



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

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# **Government Annual Work Report for 2016**

**February, 2016**  
**Prishtina**

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## Executive summary

The Government of the Republic of Kosovo has prepared the Government Annual Work Report for the purpose of presenting the achievements that took place during 2016, and provides information for Assembly of Kosovo, donors and citizens in general about its achievements.

This comprehensive report aims to highlight the achieved progress in implementing the Government's priorities, with particular emphasis on the progress achieved during 2016. In this regard, this report has as reference point the Government Programme of the Republic of Kosovo, in the light of which are outlined five strategic priorities set forth for 2016.

In addition, the Annual Report is a mean for communicating the achievements, dedication, commitment and determination of the government in fulfilling the duties and obligations with the aim of enhancing the citizens' wellbeing in general by undertaking the necessary actions within its competences.

In order to achieve progress and provide a development trend for the country, it is necessary to ensure political and institutional stability, and in this context it is clear that all can contribute even more in achieving the predefined objectives, and those that the Government of Republic of Kosovo shall set for the following years.

During 2016, Government has been working in realization of 5 priorities which are also the pillars of the Government Programme 2015-2018; *Sustainable economic growth, employment and welfare, Rule of Law and Justice, European agenda and foreign policy; Education, Science, Culture, Sport and Youth Development and Modern Healthcare.*

This report will present the concrete achievements of the Government of Republic of Kosovo during this period.

Government of the Republic of Kosovo has achieved extraordinary success, not only regarding the encountered situation, but also towards the challenges that have accompanied this Government during 2016.

Kosovo's economic growth was marked as the highest in the region for two consecutive years, during this year, Kosovo had the highest budget in its history, with over 2 billion Euros, marked a record reduction of unemployment from 35% that was in 2014 to 26% in 2016, signed the SAA, marked progress in fulfilling the criteria and obtaining recommendations for visa liberalization, in obtaining the telephone code, implemented the largest increase of pensions and social support that has ever occurred from 25% to 70% for pensions, in addressing the issue of veterans, which was resolved after 17 years, membership in UEFA and FIFA, highest international assessment from IMF and World Bank regarding macroeconomic stability and budgetary stability. Kosovo has also demonstrated institutional and state stability and political leadership to prevent the immersion of country into chaos and anarchy.

In the field of *economy* were marked tangible results, which were assessed by the international organizations and verified with real positive data.

In the *field of finances*, we have great results in fiscal reforms, which resulted in improving the conditions of doing business, which were highly assessed by the World Bank report for 2016 in two indicators.

In the field of *economic development*, it is adopted the Law on Trepça, which was highly anticipated from our miners and citizens, and opened up opportunities for development of this vital enterprise for the economy of Kosovo and it is intensively working on preparing the establishment of the Thermal power plant "Kosova e Re".

In *agriculture* it is significantly increased the support for farmers and were achieved significant results in the quantity and quality of domestic products. It is increased the consumption of domestic products, were increased the planted area due to the increased interest of farmers to deal with agriculture, because it was proven to be very important field for us.

In *infrastructure* it is intensively being worked on completion of the road to Skopje, as an important economic artery, work is being conducted on the highway to Peja, to Mitrovica, and we plan to commence the work for building the highway to Gjilan and Podujeva. All preparations were made for commencing the reconstruction of the railway, in expanding the entry and exit points in the largest cities of Kosovo.

In *Trade and Industry* as a result of great work, World Bank has ranked Kosovo in the "Doing Business 2017" report significantly higher and we consider that the measures undertaken by this ministry will further advance Kosovo in the future.

In *foreign policy* we have strengthened Kosovo's international subjectivity in many aspects. We received recognition from Suriname and Singapore, have established diplomatic relations, joined several international organizations and conventions. We are now a member of UEFA, FIFA, were accepted at the Permanent Court of Arbitration, entered into force the Apostille Convention, also the Ministry of Internal Affairs has signed an agreement with the European Agency FRONTEX. We have conducted several bilateral visits and participated in multilateral forums in several continents. We have met the main leaders of the democratic world, President Barack Obama, Secretary Kerry, new and previous Secretary of United Nations, we have met kings, presidents, prime ministers and heads of international organizations and with all of them have discussed about cooperation with Kosovo and advancement of our relations.

In *European integration*, we have advanced the integration agenda. In Brussels we have conducted the first meeting of the Council for Implementation of SAA, which was a very important meeting for us. Along with Commissioner Hahn we presented in Prishtina the European Reform Agenda, which mainly relies on the economy, and enables the advancement of the European integration processes for Kosovo.

In regards to NATO, its Secretary has confirmed the substantial advancement of cooperation and Kosovo's participation in various NATO programs. The North Atlantic Council has agreed to strengthen the cooperation of NATO with Kosovo, including additional activities designed to strengthen the cooperation of Kosovo with NATO.

In regards to EU mediated *dialogue* with Serbia, we continued with constructive approach, which we consider a value despite the sabotage of the process conducted by Serbia,

For 2016, we must emphasize the *allocation of Telephone Code 383* for Republic of Kosovo, this is a great achievement and it is an important step in completing the element of statehood in this field.

Contacts with *Diaspora* were intensified as well as the activities, and was achieved a greater cooperation. Efforts are being made to coordinate activities with fellow countryman in Kosovo in their interest to invest in Kosovo, in their involvement in political, social and cultural life, considering that it is created an increasingly larger space for them to become a very important element in developments.

In the field of *Rule of law*, significant work was conducted in preparing the legislation and strengthening of the justice sector, as one of the fundamental priorities for perspective of our state.

Police and other law enforcement authorities have worked well in preventing and solving the crimes. High ratings were given to the police, which is ranked as one of the most credible Police force in the region. An extraordinary work was conducted by law enforcement authorities, police and KIA in preventing violence and acts which would endanger not only Kosovo, but neighbouring countries as well. Our authorities have provided significant contributed in some other very dangerous cases that could occur and would destabilize this part of Europe. It was intensified the fight against corruption and organized crime and we can say that the Government throughout this period has taken many important and concrete decisions.

*Kosovo Security Force* has continued with capacity building, by constantly being proven as a force that is ready to be transformed into Kosovo Armed Forces. In relation to substantial advancement of cooperation with NATO, it shall be reviewed the methods that KSF can apply, within its mandate, to participate as observer in the exercises of the Euro-Atlantic Disaster Response Coordination Centre (EADRCC). It will also be reviewed the methods for KSF, in coordination with the Liaison Advisory Team, to participate in KFOR exercises, in accordance with its mandate.

In **education**, the infrastructure is being completed in entirety and now the focus is in enhancing the teaching and learning quality in all levels.

In *health*, preparations were made in order to commence the functioning of health insurance which will begin by mid 2017. Works has commenced for constructing several important health facilities, such as the building of Emergency in Prishtina and regional hospitals in several centres.

In the field of *Culture, Youth and Sports*, besides historical membership in UEFA and FIFA, it should be noted the debut in judo, football, futsal, basketball, boxing, swimming and many other disciplines. The infrastructure of stadiums and sports halls in municipalities is being improved. Support was provided to all cultural activities, archaeological sites, work is being done in protection of cultural heritage, in various fields and we can say that the youth enjoyed support in implementation of their activities with the aim of opening up the opportunities to express their creativity.

In the field of *environment*, due diligence was given in undertaking Measures and in Improving Air Quality and Environmental Situation in Kosovo, for the purpose of overcoming the situation of air quality that we are facing with and the measures that need to be taken to prevent the pollution. It is prepared the plan of measures for reducing pollution through short, medium and long-term measures.

In the field of *social welfare*, support was provided through the social schemes and for specific cases. It is realized the historical increase of 25% for social pensions and up to 50% for contribution-payer pension, depending on the work experience and other criteria. Unemployment has dropped, and over 8 thousand citizens benefited from the active measures of the labour market. Opportunities were provided for seasonal employment abroad and internship projects and many other useful projects for Kosovar jobseekers.

*Public Administration Reform* has continued, and the preparations are made to approve the documents for the Law on Civil Service, Law on Salaries and the Law on Organization of State Administration during the first month of next year. Also, during 2016 were set the foundations for rationalization of all those Agencies that are under the responsibility of the Government of Republic of Kosovo, as well as those agencies that are under responsibility of Assembly and other independent agencies.

Significant results were achieved in *local governance*. We asses that there was an increase of performance of municipalities, there is progress in local administration, in providing services and in improving the lives of citizens.

Overall it is increased the support for other non-majority communities, such as Bosnian, Turkish, Roma, Ashkali and Egyptian communities.

# IMPLEMENTATION OF STRATEGIC PRIORITIES OF THE GOVERNMENT

Government of the Republic of Kosovo for 2016 is determined to implement five strategic priorities:

- *Priority I - Sustainable Economic Development, Employment and Welfare*
- *Priority II – Rule of Law and Justice*
- *Priority III – European Agenda and Foreign Policy*
- *Priority IV - Education, Science, Culture, Sports and Youth Development*
- *Priority V – Modern Healthcare*

All activities for achieving the objectives within the strategic priorities derive from the Program of Government of Kosovo and are based on other sector and cross-sector strategic documents listed below:

National Development Strategy, Economic Reform Programme, Internal Control Strategy of Public Finance 2015-2019, Action Plan for the Prevention and Combating of Informal Economy, Money Laundering, Terrorist Financing and Financial Crimes, Action Plan for implementation of Diaspora and Migration Strategy 2013-2018, Strategy for Modernization of Public Administration 2015 -2020, Program for Rural Development Projects 2016, based on Program for Agriculture and Rural Development 2014-2020, Strategy for Assistance in the field of the Rule of Law, Action Plan for Implementation of Anti-Corruption Agency 2013-2017, Strategy Against Organized Crime, Strategy Against Terrorism, Strategy Against Narcotics, Strategy Against Trafficking of Human Beings; Strategy of Integrated Border Management, Cyber Security Strategy, Anti-Corruption Strategy; Government Strategy for Cooperation with Civil Society, South East Europe Strategy 2020, National Development Strategy, Kosovo Education Strategic Plan 2011-2016; Kosovo Strategy for Youth 2013-2017, Strategy for Inclusion of Roma, Ashkali and Egyptian Communities 2016-2020, National Science Programme; Employment and Social Policy Sector Strategy, Health Sector Strategy 2015-2020 and Sector and Strategic Development Plans.

The executive summary mentioned in summarized form the main achievements, whereas below will be presented the main activities and achievements within each strategic priority of the Government for 2016.

## - Sustainable Economic Development, Employment and Welfare

In terms of sustainable economic development, progress was made in enhancing the fiscal and economic policies with particular emphasis on the implementation of the fiscal package which entered into force in September 2015 and the effects that were generated by this package. There was also progress in drafting and implementing the *Economic Reform Program*, in the Program with International Monetary Fund, in Discipline, management and budget transparency, in International financial agreement, commenced successfully the Implementation of Stabilization and Association Agreement and was also noted an increase of performance in collecting tax and customs revenues.

The steps for improving the abovementioned reforms shall ensure financial stability and favourable environment for economic development, provide competitive trade policy and improvement of environment for doing business, provide support for small and medium enterprises, promotion of investment as well as cost-effectiveness and fiscal regulation. More concretely, the following measures were realized:

#### **Effects of fiscal package-**

- During 2016 businesses have received discounts in the amount of 47 million euro.
- The number of large business organizations which due to large turnover or large number of employees are required to submit financial statements to the Kosovo Council for Financial Reporting has increased from 221 to 248. This is an increase of 12% in the number of large companies in the country. Employment growth only in these companies was 11% or 4,924 additional workers (increased from 44,101 to 49,029 workers).
- Benefits for the citizens due to deductions in VAT rate from 16% to 8% reached the amount of 21 million Euros (6.06 mil Euros for the period October-December 2015 and 14.9 million Euros for the period January-October 2016).
- The number of businesses with active VAT accounts increased with 3 thousand during this year, from 16 thousand that they were in 2015 to 19 thousand.
- TAK has allowed about 1.3 million Euros of base tax deduction for expenses of companies for payment on behalf of charities or special assets, based on the law on corporate income tax and law on personal income tax.

#### **Advancement of economical and fiscal policy**

*New fiscal policy proposal:* Ministry of Finance has drafted new fiscal policies to improve the environment for doing business.

#### **Budget for 2017**

The budget for 2017 was prepared in line with Government objectives for sustainable economic growth and fiscal sustainability. The budget manages to finance the priority requirements of each budgetary organization and at the same time to preserve the budget stability. Revenues for 2017 are planned to reach the amount of 1 billion and 725 million Euros, 6% more than in 2016 and 17% more than in 2015. Expenditures are planned to reach the amount of 2 billion Euros, an increase of 15% compared to 2016 and 28% compared to 2015. The largest increase was conducted in capital investments with 46% compared to 2016. The budget is in line with International Monetary Fund in all main budget categories.

**Revenues from customs have increased.** Revenues from Kosovo Customs for 2016 were **1,051.4 mil Euros, which is 100 million Euros (or 12%)** more than in previous year, despite the reduction of customs revenue of 22.8 million Euros due to the implementation of SAA.



Customs has made great progress in simplification of customs procedures, which is also proved in the report of the World Bank for 2016. The indicator "Trading Across Borders", which pertains to Customs, increased for 8 positions compared to the previous year. However, in comparison to three years ago, we have an improvement of international ranking of Kosovo for 70 positions, from 122nd position to 51st position.

**Tax revenues have increased.** TAK during this year has realized revenues in amount of 386.4 million Euros, which is 54 million (or 16%) more than in the previous year. 2,308 new businesses were equipped with fiscal cash registers, whereas the refund of VAT for fiscal coupons for citizens reached an amount of 13.1 million euro.

Significant progress has been reached in fiscalization of gas stations, where about 60% of them are fiscalized or are undergoing fiscalization process. In accordance to the Law on Public Debt Forgiveness, TAK has forgiven debts in amount of 216 million Euros, while the collected revenues as a result of this law reached the amount of 24.2 million euro. TAK has made reforms to the taxpayers' services. In the Doing Business report of the World Bank, Kosovo has improved its international ranking for 34 positions in the field of payment of tax, from 77th to 43rd position.

**Successful implementation of Stabilisation and Association Agreement** - Kosovo Customs have commenced to implement the SAA from 1 April 2016. During this period, the customs system has been adapted in accordance with the requirements of SAA. Today about 75% of goods that come from EU countries are subject to the reduced norm of customs duty, and according to the plan about 99% of goods coming from EU countries shall be exempted from customs duties by 2022. As a result, this agreement has reduced the customs revenues for 22.8 million euro.

**Program with International Monetary Fund** - Kosovo is implementing the IMF program since July 2015. All criteria of the program were successfully fulfilled and in time from the Ministry of Finance.

### **International financial agreements**

5 loan agreements in the amount of 182.5 million Euros were signed:

1. Agreement with KfW for the project of Energy Efficiency measures at municipal level (part of the loan 2.5 mil euro);
2. Financial Protocol with French Government in amount of 66 million Euros loan for the wastewater treatment plant in Prishtina;
3. Agreement with the Government of Hungary for establishing a framework program for financial cooperation in amount of 62 million Euros loan;
4. Agreement amending the agreement for financial cooperation with Austrian government in amount of 30 million Euros loan;
5. Agreement with the World Bank for rehabilitation of Iber-Lepenc canal in amount of 22 million Euros loan (in the process of signature/ratification);

4 grant agreements in the amount of 88.5 million Euros were signed:

1. Agreement with KfW for the project of Energy Efficiency measures at municipal level (part of the grant 5 mil euro);

2. Technical assistance agreement with the Federal Government of Germany for 2014 and 2015 in the amount of 20 million Euros grant;
3. Minutes of the Meeting with the German Government for the period of 2016-2017 in the amount of 46.9 million euro grant;
4. Agreement with KfW and the Swiss Government for the project of wastewater treatment in Peja in amount of 16.6 million Euros grant;

Were signed 2 state guarantee agreements in amount of 34 million Euros for public institutions/enterprises:

1. State guarantee agreement for the Urban Traffic project of Prishtina in amount of 10 million Euros as state guarantee;
2. State guarantee agreement for the new credit line of DIFK in amount of 24 million Euros as state guarantee (in process of signing/ratification);

Ministry of Finance has advanced the negotiations for elimination of double taxation with countries where we have a large concentration of Diaspora, such as Austria and Switzerland. Negotiations were initiated for similar agreements with Germany, Denmark, Bulgaria, Luxembourg, Sweden and Montenegro. This year, one such agreement was signed with the Government of the United Arab Emirates.

With the aim of developing the private sector and attracting the investments, **were approved 4 laws, Law on Bankruptcy, Law on Strategic Investment, Law on Late Payments in Commercial Transactions and Law on Accreditation.**

**Trade policy** - It is established the electronic platform for reporting the trade barriers and is prepared the brochure for the web platform; It is concluded the memorandum of cooperation between border agencies, as an obligation that derives from trade facilitation negotiations between CEFTA countries;

**During this year, Kosovo conducted trade exchange** (January – October 2016) = **2 536 000 000.00 €**, Exported goods = 253 million €, Imported goods = 2 283 000 000.00 €

**Kosovo products exposed** within and outside the country reached the number of **1166 products whereas were reached 33** contracts for the export.

**With the aim of improving the business environment**, the government has unified the business registration number with the number for export and import; we are working with TAK so the businesses will have only one number. It is shortened the deadline for registration of businesses and were implemented the recommendations of task force "Doing Business" headed by MTI. Before the deadline for registering a business was 3.5 days and now it is shortened to 1.9 days.

In World Bank's report of Doing Business we are ranked in 13th place for business registration. Were conducted eliminations and reductions to the fees for services provided to businesses for their registration process. It was developed a module for online business registration. It is advanced the pledge registry and now it provides advanced services according to requirements by banks. 10.549 businesses were registered and 2,328 businesses were closed. The number of businesses with foreign owners - 656; limited liability companies - 3868.

During this year, the value of *Foreign direct investment* (January – September 2016) according to CBK is 218.4 million €. Countries that have invested the most are: Switzerland, Great Britain, Turkey, Albania, Germany, USA and Austria. Whereas the invested sectors are as follows: real estate, renting and other business activities, construction, trade services, other services, financial services and energy.

