	Competition									
3.8.	This section does not contain any measures.									
3.8.	State aid									
3.8.	This section does not contain any measures.									
3.9. Chapter 9: Financial Services										
3.9.	Framework legislation									
	This section does not contain any measures.									
3.9	Bylaws and other regulatory acts									
	This section does not contain any measures.									
3.10. Chapter 10: Information Society and Media										
3.10.	Framework legislation									
3.10.	This section does not contain any measures.									

3.10.	<u>Bylaws and other regulatory acts</u>									
3.10.1	Articles 109-111	Regulation amending the Regulation on General Authorizations, adopted	Directive (EU) 2018/1972 of the European Parliament and Council of 11 December 2018 on establishment of the European Code of Electronic Communications	RAEPC		Q2 2023	P	3,308	0	3,308
3.10.2	Articles 109-111	Regulation amending the Regulation on the Quality of Electronic Communications Services, adopted	Directive (EU) 2018/1972 of the European Parliament and Council of 11 December 2018 on establishment of the European Code of Electronic Communications	RAEPC		Q2 2023	P	3,308	0	3,308
3.10.3	Articles 109-111	Regulation amending the Regulation on Statistical Data on Electronic Communications Services, adopted	Directive (EU) 2018/1972 of the European Parliament and Council of 11 December 2018 on establishment of the European Code of Electronic Communications	RAEPC		Q3 2023	P	3,308	0	3,308
3.10.4	Articles 109-111	Regulation amending the Regulation on Contracts, Transparency and Publication of Information and Other Protective Measures for End Users for the Provision of Public Electronic Communications Networks and Services, adopted	Directive (EU) 2018/1972 of the European Parliament and Council of 11 December 2018 on establishment of the European Code of Electronic Communications	RAEPC		Q4 2023	P	3,308	0	3,308
3.10.5	Articles 109-111	Regulation on ownership and concentration of audio and audio-visual media services, adopted	Audio-visual Media Services Directive – AVMSD	IMC	RAEPC	Q4 2023	P	1,815	0	1,815
3.10.6	Articles 109-111	Regulation amending the Regulation on Commercial Audio-visual Communications, adopted	Audio-visual Media Services Directive – AVMSD	IMC		Q4 2023	P	10,500	0	10,500
3.10.7	Articles 109-111	Regulation amending the Regulation on Protection of Children and Minors in Audio and Audio-visual Media Services, adopted	Audio-visual Media Services Directive – AVMSD	IMC		Q2 2023	P	6,000	0	6,000
<b>3.11. Chapter 11: Agriculture and Rural Development</b>										
3.11.	<u>Framework legislation</u>									
3.11.1	Article 102	Draft-law on organization of the common market of agricultural products, approved	Regulation (EU) No. 1308/2013 of the European Parliament and of the Council on the organization of the common market, amended by the Regulation (EU) 2021/20117 of the European Parliament and of the Council of 2 December 2021 Commission Delegated Regulation (EU) 2017/891 of 13 March 2017 amending the Regulations (EU) No. 1308/2013, 1306/2013, 543/2011, amended by the Commission Delegated Regulation (EU) 2021/2245 dated 12 October	MAFRD	MIET FVA MFLT/KC MFLT OPM	Q1 2023	P	8,100	0	8,100

		<p>Commission Implementing Regulation (EU) 2017/892 of 13 March 2017 setting the rules for implementation of the Regulation (EU) No. 1308/2013 of the European Parliament and of the Council regarding the fruit and vegetable sectors by the Commission</p> <p>Implementing Regulation (EU) 2018/1146 of 7 June 2018</p> <p>Commission Implementing Regulation (EU) No. 543/2011 of June 2011 setting detailed rules for implementation of the Council Regulation (EC) No. 1234/2007 regarding the sectors of trees and vegetables and trees and vegetables processed by the Commission</p> <p>Implementing Regulation (EU) 2021/1926 of dated 5 November 2021</p> <p>Commission Implementing Regulation (EU) 2017/39 of 3 November 2016 on rules for implementation of the Regulation (EU) No. 1308/2013 of the European Parliament and of the Council regarding Union aid on the supply of fruit and vegetables, bananas and milk in educational institutions as amended by Commission</p> <p>Implementing Regulation (EU) 2022/246 of 13 December 2021</p> <p>Commission Delegated Regulation (EU) 2017/40 of 3 November 2016 amending the Regulation (EU) No. 1308/2013 of the European Parliament and of the Council regarding Union aid for the supply of fruit and vegetables, bananas and milk in educational institutions and the amendment of Regulation (EU) No. 907/2014 as amended by the Commission Delegated Regulation (EU) 2022/245 of 13 December 2021</p> <p>Regulation (EU) 2021/2117 of the European Parliament and of the Council of 2 December 2021, amended by the Regulation (EU) No. 1308/2013, (EU) No. 1151/2012, (EU) No. 251/2014 and (EU) No. 228/2013</p>							
--	--	--	--	--	--	--	--	--	--

			Regulation (EU) No. 1151/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuff, as amended by Regulation (EU) 2021/2117 of the European Parliament and of the Council of 2 December 2021.							
3.11.2	Article 102	Draft-law on agricultural land, approved	European Spatial Planning Charter, adopted at the 6th Conference of European Ministers responsible for Regional Planning held in Torremolinos in May 1983 and endorsed by the Council of Europe and the European Perspective for Spatial Planning (1999)	MAFRD	MESPI	Q4 2023	P	8,100	0	8,100
3.11.	<u>Bylaws and other regulatory acts</u>									
3.11.	This section does not contain any measures.									
3.12. Chapter 12: Food Safety, Veterinary and Phytosanitary Policy										
3.12.	<u>Framework legislation</u>									
3.12.1	Article 102	Draft-law on veterinary, approved	Regulation (EU) No. 2016/429 on transmissible animal diseases	MAFRD	FVA	Q4 2023	P	8,100	0	8,100
3.12.	<u>Bylaws and other regulatory acts</u>									
3.12.2	Article 102	UA on implementation of the UA determining health rules for animal by-products and their derivatives, which are not intended for human consumption, adopted	Commission Regulation No. 142/2011 implementing the Regulation No. 1069/2009 of the European Parliament and of the Council laying down health rules regarding animal by-products and products derived from them not intended for human consumption and the implementation of Council Directive 97/78/EC regarding certain samples and articles which are exempted from veterinary checks at the border under this directive	FVA	MAFRD OPM MESPI MLGA	Q1 2023	P	1,800	0	1,800
3.13. Chapter 13: Fisheries										
3.13.	<u>Framework legislation</u>									
3.13.	This section does not contain any measures.									
3.13.	<u>Bylaws and other regulatory acts</u>									
3.13.	This section does not contain any measures.									
3.14. Chapter 14: Transport Policy										
3.14.	<u>Framework legislation</u>									
3.14.1	Article 113	Draft-law amending the Law on Road Transport, approved	Directive No. 1071/2009/EC on access to the profession of road transport operators Directive No. 1072/2009/EC on common rules for access to international road transport of goods	MESPI	MIA	Q4 2023	P	3,375	0	3,375



			Directive No. 1073/2009/EC on common rules for access to the international market for vehicle crew and passenger transport services Regulation 2016/68 on common procedures and specifications necessary for the interconnection of electronic driver card registers EU Regulation 165/2014 which regulates driving and rest time							
3.14.	<u>Bylaws and other regulatory acts</u>									
3.14.2	Article 113	UA on control of technical regularity of vehicles on the road, adopted	Directive 2014/47 on mobile technical control	MESPI		Q2 2023	P	3,375	0	<b>3,375</b>
3.14.3	Article 113	Regulation on technical specifications for interoperability in relation to the "telematic applications for goods" – STITAF sub-system, adopted	Regulation (EU) 1305/2014 of 11 December 2014 on technical specifications for interoperability regarding the sub-system telematic applications for goods – STI TAF	RRA	MESPI	Q4 2023	F	2,950,00	0	<b>0</b>
3.14.4	Article 113	Regulation amending the Regulation No. 05/2012 on the National Register of Vehicles, adopted	Regulation of the Commission Implementing Decision (EU) 2018/1614 of October 25, 2018, for the National Registration of Motor Vehicles	RRA	MESPI	Q4 2023	F	2,950	0	<b>2,950</b>
3.14.5	Article 113	Regulation on procedures and criteria regarding framework agreements on allocation of railway infrastructure capacities, adopted	Commission Implementing Regulation (EU) 2016/545 of 7 April 2016 on procedures and criteria regarding framework agreements for the allocation of railway infrastructure capacities (OJ EU L 94, 8.4.2016, pg. 1)	RRA	MESPI	Q3 2023	P	2,950	0	<b>2,950</b>
3.14.6	Article 113	Regulation on railway – road crossings, adopted	Regulation on level crossings – common safety indicators of the European Union (referred to Commission Directive 2014/88/EU of 9 July 2014 amending the Directive 2004/49/EC of the European Parliament and of the Council regarding common safety indicators safety and common accident costing methods	RRA	MESPI	Q4 2023	P	2,950	0	<b>2,950</b>
3.14.7	Article 113	Regulation (CAA) amending the Regulation (CAA) No. 17/2017 regarding requirements for operations in any weather, adopted	Commission Delegated Regulation (EU) 2022/208 of 14 December 2021 amending the Regulation (EU) No. 139/2014 regarding the requirements for operations in any weather	CAA		Q1 2023	F	758	0	<b>758</b>