The Government with the aim of *improving the access to finance and certification of products* has functionalized the Kosovo Credit Guarantee Fund and **so far has issued around 63 loans for local business**. The project for certification of Kosovo products with internationally recognized quality standards is being implemented by EBRD in cooperation with USAID and other donors, and about 20 Kosovo companies have benefited from this project. With the aim of finding **new markets for Kosovo companies**, support was provided to businesses for participation in various international fairs. Kosovo has made progress regarding membership in regional and global structures and in concluding free trade agreements.

During 2016, Government has finalized the package of energy sector laws and these laws were approved by the Assembly of Republic of Kosovo and are in alignment with the third package of EU directives. The approved laws are as follows: Law No. 05/L-081 on Energy; Law No. 05/L-085 on Electricity; Law No. 05/L-084 on Energy Regulator; Law No. 05/L-082 on Natural gas.

**Project of TPP Kosova e Re** - Negotiations for concluding the first phase of the project "Commercial Closure" have continued intensively during this period, and signing of these agreements is expected to take place in early 2017. At the same time, we are working on finalizing the second phase of the project "Financial Closure", which is expected to occur in Q3-2017. In the light of capacity building of transmission, during 2016 it was realized the capital project Completion of infrastructure for secondary regulation of transmission line between Kosovo and Albania.

In the light of implementing the policy for development of the mining sector in terms of regulating the status of enterprise "Trepça", it was adopted the Law No. 05/L-120 on Trepça by the Assembly of Republic of Kosovo.

**The Government has marked significant progress in development of agriculture, forestry and rural development sector** during 2016.

**Rural development** - Rural Development Program for 2016 (Grant program), as an annual program for providing support to farmers and agro-processors in the country had a planned budget in amount of **23 million Euros** and is distributed throughout five main measures: measure for **investments in physical assets of agricultural households**, with 342 beneficiaries, in the amount of 15.29 million euro; **Measure for investments in physical assets in processing and trading agricultural products**, with 25 beneficiaries, in amount of 4.29 million euro; **Measure for diversification in farm and development of businesses**, with 98 beneficiaries, in amount of 1.59 million euro; **Measures for Local Action Groups**, with 12 beneficiaries, in amount of 80.000 Euros and **Measure for irrigating agricultural lands**, with 8 beneficiaries, in amount of 1.12 million euro. It is worth mentioning that this year there was a considerable increase of the area planted with trees, especially with raspberry. Implementation of this program reached the amount of 23 million Euros.

**Agriculture** - The planned budget for implementation of this Program was **26 million Euros** and is distributed in these sub sectors: cereals, livestock and horticulture. The number of applicants that benefited from this program during 2016 is over 42000 farmers.

**Impact of investment in agriculture sector** – As a result of investments made in the agricultural sector during 2016, among other, is increased the level of agricultural and agro-processing production in the country, it is increased the area of arable agricultural lands, were opened over 2500 new work-places, it is significantly increased the export of agricultural products and to a certain level were replaced the imported products with agricultural products produced in the country.

With the aim of **improving the social welfare and preserving the social cohesion** – **Were licensed 145 social service providers**, out of them 87 social and family service providers in superior level and 58 for basic level. Also **were licensed 18 non-governmental organizations** which provide social and family services.

During 2016 we continued to provide **support for family shelter within the families for 557 children**, with compensation of 75.00 Euros per month, and alternative shelter outside the family for 84 children with compensation of 150.00 per month.

Regarding cooperation with NGOs, **were provided services for 6 regional shelter centres for protection from domestic violence**. MLSW has selected and financially supported the projects for 20 NGOs, by financing over 50% of expenditures for each project designated for providing social and family services.

**Social services were provided for 423 cases of domestic violence**, out of whom 237 were women, namely 186 children that were victims of domestic violence. Shelter was provided for 29 persons that were victims of trafficking in human being, out of whom 11 adults, and 18 minors and **56 children were removed from hard labour**. It was conducted the decentralisation of services for Nursing Home for Elders in Istog (Gurakoc), Gračanica and Nursing Home for Persons with Disabilities in Shtime, Vushtrri, Deçan, Ferizaj, Lipjan and Kamenica. Within the **Social Assistance** schemes, **26.302 families with 107.575 family members have received social assistance**, during 2016. Depending on the number of family members, **they have benefited from 50 to 150 Euros**.

## - **Rule of Law and Justice**

Government of the Republic of Kosovo marked progress in achieving the priority related to the good governance and rule of law. 42 draft laws have been adopted and proceeded to the Assembly.

The adoption of these draft laws is directly linked to the economic development, European integration processes, education, safety, fight against corruption and advancement of many other processes that are important for the future of the country.

**The physical infrastructure of the justice sector has been further improved during 2016**. The construction of the Facility for Juveniles with Educational-Correctional Measure has been completed.

*The Functional Review for the Rule of Law Sector* has been adopted in November 2016 for the purpose of increasing efficiency, transparency and accountability in the justice system, by analysing the justice system in its entirety. The review will be carried out for the purpose of establishing a basis for *Drafting a Comprehensive Strategy for Order and Law*, which will address all problems.

The supervisory mechanism, Commission for Inspecting the legality of the work of Private Enforcement Agents and the Chamber of Private Enforcement Agents has been established, within the private enforcement system.

Regarding the execution system of the criminal sanctions, the *Strategy on Execution of Criminal Sanctions* has been drafted and aims at improving the administration of the execution of criminal sanctions in Kosovo.

Regarding the unification of the local self-government system, Government marked progress in functionalizing the municipal bodies in four municipalities: North Mitrovica, Leposaviq, Zveçan and Zubin Potok, as well as advanced the communication system.

In 2016, the Government drafted new fiscal policies for the purpose of improving the environment of doing business.

In compliance with the European Integration Agenda, in January 2016 it was submitted the "Economy Reform Programme 2016" to the European Commission and represents the basis for assessments for the progress report of the European Commission.

One of the main priorities of the Government of the Republic of Kosovo is the fight against serious crimes, terrorism, organised crime and corruption, which harms the economy, democratic consolidation and the image of the country and were also reviewed and assessed the national strategies in the field of narcotics, organized crime, terrorism, cyber security and intelligence-led policing. Also, were finalized the new strategies on community safety and on control of small arms and light weapons and explosives.

The Government of the Republic of Kosovo considers an important step in building a strong and sustainable state and society to fight this global phenomenon and to ensure that this phenomenon has no place in Kosovo.

During 2016, the Government was committed to complete the strategic framework for Public Administration Reform, as well as to complete the legal framework in the field of Public Administration.

## - **European Agenda and foreign policy**

Kosovo has been recognized by 113 countries so far, including the leading countries of the world. Kosovo is member of the most important international financial institutions.

*Stabilization and Association Agreement* entered into force in April 2016 and is the most important and most comprehensive international agreement that Kosovo has ever concluded and has established the framework of our relations with EU Member States and its institutions, as well as its mechanisms and the official deadlines for reforms will progressively approximate Kosovo with EU standards, create political stability and democratic institutions, and will integrate its economy in EU, which will be capable of facing market forces and the pressure of the competition within EU internal market. SAA covers all governance fields, within 144 Articles divided into ten (10) Titles, as well as seven (7) Annexes, five (5) Protocols and one joint declaration.

**Dialogue for visa liberalization with European Union remains one of the main short-term priorities of the Government of the Republic of Kosovo.** The main development regarding the visa liberalization is the provision of recommendation by the European Commission and European Parliament. In addition, we continued efforts for implementing two remaining recommendations: ratification of the agreement for demarcation of the border with Montenegro and results of fighting the organized crime and corruption. Since the provision of the recommendation, Kosovo submitted to EC two reports about the fulfilment of two remaining recommendations.

European Reform Agenda (ERA) has been drafted and adopted and was officially launched by the Prime Minister Mustafa and EU Commissioner for Enlargement Negotiations at the *High Level Conference on Kosovo – EU Stabilization and Association Agreement*. The purpose of ERA is to focus on the SAA implementation and to serve as an instrument of regular High Level Dialogue that will be held within the stabilization and association structures.

**Membership of Republic of Kosovo in international organizations has been one of the top priorities of foreign policy during 2016 as well.** During 2016, Kosovo established diplomatic relationships with Gambia, Malawi, Ivory Coast and Singapore. Currently, Kosovo has established diplomatic relationships with 86 countries during the period of eight years of its independence.

For the purpose of strengthening the statehood and deepening the good neighbourly relations and regional cooperation and in view of strengthening the regional peace, various activities have been carried out within the cooperation with countries of the region.

Government of Kosovo is committed to have as much cooperation as possible with Diaspora in order to preserve the national identity and to promote cultural values.

Were implemented promotional and supportive policies for carrying out economic activities from Diaspora. The Albanian culture, language and history have been promoted in Diaspora in order to preserve the national identity.

In order to support the learning process of Albanian language, more than 30 thousand books and other school materials have been distributed in Diaspora.

**Government has given importance to support the youth in Diaspora in order to educate them with national values and to preserve the native language.**

## - **Education, Science, Culture, Sports and Youth Development**

In the light of *Increasing the level of inclusion of children in pre-school and pre-primary education*, it is currently in the process drafting of core curriculum for pre-school education (age 0-5), as well as 933 educators of pre-primary classes have been trained for implementing the document of Standards of Development and Learning in Early Childhood, age 0 to 6. During this year, 62 private pre-school institutions have been licensed, thus increasing the inclusion of children at this level with around 3300 children.

In order to facilitate the enrolment of **students from communities in public universities**, MEST adopted the Administrative Instruction for application of affirmative measures and quotes for enrolment of students from non-majority communities in Public Universities, and allocated 500 scholarships for pupils of Roma, Ashkali and Egyptian Communities in upper secondary schools and 52 scholarships for students of communities.

Kosovo has developed the educational system at all levels, with a special emphasis on the achievements in the inclusion of pupils in this system. In the light of international assessment, it is prepared the national report for PISA 2015 results and commenced the preparations for PISA 2018.

During this year, National Qualifications Authority continued to populate the National Qualifications Framework by validating and **approving 6 new qualifications in NQF and accrediting for the first time 15**

**providers for the accreditation of these qualifications.** A total of 27 qualifications have been adopted at level 2, 3, 4 and 5 in NQF, as well as were accredited 36 providers which provide, issue and certify professional qualifications.

It is drafted the **funding formula for Higher Education Institutions**, it is signed the documentation for establishing and functioning the HEMIS, and commenced the piloting in three higher education institutions.

In the field of **research and innovation**, around 300 books of commentaries from "Science Week 2015" have been published. 11 research institutions have been supported from the small scientific projects grant in amount of 76870 €, 54 researchers have benefited from the short-term mobility grant the amount of € 35,000.00, as well as 11 scientific publications the amount of 45000 €. Kosovo commenced to be active in the EU Framework Programme for Research and Innovation - Horizon 2020.

The Government is committed to harmonize the vocational education and training with the labour market requirements, by implementing a series of projects and activities, such as: drafting of the Special Education Plan for VET that is being piloted in 24 schools; all VET schools have quality assurance coordinators; Kosovo Practice Firms Centre has become a member of the EUROPEAN PEN International; 15 VET teachers have been trained for applying Office 365 in 7 regions in Kosovo; the training for the development of entrepreneurship competence (60 teachers in VETI and 5 trainers of trainers) is on the process; Master programme for VET (DVETAE and Faculty of Education) has been launched, first generation; workshops have been equipped in 4 vocational schools and is delivered a training on their use in 4 schools; the occupational standard for level 5 for the career counsellor and traffic instructor, as well as 10 occupational standards in close cooperation with businesses have been drafted; CC Ferizaj and CC Prizren and international company PEARSON have commenced the partnership in international recognition of qualifications provided in these CCs; integrated curricula have been drafted for 4 profiles and now we have in total 24 integrated curricula; 5 agreements have been signed with businesses (at the central level) for the enrolment of pupils in professional practice, as well as development plans of 8 schools have been reviewed as well as directors and persons responsible for planning have been trained.

For the purpose of **developing and promoting cultural activities**, Kosovo participated in the Venice Biennale 2017; it also participated for the first time in Francophone Games in Abidjan, Ivory Coast. Regarding the participation of Kosovo in international festivals, it is worth mentioning that the participation of KCC in international film festivals and participation of artists in international festivals of various profiles. Kosovo has become member of the International Federation of Arts Councils and Culture Agencies with headquarters in Sydney, Australia.

In the light of international cultural cooperation, two agreements for cultural cooperation have been concluded with Croatia and Bulgaria. The implementation of the Cultural Cooperation Protocol with the Ministry of Culture of the Republic of Albania has continued.

Within the **further development and internationalization of the Kosovo sport**, during this year Kosovo was represented in Summer Olympic Games, Rio 2016, being awarded with the golden medal, as well as in:

- World, European, Mediterranean and Balkan Championships;
- World, European, Mediterranean and Balkan Cups;
- International official tournaments for junior and senior categories;
- International tournaments of traditional character.

## - **Modern healthcare**

For the purpose of strategic orientation of the health sector reform, the Government of the Republic of Kosovo adopted the Health Sector Strategy 2017 – 2021, aiming the preservation of health.

It is approved the statute of Health Insurance Fund, as well as the Regulation of Financial Management of Health Insurance Fund. The Government also issued a decision on the date of collection of premiums.

During this year, the Chambers of Healthcare Professionals have been operationalized by issuing statutes and other bylaws, as well as competencies have been transferred as determined by the law. Hospital and University Clinical Service of Kosovo has been functionalized as an integrated form of services in the secondary and tertiary healthcare level.

For the purpose of capacity building of hospitals within the health system, with the support of United Emirates of Arabia, it was inaugurated the Hospital of Vushtrria, in primary healthcare level it was inaugurated the Main Family Medicine Centre in Kaçanik, as well as the construction of the Main Family Medicine Centre has been completed in Skenderaj. In order to advance the maternal and child health, were provided equipment for secondary and tertiary level in the amount of 1,6 million Euros. Three ambulances have been provided for the needs of health institutions.

Regarding the new services, during this year were **carried out 106 cardio surgeries, thus saving around 1.500.000 Euros.**

Given the commitment for more funds for all municipalities, the Government increased the health grant for municipalities from 40 million Euros to 44 million Euros for 2017. Also, the commitment for increased number of health staff has been fulfilled through temporary employment of 153 specialists, as well as volunteer apprentice specialist were systemized with performance-based payment. Supply of medicines and medical materials reached more than 70% in all levels of health system.

With regards to the fight against cancer, 2792 mammographies were conducted, and Oncology Clinic treated all patients in need. The program of health visits at home for the maternal and child care has commenced.

In the light of international cooperation, it was approved the Agreement with Austria for Modernization of Invasive Cardiology Services in UCCK. Also, it is signed an Agreement for International Accreditation of Family Medicine Specialisation in Kosovo with the British College. Kosovo and Albania have signed Cooperation Agreement in the field of public health, as well as Cooperation Agreements between the Health Inspectorate of Kosovo and Albania.

Even the support of donors for the health sector has been provided by signing the agreements with the Government of Luxembourg in the amount of 9.5 million Euros, Swiss Agency for Development and Cooperation in the amount of 6 million Euros and United Arab Emirates in the amount of 22 million Euros. Health sector has been supported also by "Globus Relief" from USA in the amount of 3.5 million Euros. Ministry of Health and TIKA have signed an Agreement for New Intensive Care Unit in UCCK.



## IMPLEMENTATION OF SECTOR PRIORITIES

In this section are presented the achievements and implementation of activities for achieving the objectives of Government in entirety, through the individual reports of the Office of the Prime Minister and Ministries of the Government of the Republic of Kosovo. Each institution has presented the significant achievements in the sector or field that it covers and these have been presented in details as follows.

### - OFFICE OF THE PRIME MINISTER

Office of the Prime Minister, in the leading role for coordinating the Government work during 2016, has been focused on fulfilling the duties assigned within the strategic priorities of the Government, as well as in fulfilling duties within the OPM priorities.

Specific results have been achieved in **coordination of policies and strategic planning, drafting and supervising the legislation in compliance with the European Agenda and in other fields covered by the Office of the Prime Minister.**

For the purpose of discussing, reviewing and approving and in general in view of decision-making of the Government for various government policies, were held 55 (fifty five) meetings of the Government during 2016, 479 decisions have been issued, 31 (thirty one) meetings of General Secretaries have been held and 26 Concept Papers have been adopted by the Government.

Were forwarded to the Assembly 51 Draft Laws, 34 decisions of the Government and 139 parliamentary questions have been received by the Assembly and forwarded to Ministries, and 10 Government decisions have been forwarded to the President of Kosovo. 9 reports have been drafted on the implementation of GAWP, implementation of Government decisions and process of drafting Concept Papers for 2016.

**During the drafting process of Government Annual Work Plan for 2017**, was reviewed the Guideline on Drafting and Monitoring the GAWP. For the first time during this year were unified the requirements for drafting the GAWP, Strategic Documents Programme and Legislative Program, which were included within the Guideline for Drafting the GAWP in order to ensure the full compliance of these three documents. A workshop was organized with the representatives of Legal Offices and Departments for Policy Coordination from all ministries in order to get familiar with the new guideline.

Within the European integration process, OPM submitted two inputs for the European Commission Report on Kosovo for 2016 and lead 4 Chapters regarding NPISAA review: *Electoral Reform and Assembly, Human Rights and Protection of Minorities, Regional Cooperation and International Obligations, as well as Statistics*. Whereas, for the purpose of monitoring the implementation of obligations deriving from this process, were drafted 4 Reports for NPISAA 2016.

Office of the Prime Minister reviewed the *Better Regulation Strategy 2017-2021* and *Strategy for Improving Policy Planning and Coordination*, which were adopted in December 2016. Both these strategies are also part of the First Pillar of Strategic Framework for Public Administration Reform and are also the basis for budgetary support of Kosovo by the European Commission within this process.