3.14.8	Article 113	Regulation (CAA) amending the Regulation (CAA) No. 6/2015 regarding implementation of more proportional requirements for aircraft used for sports and recreational aviation, adopted	Commission Delegated Regulation (EU) 2022/1358 of 2 June 2022 amending the Regulation (EU) No. 748/2012 regarding the implementation of more proportional requirements for aircraft used for sports and recreational aviation	CAA		Q1 2023	F	7,812	0	<b>7,812</b>
3.14.9	Article 113	Regulation (CAA) correcting the Regulation (CAA) no. 6/2015 regarding derogations from certain requirements presented by the CAA Regulation that will transpose Delegated Regulation (EU) 2022/201, adopted	Commission Implementing Regulation (EU) 2022/1253 of 19 July 2022 correcting the Regulation (EU) No. 748/2012 regarding derogations from certain requirements introduced by Delegated Regulation (EU) 2022/201	CAA		Q2 2023	F	104	0	<b>104</b>
3.14.10	Article 113	Regulation (CAA) amending the Regulation (CAA) 1/2019 regarding the introduction of new additional airworthiness requirements, adopted	Commission Implementing Regulation (EU) 2022/1254 of 19 July 2022 amending the Regulation (EU) 2015/640 regarding the introduction of new additional airworthiness requirements	CAA		Q2 2023	F	1,453	0	<b>1,453</b>
3.14.11	Article 113	Regulation (CAA) amending the Regulation (CAA) No. 7/2015 regarding implementation of more proportionate requirements for aircraft used for sports and recreational aviation, adopted	Commission Implementing Regulation (EU) 2022/1360 of 28 July 2022 amending Regulation (EU) no. 1321/2014 regarding the implementation of more proportional requirements for aircraft used for sports and recreational aviation	CAA		Q3 2023	F	2,031	0	<b>2,031</b>
3.14.12	Article 113	Regulation (CAA) amending the Regulation (CAA) 9/2020 concerning requirements for air traffic management providers/air navigation services and other air traffic management network functions in the airspace of the U space as set out in the controlled airspace, adopted	Commission Implementing Regulation (EU) 2021/665 of 22 April 2021 amending the Implementing Regulation (EU) 2017/373 regarding requirements for providers of air traffic management/air navigation services and other network management functions air traffic in the airspace of U space as set out in the controlled airspace	CAA		Q3 2023	F	283	0	<b>283</b>
3.14.13	Article 113	Regulation (CAA) setting measures for implementation of the Regulation (CAA) No. 9/2017 regarding the common European risk classification scheme, adopted	Commission Implementing Regulation (EU) 2021/2082 of 26 November 2021 setting out measures for implementation of the Regulation (EU) No. 376/2014 of the European Parliament and of the Council regarding the common European risk classification scheme	CAA		Q3 2023	F	1,094	0	<b>1,094</b>

3.14.14	Article 113	Regulation (CAA) amending the Regulation (CAA) 6/2015 regarding certification, supervision and enforcement duties of authorities in charge of implementation of rules regarding organisations involved in the design and production of aircraft used for sports and recreational aviation, adopted	Commission Implementing Regulation (EU) 2022/1361 of 28 July 2022 amending the Regulation (EU) No. 748/2012 regarding certification, supervision and enforcement tasks of the authorities in charge of implementation of rules regarding organisations involved in the design and production of aircraft used for sports and recreational aviation	CAA		Q3 2023	F	4,147	0	4,147
3.15. Chapter 15: Energy										
3.15.	Framework legislation									
3.15.1	Article 114	Draft-law on energy, approved	Directive on common rules for the internal electricity market (EU) 2019/944 Regulation on internal electricity market (EU) 2019/943 Regulation on Risk Preparedness in the electricity sector EU 2019/941 Regulation on the Governance of Energy Union and Climate Action (EU) 2018/1999 Regulation on the European Union Agency for Cooperation of Energy Regulators (EU) 2019/942	MoE	MESPI MIET MAFRD MFLT ERO KOSTT	Q4 2023	P	13,500	0	13,500
3.15.2	Article 114	Draft-law on energy regulator, approved	Directive on common rules for the internal electricity market (EU) 2019/944 Regulation on internal electricity market (EU) 2019/943 Regulation on risk preparedness in the electricity sector EU 2019/941 Regulation on Governance of the Energy and Climate Action Union (EU) 2018/1999 Regulation on the European Union Agency for Cooperation of Energy Regulators (EU) 2019/942	MoE	MESPI MIET MAFRD MFLT ERO	Q4 2023	P	13,500	0	13,500
3.15.3	Article 114	Draft-law on renewable energy sources, approved	Directive on Promotion of Renewable Energy Sources 2018/2001/EU	MoE	OPM MESPI MIET MAFRD MFLT ERO	Q2 2023	P	13,500	0	13,500
3.15.	Bylaws and other regulatory acts									
3.15.	This section does not contain any measures.									
3.16. Chapter 16: Taxation										
3.16.	Framework legislation									
3.16.	This section does not contain any measures.									
3.16.	Bylaws and other regulatory acts									
3.16.	This section does not contain any measures.									

3.17. Chapter 17: Economic and Monetary Policy										
3.17.	Framework legislation									
3.17.	This section does not contain any measures.									
3.17.	Bylaws and other regulatory acts									
3.17.	This section does not contain any measures.									
3.18. Chapter 18: Statistics										
3.18.	Framework legislation									
3.18.	This section does not contain any measures.									
3.18.	Bylaws and other regulatory acts									
3.18.	This section does not contain any measures.									
3.19. Chapter 19: Social Policy and Employment										
3.19.	Framework legislation									
3.19.	This section does not contain any measures.									
3.19.	Bylaws and other regulatory acts									
3.19.	This section does not contain any measures.									
3.20. Chapter 20: Enterprise and Industrial Policy										
3.20.	Framework legislation									
3.20.	This section does not contain any measures.									
3.20.	Bylaws and other regulatory acts									
3.20.	This section does not contain any measures.									
3.21. Chapter 21: Trans-European Networks										
3.21.	Framework legislation									
3.21.	This section does not contain any measures.									
3.21.	Bylaws and other regulatory acts									
3.21.	This section does not contain any measures.									
3.22. Chapter 22: Regional Policy and Coordination of Structural Instruments										
3.22.	Framework legislation									
3.22.	This section does not contain any measures.									
3.22.	Bylaws and other regulatory acts									
3.22.	This section does not contain any measures.									
3.23. Chapter 23: Judiciary and Fundamental Rights										
3.23.	Framework legislation									
3.23.	Judicial system									
3.23.	This section does not contain any measures.									
3.23.	Anticorruption policy									
3.23.1	Article 91	Draft-law amending the Law on Management of Seized and Confiscated Property, approved		MoJ		Q4 2023	P	10,800	5,000	15,800
3.23.	Fundamental rights									
3.23.2	Articles 3-4	Draft-law on prevention and protection from domestic and gender-based violence, approved	Council of Europe Convention on preventing and combating violence against women and domestic violence (Istanbul Convention)	Assembly	OPM	Q2 2023	P	3,000	0	3,000
3.23.3	Articles 3-4	Draft-law amending the Law on Independent Media Commission, approved		OPM		Q2 2023		3,000	0	3,000
3.23.4	Articles 3-4	Draft-law amending the Law on Religious Freedoms in Kosova, approved		OPM		Q1 2023		3,000	0	3,000

<b>3.23.</b>	<b>Protection of minorities and cultural heritage</b>									
3.23.	This section does not contain any measures.									
<b>3.23.</b>	<b>Protection of personal data</b>									
3.23.	This section does not contain any measures.									
<b>3.23.</b>	<b>Bylaws and other regulatory acts</b>									
<b>3.23.</b>	<b>Judicial system</b>									
3.23.5	Articles 83 and 91	Regulation on internal organisation of MoJ, adopted		MoJ	MIA	Q2 2023		2,984	0	<b>2,984</b>
3.23.6	Articles 83 and 91	Regulation on discipline of members of the Kosova Prosecutorial Council, adopted		KPC		Q4 2023		4,382	0	<b>4,382</b>
3.23.7	Articles 83 and 91	Regulation on archiving of documents for the State Prosecutor, adopted		KPC		Q4 2023		4,382	0	<b>4,382</b>
3.23.8	Articles 83 and 91	Regulation amending the Regulation No. 05 /2019 on Disciplinary Procedure for Prosecutors, adopted		KPC		Q4 2023		4,382	0	<b>4,382</b>
3.23.9	Articles 83 and 91	Regulation on performance evaluation of state prosecutors, adopted		KPC		Q4 2023		4,382		<b>4,382</b>
3.23.10	Articles 83 and 91	Regulation for CMIS, adopted		KJC		Q2 2023		0	2,984	<b>2,984</b>
3.23.11	Articles 83 and 91	Regulation on training, adopted		KJC		Q4 2023		4,127	0	<b>4,127</b>
3.23.12	Articles 83 and 91	Regulation for administration's file, adopted		KJC		Q4 2023		4,127	0	<b>4,127</b>
<b>3.23.</b>	<b>Anticorruption policy</b>									
3.23.13	Article 91	Work regulation of the Agency for the Prevention of Corruption, adopted		APC	KPC	Q1 2023		4,500	0	<b>4,500</b>
3.23.14	Article 91	Regulation on internal organisation of the Agency for the Prevention, adopted		APC	MIA MFLT NAO	Q1 2023		4,500	0	<b>4,500</b>
3.23.15	Article 91	Regulation on administrative investigations procedure, adopted		APC	KPC	Q2 2023		4,500	0	<b>4,500</b>
3.23.16	Article 91	Bylaw determining the uniform methodology and instructions for the compilation and implementation of Integrity Plans, adopted		APC	OPM	Q2 2023		4,500	0	<b>4,500</b>
3.23.17	Article 91	Bylaw determining the risk assessment methodology, adopted		APC		Q2 2023		4,500	0	<b>4,500</b>
3.23.18	Article 91	Bylaw determining the methodology for assessing the potential of corruption in legislation, adopted		APC		Q2 2023		4,500	0	<b>4,500</b>
3.23.19	Article 91	Bylaw on definition and regular update of the list of positions for		APC		Q2 2023		4,500	0	<b>4,500</b>

		which declaration of assets is required, adopted								
3.23.20	Article 91	Bylaw determining the electronic method of declaration regarding the status and origin of assets, adopted		APC	MIA	Q2 2023		4,500	0	4,500
3.23.21	Article 91	Bylaw on the automated method of selection with draw from the list of declaring entities subject to full control, adopted		APC		Q2 2023		4,500	0	4,500
<b>3.23.</b>	<b>Fundamental rights</b>									
3.23.22	Articles 3-4	UA (affirmative measure) on registration of joint real estate in the name of two spouses, adopted		OPM	APC	Q2 2023		4,000	0	4,000
3.23.23	Articles 3-4	Bylaw on implementation of gender budgeting, adopted		OPM	MFLT	Q4 2023		5,000	5,000	10,000
3.23.24	Articles 3-4	Affirmative measure on increase of the number of women in decision-making positions – executive level, adopted		OPM		Q4 2023		4,000	6,000	10,000
3.23.25	Articles 3-4	AI on measures to prevent the abuse of narcotic and psychotropic substances by children, adopted		MoH		Q2 2023	P	0	7,440	7,440
3.23.26	Articles 3-4	AI on measures for medical, psychological assistance, rehabilitation and reintegration of child victim of abuse, adopted		MoH		Q2 2023	P	0	7,440	7,440
<b>3.23</b>	<b>Protection of minorities and cultural heritage</b>									
3.23.	This section does not contain any measures.									
<b>3.23</b>	<b>Protection of personal data</b>									
3.23.27	Articles 3-4	AI on the personal data protection case management system, adopted		MCR	OPM IPA	Q4 2023		11,676	0	11,676
3.23.28	Article 84	Regulation laying out procedures for issuance of personal data protection certificate, adopted		IPA		Q4 2023		2,700	0	2,700
3.23.29	Article 84	Regulation on processing of data obtained from the use of drones, adopted		IPA	CAA	Q3 2023		4,050	0	4,050
3.23.30	Article 84	Regulation on the manner of keeping evidence and reporting on implementation of the Law on Access to Public Documents, adopted		IPA		Q1 2023		2,700	0	2,700
3.23.31	Article 84	Regulation on setting of fees for notifications and authorizations, adopted		IPA		Q4 2023		2,700	0	2,700
<b>3.24. Chapter 24: Justice, Freedom and Security</b>										
3.24.	<u>Framework legislation</u>									
<b>3.24.</b>	<b>Border management</b>									