It is finalized the *National Development Strategy 2016-2021* and is adopted by the Government on 22 January 2016 as the main mechanism to consolidate the strategic prioritization process, which will ensure appropriate reflection of all national policy priorities, including EU integration. Following the adoption, OSP has drafted and submitted Roadmaps for Implementation of NDS, along with instruction for preparing the Roadmap to the relevant Line Ministries. Also, within this process, OSP presented the National Development Strategy in the regional meetings in Prizren, Peja, Mitrovica and Ferizaj with Civil Society Organizations and other stakeholders during April.

**Economic Reform Programme** – Based on the Decision No. 07/56 of the Government of the Republic of Kosovo, OSP together with the Department for Economic, Public Policies and Financial Cooperation (MoF) and under the leadership of the National Coordinator, Minister of Finance coordinated the process for drafting the Economic Reform Programme 2016-2018 (ERP), as part of the dialogue between EU and Republic of Kosovo within the economic governance, which was then adopted by the Government of Kosovo on 29 January and submitted to the European Commission.

**Interconnection of NDS and ERP priorities with medium-term priorities and budgetary process/MTEF** – Office for Strategic Planning prepared the Declaration of Medium-term Priorities (DMTP) of the Government of Kosovo in full compliance with the priorities set within four pillars of NDS, as well as Economic Reform Programme, as part of the Medium-term Expenditure Framework 2017-2019. This has been done in close cooperation with the Ministry of Finance. DMTP for MTEF 2017-19 has been adopted and now includes a framework of priorities to lead the budget planning in the line ministries. In this regard, OSP participated also in the process of budgetary hearings in order to ensure that this framework of priorities has been reflected even in the annual budget for the following year.

Similarly, OSP compiled the list of strategic priorities for the Government Annual Work Plan and supported institutions by providing appropriate explanations for the process of linking activities of ministries with the strategic priorities list.

**Establishment of Integrated Planning System** – Within the IPS, the Government established on 21 January 2016 the Strategic Planning Committee (SPC), chaired by the Prime Minister of Kosovo and composed of all main ministers. SPC met two times during 2016 to review the strategic aspects related to the MCC and ERP.

**Strategic and Policy Planning** – continued with the coordination of the process of drafting strategic documents in compliance with the Administrative Instruction 02/2012. Based on APSD 2016, 41 strategic documents are foreseen to be drafted. So far, 11 strategic documents have been adopted, and out of them 4 are from APSD 2015. Currently, 20 strategic documents are under the process of drafting or finalizing, whereas several of them have been transferred to 2017. Also, during October, OSP consolidated the overall list of valid strategic documents by reducing their number from 67 in previous periods to 55 current strategic documents. In compliance with the objectives set forth in the Strategy for Improving the Policy Planning and Coordination, OSP is under the process of consolidating the strategic framework, by moving towards the sector approach of drafting strategic documents, which will influence the further reduction of the total number of strategic documents.

**Legislative Program of the Government of the Republic of Kosovo for 2016** – contains in total 108 Draft Laws and Government of the Republic of Kosovo has adopted 42 Draft Laws. The Government adopted thirty one (31) bylaws, whereas in the register of bylaws, the Government and ministers have adopted in total 137 bylaws.

Regulation No. 09/2011 of Rules and Procedures of the Government of the Republic of Kosovo determines the rules and procedures for drafting the legislation and recommendations of policies by the Government and Ministries.

In compliance with its Rules and Procedures, the Government of the Republic of Kosovo prepares every year its Annual Work Plan, which includes legislative and non-legislative activities. Legislative activities are summarised in a special Annex of the Annual Government Plan for the purpose of facilitating the management and monitoring legislative initiatives of the Government – Legislative Program.

Legislative Program contains ministries responsible for drafting the draft laws and dates foreseen for the submission of draft laws by ministries for review and approval in the Government.

Moreover, this program is further used by the Assembly of the Republic of Kosovo to plan the sessions throughout the year, as well as to draft the work plans for Assembly Committees.

Office of the Prime Minister monitors the implementation of the Government Legislative Program and you can find in this report the information regarding the implementation of the Legislative Program during 2016.

Legislative Program 2016 contains in total 112 Draft Laws, of which a total of **53 Draft Laws** have been adopted.

Within 112 Draft Laws foreseen for 2016, 51 of them were foreseen in NPISAA and 12 of them have been adopted whereas 39 not.

For the purpose of presenting the realization of the Legislative Program during 2016, find below the status of realization of draft laws.

For the purpose of *informing the public* about the activities of the Prime Minister and Office of the Prime Minister in general, were issued 527 information and 162 notices for the agenda of the Prime Minister and Deputy Prime Ministers and relevant offices of OPM, were organized 21 press conferences for the Prime Minister, Deputy Prime Ministers, Ministers and relevant offices of OPM. 243 reports were prepared for monitoring local and regional media. Office of Public Communication has drafted the Comprehensive Report 2015, PIO has received a total of 18 requests for access to public documents during this year, where for 10 of them was provided positive response, two are in the process and 6 requests have been rejected.

**Regarding good governance** – it was approved the Regulation on Minimal Standard for Public Consultation Process, it was developed the Online Platform, and it was finalized the Report for 2015 and Work Plan for 2016 on the Implementation of the Government Strategy for Cooperation with Civil Society. It is finalized the development of Online Platform, which will ensure the implementation of minimal standards for public consultation according to the Regulation No. 05/2016. Was conducted the training and capacity building of civil servants for the implementation of the Regulation on Minimum Standards for Public Consultations. Through the Government Decision No. 05/89, dated 25.05.2016, it was conducted the selection of the model MIX for funding NGOs, which obliges the OPM/OGG and Ministry of Finance to draft the Regulation on Standards, Criteria and Procedures for Distribution of Funds. Were organized and held regular meetings of the Council, meetings of coordinators, workshops and meetings of the Council Teams and its supporting mechanisms.

It is concluded the Report on the Compliance of Legislation of Republic of Kosovo with the Convention of the European Council on Protection of Children against Sexual Exploitation and Sexual Abuse, also known as “Lanzarote Convention”, Application and acceptance of the project proposal in the first phase “Evidence-based children policy-making” within IPA 2017. It is drafted the report on monitoring the children rights known as “Report Card”. Inter-ministerial Committee on Children Rights has held meetings. It is drafted the report on

monitoring the justice indicators for children. It is organized the improvised plenary session in the Assembly of Kosovo on the occasion of marking "1<sup>st</sup> of June." It concluded the process for drafting the Strategy for Inclusion of Roma and Ashkali Communities in Kosovo Society 2017 - 2021. Advisory and Coordination Group for the Rights of (LGBTI) Community adopted its work plan for 2016-2018. The Progress Report for 2015 on implementation of the National Plan on the Rights of Persons with Disabilities 2013 - 2015 has been drafted. The National Plan on the Rights of Persons with Disabilities in the Republic of Kosovo (2017 - 2019) has been drafted. The Law on the Status and Rights of Persons with Disabilities has been adopted. Two meetings of the National Council for the Rights of Persons with Disabilities have been held. The Concept Paper on the Inclusion of Persons with Disabilities has been drafted. A Conference with the topic National Policies for Protecting the Rights of Persons with Autism in the Republic of Kosovo has been held. National Day and Week for Deaf Persons have been marked. International Day and Week for Equal Opportunities for Disabled People have been marked. Considering the Decision of the Government of the Republic of Kosovo No. 07/157, dated 22.11.2013, on the approval of the National Programme for Provision of Services in the Sign Language for Deaf Persons in the Republic of Kosovo, the Office of Good Governance/Office of the Prime Minister drafted the Regulation for the Provision of Services in the Sign Language for Deaf Persons, whereas on 15 October 2014 it was approved by the Government of the Republic of Kosovo.

The purpose of this Regulation is to determine the rules and procedures for provision of services in the sign language in the Republic of Kosovo, as well as access to the interpretation services through the sign language interpreters.

As a result, based on this document, since April 2016, the Republic of Kosovo has successfully realized the right of deaf citizens to receive services in the sign languages according to their needs in all public institutions in the country.

Now a deaf person in the Republic of Kosovo is not isolated, but absolutely enjoys the equal opportunity of communication (in sign language) in all public institutions.

**Moreover, this Decision positioned the Republic of Kosovo as one of the first countries in the Balkans to have taken this step and this is a positive example for the countries of the region and beyond.**

Surely, this achievement was enabled through the good cooperation between institutions and deaf persons' community, which were among the important promoters to successfully complete this process.

During the reporting period, in the field of regional cooperation, the **Office of the Regional Cooperation Council** was represented in the 28<sup>th</sup> and 29<sup>th</sup> meeting of the RCC Board, where it was discussed about the draft Strategy of Work and RCC Programme for 2017 - 2019. It also fulfilled its financial obligations towards RCC Secretariat for 2015 and 2016.

In the light of fulfilling the legal mandate of the **Government Commission on Missing Persons**, the Commission continued to organize and hold regular meetings, with the participation, in addition to the members of the Commission, also the local and international stakeholders engaged in the process of resolving the fate of missing persons. Three meetings of the Working Group for Missing Persons have been held between the Kosovo Delegation and Serbia Delegation, facilitated by the International Committee of the Red Cross, as well as three meetings of the Sub-Working Group on Forensic have been held. More than 20 field operations or excavating activities have been carried out in 15 marked locations, searching for mortal remains of war victims. From 15 proceeded locations within the territory of the Republic of Kosovo, mortal remains of war victims have been found in 6 locations, where the mortal remains of 7 persons (minimal number of individuals: 7) have been

exhumed. In 3 locations from 15 locations proceeded in terms of assessing excavations, were present also the representatives of Delegation from Serbia. Mortal remains of more than 65 identified missing persons have been returned. Among the cases of mortal remains that were handed over are included also 5 cases of mortal remains that were handed over to the families and authorities of Serbia, in the Border Crossing Point, Gate 3, in Merdare. During this year, in cooperation with the Associations of Families of Missing Persons, were conducted a series of activities for marking the 27<sup>th</sup> of April – Day of Missing Persons in Kosovo and 30<sup>th</sup> of August – International Day of Missing Persons. The Government adopted the Decision for allocation of 20,000.00 (twenty thousand Euros) for supporting the families of missing persons through the project for rehabilitation in medical rehabilitation centres.

**Regarding the issues of communities**, the Government adopted the Programme for Communities and drafted the Strategy for Affirmation and Integration of Montenegrin Community in the Republic of Kosovo. A total of 135 diplomas have been verified so far. A significant number of activities have been organized to support communities in various fields by providing Calls for Proposals for Media in the amount up to 200.000 Euros and Calls for Proposals for NGOs in the amount of 150.000 Euros. The NGO “Aktiv” has been supported with 88.000 Euros for the project for supporting newly established municipalities in the North of Kosovo for developing culture, youth and sport in these municipalities. Internship programme, in cooperation with the Norway Embassy, has been supported with 90.000 Euros for a six (6) month period, together with courses of Albanian/Serbian language for interns. In cooperation with the American University in Kosovo, scholarships have been provided for members of non-majority communities in Kosovo in the amount of 36.000 Euros. In cooperation with UNDP, the Rapid Response Programme has been implemented in the amount of 150.000 Euros, whereas in cooperation with MCR was provided the amount of 150.000 Euros for purchasing construction material for social cases, and the construction of two houses for Egyptian Community has been funded in the amount of 5.000 Euros.

**Working Group on Dealing with the Past and Reconciliation (WG DwPR)** – document for analysing the legislation has been finalized. As a result, the basic document for designing the consultation process in Kosovo, including activities and timelines, has been drafted. The first draft of the referring document for Transitional Justice Strategy has been drafted and the Working Group has drafted the specific plan for the consultation process to be organized from January to July 2017, and is divided in 7 municipalities, with all categories of victims, including also non-majority communities.

Within the **Office of Language Commissioner** – the program of courses in thirteen (13) municipalities has been concluded, and it is a project co-funded by the Office of Language Commissioner and Higher Commissioner for National Minorities (HCNM). Recommendations have been submitted to the Kosovo Academy for Public Safety for the inclusion of learning the official languages in the training curriculum of KPSA through IPA project. During this year, the OLC filed 41 complaints, 21 were resolved whereas 20 are in process, and recommendations have been provided based on complaints for municipalities. Annual Work Plan of OLC has been published, reporting was conducted on quarterly basis and the reporting for the Board and Observers.

It is drafted and published the “Roadmap for Civil Servants for Realizing the Language Rights”. It is developed the monitoring tool for monitoring the implementation of the Law on the Use of Languages. Based on the monitoring of institutions, 33 recommendations have been issued (Kosovo Accreditation Agency, Ministry of Infrastructure, Kosovo Agency for Public Safety, Procurement Review Body, Municipalities of Graçanica, Klllokot, Partesh, Ranillug and Administrative Office of Mitrovica North). The office has regulated the applications for colours of vehicles and vehicle types, in cooperation with QAK. Were prepared and distributed the “Guidelines on the Rights of the Official Language Use” for the central and municipal level, and with the

assistance of members of Language Policy Network were placed in almost all institutions that are under the jurisdiction of the office. With the support of the Swiss Embassy in Prishtina, it was produced and screened the film with the topic “Multilingualism, a value and/or obligation” within the International Film Festival.

**Office for Publication of the Official Gazette has published the legal acts in the printed form/website of the Official Gazette of:** 41 numbers of Official Gazette have been printed in the book form, 1 Constitutional Amendment, 48 Laws, 2 Tables of the Law on Budget, 12 International Agreements ratified by laws, 1 Decision of the Assembly, 25 International Agreements ratified with decree of President, 1 Decree, Presidency 1 Decision for Election, Presidency, 7 Notifications for Accreditation of Ambassadors by the Presidency, 2 Administrative Instructions (GRK), 1 Regulation (GRK), 36 Decisions of the Government on expropriations with accompanying tables. 74 Decisions, Regulations, Administrative Instructions and other acts of ministries, 134 Decisions, Rulings, Judgements, regulations and other acts of Constitutional Court, 487 Decisions, Rulings, announcements and other acts of Basic Courts of Kosovo, 106 Decisions, Regulations, Administrative Instructions and other acts of Municipalities, 38 Decisions and Instructions of other independent institutions.

**A total of 974 normative acts have been published during this reporting period** in 5 languages (Albanian, English, Serbian, Turkish and Bosnian).

Regarding the *Investigation of Aeronautic Accidents and Incidents*, the Commission which acts within OPM for this purpose, namely AAIC, represented the Republic of Kosovo in the European Civil Aviation Investigators Network and European Rail Accidents Network ERA.

During this year, AAIC has investigated a case in Kosovo and was an observer in another case. It was signed a Memorandum of Understanding with the Air, Maritime and Rail Traffic Accidents Investigation Agency (AIN) of the Republic of Croatia for the purpose of exchanging experiences, common training sessions, provision of experts and investigators in case of accident and provision of the program for decoding the chips of trains, all without any costs. Ongoing contacts have been held with the counterpart institutions and were enhanced the relations in the field of Aviation and Railway with Croatia, Macedonia, Montenegro, Albania, Turkey, Germany, France and England. Two Regulations have been prepared for aviation, which transposes the EU Regulation 996/2010 and Annex 13 of the Chicago Convention. These Regulations are in public discussion. During 2016, we had 107 cases in Prishtina Airport and were followed with due diligence. According to the law and the need, were issued recommendations regarding the enhancement of Safety in Civil Aviation. It is provided service for all citizens 24/7, and is made available a telephone number and an email address.

**Agency for Gender Equality - AGE** has drafted the Administrative Instruction (GRK No. 03/2016) – as a special measure for registering the joint immovable property in the name of both spouses. AGE in cooperation with the Cadastral Agency, monitored the implementation of this instruction and the data for the first 6 months since the entry into force, and there are 124 cases that have benefited from this AI. AGE has partially subsidized 12 projects which aim the awareness- raising of citizens on gender equality, economic empowerment of women, as well as promotion of women in culture and entrepreneurship. Funded projects reached the amount of 30.000 Euros. AGE published the Second Monitoring Report on the Implementation Progress of the Action Plan for the Implementation of Resolution 1325<sup>1</sup> “Women, Peace and Safety” on 25 November/2016. During 2016, AGE continued with the provision of training for Standard Operating Procedures (SOPs) for protection from domestic violence and this training was attended by 260 participants. AGE marked the 25<sup>th</sup> of November, International Day for the Elimination of Violence against Women – (16 Days of Activism) through the awareness-raising campaigns, as well as by initiating the procedure for carrying out the research “Women in Written Media 2014-2015”, the report is expected to be finalized in February 2017.

**Kosovo Agency on Protection from Radiation and Nuclear Safety**, within its competences, has carried out these activities for the purpose of implementing the foreseen objectives. In this regard, the Draft Law on Protection from Radiation and Nuclear Safety has been drafted and adopted by the Government, it has been worked in 2 Regulations from the field of protection from radiation, and the Strategy and Action Plan for Protection from Radiation and Nuclear Safety for the period 2017 – 2027 is being reviewed and reassessed. The draft of the Strategy for Managing Depleted Uranium in the territory of the Republic of Kosovo for a three month period has been drafted. The Government has established the Inter-ministerial Group for drafting the National Strategy for non-proliferation of weapons of mass destruction. Two plans for inspections for 2016 have been drafted and adopted and 112 inspections have been carried out in general, and a total of 52 authorizations have been issued during 2016.

**Kosovo Agency of State Archives** – Were processed and regulated 383 **meters linear length** of the archival material; 2937 sheets have been cleaned, disinfected and restored; 99 books have been bound and 14.350 binders have been prepared; were provided services for 5850 parties and researchers. (During 2016, were scanned **4622** documents; **3630** microfilms; 1906 documents for the description of the archival material have been entered in the database, 3509 documents have been indexed and **8205** names have been digitalized. Were migrated **188.944** digital documents from other mediums (CD, DVD, Backup, and PC) to the server.)