3.24.1	Article 85	Draft-law amending the Law No. 04/L-072 on State Border Control and Supervision, approved	Council Directive 2004/82/EC of 29 April 2004 on obligations of carriers to communicate passenger data Directive 2016/681/EU of the European Parliament and of the Council of 27 April 2016 on the use of Passenger Name Record (REU) data for the prevention, detection, investigation and prosecution of terrorist offenses and serious crime	MIA		Q4 2023	P	1,500	0	1,500
3.24.	<b>Visa policy</b>									
3.24.	This section does not contain any measures.									
3.24.	<b>Document security</b>									
3.24.	This section does not contain any measures.									
3.24.	<b>Asylum</b>									
3.24.	This section does not contain any measures.									
3.24.	<b>Migration</b>									
3.24.2	Article 85	Draft-law amending the Law on Foreigners, approved	Council Directive no. 2003/86/EC of 22 September 2003 on the right to family reunification Council Directive 2003/109/EC of 25 November 2003 regarding the status of third-country nationals who are long-term residents Council Directive 2009/50/EC of 25 May 2009 on the conditions of entry and stay of third-country nationals for the purpose of employment as highly qualified workers (EU Blue Card Directive); Directive 2011/98/EU of the European Parliament and of the Council of 13 December 2011 on a single application procedure for a single permit for third-country nationals to stay and work in the territory of a Member State and for a joint group of rights for third country workers legally residing in a Member State Directive 2014/36/EU of the European Parliament and the Council of 26 February 2014 on conditions of entry and stay of third-country nationals for the purpose of employment as seasonal workers Directive 2014/66/EU of the European Parliament and the Council of 15 May 2014 on conditions of entry and residence of third-	MIA		Q3 2023	P	10,800	5,000	15,800

			country nationals in the framework of intra-corporate transfers Directive (EU) 2016/801 of the European Parliament and of the Council of 11 May 2016 on conditions of entry and residence of third-country nationals for the purposes of research, studies, training, voluntary service, student exchange schemes or educational projects, and in-family placement; Draft-regulation of the European Parliament and of the Council amending Regulation (EC) No. 862/2007 of the European Parliament and of the Council on community migration and international protection statistics Directive 2008/115/EC of the European Parliament and of the Council of 16 December 2008 on common standards and procedures in Member States for the return of illegally staying third-country nationals							
3.24.	<b>Fight against money laundering and financing of terrorism</b>									
3.24.	This section does not contain any measures.									
3.24.	<b>Fight against narcotics</b>									
3.24.	This section does not contain any measures.									
3.24.	<b>Fight against organised crime and police cooperation</b>									
3.24.3	Article 91	Draft-law amending the Law on Weapons, approved	Directive (EU) 2021/555 of the European Parliament and of the Council of 24 March 2021 on the control of purchase and possession of weapons	MIA		Q4 2023	P	10,800	0	10,800
3.24.	<b>Fight against terrorism</b>									
3.24.	This section does not contain any measures.									
3.24.	<b>International legal cooperation in criminal and civil matters</b>									
3.24.	This section does not contain any measures.									
3.24.	<u>Bylaws and other regulatory acts</u>									
3.24.	<b>Border management</b>									
3.24.	This section does not contain any measures.									
3.24.	<b>Visa policy</b>									
3.24.	This section does not contain any measures.									
3.24.	<b>Document security</b>									
3.24.	This section does not contain any measures.									
3.24.	<b>Asylum</b>									
3.24.	This section does not contain any measures.									
3.24.	<b>Migration</b>									
3.24.	This section does not contain any measures.									



3.24.	Fight against money laundering and financing of terrorism									
3.24.	This section does not contain any measures.									
3.24.	Fight against narcotics									
3.24.	This section does not contain any measures.									
3.24.	Fight against organised crime and police cooperation									
3.24.	This section does not contain any measures.									
3.24.	Fight against terrorism									
3.24.	This section does not contain any measures.									
3.24.	International legal cooperation in criminal and civil matters									
3.24.4	Articles 3-4	Agreement on judicial cooperation with France, concluded		MoJ		Q4 2023		2,000	0	2,000
3.25. Chapter 25: Science and Research										
3.25.	Framework legislation									
3.25.	This section does not contain any measures.									
3.25.	Bylaws and other regulatory acts									
3.25.	This section does not contain any measures.									
3.26. Chapter 26: Education and Culture										
3.26.	Framework legislation									
3.26.	This section does not contain any measures.									
3.26.	Bylaws and other regulatory acts									
3.26.	This section does not contain any measures.									
3.27. Chapter 27: Environment										
3.27.	Framework legislation									
3.27.1	Articles 115-117	Draft-law amending the Law on Strategic Environmental Assessment, approved	Directive 2001/42/EC of the European Parliament and of the Council on assessment of effects of certain plans and programmes on the environment of 27 June 2001	MESPI	OPM MFLT	Q3 2023	P	8,910	12,080	20,990
3.27.2	Articles 115-117	Draft-law on climate change, approved	Regulation (EU) 2018/1999 of the European Parliament and of the Council on the Governance of the Energy Union and Climate Action, of 11 December 2018	MESPI	OPM MFLT	Q2 2023	P	8,910	12,080	20,990
3.27.3	Articles 115-117	Draft-law on inspection in areas of environment, water, nature, spatial planning, construction and housing, approved	Recommendation of the European Parliament and of the Council providing for minimum criteria for environmental inspections in EU Member States (2001/331/EC), of 4 April 2001	MESPI	OPM MFLT MAFRD MIA	Q4 2023	P	8,910	12,080	20,990
3.27.	Bylaws and other regulatory acts									
3.27.4	Articles 115-117	AI on packaging and packaging waste, adopted	Directive 1994/62 of the European Parliament and of the Council of 20 December 1994 (consolidated) on packaging and packaging waste Directive 2019/904 of the European Parliament and of the Council of 5 June 2019 on reducing the impact of certain plastic products on the environment	MESPI	OPM MIET MFLT	Q2 2023	P	500	12,080	12,580
3.28. Chapter 28: Consumer and Health Protection										

3.28.	<u>Framework legislation</u>									
3.28.	<b>Consumer protection</b>									
3.28.	This section does not contain any measures.									
3.28.	<b>Health protection</b>									
3.28.	This section does not contain any measures.									
3.28.	<u>Bylaws and other regulatory acts</u>									
3.28.	<b>Consumer protection</b>									
3.28.1	Article 81	AI on requirements defined in relation to commercial communication, including advertising or marketing, adopted	Directive 2006/114/EC of 12 December 2006 regarding misleading and comparative advertising	MIET		Q4 2023		13,800	0	13,800
3.28.	<b>Health protection</b>									
3.28.4	Article 106	UA on combined remarks on the tobacco packaging unit, adopted	Decision 2003/641/EC of the European Commission Decision C (2006) 1502/EC of the European Commission Decision C (2005) 1452 of the European Commission	MoH		Q2 2023	P	0	7,440	7,440
<b>3.29. Chapter 29: Customs Union</b>										
3.29.	<u>Framework legislation</u>									
3.29.1	Articles 77 and 104	Draft-code amending the Customs and Excise Code in Kosova, approved	EU Regulation No. 952/2013 of the European Parliament and of the Council of 9 December 2013 on the Union Customs Code	MFLT		Q2 2023	P	6,000	0	6,000
3.29.	<u>Bylaws and other regulatory acts</u>									
3.29.	This section does not contain any measures.									
<b>3.30. Chapter 30: External Relations</b>										
3.30.	<u>Framework legislation</u>									
3.30.	This section does not contain any measures.									
3.30.	<u>Bylaws and other regulatory acts</u>									
3.30.	This section does not contain any measures.									
<b>3.31. Chapter 31: Foreign, Security and Defence Policy</b>										
3.31.	<u>Framework legislation</u>									
3.31.	This section does not contain any measures.									
3.31.	<u>Bylaws and other regulatory acts</u>									
3.31.	This section does not contain any measures.									
<b>3.32. Chapter 32: Financial Control</b>										
3.32.	<u>Framework legislation</u>									
3.32.1	Article 97	Draft-law amending the Law on the Auditor General and the National Audit Office of Kosova, approved	International standards of supreme auditing institutions, and in line with the Lima and Mexico Declarations	MFLT	NAO	Q2 2023	P	0	0	0
3.32.	<u>Bylaws and other regulatory acts</u>									
3.32.	This section does not contain any measures.									
<b>3.33. Chapter 33: Financial and Budgetary Provisions</b>										
3.33.	<u>Framework legislation</u>									
3.33.	This section does not contain any measures.									
3.33.	<u>Bylaws and other regulatory acts</u>									
3.33.	This section does not contain any measures.									
IMPLEMENTING MEASURES										
No.		Objectives	Indicators				Reference documents	Budget		

	SAA provisions			Responsible institution	Supporting institutions	Time-frame		BRK	Donors	Total
1. BLOC I: POLITICAL CRITERIA										
1.1. Democracy and Rule of Law										
1.1.1. Constitution, Parliament and Election System										
1.1.1.	Policy framework									
	This section does not contain any measures.									
1.1.1.	Institutional reforms and institutional capacity-building									
	This section does not contain any measures.									
1.1.1.	Enforcement									
	This section does not contain any measures.									
1.1.2. Public Administration										
1.1.2.	Policy framework									
1.1.2.7	Article 120	Continue institutional reforms and institutional capacity-building in the area of PA, with the view to implementing EU standards and principles	Digital Platform for reporting on implementation of the PAR strategic framework, operationalized	MIA		Q1 2023	ERA II	0	0	0
1.1.2.8	Article 120	Continue institutional reforms and institutional capacity-building in the area of PA, with the view to implementing EU standards and principles	Plan on rationalization of agencies, revised	MIA		Q2 2023	Conclusions of 2022 SG on Public Administration Reform	10,400	3,500	13,900
1.1.2.9	Article 120	Continue institutional reforms and institutional capacity-building in the area of PA, with the view to implementing EU standards and principles	Ex-post evaluation of legislation on local democracy mechanisms, approved	MLGA		Q4 2023	Law on Local Self-government Strategy on Local Self-government 2016-2026	10,500	3,440	13,940
1.1.2.10	Article 120	Continue institutional reforms and institutional capacity-building in the area of PA, with the view to implementing EU standards and principles	Concept document on the Law on Allocation for Use and Exchange of Municipal Immovable Property, adopted	MLGA		Q1 2023	Law on Local Self-government Law on Allocation for Use and Exchange of Municipal Immovable Property	10,500	3,440	13,940
1.1.2.11	Article 120	Continue institutional reforms and institutional capacity-building in the area of PA, with the view to implementing EU standards and principles	Membership of the Republic of Kosova and Municipalities in the Open Government Partnership	MLGA	MIA	Q4 2023	National Open Government Partnership AP 2023-2025	7,200,000	0	7,200,000
1.1.2.12	Article 120	Continue institutional reforms and institutional capacity-building in the area of PA, with the view to implementing EU standards and principles	The e-municipalities State platform, operationalized	MLGA	MIA	Q4 2023		100,000	0	100,000
1.1.2.13	Article 120	Continue institutional reforms and institutional capacity-building in the area of PA, with the view to implementing EU standards and principles	Annual report on performance evaluation report of executive agencies, drafted	OPM		Q2 2023	Regulation on Performance of Executive Agencies	333	0	333

1.1.2.14	Article 120	Continue institutional reforms and institutional capacity-building in the area of PA, with the view to implementing EU standards and principles	Final report on performance of executive agencies, approved by the Government	OPM		Q2 2023	Regulation on Performance of Executive Agencies	333	0	333
1.1.2.	<u>Institutional reforms and institutional capacity-building</u>									
	This section does not contain any measures.									
1.1.2.	<u>Enforcement</u>									
1.1.2.15	Article 120	Adding and provision of as many electronic services as possible for citizens, businesses and public servants through the eKosova Platform as a single window for the provision of electronic services	At least 50 new services on the eKosova platform, operationalized	MIA		Q4 2023	ERA II Administrative Burden Prevention and Reduction Programme 2022-2027	0	0	0
1.1.2.16	Article 120	Provision of services through eKiosks	Placement of eKiosks in 20 Municipalities that do not have financial capacities	MLGA	MIA	Q4 2023	Strategy on Local Self-government 2016-2026	0	200,000	200,000
1.1.3. Ombudsperson										
1.1.3.	<u>Policy framework</u>									
	This section does not contain any measures.									
1.1.3.	<u>Institutional reforms and institutional capacity-building</u>									
	This section does not contain any measures.									
1.1.3.	<u>Enforcement</u>									
1.1.3.1	Articles 3, 4, 7	Monitoring implementation of Ombudsperson's recommendations	Number of recommendations implemented	OPM	Assembly	Q4 2023		20,000	0	20,000
1.1.3.2	Articles 3, 4, 7	Monitoring implementation of Ombudsperson's recommendations	Number of responses received regarding recommendations addressed to responsible institutions	OPM	Assembly	Q4 2023		5,000	0	5,000
1.1.4. Civilian Oversight of Security Forces										
1.1.4.	<u>Policy framework</u>									
	This section does not contain any measures.									
1.1.4.	<u>Institutional reforms and institutional capacity-building</u>									
	This section does not contain any measures.									
1.1.4.	<u>Enforcement</u>									
	This section does not contain any measures.									
1.2. Regional Cooperation and International Obligations										
1.2.	<u>Policy framework</u>									
	This section does not contain any measures.									
1.2.	<u>Institutional reforms and institutional capacity-building</u>									
	This section does not contain any measures.									
1.2.	<u>Enforcement</u>									
	This section does not contain any measures.									
2. BLOC II: ECONOMIC CRITERIA										
2.1. Existence of a Functional Market Economy										
2.1.	<u>Policy framework</u>									
	This section does not contain any measures.									
	<u>Institutional reforms and institutional capacity-building</u>									
2.1.1	Articles 25, 43, 75, 93, 94, 96,	Improving governance and efficiency of public-owned enterprises	Number of training sessions held for the MFLT Macro Department and POE Monitoring Unit in MoE	MFLT	MoE	Q4 2023	ERA II	4,240	0	4,240

	98, 106, 107, 121, 123		through the regional EU-funded IMF-FAD technical assistance project							
2.1.	<u>Enforcement</u>									
2.1.2	Articles 25, 43, 75, 93, 94, 96, 98, 106, 107, 121, 123	Implementation of the 2022-2026 PFM Strategy	Regular biannual reporting on implementation of the 2022-2024 PFM Strategy Action Plan	MFLT	OPM NAO PPRC MIA KSA	Q3 2023	2022-2026 PFMR Strategy and 2022-2024 AP	6,000	6,000	12,000
2.1.3	Articles 25, 43, 75, 93, 94, 96, 98, 106, 107, 121, 123	Implementation of the 2022-2026 PFM Strategy	Regular annual reporting on implementation of the 2022-2024 PFM Strategy Action Plan	MFLT	OPM NAO PPRC MIA KSA	Q2 2023	2022-2026 PFMR Strategy and 2022-2024 AP	6,000	6,000	12,000
2.1.4	Articles 25, 43, 75, 93, 94, 96, 98, 106, 107, 121, 123	Improving governance and efficiency of public-owned enterprises	Drafting the analysis of fiscal risks, including risks coming from POEs, included in the macro-fiscal framework of strategic documents such as MTEF, budget law and ERP	MFLT		Q4 2023		3,180	0	3,180
2.1.5	Articles 25, 43, 75, 93, 94, 96, 98, 106, 107, 121, 123	Improving governance and efficiency of public-owned enterprises	Quarterly financial and performance reports on all POEs, prepared	MFLT	MoE	Q4 2023		4,240	0	4,240
2.2. Capacity to Cope with Competitive Pressure and Market Forces within the Union										
2.2.	<u>Policy framework</u>									
	This section does not contain any measures.									
2.2.	<u>Institutional reforms and institutional capacity-building</u>									
	This section does not contain any measures.									
2.2.	<u>Enforcement</u>									
	This section does not contain any measures.									
3. BLOC III: EUROPEAN STANDARDS – APPROXIMATION OF KOSOVA’S LEGISLATION WITH THE EU ACQUIS										
3.0. Legal Framework on Approximation of Kosova’s Legislation with the EU Acquis										
3.0.	<u>Policy framework</u>									
	This section does not contain any measures.									
3.1.	<u>Institutional reforms and institutional capacity-building</u>									
	This section does not contain any measures.									
3.0.	<u>Enforcement</u>									
	This section does not contain any measures.									
3.1. Chapter 1: Free Movement of Goods										
3.1.	<u>Policy framework</u>									
3.1.1	Articles 20, 80, 74 – point 3	Development of policies in the area of accreditation	Concept document on the area of accreditation, adopted	MIET		Q3 2023		9,000	9,650	18,650
3.1.	<u>Institutional reforms and institutional capacity-building</u>									

3.1.2	Articles 20, 80, 74 – point 4	Capacity building and improvement of Kosova Standardization Agency's services	Unit in charge of informing businesses, functionalized	MIET		Q4 2023		7,150	0	7,150
3.1.3	Articles 20, 80, 74 – point 5	Capacity building of DAK staff in charge of setting up the accreditation scheme for certifying bodies	Accreditation Scheme (EN ISO/IEC 17065) for certifying bodies, established and operationalized	MIET		Q4 2023	Conclusions of SC on Trade, Industry, Customs and Taxation 2022	4,500	4,050	8,550
3.1.4	Articles 20, 80, 74 – point 3	Improvement of quality of metrological services at KMA and international recognition of calibration certificates for KMA calibration laboratories	Force and thermometry laboratory, accredited	MIET		Q4 2023	Conclusions of SC on Trade, Industry, Customs and Taxation 2022	28,000	10,000	38,000
3.1.5	Articles 20, 80, 74 – point 4	Institutional capacity-building on market surveillance	At least 10 new officials in the market inspectorate, recruited	MIET		Q3 2023		60,000	0	60,000
3.1.6	Articles 20, 80, 74 – point 3	Administrative capacity-building in the Kosova Metrology Agency	At least 5 new officials in KMA, recruited	MIET	MIA	Q2 2023		34,550	0	34,550
3.1.7	Articles 20, 80, 74 – point 4	Institutional capacity-building on market surveillance	At least 10 product safety officers trained	MIET		Q3 2023		2,397	6,450	8,847
3.1.	Enforcement									
3.1.8	Articles 20, 80, 74 – point 3	International recognition of calibration certificates for KMA calibration laboratories	EN ISO/IEC 17020 standard for legal metrology laboratories (mass laboratory, flow volume laboratory, electrical measurement laboratory and pressure laboratory), implemented	MIET		Q4 2023	Conclusions of SC on Trade, Industry, Customs and Taxation 2022	7,920	0	7,920
3.1.9	Articles 20, 80, 74 – point 3	Enforcement of adopted standards	Online system for the sale of standards, operationalized	MIET		Q4 2023	Conclusions of SC on Trade, Industry, Customs and Taxation	30,000	0	30,000
3.2. Chapter 2: Freedom of Movement for Workers										
3.2.	Policy framework									
	This section does not contain any measures.									
3.2.	Institutional reforms and institutional capacity-building									
	This section does not contain any measures.									
3.2.	Enforcement									
	This section does not contain any measures.									
3.3. Chapter 3: Right of Establishment and Freedom to Provide Services										
3.3.	Policy framework									
	This section does not contain any measures.									
3.3.	Institutional reforms and institutional capacity-building									
3.3.1	Articles 51, 56, 57, 58, 59, 74	Further functionalisation of the Single Point of Contact	At least two new service sectors, digitalized	MIET	OPM MIA MESTI MFLT MESPI MoJ	Q4 2023	Conclusions of SC on Internal Market and Competition 2022	2,500	2,000	4,500