Were received **13.80 meter linear length** of the archival material. Kosovo Agency of State Archives signed a Cooperation Agreement with the State Archive of Montenegro. Also, it was renewed the Cooperation Agreement with the Agency of State Archives of Bulgaria. During this year, Kosovo Agency of State Archives published 6 books: Journal “*Vjetari*”, manual for archivists “*Dokumente Elektronike*”, “*Bibliografia e botimeve të veçanta të ASHAK-së 1965-2015*”, author Sadik Mehmeti and Nuridin Ahmeti; “*Suhareka gjatë Luftës së Dytë Botërore 1941-1945*”, author Zeliye Shala, “*Shqiptarët në politikën e jashtme të Austro – Hungarisë (1912-1914)*”, author Selim Bezeraj, as well as on the occasion of 65<sup>th</sup> anniversary it was published the special edition “*Arkivat e Kosovës (Jubileu i 65-të)*”. The following publications have been promoted: “*Fjalorit Shqip të Termave Arkivor*”, in Prishtina and Tirana; Monograph “*Drenica e epërme dhe Ushtria Çlirimtare e Kosovës*”, author Selman Krasniqi, Prishtina; Book “*The Serb Government’s Crimes in Kosova 1998-1999*”, author Prof. Dr. Jusuf Osmani, Prishtina.

**Kosovo Agency of Statistics**: a total of 110 publications have been published, out of which 31 publications were published on annual basis, 52 publications on quarterly basis and 24 publications on monthly basis; 2 specialised publications from the Agriculture Census 2014; and 1 (one) publication on biannual basis. Regarding other activities, two surveys have been carried out: Survey on the Energy Efficiency in the sector of enterprises and the Survey for Updating the Business Registry. Within IPA 2014, all activities are being carried out for 13 pilot projects.

In the field of general activities, during 2016 were implemented: i) preparation and submission of GAWP for 2017 to the Government, in the field of statistics; ii) drafting of the Annual Work Report for 2015, pursuant to the Law on Official Statistics, by measuring the performance of the implementation of the Work Plan; iii) Preparation of the Annual Work Plan for 2017 and adoption by the Government; iv) preparing (reviewing) the National Plan for Implementation of SAA, the statistical part; v) drafting the Road Map for 2017; vi) monitoring the annual work program and plan through the performance assessment framework; vii) implementation of the Regulation on reorganization of KAS; viii) realization and implementation of all obligations deriving from Legal Framework at the internal level (supplementing and amending the AI No. 08/2012), and the failure to approve this AI remains a challenge for KAS and government (supplementing and amending the Law on Official Statistics) which has been approved by the government with amendments from the version submitted by KAS.

In the field of IT, the new KAS website has been developed according to the most advanced European standards. All servers have been virtualised, including ASKData, eDAMIS and UN platform for distributing the data DevInfo. Also, the documentation for IT system has been created. The TFS (Tem Foundation Server) has been installed in order to store the source code in a good control system. Regarding backup, following the installation and configuration of Data Protection Manager (DPM), most of files and databases have been backed up. The Dissemination Strategy and Policy has already been created and is available online in the KAS website. Geographical Information System (GIS) has updated registering circuits for north municipalities, and has continuously created thematic maps for various statistical topics, and in particular for previous registration results.

**Food and Veterinary Agency** – were drafted 5 Regulations and 1 Administrative Instruction for prohibition of using in stock farming of certain substances having a hormonal or thyrostatic action and of beta-agonists. In the field of protection of animals health, during 2016 there was an outbreak of the Lumpy Skin Disease and for this disease, EC has provided 25.000 vaccine dosages, whereas from the budget were provided 235.000 vaccine dosages. Mass vaccination started on 15 September and ended on 6 October, with the vaccination of a total of 241.000 cattle. Within the programs for vaccination against various diseases, were vaccinated in total 370.331 animals (241.000 animals have been vaccinated against LSD, 95.100 animals have been vaccinated against brucellosis, 27497 swine have been vaccinated against the classical swine fever and 6734 have been vaccinated against the anthrax). During this year, FVA undertook actions to eliminate ticks as the source of haemorrhagic fever in 70 villages of the Municipality of Malisheva, Suhareka, Rahovec and Klina, spraying 55276 heads of cattle. Were issued 223 import permits for animal feed, genetic material and veterinary medical products (VMP) and marketing authorization – 50 import permits. It was conducted the identification and registration of live animals (cattle) throughout the territory of Kosovo, including new identifications (162560), movements (28473).

Activities in the *field of inspection* – the following activities have been carried out: 7008 inspections of business operators for the purpose of reaching the compliance with the rules defined in legislation by the internal inspectorate; 47889 cases have been inspected by the border inspectorate (both veterinary and phytosanitary); 162 charges for violations of business operators submitted to the relevant courts; 375 veterinary certificates have been issued for export and 2266 phytosanitary certificates for export of various products for export in other countries; 5353 samples of various products have been taken for laboratory analysis, as well as 978 samples from the working surfaces, establishments and equipment of food producers.

Inspectorate of the Agency issued decisions for disposal of food and non-food products that were harmful for human consumption, as well as dangerous for public health, health of animals and plants. The following have been disposed: 213.489 kg of food items, food products of animal origin, 355.547 kg of food products of plant origin and 94.064 litres of fluids. As a consequence of various diseases, 279 cattle, 48 sheep, 8000 chickens and 232 bees have been disposed. During this year, in the FVLs, namely in the laboratory of animal health were brought 16221 samples, 970 samples in the laboratory of food safety, whereas in milk laboratory were brought 17176 samples. All samples have been analysed based on the Standard Operating Procedures.





## - MINISTRY OF PUBLIC ADMINISTRATION

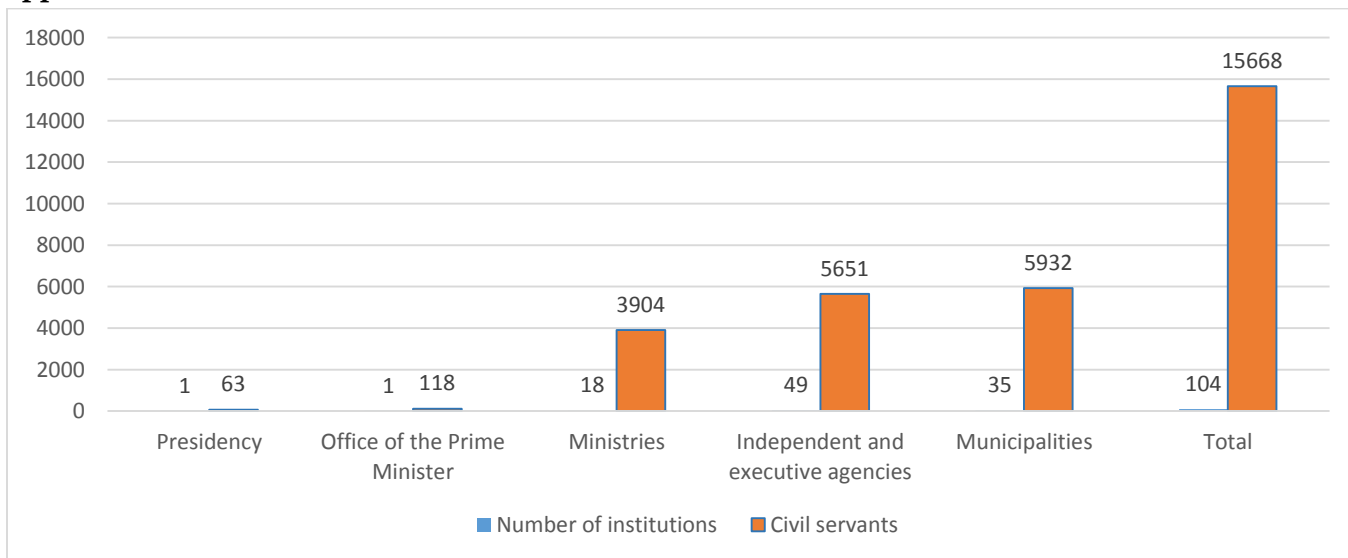
The Ministry of Public Administration was committed during 2016 to the implementation of objectives set out in the Strategy for Modernization of Public Administration 2015-2020. In cooperation with the European Commission were drafted three basic concept documents for harmonization of policies in the area of public administration. It worked on advancing the Human Resource Management Information System and in connecting this system with other systems. Special importance was paid to the Open Data process.

**Public Administration reform** – The Ministry of Public Administration drafted the six-month report “Progress of Implementation of the Strategy for Modernisation of Public Administration 2015 – 2020”, which was approved in the meeting of the Ministerial Council for the Public Administration Reform in November 2016.

The Ministry has conducted the analysis of independent agencies of the Assembly and of Central Authorities of the Government. This analysis identified the number of agencies within the Assembly and Government. It was also identified their establishment, organizational structure, employment relations of employees within agencies and their salaries.

Classification of jobs as a Government priority has resulted in the approval of Decision No. 04/89 dated 25.05.2016 on classification of jobs in the civil service. During this period, 86 institutions have completed the systematization for 10,967 civil servants, which were entered into the HRMIS. The catalogue includes 1700 job titles.

### **Institutions that submitted their proposals regarding job classification and whose proposals have been approved.**



Functioning of the *Human Resource Management Information System* in the institutions of the Republic of Kosovo was one of the objectives of the Ministry, wherein three new modules have been added: *Module of Staff Planning in the civil service*, *Module for recruitment of senior managing positions* and *“Online” application for positions in the civil service*.

In the light of implementing legislation on civil service and improving the management of human resources in the civil service, during the reporting year were approved the following: *Strategy on Training the Civil Servants 2016-2020* and *Action Plan for Implementation of the Strategy on Training the Civil Servants 2016-2018*, whereas it was finalized the *Draft Regulation on Training of Civil Servants*.

**Legislation in the field of Public Administration** - Special attention was paid to the legislation in the field of public administration, and was approved the Law No. 05/L -031 on general administrative procedure, which was a prerequisite for IPA 2014 project approval, which will support the enforcement of this law. The Government approved the draft law on salaries which represents a new basic concept for implementation of reform in the field of salaries and other compensation for employees who receive salaries from the Kosovo budget.

In addition, Regulation (GRK) No. 02/2016 for coordination between the Agency for Information Society and organizational structures/ICT officials in IRK. Moreover, six draft regulations have been finalized.

Training of civil servants - During 2016, 3761 civil servants have been trained through 135 training modules, in total 619 training days. The trained civil servants were of central and local level of public administration. In these trainings participated officials including management, professional and administrative levels. In terms of gender, 40.63% of trainees were female and 59.37% were male, whereas 14.09% were from Serbian speaking minorities.

**Training of civil servants** - During 2016, 3597 civil servants have been trained through 119 training modules, in total 574 training days. The trained civil servants were of central and local level of public administration. In these trainings participated officials including management, professional and administrative levels. In terms of gender, 40.70% of trainees were female and 59.30% were male, whereas 14.327% were from Serbian speaking minorities.

**Field of Information Society** - The Strategy on Electronic Governance and its Action Plan 2016-2020 have been finalized and are pending the approval of the Government. In terms of citizen services, the e-Kutia(e-box) project has been finalized and is expected to begin in 2017 by measuring the citizens' satisfaction regarding services provided by institutions, which identifies services offered by the institutions. It is established the Working Group on Open Data and is working on this process. In addition, the web application has been hosted and incorporated in the Government portal, where institutions can post data. The property management system e-Pasuria (e-Property) is in the stage of implementation, and we are coordinating with all institutions to ensure interoperability of systems and more accurate registration of state property.

It is conducted the "Feasibility Study on E-Governance and IT investments in Institutions of the Republic of Kosovo" and "Feasibility Study on interoperability of electronic systems of the Government of Kosovo related to the business environment". We manage and administer the state network of the Republic of Kosovo, State Data Centre, official electronic mail (official e-mail) with licensed Microsoft software, etc.

We have realized the e-Kutia project, which allows citizens to give their feedback on services provided by public administration. We have identified services offered by the institutions. It was developed the state portal on Open Data and started populating it with data. In addition, we have developed the Electronic System for Non-Governmental Organizations (ESNGO). We have merged the Electronic Archiving System of State Documents with the Document Management System into a single system (System for Electronic Management and Archiving of Documents-SEMAD). We have advanced the Assets Management System - e-Pasuria and the ID Cards

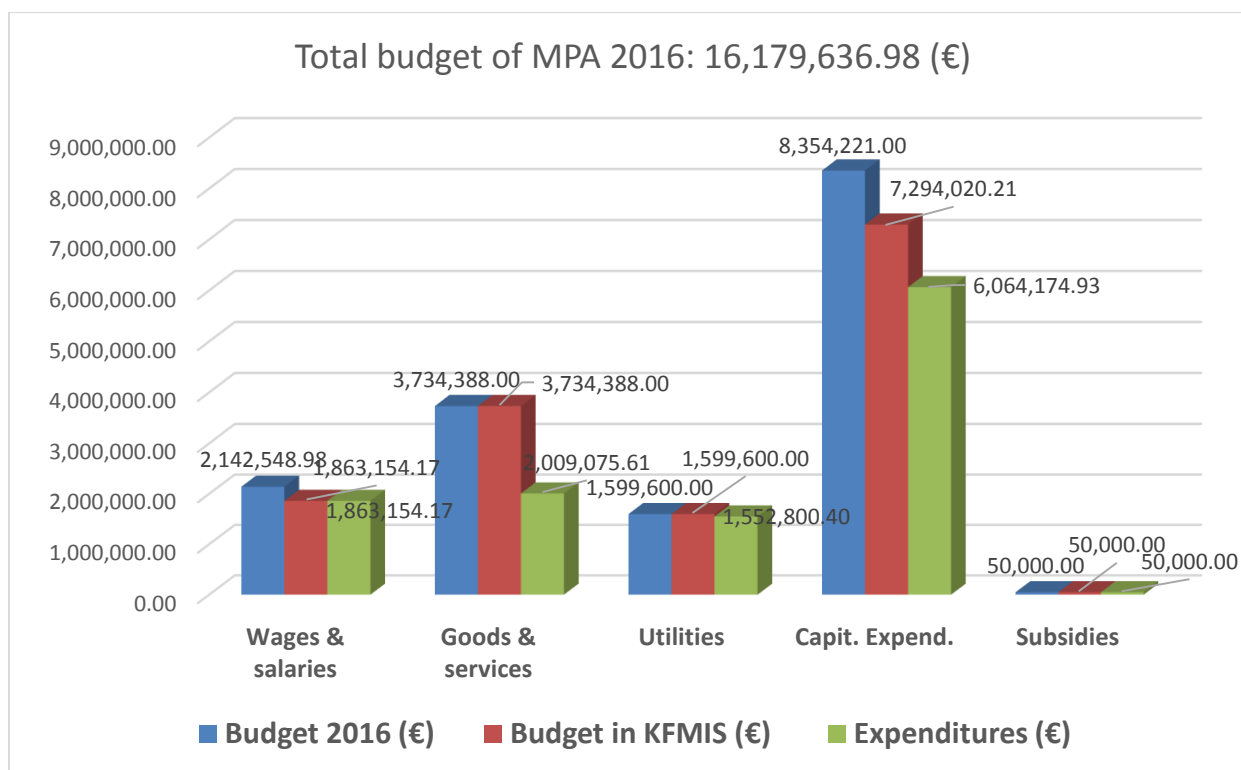
System, which has been synchronized with the Human Resource application and the Civil Status System. We have expanded and advanced the Work Attendance Management System, which will be linked to HRMIS and the Civil Status System.

Within the process of registration and reporting of non-governmental organizations, we have finalized the Electronic System for NGOs (ESNGO), which is expected to be launched by January 2017.

Department for NGOs - The Concept Document on Regulation and Functioning of NGOs has been drafted and approved.

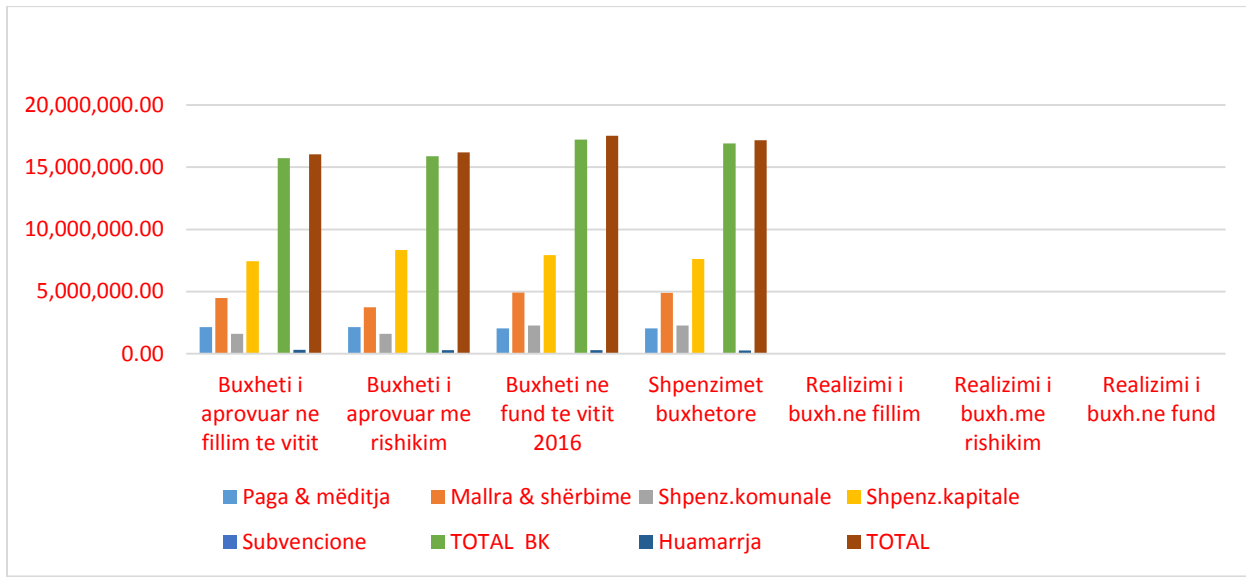
Within the process of registration and reporting of non-governmental organizations, we have finalized the Electronic System for NGOs (ESNGO), which is expected to be launched by January 2017. We are also finalizing scanning of the files of registered NGOs and digitization of NGO archives. During 2016, 564 NGOs were registered in the Department for NGOs, 559 of which local NGOs and 5 international NGOs. It is worth mentioning that CS members from the entire territory of the Republic of Kosovo have submitted requests for registering NGOs at the Department for NGOs. During 2016, 16 NGOs have been registered from different multi-ethnic communities, whereas 64 NGOs were registered from the Serb community.