3.3.2	Articles 51, 56, 57, 58, 59, 74	Further functionalisation of the Single Point of Contact	Webpage of the Single Point of Contact developed and launched	MIET		Q4 2023	Conclusions of SC on Internal Market and Competition 2022	1,000	6,000	7,000
3.3.	<u>Enforcement</u>									
	This section does not contain any measures.									
3.4. Chapter 4: Free of Movement of Capital										
3.4.	<u>Policy framework</u>									
3.4.1	Article 89	Development of the policy framework for the prevention of money laundering and combating financing of terrorism	Concept document on prevention of money laundering and combating financing of terrorism, adopted	MFLT/FIU		Q1 2023	Conclusions of SC on Economic and Financial Issues and Statistics 2022	4,500	0	4,500
3.4.2	Article 89	Provision of specific guidance to reporting entities on how to prepare and develop risk assessments	Manual on risk factors, drafted and adopted	MFLT/FIU	CBK	Q4 2023		2,000	0	2,000
3.4.	<u>Institutional reforms and institutional capacity-building</u>									
3.4.3	Article 89	Strengthening the overall structure of the supervisory framework and developing risk-based supervision and the most vulnerable sectors	Memorandum of understanding between IFI and CBK for compliance supervision, concluded	MFLT/FIU	CBK	Q4 2023		1,000	1,000	2,000
3.4.4	Article 89	Strengthening the overall structure of the supervisory framework and developing risk-based supervision and the most vulnerable sectors	At least two (2) supervision mentoring activities carried out	MFLT/FIU	CBK	Q4 2023		1,000	9,000	10,000
3.4.	<u>Enforcement</u>									
3.4.5	Article 89	Awareness of Designated Non-Financial Businesses and Professions (DNFBP) on risks of money laundering / financing of terrorism	Increased number of suspicious transaction/activity reports received	MFLT/FIU		Q4 2023	Conclusions of SC on Internal Market and Competition 2022	2,500	5,000	7,500
3.4.6	Article 89	Revision and development of ML/FT risk assessment methodologies	Risk assessment methodologies, revised/ drafted	MFLT/FIU		Q3 2023	Conclusions of SC on Internal Market and Competition	1,000	10,000	11,000
3.5. Chapter 5: Public Procurement										
3.5.	<u>Policy framework</u>									
	This section does not contain any measures.									
3.5.	<u>Institutional reforms and institutional capacity-building</u>									
3.5.2	Article 79	Administrative capacity-building of PRB	Ten (10) internal review experts and five (5) legal officers, engaged	PRB	Assembly	Q1 2023		54,750	100,000	154,750
3.5.3	Article 79	Administrative capacity-building in public procurement	Up to 150 officials of contracting authorities at the level of the country have followed the training regarding the use of the (TEMF) criterion for awarding in public procurement	PPRC	OPM	Q2 2023		11,270	0	11,270
3.5.	<u>Enforcement</u>									
	This section does not contain any measures.									
3.6. Chapter 6: Company Law										
3.6.	<u>Policy framework</u>									
	This section does not contain any measures.									
3.6.	<u>Institutional reforms and institutional capacity-building</u>									

	Article 51 – points 1, 2, 4	Functionalization of the Public Oversight Board	Board of public supervision and quality control inspectors, functionalized	KFRC		Q1 2023		44,400	0	44,400
3.6.	<u>Enforcement</u>									
	This section does not contain any measures.									
3.7. Chapter 7: Intellectual Property Law										
3.7.	<u>Policy framework</u>									
3.7.1	Articles 77-78	Development of policies in the area of industrial property law	Industrial property programme, adopted	MIET		Q1 2023		12,700	0	12,700
3.7.	<u>Institutional reforms and institutional capacity-building</u>									
3.7.2	Articles 77-78	Capacity-building for the Industrial Property Agency	At least 3 training sessions for the Industrial Property Agency, delivered	MIET		Q4 2023		19,500	0	19,500
3.7.	<u>Enforcement</u>									
3.7.3	Articles 77-78	Identification of qualified manufacturing businesses for registration of local geographical indications	At least 1 product registered by geographical indicators	MIET		Q4 2023		9,400	0	9,400
3.7.4	Articles 77-78	Implementation of copyright legislation in the area of literature	At least 1 collective management association in the area of literature, licenced	MCYS		Q4 2023	Conclusions of SC on Internal Market and Competition 2022	600	0	600
3.8. Chapter 8: Competition Policy										
3.8.	<u>Policy framework</u>									
3.8.	<b>Competition</b>									
	This section does not contain any measures.									
3.8.	<b>State aid</b>									
	This section does not contain any measures.									
3.8.	<u>Institutional reforms and institutional capacity-building</u>									
3.8.	<b>Competition</b>									
3.8.1	Articles 74-75	Strengthening of human capacities of the Kosova Competition Authority and of procedures to conduct investigations	Number of new officials recruited	KCA	MIA	Q4 2023	Conclusions of SC on Internal Market and Competition 2022	3,960	0	3,960
3.8.	<b>State aid</b>									
3.8.2	Articles 74-75	Further engagement by ministries and sectoral regulators involved in information exchange regarding state aid schemes	Number of additional schemes notified to SAD	MFLT		Q4 2023	Conclusions of SC on Internal Market and Competition 2022	24,000	0	24,000
3.8.	<u>Enforcement</u>									
3.8.	<b>Competition</b>									
3.8.1	Articles 74-75	Sectoral analysis for identification of monopolies and cartels	Sectoral analysis in the financial sector, published	KCA		Q1 2023	ERA II Conclusions of SC on Internal Market and Competition 2022	5,000	0	5,000
3.8.3	Articles 74-75	Awareness raising of relevant stakeholders on the importance of competition policy	At least 1 training session and 1 roundtable with stakeholders on competition policy, held	KCA	MIET	Q4 2023	ERA II Conclusions of SC on Internal Market and Competition 2022	5,000	0	5,000
3.8.	<b>State aid</b>									
	This section does not contain any measures.									



3.9. Chapter 9: Financial Services										
3.9.	<u>Policy framework</u>									
	This section does not contain any measures.									
3.9.	<u>Institutional reforms and institutional capacity-building</u>									
	This section does not contain any measures.									
3.9.	<u>Enforcement</u>									
	This section does not contain any measures.									
3.10. Chapter 10: Information Society and Media										
3.10.	<u>Policy framework</u>									
3.10.8	Articles 109-111	Improvement of the strategic framework in the area of electronic communications	Kosova Digital Agenda, adopted	MoE	RAEPC OPM MIA MESTI MoH	Q3 2023		0	0	0
3.10.	<u>Institutional reforms and institutional capacity-building</u>									
	This section does not contain any measures.									
3.10.	<u>Enforcement</u>									
3.10.9	Articles 109-111	Support in extension of the 5G mobile infrastructure	20 ‘5G ready’ mobile network stacks, connected to fixed broadband infrastructure	MoE	RAEPC	Q4 2023	Law on Ratification of the Financing Agreement between the Republic of Kosova and the International Development Association on the Kosova Digital Economy Project	1,400,000	0	1,400,000
3.11. Chapter 11: Agriculture and Rural Development										
3.11.	<u>Policy framework</u>									
3.11.3	Article 102	Improvement of agriculture and rural development policies	Agriculture and rural development programme 2022-2027, adopted	MAFRD	FVA MESPI	Q1 2023	Law on Agriculture and Rural Development	5,400	0	5,400
3.11.4	Article 102	Improvement of organic agriculture policies	National organic agriculture plan, adopted	MAFRD	FVA	Q2 2023	Law on Organic Agriculture	4,500	0	4,500
3.11.	<u>Institutional reforms and institutional capacity-building</u>									
	This section does not contain any measures.									
3.11.	<u>Enforcement</u>									
	This section does not contain any measures.									
3.12. Chapter 12: Food Safety, Veterinary and Phytosanitary Policy										
3.12.	<u>Policy framework</u>									
3.12.3	Article 102	Improvement of public and animal health	Plan for upgrading of agrifood enterprises, adopted	MAFRD	FVA	Q4 2023	Agriculture and Rural Development Strategy 2022-2028	2,700	0	2,700
3.12.4	Article 102	Improvement of animal health policies	Multiannual plan for monitoring and control of animal diseases, adopted	FVA	MAFRD	Q4 2023	Law on Veterinary	1,080	0	1,080
3.12.	<u>Institutional reforms and institutional capacity-building</u>									
	This section does not contain any measures.									
3.12.	<u>Enforcement</u>									
3.12.5	Article 102	Improving human and animal health safety and preventing environmental pollution from animal by-product waste	Feasibility study for operationalization of the plant for the disposal of animal by-products, finalized	FVA	MAFRD	Q2 2023	AI setting health rules for animal byproducts and derived products	480	70,160	70,640

							that are not for human consumption			
3.13. Chapter 13: Fisheries										
3.13.	Policy framework									
	This section does not contain any measures.									
3.13.	Institutional reforms and institutional capacity-building									
	This section does not contain any measures.									
3.13.	Enforcement									
3.13.1	Article 102	Further alignment of fisheries sector policies with the EU <i>acquis</i>	Fish inventory (pilot project) in 1 river basin, finalized	MAFRD		Q4 2023	Fisheries and Aquaculture Law	10,800	0	10,800
3.14. Chapter 14: Transport Policy										
3.14.	Policy framework									
3.14.15	Article 113	Drafting of transport sector strategic development policies	2023-2025 action plan for implementation of the Multimodal Transport Strategy 2023-2030, adopted	MESPI	OPM MFLT	Q4 2023	Law on Ratification of the Treaty Establishing the Transport Community	12,000	0	12,000
3.14.16	Article 113	Drafting of transport sector strategic development policies	Concept document on railways, adopted	MESPI	Infrakos OPM MFLT	Q4 2023	Law on Ratification of the Treaty Establishing the Transport Community AP of the Railway Technical Committee adopted by TCT	2,950	0	2,950
3.14.17	Nnei 113	Drafting of transport sector strategic development policies	Concept document on transport of dangerous goods, adopted	MESPI	OPM MFLT MIET	Q3 2023	Law on Ratification of the Treaty Establishing the Transport Community AP of the Railway Technical Committee adopted by TCT	2,950	0	2,950
3.14.	Institutional reforms and institutional capacity-building									
	This section does not contain any measures.									
3.14.	Enforcement									
	This section does not contain any measures.									
3.15. Chapter 15: Energy										
3.15.	Policy framework									
3.15.4	Article 114	Completion of policies in the field of energy, with a view to implementing reforms	Energy Strategy Implementation Programme, adopted	MoE	OPM MFLT MESPI MIET MLGA MAFRD MESTI KCA ERO KOSTT	Q3 2023	Law on Energy National Development Plan 2023-2025	2,700	0	2,700
3.15.	Institutional reforms and institutional capacity-building									
3.15.4	Article 114	Implementation of energy efficiency measures in the private and residential sectors	Study on models of financing of energy efficiency measures in the	KEEF	MoE MFLT MESPI	Q4 2023	Law on Energy Efficiency Operating Manual	0	200,000	200,000

			private and residential sectors, carried out				Study with Options			
3.15.	<u>Enforcement</u>									
3.15.6	Article 114	Implementation energy efficiency measures at the local level	Energy efficiency measures in 88 public buildings at the local level, implemented	KEEF	MoE MPFT	Q4 2023	Law on Energy Efficiency Operating Manual Study with Options	1,050,000	4,180,000	5,230,000
3.15.7	Article 114	Implementation of energy efficiency measures in public building	Energy efficiency measures in 12 public buildings, implemented	KEEA	NjP	Q4 2023	National Energy Efficiency AP	2,800,000	0	2,800,000
3.16. Chapter 16: Taxation										
3.16.	<u>Policy framework</u>									
3.16.1	Articles 39, 40, 70, 105	Revision of tax policies	Concept document on revision of tax policies, adopted	MFLT		Q2 2023		0	0	0
3.16.	<u>Institutional reforms and institutional capacity-building</u>									
	This section does not contain any measures.									
3.16.	<u>Enforcement</u>									
3.16.1	Articles 39, 40, 70, 105	Combating informal economy, fiscal evasion and tax avoidance	Number of activities within projects for the improvement of tax compliance, increased	MFLT		Q4 2023	TAK Strategic Plan 2022-2026 AP of the TAK Strategy 2022-2024 Compliance Strategy 2021-2025	2,730,000	0	2,730,000
3.16.2	Articles 39, 40, 70, 105	Combating informal economy, fiscal evasion and tax avoidance	Number of compliance risk-based controls and visits, increased	MFLT		Q4 2023	TAK Strategic Plan 2022-2026 AP of the TAK Strategy 2022-2024 Compliance Strategy 2021-2025	1,972,800	0	1,972,800
3.17. Chapter 17: Economic and Monetary Policy (refer to Bloc 2: Economic Criteria)										
3.17.	<u>Policy framework</u>									
	This section does not contain any measures.									
3.17.	<u>Institutional reforms and institutional capacity-building</u>									
	This section does not contain any measures.									
3.17.	<u>Enforcement</u>									
	This section does not contain any measures.									
3.18. Chapter 18: Statistics										
3.18.	<u>Policy framework</u>									
	This section does not contain any measures.									
3.17.	<u>Institutional reforms and institutional capacity-building</u>									
	This section does not contain any measures.									
3.18.	<u>Enforcement</u>									
3.18.1	Article 95	Development of the new macroeconomic statistics dataset	Further harmonisation with the European System of Accounts (ESA) 2010, achieved	KSA		Q4 2023	Annual Work Plan 2023 Official Statistics Plan 2023-2027	4,850	0	4,850
3.18.2	Article 95	Development of the new macroeconomic statistics dataset	Regional accounts, published	KSA		Q4 2023		4,500	0	4,500
3.18.3	Article 95	Development of the new macroeconomic statistics dataset	Number of datasets, increased	KSA		Q4 2023		0	0	0

3.18.4	Article 95	Development of the new macroeconomic statistics dataset	Gross Domestic Product (GDP) through access to income, published	KSA		Q4 2023		10,000	0	10,000
3.18.5	Article 95	Development of the new macroeconomic statistics dataset	Number of tables with data for the Eurostat, increased	KSA		Q4 2023		12,500	0	12,500
3.18.6	Article 95	Development of the new macroeconomic statistics dataset	Assessment of informal economy through Eurostat methodology, carried out	KSA		Q4 2023		2,000	9,000	11,000
3.18.7	Article 95	Development of the new macroeconomic statistics dataset	Integration of informal economy data in GDP, carried out	KSA		Q4 2023		2,000	0	2,000
3.18.8	Article 95	Preparations for the collection of labour market statistics	Structure of Earnings Survey (SES), carried out	KSA		Q4 2023	Official Statistics Plan 2023-2027 Conclusions of SC on Economic and Financial Issues and Statistics 2022	15,000	0	15,000
3.19. Chapter 19: Social Policy and Employment										
3.19.	Policy framework									
3.19.1	Articles 82 and 106	Development of policies to increase youth employment	Youth employment Guarantee Scheme Implementation Plan, piloted	MFLT	MESTI MCYS MIET KSA KCA MFLT/TAK	Q4 2023		1,000,000	500,000	1,500,000
3.19.2	Articles 82 and 106	Development of policies to increase employment	Employment and Labour Market Strategy 2022 - 2027, adopted	MFLT	MESTI MCYS MAFRD	Q4 2023		13,000	17,240	30,240
3.19.3	Articles 82 and 106	Undertaking measures to increase women’s participation in the labour market	Number of women included in active labour market measures, increased	MFLT		Q4 2023	Employment Agency Work Plan Economic Reform Programme Government Programme 2021-2025	792,000	6,000,000	6,792,000
3.19.4	Articles 82 and 106	Improvement of services of the Labour Inspectorate	Number of inspections by the Labour Inspectorate, increased	MFLT	MFLT/TAK	Q4 2023	LI Performance Plan	354,250	0	354,250
3.19.	Institutional reforms and institutional capacity-building									
3.19.5	Articles 82 and 106	Capacity building of the Labour Inspectorate	Number of labour inspectors increased for 100 additional inspectors	MFLT		Q4 2023	LI Performance Plan	835,000	0	835,000
3.19.	Enforcement									
This section does not contain any measures.										
3.20. Chapter 20: Enterprise and Industrial Policy										
3.20.	Policy framework									
3.20.1	Articles 99-100	Improvement of policies regarding the business and industrial environment	Industrial development and business support strategy, adopted	MIET	OPM	Q1 2023	Economic Reform Programme	2,820	0	2,820
3.20.	Institutional reforms and institutional capacity-building									
3.20.2	Articles 99-100	Strengthening capacities and improving services for enterprises	Enterprise support agency, established and functionalized	MIET		Q3 2023	ERA II	5,640	0	5,640
3.20.	Enforcement									

3.20.3	Article 99 and 101	Feasibility study on economic zones	Analysis on the impact of economic zones on SME development, carried out	MIET		Q4 2023	ERA II	30,000	0	30,000
3.20.4	Article 99 and 101	Promotion of exports to EU countries	At least 40 businesses benefiting from grants supporting businesses to increase production capacities and implement the standards required in the EU market	MIET		Q4 2023	ERA II	800,000	0	800,000
3.21. Chapter 21: Trans-European Networks										
3.21.	Policy framework									
	This section does not contain any measures.									
3.21.	Institutional reforms and institutional capacity-building									
	This section does not contain any measures.									
3.21.	Enforcement									
	This section does not contain any measures.									
3.22. Chapter 22: Regional Policy and Coordination of Structural Instruments										
3.22.	Policy framework									
	This section does not contain any measures.									
3.22.	Institutional reforms and institutional capacity-building									
	This section does not contain any measures.									
3.22.	Enforcement									
	This section does not contain any measures.									
3.23. Chapter 23: Judiciary and Fundamental Rights										
3.23.	Policy framework									
3.23.	Judicial system									
3.23.32	Articles 83, 3, 4	Advancing the legal framework to solve complex civil cases without unreasonable delays	Concept document on realization of civil rights, including the right of the parties to trial within a reasonable time, adopted	MoJ	OPM MFLT KPC KJC	Q2 2023	Conclusions of SC on Justice, Freedom and Security 2022	3,000	0	3,000
3.23.33	Articles 83 and 91	Further development of the electronic case management system through implementation of transitional phase activities for the first year	CMIS in the court branch in Fushë Kosovë, in the execution of sentences for minor violation cases, developed	KJC		Q4 2023		541,081	0	541,081
3.23.34	Articles 83 and 91	Transformation of courts into electronic courts through the central database	ICT Strategy, adopted	KJC		Q4 2023		0	2,984	2,984
3.23.35	Articles 83 and 91	Advancement of human capacities for members of the commissions for performance evaluation and recruitment of judges	Action plan on training for judges, adopted	KJC		Q4 2023		2,458	0	2,458
3.23.	Anticorruption policy									
3.23.36	Article 91	Strengthening capacities of officials of the Agency for the Prevention of Corruption to ensure effective implementation of legislation in force according to its new responsibilities	Training needs assessment analysis, carried out	APC		Q4 2023		0	2,500	2,500
3.23.37	Article 91	Strengthening capacities of officials of the Agency for the Prevention of	Document of training needs of Agency's officials, drafted	APC		Q2 2023		0	2,500	2,500

		Corruption to ensure effective implementation of legislation in force according to its new responsibilities								
<b>3.23.</b>	<b>Fundamental rights</b>									
3.23.38	Articles 3-4	Advancement of the human rights data collection, monitoring and reporting system	Human rights indicators framework, developed	OPM	KSA OPM KJC KPC MIA/KP	Q2 2023	Sustainable Development Goals Law on Protection from Discrimination	6,000	6,000	<b>12,000</b>
3.23.39	Articles 3-4	Advancement of the human rights data collection, monitoring and reporting system	National Gender Equality Plan 2023-2026, developed	OPM		Q4 2023	Kosova Gender Equality Programme 2020-2024	25,000	0	<b>25,000</b>
<b>3.23.</b>	<b>Protection of minorities and cultural heritage</b>									
3.23.40	Articles 3-4	Advancement of the strategic framework on communities, returns and integration	Strategy for the protection and promotion of the rights of communities and their members, adopted	MCR	OPM	Q1 2023	Plan of Strategic Documents	23,351	0	<b>23,351</b>
<b>3.23.</b>	<b>Protection of personal data</b>									
3.23.41	Articles 3-4	Oversight of implementation of the Law on Personal Data Protection	Plan of regular inspections and controls on protection of personal data, drafted	IPA		Q2 2023	IPA Performance Plan 2023	2,700	0	<b>2,700</b>
<b>3.23.</b>	<b>Institutional reforms and institutional capacity-building</b>									
<b>3.23.</b>	<b>Judicial system</b>									
3.23.42	Article 83 and 91	More efficient administration of the prosecutorial system and strengthening of administration	7 mediation officers in basic prosecution offices, recruited	KPC		Q4 2023		330	0	<b>330</b>
<b>3.23.</b>	<b>Anticorruption policy</b>									
	This section does not contain any measures.									
<b>3.23.</b>	<b>Fundamental rights</b>									
	This section does not contain any measures.									
<b>3.23.</b>	<b>Protection of minorities and cultural heritage</b>									
	This section does not contain any measures.									
<b>3.23.</b>	<b>Protection of personal data</b>									
	This section does not contain any measures.									
<b>3.23.</b>	<b>Enforcement</b>									
<b>3.23.</b>	<b>Judicial system</b>									
3.23.43	Article 83 and 91	More efficient administration of the prosecutorial system and strengthening of administration	1/3 of prosecutors, evaluated	KPC		Q4 2023		5,173	0	<b>5,173</b>
3.23.44	Article 83 and 91	More efficient administration of the prosecutorial system and strengthening of administration	1/3 of judges, evaluated	KJC		Q4 2023		23,840	0	<b>23,840</b>
3.23.45	Article 83 and 91	More efficient administration of the prosecutorial system and strengthening of administration	Referral of 10% of cases to prosecutors through alternative procedures	KPC		Q4 2023		94,051	0	<b>94,051</b>
3.23.46	Article 83 and 91	Efficient administration of disciplinary procedures in courts	Manual on the electronic file of judges, drafted	KJC		Q4 2023		7,895	0	<b>7,895</b>
3.23.47	Article 83 and 91	Efficient administration of disciplinary procedures in courts	Percentage of disciplinary cases against judges	KJC		Q4 2023		2,458	0	<b>2,458</b>