**Overview of budget spending for the Ministry of Public Administration** - The Ministry of Public Administration has executed so far 73% of its budget, wherein to date was allocated a budget in the value of 14,541,162.38€. The approved budget in this Ministry for 2016 is 15,880,758€. All licences will be paid by the end of the year, wherein this will result in budget execution of over 95%.



Overview of budget spending for the Ministry of Public Administration - The Ministry of Public Administration has executed 99.2% of its budget, and by the end of 2016 it was allocated the budget in amount of 17,279,233.16 €, whereas the budget was executed in the amount of 17,139,924.38 € in 2016. The approved budget for 2016 for

this Ministry was 16,179,637 €. The difference between the allocated and approved budget is based on a Government decision for payment of Microsoft licenses and utilities for Government buildings.



**Management of Government buildings** - Pursuant to the competences and responsibilities of MPA and in accordance with agreements reached with MEST, MoJ and KJC concerning management of capital projects for the construction of school buildings, detention centres, prosecution offices and courts, for various renovations and expropriations, MPA managed the process starting from the budget planning, preparation of technical documentation, procurement procedures, supervision of works and final technical inspections. We have completed works in primary schools in Gjilan and Kishnarekë, Detention Centre in Prishtina, Wastewater plant at the Detention Centre in Gjilan, Juvenile Centre in Lipjan, construction of the building of University of Mitrovica Phase II, III and IV, and the renovation of premises for accommodating the Ombudsperson, which was one of the measures under SAA.

Works have continued in primary school projects that started in 2015 in villages of Llapushnik, Kishnica and the Physical Education hall in Pograxhë.

Contracts were signed in 2016 and the works commenced for construction of KIPA building, primary schools in Magurë-Lipjan, Pjetershtice-Shtimje, Bajqina-Podujeva, Pozharan-Viti, Physical Education Hall in Komoran-Drenas, Ratkoc-Rahovec. Progress was marked in the ongoing projects such as construction of the Basic Prosecution Office building in Gjakova, Basic Court building in Gjakova and the Basic Court building in Novobërdo.

Construction of the building of University of Mitrovica - Phase II, III and IV. Renovation of premises for accommodating the Ombudsperson, which was one of the measures under SAA and other government units - NQA - PRB.

Works have continued in primary school projects that started in 2015 in villages of Llapushnik, Kishnica and the Physical Education hall in Pograxhë.

Contracts were signed in 2016 and the works commenced for construction of KIPA building, primary schools in Magurë-Lipjan, Pjetershtice-Shtimje, Bajqina-Podujeva, Pozharan-Viti, Physical Education Hall in Komoran-Drenas, Ratkoc-Rahovec. Progress was marked in the ongoing projects such as construction of the Basic

Prosecution Office building in Gjakova, Basic Court building in Gjakova and the Basic Court building in Novobërdo. Continuous technical maintenance of buildings that are managed by MPA

## - MINISTRY OF LOCAL GOVERNMENT ADMINISTRATION

The Ministry of Local Government Administration - in accordance with its mandate and mission and in conformity with the objectives of the Strategy for Local Self-Governance 2016 - 2026 and the annual work plan for 2016, has continued to provide support for local governance so that it is in the service of all citizens of the Republic of Kosovo.

In this regard, MLGA has cooperated and coordinated important processes for the advancement of local self-governance with ministries, municipalities and partners who have contributed exceptionally in the promotion and advancement of further local governance in Kosovo.

The overall achievements of the work of MLGA during 2016 are as follows:

### **Positive assessment of MLGA by EC Report on Kosovo for 2016**

Progress has been achieved in local government, particularly in terms of relation between central and local government, including Serb majority municipalities in the north. There have been further improvements regarding compliance of municipalities with the Law on Local Self-Governance. The Ministry of Local Government Administration has led the drafting and implementation of municipal plans with respect to obligations associated with the EU in 38 municipalities.

In addition, MLGA has received a positive evaluation from the Kosovo State Archives Agency as one of the central institutions with the best organized archive, according to which "MLGA is one of the institutions with the best arranged and classified archive material."

### **Development of policy, strategies and legislation for effective local self-government**

In order to advance the strategic policies for the development of local self-government through a coordinated approach to policies of local economic development, good governance, transparency of municipal bodies to ensure efficient and qualitative services to citizens, the Government of the Republic of Kosovo has adopted the "Strategy on Local Self-Government 2016-2026".

In the context of policy development and promotion of local self-government, the Law on the Capital City Prishtina has been drafted. In addition, the Administrative Instruction (MLGA) No. 01/2016 on the procedure for the establishment, organization and competences of consultative committees in municipalities has been amended and supplemented, which entered into force in October 2016.

Furthermore, we have drafted documents, reports, analyses and projects, as well as established working groups, such as:

- Six-month report on implementation of the Strategy on Local Self Governance
- Nine-month report on the functioning of municipalities;
- Nine-month report on implementation of the European agenda obligations by municipalities;
- Analysis of municipal own source revenues for 2011-2015;
- Analysis of capital investment in municipalities for 2011-2015;
- Analysis of implementation of the European agenda obligations by municipalities.
- Working Group for drafting the Commentary on the Law on Local Self-Government;
- Drafting of strategies for local socio-economic development, in the first phase of which the municipalities of Gjilan, Obiliq, Shterpce and Graçanica have been selected;
- Manual on Policy Coordination and integrated reporting questionnaire;
- Manual on inclusion of citizens in local level decision making;
- Manual on inter-municipal and international cooperation; and
- Draft project on establishment of software platform for online data reporting;

We have drafted 17 documents and information papers for municipalities, as well as have prepared 6 legal documents on municipal obligations deriving from effective legislation. In addition, we have issued 3 legal opinions (a) on granting the use of municipal immovable property.

We have completed the general funding grant for municipalities with a population below 20 thousand inhabitants with an additional grant of 5 million Euros.

### **Monitoring of municipalities and enforcement of lawfulness**

The following achievements have been made in the field of monitoring and law enforcement:

- Total 785 acts approved by municipal bodies have been submitted to line ministries and sector commissions for compliance assessment.
- Total 403 meetings of municipal assemblies of the Republic of Kosovo have been monitored, 349 of which were regular meetings, 41 were extraordinary meetings, 1 was an emergency meeting and 12 were solemn meetings. MLGA has complied monitoring reports for all monitored meetings.
- Out of 1398 acts approved by municipal assemblies (1286 decisions and 112 regulations), MLGA has evaluated 577 acts as legitimate, 36 as illegitimate and 785 acts were forwarded to other ministries for legitimacy review.
- We have conducted direct monitoring of municipalities in accordance with the Monitoring Plan aimed at ensuring implementation of legal obligations, verification of implementation of MLGA requests for review of illegitimate acts and determination of steps for law enforcement improvement.

We have reviewed 8 complaints, 11 requests and 2 rejections, as well as have issued statements of compliance for 12 draft laws, 7 draft regulation, 16 draft administrative instructions and 5 concept documents. Reports on municipality functions are available in MLGA's website.

### **Management of municipal performance**

The Government of the Republic of Kosovo through MLGA as a responsible entity for local government, in order to increase the quality of municipal services, has established the municipal performance management system. Kosovo remains the only country in the region to install the municipal performance management system (which is in place in EU countries and in US).

In cooperation with USAID and UNDP, MLGA has conducted the Mosaic survey with citizens in all municipalities of the Republic of Kosovo in 2015 on the quality of services provided by municipal authorities. We developed the first working document on performance fields, outcomes and indicators. This document examined 14 fields of services offered by the municipality, out of which were aimed 25 significant results for citizens, the achievement of which is foreseen to be measured with 66 indicators through 183 different data.

We developed the general PMS document, which includes several basic documents, such as the PMS model, the MLSW framework, indicator map, indicator framework, comparison document of the current and the revised PMS and the indicator card with Form 1 and 2 for data collection and reporting by municipalities. We also drafted specific guidelines on the collection, verification and documented reporting of 183 data for 67 PMS indicators.

In 2016, we revised the existing municipal performance management system, a process which will be finalized at the end of this year.



## **Unification of the local self-government system**

The Government has worked closely with relevant institutions in unifying the local self-government system. Four municipalities - North Mitrovica, Leposavic, Zvecan and Zubin Potok - have advanced their communication systems and have made progress in terms of functioning of municipal bodies.

In the above mentioned four municipalities, the free balance system has been installed (unique system of financial management for all public institutions in Kosovo).

Systematization of jobs is in process (within the public administration reform, which is a process to which all public institutions are going through). During 2016, these municipal assemblies have continued to hold their meetings as defined with the Law on Local Self-Government. Meetings have been transparent and open to the public. Invitations were sent on time to MLGA to monitor these meetings. So far, they have conducted 35 municipal assembly meetings.

In addition, the municipalities of North Mitrovica, Leposavic, Zvecan and Zubin Potok have approved budgets for 2017, a process which has also been completed by all other municipalities of the Republic of Kosovo.

## **Development of institutional capacities of municipalities and the municipal transparency**

In order to develop a comprehensive and sustainable system for the development of professional capacities of the municipalities, currently is in drafting process the policy for developing the capacities of municipalities. Throughout the year the focus was on designing and delivery of continuous professional education programs for municipal officials. We have designed over 15 training modules and in cooperation with partners we have conducted 40 trainings (over 500 municipal officials have participated in these training processes).

5-day training program has been implemented in the field of European integration for municipal and central-level officials of European integration.

MLGA in cooperation with OSCE has implemented the program for student internships in public institutions. From this project 25 students of different majors have benefited, six of which have been hired in MLGA.

The requests of the media and non-governmental organizations were observed in entirety in relation to compliance with the Law on Access to Public Documents and the Law on Official Languages.

In 2016, on the official website of the Ministry we have posted in total 171 information (events, documents). In the media we have published 31 information and 27 responses on certain topics. 5 requests on access to public documents were received filed by two journalists and three civil society representatives. Information was provided to parties on time and within the legal deadlines.

We have monitored in continuity the municipal websites, as well as transparency in public procurement of municipalities. Municipalities were informed of the legal obligations for drafting plans for transparency.

MLGA has signed a contract with a company to implement the project "Development of integrated IT solutions for municipalities".

We have finalized the project for electronic communications, unified for the 38 municipalities of Kosovo, a project that includes transparency and direct communication with citizens through transmission of municipal assembly meetings.

## **Public investment**

In 2016, from the general grant for municipalities in the amount of 420 million €, 120 million € were dedicated only for capital investment. Meanwhile, in co-financing with IPA, 7 million € are planned for education at the local level (kindergarten, preschool buildings) co-financed by MLGA and MEST and another 7 million € for the improvement of local infrastructure that directly affects the improvement of conditions for business and tourism development.

We have received 85 requests for project financing by municipalities, whereas 44 projects have been approved for 25 municipalities from MLGA funds. 13 projects (roads, public facilities, sanitation, environment, rivers, etc.) are in the process of implementation, reaching the amount of 525,000.00 €.

We have commenced 3 CBC programs with IPA II: Kosovo-Albania; Kosovo-Macedonia, Kosovo-Montenegro, as well as finalized 3 CBC programs with IPA I. Thus, in terms of cross-border cooperation programs (IPA 2), the amount of 4.2 mil € has been planned for each program.

### **Advancement of local self-government in compliance with the requirements of European Agenda**

The Government of Republic of Kosovo has created an institutional structure and established a system for monitoring the implementation of the European agenda by the municipalities of the Republic of Kosovo (integrated municipal plans on European regarding the obligations from European agenda, for each municipality), including all obligations of the European agenda such as the dialogue of the stabilization and association process, national program for implementation of SAA, as well as addressing the challenges in the country report.

Informative conferences were held about SAA at the local level in 3 regions (Prishtina, Peja and Ferizaj).

The quarterly reporting system of the monitoring has given its results within the fulfilment of obligations from the European agenda.

Regarding institutional coordination for the European integration process, various meetings were held jointly with MEI, Collegium for EI (AKM), other governmental institutions and nongovernmental organizations and other international institutions.

The link containing necessary information on the European integration process is published on MLGA's website.

## - MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY

The Ministry of Education, Science and Technology is committed to the implementation of the Government's strategic priorities in education, and in fulfilment and realization of objectives, programs and projects related to education within the MEST strategic documents.

During this year, MEST has prepared the Kosovo Education Strategic Plan for the period 2017-2021, which was approved on 7 December 2016 and constitutes the most important strategic document, the purpose of which is to determine the directions of the education system development in the period 2017-2021, in order that the education to be in the function of economic and social development of the country. As such, the Kosovo Education Strategic Plan 2017-2021 include measures related to increased participation of children in preschool education, increased training and preparation of teachers, improving the relevance of education delivery to labour market requirements, and strengthening accountability mechanisms through teacher performance evaluation, inspection and external tests.

In **PRESCHOOL EDUCATION**, the core curriculum for preschool education (ages 0-5 years) is in the drafting process and 933 pre-school teachers have been trained for the implementation of the document of Standards of Development and Learning in Early Childhood 0-6 years. In cooperation with Save the Children, it is developed the project "Care and development during early childhood and promotion of health and nutrition among vulnerable groups in Kosovo." In terms of infrastructure improvement at this level, it continued the implementation of the cooperation agreement with the Swiss CARITAS for furnishing 50 pre-primary classes with didactic material and inventories in 4 municipalities. In addition, MEST has licensed 62 private preschool institutions, resulting in an increased involvement of children in this level by about 3300 children.

In **PRIMARY AND SECONDARY EDUCATION** - We continued with implementation of the new curriculum. This year we revised and published the Pre-university Education Curriculum Framework and revised three core curricula for three levels of pre-university education. We have drafted 61 subject programs for grades 0, 1, 6, 10, including the curriculum for Turkish and Bosnian communities. We conducted an information seminar on the implementation of the new curriculum at regional level for schools that are implementing the curriculum. In cooperation with the Twinning project, we designed the roadmap for implementation of the Kosovo Curriculum for the period 2017-2021. Within the implementation of the New Curriculum we have drafted the pedagogical documentation in accordance with NQF, as well as functionalized quality assurance mechanisms in schools. Review of the content of textbooks (86 textbooks have been reviewed within the year) and preparation of other

materials for teaching, implementation of new practices of student assessment and activation of professional bodies in pilot schools are some important aspects of this process.

During this reporting period, we have reached good cooperation with the Republic of Albania in institutionalization of additional learning in Diaspora by supporting the children of the Diaspora through provision of books and providing support to various education activities in order to preserve their language and national identity. Cooperation with Albania is continuing in professional development for curricula in terms of unification. Such cooperation has also continued in terms of alignment of pre-university education curricula with special emphasis on the revision of the Curriculum Framework, study program, subject and lesson plans, student assessment practices and textbook quality reform and advancement.

During 2016, we commenced the implementation of the Strategy on Quality Assurance in Pre-University Education in Kosovo 2016-2020, which foresees concrete measures for the improvement of education and educational outcomes, for building effective mechanisms for quality assurance, establishment of an effective school evaluation system, empowerment of school authorities (bodies and councils), functioning of the system of teacher licensing, development planning and monitoring of its implementation, in hiring pedagogues and psychologists in schools, the results of national and international tests, digitization of schools and promoting successes and rewarding the achievements. During the next four years of this strategy, permanent quality coordinators will be engaged in all schools, who will be responsible for planning the development of quality at school and municipal level.

During this period, MEST, in cooperation with international development partners has continued the implementation of two important projects for the integration of information technology in the education system, namely in creating open platforms, development of materials with electronic content for our schools and implementation of platforms for digitization of learning content in audio and visual format. We completed the second phase of Matura Digitalization piloting, involving 15 schools with about 300 students. We continued implementation of the EU project "ICT and e-Learning in Education". During 2016, two phases of the project were completed: the first phase involved 27 schools, whereas the second phase 33 schools. In addition, 1773 teachers were trained within this project in 6 components related to ICT and e-learning.

Within the project for repatriated students, we continued organizing remedial classes for repatriated students in 16 municipalities, involving 345 pupils in 65 schools.

MEST has implemented a national test for 5<sup>th</sup> grade (with a sample of 4096 students), student achievement test with 9<sup>th</sup> grade students (34,012 students) and the Matura test (31 482 students) in Albanian, Turkish and Bosnian. All reports indicate a significant advance in the preparation and implementation of the Matura test 2016 thanks to the high mobilization and commitment to ensure proper management of the Matura test.

In terms of international assessment, we have prepared the national report on PISA results and have commenced preparations for PISA 2018.

In the area of human/children's rights, in addition to the regular activities for the implementation of national documents, we point out the design of the *Action Plan against school dropout and non-enrolment 2016-2018*, *Monitoring framework of the plan against school dropout*, dynamic training plan against school dropout, information sessions against violence in schools in 22 municipalities, drafting of guidelines for protecting children on the internet (for grades 3-5 and 6-9) and teacher training of 8 schools (in 7 major municipalities) on the use of the

*Didactic manual for prevention of violence in schools.* On the other hand, in the field of gender equality, numerous activities have been carried out concerning implementation of strategic documents at the central level.

In cooperation with local and international partners and organizations, this year we implemented a significant number of training programs with teachers, such as the training program for the implementation of the New Kosovo Curriculum; training of 200 teachers of vocational education and training in accredited programs of didactic methodology and professional didactics; certification of 40 trainers for 8 curricular fields; development and publication of 9 guidelines by curriculum fields and training of 2115 teachers of 71 pilot schools. In addition, MEST in cooperation with GIZ has conducted the training of 2100 teachers for natural sciences, whereas within the Twinning Project organized 115 half-day informational training for about 2,000 participants. It organized 4 two-day training on quality assurance in vocational education and training with 98 participants in 18 pilot schools. Within quality assurance it organized 3 one-day workshops, with about 20 inspectors; in inclusive education it organized 7 two-day training with about 120 participants; as well as for the curricular field "Health and Well-being", organized 2 two-day modules with 22 trainers of MEST. In the process of teachers' licensing, 950 new applications have been prepared and 300 of them were realized.