<b>3.23.</b>	<b>Anticorruption policy</b>									
3.23.48	Article 83 and 91	Show concrete results in the fight against organized crime and corruption	Percentage of indictments issued out of targeted cases of high level corruption and organized crime	KPC		Q4 2023		95,580	0	<b>95,580</b>
3.23.49	Article 83 and 91	Show concrete results in the fight against organized crime and corruption	Percentage of final court verdicts out of targeted cases of high level corruption and organized crime	KJC		Q4 2023	Strategic Plan for Efficient Solution of Corruption and Organized Crime Cases	5,400	0	<b>5,400</b>
<b>3.23.</b>	<b>Fundamental rights</b>									
3.23.50	Articles 3-4	Raising public awareness on prevention of violence against women, combating gender stereotypes and rights guaranteed by the gender equality legal framework	5 video-clips and 3 discussion roundtables, held	OPM	MESTI MoJ MIA	Q4 2023	Strategy on Protection from Domestic Violence 2022-2026 Kosova Gender Equality Programme 2020-2024	25,000	0	<b>25,000</b>
3.23.51	Articles 3-4	Reporting NGOs that aim to strengthen the role of women in society	At least 10 NGOs, supported	OPM		Q4 2023	Kosova Gender Equality Programme 2020-2024	40,000	0	<b>40,000</b>
3.23.52	Articles 3-4	Capacity-building of institutional mechanisms on gender equality and protection from domestic violence and violence against women	At least 10 training session on advancement of realization of inheritance rights; decision making; peace, security and justice, held	OPM		Q4 2023	Kosova Gender Equality Programme 2020-2024	15,000	5,000	<b>20,000</b>
<b>3.23.</b>	<b>Protection of minorities and cultural heritage</b>									
3.23.53	Articles 3-4	Improvement and advancement of condition of Roma, Ashkali and Egyptian communities through implementation of policies	Monitoring reports on implementation of the Strategy for Advancement of Rights of the Roma and Ashkali Communities in the Republic of Kosova 2022-2026 and AP 2022-2024, drafted	OPM		Q4 2023	Strategy for Advancement of Rights of the Roma and Ashkali Communities in the Republic of Kosova 2022-2026 and AP 2022-2024	1,000	0	<b>1,000</b>
3.23.54	Articles 3-4	Provision of sustainable solutions for people in the collective centre in Padalishte of Graçanica, returnees and socially vulnerable families	Up to 56 displaced and socially vulnerable people in the Municipality of Graçanica, settled in permanent housing units	MCR		Q4 2023	National Development Plan 2023-2025	175,000	1,945,000	<b>2,120,000</b>
3.23.55	Articles 3-4	Implementation of the strategic framework on communities, returns and integration	5 meetings at the municipal level, according to regions, for implementation of the Strategy for the Protection and Promotion of Rights of Communities and their Members, held	MCR		Q4 2023	National Development Plan 2023-2025	0	4,000	<b>4,000</b>
3.23.56	Articles 3-4	Supporting Roma, Ashkali and Egyptian communities	Supporting learning centres for Roma, Ashkalis and Egyptians	MESTI		Q4 2023	National Development Plan 2023-2025	200,000	0	<b>200,000</b>
3.23.57	Articles 3-4	Supporting Roma, Ashkali and Egyptian communities	Scholarships for Roma, Ashkali and Egyptian pupils and students, distributed	MESTI		Q4 2023	National Development Plan 2023-2025	150,000	0	<b>150,000</b>
<b>3.23.</b>	<b>Protection of personal data</b>									
3.23.58	Articles 3-4	Overseeing implementation of the Law on Protection of Personal Data	Number of complaints received regarding protection of personal data	IPA		Q4 2023	IPA Performance Plan 2023	2,700	0	<b>2,700</b>
3.23.59	Articles 3-4	Overseeing implementation of the Law on Protection of Personal Data	Number of inspections conducted regarding protection of personal data	IPA		Q4 2023	IPA Performance Plan 2023	2,700	0	<b>2,700</b>

3.23.60	Articles 3-4	Overseeing implementation of the Law on Protection of Personal Data	Number of decisions taken regarding protection of personal data	IPA		Q4 2023	IPA Performance Plan 2023	2,700	0	2,700
<b>3.24. Chapter 24: Justice, Freedom and Security</b>										
3.24.	<u>Policy framework</u>									
3.24.	<b>Border management</b>									
	This section does not contain any measures.									
3.24.	<b>Visa policy</b>									
	This section does not contain any measures.									
3.24.	<b>Document security</b>									
	This section does not contain any measures.									
3.24.	<b>Asylum</b>									
	This section does not contain any measures.									
3.24.	<b>Migration</b>									
3.24.5	Articles 85-88	Advancement of policies for sustainable integration and reintegration	At least 34 of 38 local reintegration action plans, adopted	MIA		Q4 2023	Conclusions of SC on Justice, Freedom and Security 2022	17,100	5, 280	22,380
3.24.6	Articles 85-88	Advancement of policies for sustainable integration and reintegration	Information circular on implementation sustainable reintegration policies, drafted	MIA		Q4 2023	Conclusions of SC on Justice, Freedom and Security 2022	1,700	880	2,580
3.24.7	Articles 85-88	Advancement of policies for sustainable integration and reintegration	Manual on monitoring of integration of foreigners, drafted	MIA		Q4 2023	Conclusions of SC on Justice, Freedom and Security 2022	3,420	2, 640	6,060
3.24.8	Articles 85-88	Advancement of policies for sustainable integration and reintegration	Extended Migration Profile 2018-2022, adopted	MIA		Q4 2023	Conclusions of SC on Justice, Freedom and Security 2022	6,750	16, 590	23,340
3.24.9	Articles 85-88	Advancement of policies for sustainable integration and reintegration	2022 Light Migration Profile, adopted	MIA		Q4 2023	Conclusions of SC on Justice, Freedom and Security 2022	6,750	16, 590	23,340
3.24.	<b>Fight against money laundering and financing of terrorism</b>									
	This section does not contain any measures.									
3.24.	<b>Fight against narcotics</b>									
	This section does not contain any measures.									
3.24.	<b>Fight against organized crime and police cooperation</b>									
	This section does not contain any measures.									
3.24.	<b>Fight against terrorism</b>									
	This section does not contain any measures.									
3.24.	<b>International legal cooperation in criminal and civil matters</b>									
	This section does not contain any measures.									
3.24.	<u>Institutional reforms and institutional capacity-building</u>									
3.24.	<b>Border management</b>									
3.24.10	Article 85	Implementation of the NCBM Development Plan	IT programme, with QlikView option, to include the Case Management System (CMS) and the Border Intelligence (BI) Platform, advanced	MIA		Q4 2023	Conclusions of SC on Justice, Freedom and Security 2022	0	0	0
3.24.11	Article 85	Implementation of the NCBM Development Plan	Linkage of PIU with at least 3 operators to receive REU data, operationalized	MIA		Q4 2023	Conclusions of SC on Justice, Freedom and Security 2022	0	0	0
3.24.	<b>Visa policy</b>									
	This section does not contain any measures.									



<b>3.24.</b>	<b>Document security</b>									
	This section does not contain any measures.									
<b>3.24.</b>	<b>Asylum</b>									
3.24.12	Article 85	Advancement of capacities in the area of asylum	At least 3 training sessions under the cooperation roadmap with EUAA, attended by at least 3 asylum officials, held	MIA		Q4 2023	Conclusions of SC on Justice, Freedom and Security 2022	270	3, 000	<b>3,270</b>
<b>3.24.</b>	<b>Migration</b>									
3.24.13	Articles 85-88	Capacity-building for sustainable integration and reintegration	Training of Trainers (ToT), attended by at least 10 central- and local-level officials, on integration of foreigners, held	MIA		Q4 2023		1,350	3, 080	<b>4,430</b>
3.24.14	Articles 85-88	Capacity-building for sustainable integration and reintegration	At least 5 training sessions, for 200 central- and local-level officials, on implementation of policies for reintegration and integration of foreigners, held	MIA		Q4 2023		18,000	4, 400	<b>22,400</b>
3.24.15	Articles 85-88	Capacity-building on migration management	At least 2 officials in the Temporary Reception Centre, recruited	MIA		Q4 2023		108,000	0	<b>108,000</b>
<b>3.24.</b>	<b>Fight against money laundering and financing of terrorism</b>									
	This section does not contain any measures.									
<b>3.24.</b>	<b>Fight against narcotics</b>									
	This section does not contain any measures.									
<b>3.24.</b>	<b>Fight against organized crime and police cooperation</b>									
3.24.16	Articles 89-92	Advancement of the Intelligence-Led Policing approach	Intelligence and Analysis Department in KP, established	MIA		Q4 2023		11,880	0	<b>11,880</b>
3.24.17	Articles 89-92	Advancement of the Intelligence-Led Policing approach	At least 20 analysts trained on the area of analysis	MIA		Q4 2023		1,760	2, 200	<b>3,960</b>
3.24.18	Articles 89-92	Advancement of the Intelligence-Led Policing approach and Community Policing	At least 200 sectoral police officers (neighbourhood police officers) assigned	MIA		Q4 2023		4,400	0	<b>4,400</b>
3.24.19	Articles 89-92	Strengthening of structures for the prevention and fighting of organized crime and corruption	Special Investigation Unit in KP established in accordance with the Law on the Special Prosecution Office	MIA		Q4 2023		11,880	0	<b>11,880</b>
3.24.20	Articles 89-92	Strengthening of structures for the prevention and fighting of organized crime and corruption	At least 2 police-prosecution joint training sessions, for at least 10 police officers, on financial investigation, confiscation of assets and effective witness protection, held	MIA		Q4 2023		880	3, 320	<b>4,200</b>
3.24.21	Articles 89-92	Increasing cooperation with EU agencies (EUROPOL, Eurojust and others) and Member States	Liaison officer with EUROPOL, deployed	MIA		Q1 2023		33,000	0	<b>33,000</b>
3.24.22	Articles 89-92	Increasing international law enforcement cooperation through participation in activities of EMPACT	Participation in at least 4 activities within EMPACT	MIA		Q4 2023		8,250	3, 520	<b>11,770</b>
<b>3.24.</b>	<b>Fight against terrorism</b>									
	This section does not contain any measures.									
<b>3.24.</b>	<b>International legal cooperation in criminal and civil matters</b>									

3.24.	<u>Enforcement</u>									
3.24.	<b>Border management</b>									
	This section does not contain any measures.									
3.24.	<b>Visa policy</b>									
	This section does not contain any measures.									
3.24.	<b>Document security</b>									
	This section does not contain any measures.									
3.24.	<b>Asylum</b>									
	This section does not contain any measures.									
3.24.	<b>Migration</b>									
3.24.23	Article 85	Promotion of gender equality and empowerment of repatriated women/ girls and foreigners in socio-economic life	At least 60 women/ girls benefiting from reintegration and sustainable integration schemes	MIA		Q4 2023		0	183, 647	<b>183,647</b>
3.24.	<b>Fight against money laundering and financing of terrorism</b>									
	This section does not contain any measures.									
3.24.	<b>Fight against narcotics</b>									
	This section does not contain any measures.									
3.24.	<b>Fight against organized crime and police cooperation</b>									
	This section does not contain any measures.									
3.24.	<b>Fight against terrorism</b>									
3.24.24	Article 92	Improvement of the policy framework to combat violent extremism and terrorism	Six-monthly reports on implementation of the EU-Western Balkans Joint Action Plan against Violent Extremism and Terrorism, drafted	MIA		Q4 2023		7,140	0	<b>7,140</b>
3.24.25	Article 92	Improvement of the policy framework to combat violent extremism and terrorism	TeSAT report for EUROPOL, drafted	MIA		Q4 2023		7,140	0	<b>7,140</b>
3.24.	<b>International legal cooperation in criminal and civil matters</b>									
	This section does not contain any measures.									
<b>3.25. Chapter 25: Science and Research</b>										
3.25.	<u>Policy framework</u>									
3.25.1	Article 118	Development of the science and research policy framework	National Science Programme, drafted	MESTI	-	Q4 2023	Conclusions of SC on Innovation, Information Society and Social Policy 2022	3,000	0	<b>3,000</b>
3.25.2	Article 118	Development of the research information system	KRIS Platform, finalized and launched	MESTI		Q4 2023	Conclusions of SC on Innovation, Information Society and Social Policy 2022	38,400	0	<b>38,400</b>
3.25.3	Article 118	Effective horizontal coordination for participation in the <i>Horizon</i> Programme	<i>Horizon</i> Programme national focal points, functionalized	MESTI		Q4 2023	Conclusions of SC on Innovation, Information Society and Social Policy 2022	17,500	0	<b>17,500</b>
3.25.	<u>Institutional reforms and institutional capacity-building</u>									
	This section does not contain any measures.									
3.25.	<u>Enforcement</u>									
	This section does not contain any measures.									
<b>3.26. Chapter 26: Education and Culture</b>										

3.26.	<u>Policy framework</u>									
3.26.1	Article 107	Development of the early childhood education curriculum	Core curriculum on early childhood education, drafted and adopted	MESTI		Q4 2023	Conclusions of SC on Innovation, Information Society and Social Policy 2022	14,000	0	<b>14,000</b>
3.26.2	Article 107	Improvement of vocational education and training (VET)	VET Framework Curriculum, adopted	MESTI		Q4 2023	Conclusions of SC on Innovation, Information Society and Social Policy 2022	23,350	0	<b>23,350</b>
	<u>Institutional reforms and institutional capacity-building</u>									
3.26.3	Article 107	Adaptation of the infrastructure for access of disabled students	Adapted infrastructure (ramps) in 14 schools, within and outside buildings	MESTI		Q4 2023	Conclusions of SC on Innovation, Information Society and Social Policy 2022	150,000	0	<b>150,000</b>
3.26.4	Article 107	Capacity-building of the Education Inspectorate	At least 20 new inspectors, recruited	MESTI		Q4 2023	Conclusions of SC on Innovation, Information Society and Social Policy 2022	174,450	0	<b>174,450</b>
3.26.	<u>Enforcement</u>									
	This section does not contain any measures.									
<b>3.27. Chapter 27: Environment</b>										
3.27.	<u>Policy framework</u>									
3.27.5	Articles 115-117	Improvement of policies for reducing air and water pollution and on waste management	Environmental Protection and Sustainable Development Strategy 2022-2030, adopted	MESPI	OPM MFLT	Q3 2023	Environmental Protection Law ERA II	3,600	20,000	<b>23,600</b>
3.27.6	Articles 115-117	Improvement of water management policies	State Strategy on Kosova Waters 2023-2027 and the 2023-2025 Action Plan for its implementation, adopted	MESPI	OPM MFLT	Q2 2023	Law on Kosova Waters ERA II	3,600	20,000	<b>23,600</b>
3.27.7	Articles 115-117	Improvement of water management policies	Concept document on the area of waters, adopted	MESPI	OPM MAFRD MFLT MoE	Q2 2023	Law on Kosova Waters	8,910	12,080	<b>20,990</b>
3.27.8	Articles 115-117	Improvement of nature protection policies	Concept document on the area of nature protection, adopted	MESPI	OPM MFLT MAFRD MIET MoE	Q3 2023	Law on Nature Protection	8,910	12,080	<b>20,990</b>
3.27.9	Articles 115-117	Improvement of waste management policies	Plan for the management of construction and demolition waste, adopted	MESPI	MoE	Q2 2023	Law on Waste ERA II	3,600	500,000	<b>503,600</b>
3.27.	<u>Institutional reforms and institutional capacity-building</u>									
3.27.10	Articles 115-117	Capacity-building for enforcement of environmental legislation	Number of inspectors trained to control enforcement of environmental legislation	MESPI		Q4 2023	Law on Environment, Water, Nature, Spatial Planning and Construction Inspectorate	8,910	12,080	<b>20,990</b>
3.27.	<u>Enforcement</u>									
3.27.11	Articles 115-117	Identification of nature and biodiversity values	Number of new natural areas (around 10) under protection	MESPI		Q4 2023	Law on Nature Protection ERA II	8,910	12,080	<b>20,990</b>

3.27.12	Articles 115-117	Improvement of waste management	Number of illegal dumpsites in municipalities identified and reduce	MESPI		Q3 2023	2021-2030 Waste Management and 2021-2023 AP ERA II	300,000	3,500,000	3,800,000
3.27.13	Articles 115-117	Identification of sources of greenhouse gases	Inventory of greenhouse gases for 2021, prepared	MESPI	MoE	Q2 2023	ERA II	8,910	12,080	20,990
3.28. Chapter 28: Consumer and Health Protection										
3.28.	<u>Policy framework</u>									
3.28.	<b>Consumer protection</b>									
	This section does not contain any measures.									
3.28.	<b>Health protection</b>									
	This section does not contain any measures.									
3.28.	<u>Institutional reforms and institutional capacity-building</u>									
3.28.	<b>Consumer protection</b>									
	This section does not contain any measures.									
3.28.	<b>Health protection</b>									
	This section does not contain any measures.									
3.28.	<u>Enforcement</u>									
3.28.	<b>Consumer protection</b>									
	This section does not contain any measures.									
3.28.	<b>Health protection</b>									
	This section does not contain any measures.									
3.29. Chapter 29: Customs Union										
3.29.	<u>Policy framework</u>									
	This section does not contain any measures.									
3.29.	<u>Institutional reforms and institutional capacity-building</u>									
	This section does not contain any measures.									
3.29.	<u>Enforcement</u>									
3.29.1	Article 17, 18, 19, 39, 48, 75, 93, 104, Protocol III	Combating informal economy and customs fraud through increased cooperation and coordination between Kosova Customs, law enforcement agencies and other relevant institutions	Number of inspections carried out, number of operations undertaken, results achieved	MFLT		Q4 2023	Conclusions of SC on Economic and Financial Issues and Statistics 2022	503,400	0	503,400
3.29.2	Articles 39, 48, 104, Protocol IV	Continue placing of customs terminals in public property	Placement in public property and full operationalization of at least 1 customs terminal	MFLT	-	Q4 2023	Conclusions of SC on Economic and Financial Issues and Statistics 2022	3,900,000	0	3,900,000
3.30. Chapter 30: External Relations										
3.30.	<u>Policy framework</u>									
	Articles 11-16	Advancement of trade policy	Trade policy document, adopted	MIET		Q3 2023		50,760	0	50,760
3.30.	<u>Institutional reforms and institutional capacity-building</u>									
	Articles 11-16	Capacity-building in the area of trade	1 official in the Trade Department, recruited	MIET	-	Q3 2023		6,000	0	6,000
3.30.	<u>Enforcement</u>									
	This section does not contain any measures.									
3.31. Chapter 31: Foreign, Security and Defence Policy										
3.31.	<u>Policy framework</u>									
	This section does not contain any measures.									

3.31.	<u>Institutional reforms and institutional capacity-building</u>									
	This section does not contain any measures.									
3.31.	<u>Enforcement</u>									
	This section does not contain any measures.									
3.32. Chapter 32: Financial Control										
3.32.	<u>Policy framework</u>									
3.32.4	Article 97	Development of auditing policies	NAO Commination Strategy 2023-2026, adopted	NAO	Assembly	Q4 2023	Conclusions of SC on Economic and Financial Issues and Statistics 2022	2,673	0	2,673
3.32.	<u>Institutional reforms and institutional capacity-building</u>									
3.32.3	Article 97	Full functionalisation of the database for tracking implementation of audit recommendations	Database in the webpage, updated in real time, published	NAO		Q4 2023	Conclusions of SC on Economic and Financial Issues and Statistics 2022	20,000	0	20,000
3.32.1	Article 97	Establishment of internal audit committees in all budget organisations, including at the municipal level	Internal audit committees in all budget organisations, including at the municipal level, established	MFLT/CHU		Q2 2023		1,800	0	1,800
3.32.	<u>Enforcement</u>									
3.32.2	Article 97	Carrying out performance audits	Focus of performance audits subject to public interest, increased	NAO	Assembly	Q4 2023	Conclusions of SC on Economic and Financial Issues and Statistics 2022	273,554	0	273,554
3.33. Chapter 33: Financial and Budgetary Provisions										
3.33.	<u>Policy framework</u>									
	This section does not contain any measures.									
3.33.	<u>Institutional reforms and institutional capacity-building</u>									
	This section does not contain any measures.									
3.33.	<u>Enforcement</u>									
	This section does not contain any measures.									
Total (budget)								29,338,923	17,787,585	47,126,508