**Kosovo Pedagogical Institute**, within the scientific research activity, has conducted specific research and analysis/addressing within the annual journal "Pedagogical Research". For this year, total six studies and five analyses have been designed addressing various issues in education. Teachers of vocational schools were trained on working with adults, wherein 54 teachers completed the training and were certified on work methodology with adults. Training is accredited and has five modules and 195 credits.

**EDUCATION OF CHILDREN WITH DISABILITIES** - Supporting children with special needs has been another priority of MEST. Thus, were drafted the financing parameters for students with disabilities and finalized the program "Teaching based on activity fields". During 2016, were established 14 evaluation teams, while in 14 other municipalities a total of 397 children/students were evaluated. MEST developed the occupational standards and curriculum for assistants working with students with disabilities. Standards for 2 profiles have been prepared and two training programs on sign language and in the Braille writing program were accredited. In addition, the document "Individual Education Plan for students with disabilities" was revised. In the resource centre "Xheladin Deda" was published a competition for registration of adult candidates. Moreover, 490 teachers and 80 MED officials and members of assessment teams have been trained on inclusive education. The resource centre "Progress" in Prishtina has prepared a sensory room completed with all the equipment.

**EDUCATION OF COMMUNITIES** - Kosovo Curriculum Framework includes the schools in which study the children of minority communities. MEST has translated and published the curricula of vocational education for 12<sup>th</sup> grade from Albanian to Turkish and Bosnian languages. MEST has provided the textbook Roma Language 1 and has made all preparations for two other textbooks. Also, in cooperation with the Council of Europe, MEST has expanded teaching in Roma language teaching in 4 municipalities. In Prizren the Roma language curriculum is being implemented, including students of 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> grades. In order to facilitate the registration of students from minority communities in public universities, MEST approved the Administrative Instruction for the application of affirmative measures and quotas for registration of students from non-majority communities in public universities. It also allocated 500 scholarships for students of upper secondary schools from Roma, Ashkali and Egyptians communities, and additional 52 scholarships were granted to community students.

In **VOCATIONAL EDUCATION**, MEST was engaged this year as well on the alignment of vocational education and training to labour market demands, by implementing a series of projects and activities, such as: special syllabus designed for VET is being piloted in 24 schools; all VET schools have coordinators for quality assurance; 7 guides are designed on adult education programs: AutoCAD, fashion design, entrepreneurship, dry constructions, self-management guide for school and teaching methods and teacher training guide; Kosovo Centre of exercise firms has joined EUROPEAN PEN International; 15 VET teachers were trained on application of Office 365 in 7 regions of Kosovo; entrepreneurship competence development training is in process (60 teachers of IAAP and 5 ToT trainers); Master program for VET has been launched (AVETAE and Faculty of Education) with the first generation; the workshops of 4 vocational schools have been equipped and training on their use has been conducted; the occupational standard for level 5 career counsellor and traffic instructor has been designed, as well as 10 other occupational standards in close cooperation with businesses; the partnership between CoC Ferizaj and CoC Prizren and the international company PEARSON is functional, under which the qualifications provide by these CoC will be internationally recognized; integrated curricula have been designed for 4 profiles, amounting to total 24 integrated curricula; the concept of the establishment of business model offices at CoC in Ferizaj and Prizren has been approved; the capacity of teachers has been developed in the area of tourism through the partnership reached with a local company specializing in the tourism sector GEARSUP-Solution, namely in IATA courses; 5 agreements were signed with businesses (national) for admission of students to professional practice, and the development plans of 8 schools were reviewed and directors and persons responsible for planning were trained.

During this year, the National Qualifications Authority has realized about 17 validation processes of occupational standards, which has increased the number of approved standards at state level to 60. In addition, NQA during this year has continued to populate the National Qualification Framework (NQF) by validating and approving 6 new qualifications in NQF. In addition it has accredited for the first time 15 providers for accreditation of these qualifications and reviewed the conditions of 13 providers accredited on probation. In total, 27 qualifications have been approved so far at levels 2, 3, 4 and 5 of the NQF and 36 providers have been accredited to provide, issue and certify professional qualifications.

**SCHOOL INFRASTRUCTURE**- MEST has completed 12 investments in new school buildings, with new space of around  $S = 59,840.00 \text{ m}^2$ . Work continues on the construction of 5 new school buildings and 3 PE halls. Six new buildings are under construction co-financed by the municipalities of Klina and Skenderaj. MEST through a Memorandum of Understanding has transferred to MPA the management and construction of 8 new school buildings and a sports hall. Also, through memorandum of understanding with northern municipalities, MEST has completed investment in the renovation of 7 school buildings, where 3 projects are in North Mitrovica and 4 in Zvecan. Ten new school buildings constructed by MEST were equipped with school inventory, 8 schools and 1 kindergarten built by municipalities and donors, as well as 10 existing school buildings. In addition, 16 PE halls were equipped with sports equipment.

In **HIGHER EDUCATION**, MEST has implemented various projects and activities, such as: the National Union of Students is functional; the Faculty of Economics has opened a PhD program in English; the Rectors' Conference has been established; and the UA on recognition of diplomas, degrees and qualifications acquired abroad has been signed.

In order to encourage and stimulate students in various fields oriented to strategically important branches for the development of Kosovo's economy, with particular focus on exact sciences, agriculture, engineering,

medicine, mathematics and natural sciences and education, MEST has allocated 170 scholarships to elite students of public higher education institutions in deficit programs.

In addition, the Hungarian Government has allocated 18 scholarships and in December 2016, MEST signed the Cooperation Program with the Hungarian Government for the provision of 50 scholarships for the three levels of study. Moreover, one scholarship was granted by the Japanese Government, 32 full and 25 partial scholarships under the agreement of MEST with the University, as well as funds for students in the TLP program and Fulbright Foundation have been allocated.

Documentation was signed for the establishment and functioning of HEIMIS, and its piloting has commenced in three higher education institutions; 9 professors and students have been supported by CEPUS mobility project; as well as funds for students in the TLP program and Fulbright Foundation have been allocated.

During the year, MEST conducted the evaluation, **accreditation and monitoring of public** and private higher education institutions in Kosovo, starting for the first time the full implementation of the Administrative Instruction on Accreditation of HEIs in Kosovo. In accordance with the requirements of this Instruction, the National Quality Council (NQC) has handled applications to higher education institutions and only HEIs which met these criteria were allowed into the process of evaluation and accreditation.

Until July 2016, a total of 468 study programs in public and private higher education institutions have been accredited, out of which 262 in the public sector and 206 in the private sector, provided by a total of 38 HEIs. However, the full implementation of the UA on accreditation (requirement for 3 PhDs per study program) has led to a significant reduction in the number of accredited programs of study because some institutions failed to meet these criteria. Moreover, 6 private higher education institutions were not allowed to enrol new students because they failed to obtain institutional reaccreditation.

In the field of **SCIENCE**, in 2016, MEST organized the "Science Week 2016", published around 300 books of commentaries from "Science Week 2015" and launched the public call for applications for the "Science Week 2017". It supported 11 research institutions under the grant for small scientific projects in the amount of 76870 Euros, 54 researchers under the short-mobility grant in the amount of 35,000.00 Euros, and 11 publications and scientific publications in the amount of 45,000 Euros. Kosovo has been active in the EU Framework Programme for Research and Innovation - Horizon 2020.

**LEGISLATION REFORM IN EDUCATION** - During this year, the Ministry of Education, Science and Technology has worked on substantial amendments of education legislations, by revising/drafting:

1. Draft Law on Education Inspectorate, *approved by the Government and submitted to the Assembly for review/approval.*
2. Concept Document on Innovation and Transfer of Knowledge and Technology.
3. Concept Document on Publication of Textbooks and Schools Aids, prescribed reading books and pedagogical documents,
4. In addition, it approved 28 administrative instructions and is in the process of reviewing the draft Regulation No. 13/2013 on internal organization and systematization of jobs in the Ministry of Education, Science and Technology.

## - MINISTRY OF AGRICULTURE, FORESTRY AND RURAL DEVELOPMENT

MAFRD during 2016 has worked in the preparation of primary and secondary legislation. Following draft laws were drafted: Draft Law on Forests; Draft law on Food; Draft Law on Strong Alcoholic Beverages; Draft Law on Agriculture and Rural Development; Draft law on amending and supplementing the Law No. 2006/41 on Hunting. Whereas commenced work on drafting the Law on Amending and supplementing the Law 2004/21 on Veterinary and Draft law on seeds and planting material.

MAFRD drafted and adopted 13 administrative instructions, while another 10 have been drafted and are pending approval. Furthermore, approximately 40 decisions for regulation of certain issues within the sector of agriculture, forestry and rural development have been adopted.

### **Ministry's sector strategies**

In 2016, MAFRD has worked on preparing several short and medium term strategic documents, such as Strategy on Forests 2016-2020, Strategy for the sector of vineyard, winery and table grape 2016-2021, the national programme of afforestation and reforestation 2016-2025, national forest health programme 2016-2025, the economic reform programme for agriculture sector and rural development 2017 to 2019.

### **International cooperation**

Regarding international cooperation, a cooperation agreement in the field of agriculture and rural development between Kosovo and Bulgaria is under negotiation. We have received the initiative from Montenegro for negotiation on a cooperation agreement in the field of agriculture and rural development between the two countries.

The Minister of Agriculture has participated in numerous economic forums such as the Global Forum for Food and Agriculture 2017 (GFFA) in Germany, the annual meeting of National Association of State Departments of Agriculture of USA in Nebraska, German-Kosovo Economic Forum in Germany etc.

### **Main achievements in agriculture, forestry and rural development**

The budget of MAFRD for 2016 was 54,968,113 Euros.

1. **Rural development** – The Rural Development Programme 2016 (grant programme) was drafted, approved and implemented, as the annual program of the support to farmers and agro-processors in the country. The planned budget for implementation of this programme was 23 million Euros and it was distributed to the five key measures: Measure for investments in physical assets of agricultural economies, with 342 beneficiaries in the amount of 15.29 million Euros; Measure for investments in physical assets in the processing and marketing of agricultural products, with 25 beneficiaries in the amount of 4.29 million Euros; Measure for diversification in the farm and business development, with 98 beneficiaries in the amount of 1.59 million Euros; Measures for Local Action Groups, with 12 beneficiaries in the amount of 80.000 Euros and Measure for irrigation of agricultural land, with 8 beneficiaries in the amount of 1.12 million euro. It is worth mentioning that during this year there has been a considerable increase of the area with fruit trees, especially with raspberry.
2. **Agriculture** – The Direct Payment Programme 2016 (subsidies program) was drafted, approved and implemented, as the annual program of support to farmers. This year, for the first time, commenced the direct payment support for: barley, rye, organic farming, aquaculture, walnut, hazelnut, aronia and the



amount of subsidy for beekeeping increased, as an important sector in the country. The planned budget for implementation of this program was 26 million Euros and it was distributed to the following sub sectors: cereals, livestock, and horticulture. The number of applications benefiting from this program for 2016 is over 42000 farmers.

3. **The impact of investments in the agricultural sector**– As result of investments in the agricultural sector during 2016, besides other things, there was an increase in the level of agricultural production and agro processing in the country, the area of arable agricultural lands increased, there were over 2500 new jobs were generated, the export of agricultural products increased significantly and to an extent there was a replacement of import products by agricultural products produced in the country.
4. **Counselling services** – given that counselling services are an essential element of sustainable agricultural development, MAFRD, has consolidated and functionalized counselling services, by certifying, for the first time, 136 public and private agricultural counsellors. During this year took place the mobilization of municipal councillors in 34 municipalities of Kosovo, there were 400 consultation sessions from experts of various sectors organized, attended by over 5500 farmers, were organized 16 visits to farmers in the country, 10 booklets for farmers published and 10 clips distributed to electronic media. In terms of support to farmers there has been a continuous activity in the Informative Municipal Consultative Centres on agriculture and rural development in all municipalities of the country.
5. **Vineyards and Winery** - In this sector have continued activities such as: maintenance of the Vineyard Cadastre, Register of vineyard growers and Register of wine manufacturers, management and monitoring of quality control of wine, management and monitoring of the domestic trade, export and import. The issuance of licenses for local manufacturers, exporters and importers continued. Three agrometeorological stations were installed (2 in Rahovec and 1 in Suhareka). Co-financed by the municipality of Rahovec, there was an investment in building the market of grapes and its products.
6. **Preparation of institutions for accreditation for IPARD II**- In the framework of preparations for accreditation process of institutions for IPARD II, were prepared numerous documents, procedures and manuals for the Managing Authority and the Agency for Agricultural Development.
7. **Preservation of agricultural land** – Through coordination with municipal departments of spatial planning were received 135 requests for change of agricultural land destinations, of which 98 have been approved.
8. **Unfinished land consolidation** - Implementation of projects of unfinished consolidation of agricultural land is continuing in 21 Cadastral Zones in Drenas Municipality with an area of 4,725 ha, and in municipality of Vushtrri in 5 Cadastral Zones with an area of about 470 ha. Land consolidation continued also in the municipality of Viti.
9. **Registration of artificial fertilizers, products for protection of plants and new varieties of wheat, potatoes and maize** - There were 44 types of fertilizers, 38 Plant Protection Products, 3 new varieties of wheat, 13 varieties of potatoes and 11 maize hybrids registered.
10. **Sector analysis** – Value chain analysis were prepared for three sectors: small fruits, vegetables in open fields and vineyards, including the wine. Furthermore, market analysis was prepared for following agricultural products: quince, beans, tomatoes, eggs and chicken meat. Work has been done on models of production and investment costs.
11. **The launch of local fresh milk** – In cooperation with USAID, FVA and two associations representing the dairy sector was launched the campaign to increase the use of local fresh milk from the dairy processing industry.

12. **Management and protection of forests** – During 2016, 295 ha of forestland were afforested and 172 ha of forest maintained in 2015. Forest management plans prepared for about 25,000 ha of public forests; there has been investment in improving the physical infrastructure in the hunting areas, particularly in Blinajë and Duboqak.
13. **Stabilisation and Association Agreement (SAA)** – MAFRD has been engaged in implementing of sector obligations arising from the SAA, by updating the National Programme for Implementation of SAA (Chapters 11, 12, 13 and 27) and by reporting on developments in the sector.
14. **IPA II** - In the framework of IPA II assistance for 2017 Program, 3 project proposals were prepared: 1. Further support to the agricultural sector and rural development, for strengthening of the agro-food sector, 2. Raising awareness and building capacities of farmers, agro- food processors and other relevant stakeholders, in connection with the standards of production in agricultural sector, 3. Assessment and preparation of the Programme for agriculture and Rural development 2021-27.
15. **Compensation of damages caused from natural disasters in agriculture** – During this year were received and processed farmers' demands for compensation of damages caused from natural disasters, in which occasion the Ministry, with a decision from the Government, has allocated a budget for compensation of damages to all farmers in the amount of 25% of the damage caused.
16. **Lumpy skin disease management** – In cooperation with FVA during the year MAFRD was engaged in the treatment of disease.

## Promotion of agricultural production

During 2016 the support on activities for promotion and marketing of agricultural production both domestically and abroad has continued. Domestically were supported activities of farmers associations for promotion of agricultural production, through activities such as: Apple Day, Raspberry Day, Blueberry Day, Tomatoes Day, Potatoes Day, "Hardfest" Grape Festival, etc.

In international terms were supported farmers and agro processors for participation in important international fairs, such as: International Green Week in Berlin, SIAL in Paris, EXPO Antalya, Agricultural Fair in Virovitica, etc.

### - MINISTRY OF JUSTICE

Ministry of Justice (MoJ) during this period has paid special attention to implementation of activities that are instrumental to the objectives and Government programme priorities. This includes the fulfilment of obligations arising from the European agenda in the scope of MoJ, latest country report from European Commission, priorities included in the Action Plan for implementation of the Government Programme 2015-2018, Annual Work Plan 2016, visa liberalization process and other relevant documents.

In the framework of European agenda, Ministry of Justice has prepared a comprehensive analysis of the scope of criminal legislation and against corruption in Kosovo, which will serve during the review process of the Criminal Code and Criminal Procedural Code.

During this period, a continued reform has taken place in order to advance the legal framework, namely 8 draft laws were submitted to Assembly, such as:

- *Draft Law on Amending and supplementing the Law on Enforcement Procedure,*
- *Draft Law on Justice Academy,*
- *Draft law on amending and supplementing the Criminal Procedural Code,*
- *Draft Law on amending and supplementing the Law on Execution of Criminal Sanctions,*
- *Draft law on amending and supplementing the Law on Mediation, the Draft Law on Amending and Supplementing the Law no. on preventing the conflict of interest in exercising public functions,*
- *The draft law on amending and supplementing the Law no. 03/L-223 on Kosovo Judicial Council amended and supplemented by Law no. 05/L-033*
- *Draft law on the Juvenile Justice Code - adopted*
- *Draft law on amending and supplementing the Law no. 03/L-010 on Notary*
- *Draft law on amending and supplementing the Law on Inheritance in Kosovo*
- *Draft Law on amending and supplementing the Law on Out Contentious Procedure*

The **Functional Review for Rule of Law Sector** was approved by a decision of the Government aiming to increase efficiency, transparency and accountability in the justice system, by conducting analysis of the justice system as a whole. Review will be done in order to create a basis for **Drafting a comprehensive strategy for law and order** which will address all the problems.

Furthermore, in accordance with the Plan on Strategy Document it was drafted the **National Strategy for Protection against Domestic Violence** which aims to consolidate the interaction between stakeholders by establishing mechanisms for rapid response for protection and addressing the cases of domestic violence.

Regarding the system of execution of criminal sanctions, a *Strategy for Execution of Criminal Sanctions* was drafted, which aims at improving the administration of execution of criminal sanctions in Kosovo. With regards to *physical infrastructure*, the construction of the Facility for Juveniles with educational-correctional measure has been completed, and soon the *Detention Centre in Gjilan and Prishtina will be operational*.

During this period, the Kosovo Probation Service has seen an increase in the work volume. Number of Alternative Measures and Sanctions and persons on conditional release, in 2016, reached 1376 cases.

*Agency for Management of Sequestered and Confiscated Assets* (AMSCA) during this period were executed 93 decisions related to sequestered and confiscated assets, which amount the approximate total of 624,689.49 €, of which 497,696.85 € were sequestered whereas 126,992.64 € confiscated, and conducted a total of 13 public auctions.

With regards to free legal professions, it is worth noting that private enforcement system was functionalized and currently there are 35 private enforcement agents appointed. **During this period were held three exams whereby 41 candidates who passed the examination for private enforcement agents were certified. During this period the total number of cases resolved by private enforcement agents is 4532;**

In the framework of private enforcement system was established the supervisory mechanism, the Commission for Inspecting the legality of the work of private Enforcement Agents and the Chamber of private enforcement agents. Regarding the Notary system, an increase of cases was observed, a total of 357.386 cases were settled through notary offices. Furthermore, a Commission for supervision of notaries' activities was established as a supervisory mechanism. While regarding bankruptcy, 6 bankruptcy administrator have been licensed and they continue to exercise their duty.

There was a continuous increase in cases settled in the *Mediation* field. This is evident with the increase of the total number of cases in 2016, a total of 1506 cases were referred to mediation. Regarding the bar examination, during this period were held three exam terms, and a total of 196 candidates have passed the examination.

In the field of International Legal Cooperation, during this period with Slovenia we signed the Agreement on Extradition, Mutual Legal Assistance in Criminal Matters and execution of judicial decisions in criminal matters. While the agreement on transfer of sentenced persons, signed in 2010, was ratified in Belgium and shall enter into force on 24 December 2016. Whereas with Montenegro we finalized the agreement on extradition, execution of judicial decisions in criminal matters and Agreement on mutual legal assistance in criminal matters, and it is expected to be signed soon, and with Hungary, the Agreement on extradition and Agreement on Transfer of Sentenced Persons was finalized and it is expected to be signed.

*War Crimes Research* continued their research in different locations of massacres committed during the war in Kosovo, and published a number of publications. While the *State Advocacy Office*, has represented the Government of the Republic of Kosovo in total **3864** court sessions.

## - MINISTRY OF DIASPORA

### **Finding models for joint cultural centres**

For a more successful functioning and implementation of the agreement between the Republic of Kosovo and the Republic of Albania to open joint cultural centres in Diaspora, the British Council, in cooperation with the Ministry of Diaspora of the Republic of Kosovo and the Ministry of Culture of the Republic of Albania conducted

a survey to find the most suitable models for functioning of these centres. The project was supported by the Norwegian Embassy, while the study was conducted by Mr. John Kieffer, Creative Consultancy (UK).

Cultural centres of the Republic of Kosovo in Diaspora, established by decision of the Government of the Republic of Kosovo in Turkey, 30/01/2013, Switzerland, 25/10/2013, Sweden, 18/04/2014, realize their mission through numerous activities which are organized in cultural centres in countries where they are established. The purpose of the activities is to maintain the language, culture and cultural heritage of Kosovo through Albanian language courses, various cultural, scientific and sport activities with fellow countrymen, as well as other activities which aim at ensuring the preservation, cultivation and promotion of the image and our cultural, historical, linguistic and national identity in Diaspora.

The survey was conducted with the purpose of creating a comparative overview between different models of existing cultural centres around the world - as national missions, conceptually, as well as legally, create an sense of life, in particular the cultural life of Diaspora of Kosovo and Albania through interviews and comparison of the data. Reports provide a list of models and/or combinations of models of cultural centres based on existing models effective, taking into account the specifics of the cultural life of the Albanian Diaspora and presentation needs of Albanian culture abroad.

### **Foreign Investments**

Aiming to increase the functionality of our country in terms of rule of law in the economic field, namely in terms of attracting investment from Diaspora, the Ministry insisted on functionalizing the division on disputes of foreign investors that operates within the Department for Economic Affairs of Basic Court in Prishtina.

### **Job Fair "Diaspora and investment"**

In view of generating new jobs for citizens of Kosovo, the Ministry of Diaspora, in cooperation with the DIMAK program of GIZ, the German Embassy in Kosovo and institutions of line ministries, organized a job fair with Diaspora businesses "DIASPORA - investments and employment", in particular with businesses from German-speaking countries, which operate in Diaspora and Kosovo, a fair which created around 1,000 jobs. In the frameworks of this activity, before the Diaspora businesses were also presented various investment opportunities from local institutions of Kosovo.

### **Brain gain**

In cooperation with Kosovo Bar Association, the Ministry of Diaspora organized a conference entitled "OPPORTUNITIES OF COOPERATION BETWEEN KOSOVO INSTITUTIONS AND JURISTS OF THE DIASPORA", attended by about 20 jurists and lawyers from the Diaspora and all relevant institutions of the Republic of Kosovo, to find the best models for inclusion of these jurists and lawyers from Diaspora to legal representation mechanisms in Kosovo. Based on the recommendations of the conference, the list of lawyers from Diaspora is available to the citizens of Kosovo, through the Kosovo Bar Association.

In the framework of Brain Gain was organized a conference entitled "The role of the Albanian Diaspora in the world" together with organization "Alba Shkenca" attended by various researchers from Diaspora.

### **Creating opportunities to conduct practical work for students of the Diaspora**

Upon signing the agreement with the Ministry of Youth and Social Welfare of the Republic of Albania, in 2016 were opened 3000 seats for practical work in the institutions of the Republic of Kosovo and in the Republic of

Albania for students from Diaspora. This program will continue further, whereas students from Diaspora have conducted practical work in various local and central institutions, according to their request.

### **Campaign for registration of Diaspora "YOU ARE PART OF THE HOMELAND"**

After redesigning the approach of registration of the Diaspora, and in close cooperation with all institutions of Kosovo, UNDP and IOM, and with support of the Government of Finland, through the campaign "YOU ARE PART OF THE HOMELAND" and the engagement of over 200 registration official in each municipality of Kosovo, we have managed to register approximately 400.000 members of the Diaspora. In the framework of the Diaspora registration officials, there were officials from all minority communities in Kosovo, as well as officials from communities with special needs.

The remainder of the registration process shall continue through registration in Kosovo embassies and consulates in the world, and through the "online" platform.

### **Cooperation with other institutions**

We are always in full coordination with our embassies and consulates around the world for implementation of activities in Diaspora. Besides the implementation of joint activities during Days of Diaspora, and creation of administrative facilities for our fellow countrymen, we are in full coordination with Kosovo municipalities. Furthermore, we have initiated the establishment and training of local liaison officers for Diaspora.

For information of our fellow countrymen regarding the long vehicle columns in the border, especially during the summer months, we are in full coordination with the Ministry of Internal Affairs and Police.

In the framework of the "Days of Diaspora", we have supported the Assembly of Kosovo for the activities for Diaspora. Furthermore, the office of the President of the Assembly fully supported the Diaspora registry program

We are in full coordination with the Ministry of Education, Science and the Technology in terms of organizing additional classes in Diaspora. Furthermore, for promoting the participation of children in additional classes, we have closely cooperated with Radio Television of Kosovo, but also with religious institutions in Kosovo.

Furthermore, Ministry of Diaspora has received the full support of the parliamentary Committee on Foreign Affairs.

### **Diaspora Summit**

The first summit of the Albanian Diaspora was organized under the auspices of the Prime Minister of the Republic of Albania in cooperation with the Ministry of Diaspora of the Republic of Kosovo. The summit was attended by about 1000 representatives of Diaspora from 40 different countries.

In the framework of the Summit of the Albanian Diaspora in Tirana were conducted 8 panels, whereby was organized an open dialogue between the fellow countrymen and the representatives of both the Republic of Albania and Kosovo, and various topics in the interest of the Diaspora and the homeland have been addressed. The summit emphasized the need for a qualitatively new relationship with the Diaspora, given that nowadays our Diaspora has created tremendous human resources.

The next summit will be held in Prishtina!

### **Days of Albanian culture**

Organized by the Ministry of Diaspora, in cooperation with the Kosovo embassies in Berlin, Berne and London, organized "Days of Albanian culture" in Germany, Sweden, Switzerland and the UK.

Among other things, part of the event was an exhibition of photos of the well-known Albanian photographer Fadil Berisha, titled "Albanian Beauty", the theatre play of Albanian actors from Kosovo "If that was a play", "Film day" with short feature films, including the Oscar-nominated film "Shok" and a jazz concert by Elina Duni.

Days of Albanian culture functions as a mechanism for retention of our Diaspora ties with the homeland, but also as a mechanism of public diplomacy through the Albanian art works presented in the world.

### **Other activities**

In order for pupils, students and teachers from Diaspora to strengthen ties with their homeland, in 2016, we continued organization of study visits. Over 250 participants (Albanian pupils, teachers, students and parents) from Turkey, Austria, Germany, Sweden, etc., were involved. Organization of knowledge quiz with students from Diaspora in Sweden, Germany, Greece, Switzerland, and Slovenia.

To support the process of teaching in Albanian language, over 30 thousands books, novels, maps and other school materials have been distributed in USA, Germany, Switzerland, Slovenia, Croatia, Austria, Italy, France, England, Sweden, Belgium, Denmark, Greece, Turkey, Australia and Canada. In 2016, in the Diaspora were opened 14 new classes of Albanian language learning,

Organized by DBN and supported by the Ministry of Diaspora was held the first Diaspora Economic Forum for businesses of Albanian Diaspora in New York, which brought together around 600 Albanian businessmen from around the world, attended by the President of Albania, Bujar Nishani, Kosovo Prime Minister Isa Mustafa, etc.

Following documents were drafted:

- Regulation no. 1/2016 for subsidizing projects for Diaspora,
- Regulation no. 2/2016 on criteria and ways of awarding the annual awards
- Concept Document for Diaspora- drafted
- The draft regulation on internal organization and systematization of jobs in the Ministry of Diaspora - drafted

## - MINISTRY OF FINANCE

### **Preparation of legislation by ministry**

Ministry of Finance, in 2016, in its legislative programme, had a total of 19 draft laws, out of 112 draft laws of the Government of the Republic of Kosovo<sup>2</sup>. In other words, Ministry of Finance constituted about 17% of the legislative agenda of the Government of the Republic of Kosovo. From a total of 19 draft laws, 15 draft laws have been approved by the Government of the Republic of Kosovo, 1 draft law is in the approval procedures in the OPM and 3 draft laws are still under procedures within the Ministry of Finance. Based on these figures, it results that the Ministry of Finance has implemented about 80% of its legislative program. Compared to 2015, in 2016 MoF has seen an increase of 20% in the implementation of the Legislative Programme. Viewed from the implementation of Legislative Programme of Government of the Republic of Kosovo, the Ministry of Finance with 15 draft laws approved by the Government has implemented approximately 30% of the Legislative Programme<sup>3</sup>. Regarding the bylaws, the Ministry of Finance in 2016 has approved and sponsored a total of 13 bylaws, whereby 7 bylaws were approved by Minister of Finance and 6 bylaws sponsored by MF have been approved by the Government of the Republic of Kosovo. Compared to 2015, in 2016, MF has approved and sponsored 4 more bylaws. The Government of Kosovo during the reporting period, in its meetings, has approved 97 points that have been proposed by the Ministry of Finance, which translated into percentage, it results 16 percent of the number of points approved.

### **2. Kosovo Customs**

Kosovo Customs during 2016 has collected 1,051.4 million Euros, 100 million euro (or 12%) more than the previous year, despite the reduction of customs revenue of 22.8 million Euros due to the implementation of the SAA. Customs has made great progress in the simplification of customs procedures, as evidenced in the 2016 World Bank report. The indicator "Trading Across Borders", which is related to Customs, has increased for 8 positions compared to the previous year. Whereas, compared to three years ago, we have seen an improvement of Kosovo's international ranking for 70 positions, from position 122 to position 51. This improvement in ranking is thanks to the implementation of simplified export procedures, whereby exporters are provided with 24-hour services, customs control passage through the yellow lane for 5 minutes, the implementation of procedures as set forth in MSA etc. Customs has established a joint transit with Albania, which avoided unnecessary border controls. Customs has been very engaged in combating informality. In this regard, Customs increased the international cooperation in the prevention of fiscal evasion.

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<sup>2</sup> According to the final report for the 2016 Legislative Programme

<sup>3</sup> According to the final report for the 2016 Legislative Programme



### 3. Tax Administration of Kosovo

TAK this year has generated revenues of 387.8 million Euros, 54.2 million (or 16.2%) more than in the previous year. Good progress was achieved in the process of fiscalization, where so far a total of 25,726 businesses have been fiscalized, from these businesses, 44 are from the petroleum sales sector. In 2016, we received a total of 399 claims for refund, whereby the amount of approved funds was 18.9 million Euros. Whereas refund for citizens from fiscal receipts amounted to 12 million euro. As a result of the Law on Public Debt Forgiveness, TAK has forgiven debts of 216 million Euros, while revenues collected as a result of this law are in the amount of 24.2 million euro. TAK has made fundamental reforms to the taxpayers' services. A total of 415,654 services have been provided to taxpayers. In the Doing Business report of the World Bank, Kosovo has improved its international ranking for 34 positions in the field of tax payment, from 77<sup>th</sup> position to 43<sup>rd</sup> position.

#### 4. The successful implementation of the Stabilisation and Association Agreement

Kosovo Customs as of 1 April 2016 started implementing the SAA. During this period, the customs system was adapted in compliance to the requirements of the SAA. Nowadays, approximately 75% of goods coming from EU countries are subject to the reduced customs tax rates, with a tendency that by 2022, according to plan, about 99% of goods coming from EU countries be exempted from customs tax. As a result, this agreement has reduced customs revenues for 22.8 million euro.

#### 5. Effects of the fiscal package

Some of the effects of the fiscal package which entered into force in September 2015 are as follows:

- i. During 2016 businesses have benefited from discounts in the amount of 47 million euro.
- ii. A positive trend has been observed in the turnover of large business organizations. The number of large companies who, due to large turnover or large number of employees, are required to submit financial statements in the Kosovo Council for Financial Reporting has increased from 221 to 248. This is an increase of 12% in the number of major companies in the country. Employment growth in these companies has only been 11% or 4,924 more employees (an increase from 44,101 employees to 49,029 employees).
- iii. The benefits of citizens due to exemptions in the VAT rates from 16% to 8% were in the amount of 21 million euro (6.06 million Euros for October-December 2015 and 14.9 million Euros for the period January-October 2016).
- iv. The number of businesses with active accounts in VAT has increased by 3 thousand this year, from 16 thousand in 2015 to 19 thousand.
- v. TAK has allowed approximately 1.3 million euro tax base deduction for expenses of companies for payment on behalf of charities or special assets, based on the law on corporate income tax and the law on personal income tax.
- vi. TAK has received approximately 850 thousand envelopes with fiscal receipts from citizens since October last year, and refunded VAT in a total of 13.1 million Euros for citizens. This project has helped a lot in raising awareness of citizens to buy only from fiscalized companies, thus affecting in the growth of the formal economy.

#### 6. The advancement of economic and fiscal policies

*The new fiscal draft-policies:* Ministry of Finance has drafted new fiscal policies to improve the business environment. These include:

- i. Expansion of the list of products that are considered as raw material for exemption from customs tax;
- ii. Removal of the excise rate on crude oil;

- iii. Amending/supplementing the list of products subject to 0 percent rate or reduced rate of 8 percent VAT;
- iv. Administrative instruction on Tax Breaks;
- v. Issuance of necessary legislative acts for the specific conditions of identifying, controlling and marking of flour which is placed in free circulation in the market of the Republic of Kosovo;
- vi. Issuance of necessary legislative acts for certain conditions under which are accepted (recognized) losses from decay, evaporation or loss of oil weight and its products;
- vii. Establishment of new customs codes for some products, according to EU practices.

**Economic Reform Programme:** In accordance with the European integration agenda, in January 2016, the Ministry of Finance has submitted the "Economic Reform Programme 2016" to the European Commission. This document is bases for estimates for the European Commission's progress report.

#### **7. The programme with the International Monetary Fund**

Kosovo is in this programme with the IMF since July 2015. All the criteria of the programme have been met successfully and within the due time by Ministry of Finance. Measures and structural reforms foreseen in the program with the IMF are the following:

- (i) rules for public sector salaries, approved in early 2016 by the Assembly by amending the Law on Public Financial Management and Accountability;
- (ii) Approval of investment clause by the Assembly, allowing the Government to fund projects of public interest by borrowing over the level of the deficit of 2%. This has enabled the Government to plan major capital projects for 2017 and beyond,
- (iii) Central Procurement Agency has completed the procurement process for three basic products/services, which cover a significant number of budgetary organizations, and expanded the list of goods and services through centralized procurement in the future.

#### **8. Discipline, management and budget transparency**

The Ministry of Finance reported on a monthly basis to government on revenues and expenditures, including the status of capital projects. This year, Ministry of Finance, for the first time, prepared the national scheme for certification of internal auditors, which is accredited by the National Qualifications Authority and so far 105 internal auditors have been certified in the public sector while others are in process. Upon review of the budget in July 2016, for the first time there was an increase in the forecast of revenues and as a result new capital projects have been added. The Ministry of Finance was assessed highly from the Department of State about budget transparency. During 2016, Central Procurement Agency has conducted 49 procurement activities, including the centralized procurement. Contracts were signed in the amount of 44.7 million euro, compared with the estimated value of 51 million euro. This saved the state budget 6.3 mil Euros.

#### **9. Public Administration Reform**

In the framework of Public Administration Reform (PAR) third pillar, MF has drafted PFM Reform Strategy (Public Financial Management). Based on the findings of the assessment of the PEFA, SIGMA IMF TADA report and 2014 OAG report, Team supported by OECD/SIGMA analyzed the emerging challenges, and identified four areas that require intervention and prepared activities for 12 agreed priorities. Draft Strategy was distributed to participants at the consultation meetings held on 26-27 April 2016 with civilian society and development partners. It is worth mentioning that first session of the dialogue on PFM was prepared and held, on technical and operational level, on 01 June 2016. After consultations with the EU, given the content of the first meeting of the Dialogue on PFM, in the meeting of the Government dated 29.06.2016 was approved the PFM

Reform Strategy and Action Plan. PFM Reform Strategy was presented in regular meetings of the special Group on Public Administration Reform held on 02 June and 02 December 2016.

## **10. International Financial Agreements**

MoF signed 5 loan agreements in the amount of 182.5 million Euros:

- (i) agreement with KfW for the project on Energy Efficiency measures at the municipal level (loan 2.5 mil euro);
- (ii) Financial Protocol with the French Government in the amount of 66 million euro loan for wastewater plant in Prishtina;
- (iii) agreement with the Government of Hungary for the establishment of a framework program for financial cooperation in the amount of 62 million euro loan;
- (iv) agreement on amending the agreement for financial cooperation with the Austrian government in the amount of 30 million euro loan;
- (v) agreement with the World Bank on the rehabilitation of Iber-Lepenc channel in the amount of 22 million Euros loan (in the process of signature/ratification);

MoF signed 4 grant agreements in the amount of 88.5 million Euros:

- (i) agreement with KfW for the project on Energy Efficiency measures at the municipal level (the grant of 5 million euro);
- (ii) technical assistance agreement with the Federal Government of Germany for 2014 and 2015 in the amount of 20 million euro grant;
- (iii) Minutes of the Meeting with the German Government for the period of 2016-2017 in the amount of 46.9 million euro grant;
- (iv) The agreement with KfW and the Swiss Government for the project of wastewater treatment in Peja in the amount of 16.6 million euro grant;

MoF signed 2 state guarantees of 34 million Euros for public institutions/enterprise:

- (i) State Guarantee Agreement for the project "Urban Traffic" -Prishtina in the value of 10 million Euros as a state guarantee;
- (ii) state guarantee agreement for the new state DIFK credit in the amount of 24 million Euros as a state guarantee (in the process of signature/ratification);

## **11. Agreements for elimination of double taxation**

During 2016, Ministry of Finance, concluded negotiations with Switzerland. Furthermore, first round of negotiations with Austria was held. Accompanying documents were initiated for negotiations with countries such as: Germany, France, Denmark, Bulgaria, Luxembourg, Sweden Montenegro and Italy. In 2016 agreement was signed with the Government of the United Arab Emirates.

## **12. Securities**

MoF held 19 auctions for sale of Securities. 100 million were raised for financing the budget and 320 million euro for re-financing the maturities. The average time of maturity was extended as a result of issuing 3 and 5 years maturity instruments. The interest of private persons for Securities has increased, doubling their position compared to the prior year in a total of 17 million euro.

## **13. National Investment Council**

National Investment Council held 5 regular meetings, whereby approved 20 different projects in a total amount of approximately 900 million Euros in loans and grants. Ministry of Finance, following the approval of projects by the Council, based on the laws in force commenced identification of funding sources. As a result, in 2016 were signed 14 agreements, and 6 agreements have been negotiated or are in process of signature.

#### **14. Public-Private Partnership Committee**

Public Private Partnership Committee held 7 regular meetings, among other things, following decisions have been taken: the construction of the overpass in Mitrovica; BOREA tourist centre in Peja; submission of ENVIDITY and SHARRCEM projects to Government etc.

#### **15. Establishment of Tax and Customs Agency of Kosovo**

The Program of the Government 2015-2018 foresees the unification of TAK and Customs. So far, Draft Law on Tax and Customs Agency of Kosovo has been drafted and submitted to the Government and a detailed plan for the establishment of the Agency has been drafted. This process was supported with expertise by the IMF, GIZ, European Commission and the British Embassy.

#### **16. Budget for 2017**

The budget for 2017 was prepared in line with Government objectives for sustainable economic growth and fiscal sustainability. The budget shall manage to finance priority requirements of each budgetary organization and simultaneously to maintain budgetary stability. Revenues planned for 2017 are 1 billion and 725 million Euros, 6% more than in 2016 and 17% more than 2015. Planned expenditures are 2 billion Euros, an increase of 15% compared to 2016 and 28% compared to 2015. The largest increase is in capital investments by 46% compared to 2016. Budget is in full compliance with International Monetary Fund for all main budget categories. All municipalities of Kosovo, including the northern municipalities of the country, have approved their budgets according to the budget circulars issued by the Ministry of Finance. The Treasury KFMIS system is now extended to all municipalities without exception, and efforts are made for extension of activities for collection of property tax in northern municipalities.

## - MINISTRY FOR THE KOSOVO SECURITY FORCES

**Fulfilment of the legislation programme through amending/supplementing and drafting of the planned acts** – The MKSF has followed all the procedures for amending the existing legal framework on the basis of recommendations derived from the SSSR. Amending and supplementing of the existing legislation has been preceded as part of the package of the draft law on amending and supplementing of the laws dealing with Kosovo Armed Forces. After a thorough review of the draft of this draft law at the institutional level, the MKSF has organized and conducted a public hearing with institutions and various NGOs, which as a focus have the field of security. In line with the relevant provisions, the Government's decision-making procedures, rules and procedures for drafting legislation and policy recommendations from the government and ministries, the MKSF, in October of this year, has followed up this draft law to the government for approval.

**2. The process of implementation of government policies and the development and coordination of sectorial and sub-sectorial policies** - MKSF, within the process of development and coordination of sectorial, cross-sectorial and sub-sector policies in 2016, has continued the process of reviewing the package of strategic documents as instrument of operation according to the current mission and continued engagement in the process of preparing the strategic, doctrinal and planning draft-documents for the new mission.

**3. Further advancement of the management of human, material and financial resources** – During this year, the MFSK from the key sectorial priorities focused its engagement *in further advancement of the human resources management system* in close cooperation and support with the American partners (Defence Institution Building- DIB and Defence Institutional Reform Initiative- DIRI), within the project “Support for the Development of the personnel of the Ministry for the Kosovo Security Forces” funded by the Centre for Integrity in the Defence Sector- CIDS of the Norwegian Ministry of Defence. Parallel with the engagement in drafting the HRM Strategy, the MKSF has devoted a constant care to reviewing process of the existing sub-legal acts and to development and drafting of the new policies according to the modern HRM standards within the preparatory process for the new mission of the Ministry and forces.

We have continued this year with the *professional development of human resources*. Active members have continued with professional education and training within and outside the country. Successful development and education of cadets at USC and cadets who are pursuing military studies in the MAs in USA, Germany, Turkey, Croatia and Macedonia has continued. Current number of cadets studying at CUS and in various academies abroad is 91. This year

14 cadets - officers have graduated: 9 cadets graduated from CUS, 4 cadets from MA in Macedonia and 1 from MA in Turkey. This year, military and civilian personnel have attended and participated in various conferences, seminars and trainings within and outside the country. The components of the active and reserve staff of KSF have successfully conducted 75 trainings abroad with the participation of 140 members, and relevant trainings are planned also for this year. Considering the annual plans, foreseen for 2016, the MKSF has continued throughout 2016 with the *process of staff recruitment*, in order to meet the necessary personnel capacities.

A process of special importance remains *qualitative recruitment of young cadets* and their education at the Centre for University Studies of the Kosovo Security Force, as well as at the military academies of our partner countries. As part of this commitment, in 2016, in accordance with the needs of KSF it was conducted a campaign for the recruitment of cadets, which resulted in the selection of 31 cadets (26 male and 5 female), of whom 4 are from the non-majority communities. These cadets shall pursue their military studies in the following MAs and CUSs: 17 cadets in the CUS of KSF, of which one in the AF of the Republic of Albania; 3 in the GMA of the Republic of Turkey; 2 in the MMA of the Republic of Turkey; 2 in the MA of the Republic of Macedonia; 1 in the Medical College of NCOs of the Republic of Turkey; 3 in the MA of the Republic of Germany; 1 in the MA of the Republic of Croatia and 2 cadets in the 'West Point' MA of the USA. In accordance with the Annual Action Plan for 2016 and in accordance with curriculum of the training of reserve members for 2016, and with the Order of the KSF Commander "For training and engagement of members of the reserve component in their units" and in the Field Exercise "Eagle 5", during this year were engaged and trained 369 members of the reserve component.

The *management structure of the logistic support and material resources*, in addition to permanent and intensive duties and responsibilities continued with further development of new policies in the function of strengthening the system and management of the relevant resources. During the fiscal year 2016, 154 *procurement activities* were conducted in accordance with requirements of the requesting units and in accordance with the procurement plan, signing a total of 90 contracts of large, medium, small and minimal value. According to the procurement plan, it has been implemented *the process of purchasing, procurement and contracting of the special equipment and vehicles, military equipment and machinery, goods and services for the maintenance and repair of equipment and vehicles*, especially field operation equipment, spare parts for weapons, demining equipment, ammunition, trailers for hazardous materials, personnel transportation vehicles, 3T forklift, non-tactical vehicles, etc. According to the plan we have contracted and we are awaiting the supply of Tactical Field Vehicles; Tactical Armoured Vehicles (APV); standardized rifles, armoured vehicles, ambulances, search and rescue equipment, and 5T tow truck. During the fiscal year 2016, in KSF barracks were implemented *important infrastructure projects, where we have created better conditions for work, education, training and accommodation for the KSF members*.

A total of 9 projects that have started in the previous year (2015) have been completed in 2016. There are 2 capital infrastructure projects which were initiated in 2015 and are continuing to be implemented in the two following years (2015-2017). During 2016, as a result of far more organized process with partner countries, in the conference "KSF and Partners" are offered promised *donations in equipment and infrastructure projects by the following fellow donors*: US Government provided donation in Search and Rescue Equipment (SAR), disposal of unexploded ordnance and humanitarian demining (EOD), Nuclear, Biological and Chemical Defence (HAZMAT) and in communications equipment, in the total amount of USD 10,825,037.67; German government provided donation in used cars, spare parts and maintenance equipment, in the total amount of EUR 27.985; Dutch government provided donation in equipment for charging the batteries, in the total amount of EUR 7.500 and Trust Fund donation in the construction of the facility for servicing of vehicles and renovation of the existing vehicle service facility in the KSF Camp in Prishtina, in a total amount of EUR 233,752.89.

In 2016 with the purpose of development, professionalization and maintenance of capabilities and operational readiness of *communication in FSK*, within the communication network with radio equipment, the US Government has donated equipment worth USD 9.2 million to expand the capacities in communication systems with the support systems C2, C3 and C4. With the purpose to increase the capacities for cyber security in the MKSF and KSF, in close

cooperation with the expert team of the Iowa National Guard (US AF) are identified the potential risks and vulnerabilities in the KSF network.

In the function of implementation of the relevant policy, during this period, in accordance with the National Cyber Security Strategy it is also designed Cyber Security Strategy for MKSF and KSF. In order to maintain the high level of operational readiness and to increase the quality of human resources it was conducted a *process of medical examination* for all members of the KSF and CUS cadets, parallel with the systematic review of all medical cases with the accompanying professional recommendations for the respective cases. Based on the cooperation agreement between MKSF and the Armed Forces General Headquarters of the Republic of Turkey, so far in the Military Medical Academy (GATA) of Turkey 38 patients were sent for medical treatment, 7 of them in 2016, while 9 cases are awaiting to be sent for medical treatment.

As in previous years, the MKSF and FSK, as a result of the well analyzed plan, assessed and well defined with the limits and lines in full compliance with the set objectives and priorities of its leadership, is on the verge of successful conclusion of *the budget for 2016*. Based on the planned process of budget spending in all economic categories during the entire fiscal year and the current process, along with the statements for budget savings, enable sustainable performance forecast of the budget at the rate over 95%.

**4. Maintenance and further development of the current operational capacity and capability** - KSF during this year managed to successfully maintain and enhance the quality of the operational readiness of the personnel, equipment, infrastructure, training, etc. During this year, demining operations started on 28 March and ended on 30 November 2016. KSF units have conducted humanitarian demining operations in five locations: in Ferizaj within the KSF Camp, Zagrimle, Hoçë të Qytetit, Paldenicë and Freedom Park in Ferizaj. The KSF's EOD units have intervened in 293 cases and demolished 356 various explosive ordinances. EOD units have managed to clear 242.840 square meters, during which operation found 72 different unexploded ordnances.

Besides the units that conduct humanitarian demining operations, KSF has two emergency intervention units that operate uninterrupted 24 hours on all days of the week, for interventions in cases of notification by the citizens who encounter various unexploded ordinances. Within the overall balance of the annual report by the KSF Situations Centre in 2016, we have the following information on the number of operations and projects that have implemented specialized units of the KSF: Operation of search and rescue, flooding and incidents - 13; Inspections of the Nuclear, Biological and Chemical Defence Unit (HAZMAT) - 24; Assessment of the potential risks by the Crisis Response Liaison Unit (CRLT) - 67; Fire extinguishing by the Civil Defence Regiment (CDR) - 1; De-blocking of roads from snow by the Engineer Battalion (EB) - 4.

**5. The successful implementation of the annual training and exercises plan within the country and abroad** - Based on the *annual training plan* with local institutions are planned and implemented 14 training sessions, while in the process of being implemented are 11 trainings with the local institutions. The number of individual trainings implemented through Bilateral Mobile Training Teams and KFOR are as follows: IOWA NG and US KFOR - 22, with Great Britain - 6, with Turkey - 4, KFOR - 4 and with Slovenia -1. Through planned trainings abroad, in 2016 were implemented 165 trainings; while in the process of being implemented are 72 other trainings. Trainings abroad are as follows: "Summer Camp 2016" - Macedonia, "Immediate Response - 16" - Slovenia / Croatia, "Joint Effort 16" - Albania, "Cambrian Patrol" - Great Britain, "Combined Resolve' 16" - Germany. On September 28th, the Kosovo Security Force (KSF), in the Camp/Barracks "The New Europeans" of the KSF Civil Defence Regiment, in Bardh i Vogel (Pomozatin), inaugurated the *Search and Rescue Training Centre*, first of its kind in the region. In addition to Sergeant Major Genc Metaj, Lieutenant Manushaqe Nura, KSF Parachute Team, on 10.22.2016, a Squad of Rapid Reaction Brigade of the KSF was decorated with the Gold Medal in one of the most challenging and most prestigious drills/exercises in the world "Cambrian Patrol" held in Wells, UK.

**6. Further deepening of civil-military cooperation and strengthening of relations with the local and international institutions** - MKSF and KSF, within its mission, through the structures of civil and military cooperation this year continued with intensive engagement in implementation of many humanitarian projects, which have had a strong impact in further strengthening of the KSF image among the citizens of the country. During 2016 the following projects have been implemented: 9 *humanitarian infrastructure projects*, 35 *support operations for the community and local institutions and NGOs*. KSF medical teams, in addition to daily duties, have continued to implement *monthly humanitarian project, providing medical assistance and essential medicines for the Serb community in the villages of the municipality of Istog, such as Dragolevc, Serbobran, Zallq and Gurakoc*. The engagement of the KSF medical teams with high professionalism and seriousness was highly appreciated by the local Serb residents, who for a long time receive these free health services. Management structures in the healthcare system and that of the civil-military cooperation of the MKSF in coordination with the structures of the Kosovo National Blood Transfusion Centre (KNBTC) have continued the tradition of organizing yearly (during the period of February and August) *humanitarian action for voluntary blood donation*. This tradition has resulted, as in other times, with the massive response by KSF officers, NCOs and soldiers, donating a total of 1245 doses of blood for the needs of the Kosovo National Blood Transfusion Centre. From January 15<sup>th</sup> to February 4<sup>th</sup>, 2016, the demining instructors, in addition to their demining operations, performed and held lectures in the primary and secondary schools on students' awareness of the danger of mines and other unexploded ordnances in Kosovo.

**7. Strengthening of the internal control, transparency, accountability and institutional integrity** - In accordance with the law, the Assembly of the Republic of Kosovo, during 2016, within its legal powers, has exercised *democratic parliamentary control* of the MKSF and KSF, through the Parliamentary Committee on Internal Affairs, Security and Oversight of the KSF and Parliamentary Committee on Foreign Affairs of the Assembly of the Republic of Kosovo. *Internal audit structure*, within its official activities during 2016, in accordance with its plan, has continued with the implementation, provision of advices and making recommendations to the audited entities, with the aim to improve the work and performance of activities.

With the purpose of continuous professional capacity building of its human resources, in step with the changes and standards, as well as the oversight in the performance of professional and legal obligations, the MKSF and KSF, through *KSF Inspectorate* has systematically supervised the correctness, effectiveness and viability of all legal obligations at all levels of the MKSF and KSF structures. Also this year, the MKSF has paid attention to the *process of managing administrative activities of the offices*, in accordance with the relevant laws and regulations, provision of services in proofreading, translation and archiving of all unclassified and classified documents.

*Public relations structures*, during 2016, have presented the work of the MKSF and KSF by being open, transparent, correct and cooperative with the media at all times. Special care and dedication, in addition to monitoring and reporting in the media for the activities of the KMSF/KSF, was also dedicated to maintaining and updating the necessary information on the MFSK-MKBS-MKSF web-site (<http://www.mksf-ks.org/>), Facebook, Flicker and Twitter, for the preparation of informative spots for special events. Publications of informative character have continuously been summarized in the monthly periodical newspaper "Our Force (Forca Jonë)", monthly electronic 'Newsletter'. This year continued participation, in the capacity of trainers (two officers), in periodic trainings (3 cycles), in addition to the training of MKSF and KSF members at the Public Affairs Regional Centre (PARC) in Macedonia. Based on all public opinion surveys, timely information and transparency in communication with the media, aiming prompt and fair information, in the last five years, including this year, made the Institution of MKSF/FSK as the most reliable security institution in the Republic of Kosovo.

Kosovo Security Force (KSF) continues to be one of the most trusted institutions in Kosovo, according to the data published by the Kosovar Institute for Policy Research and Development (KIPRED) with the subject: "Monitoring of the Security Sector of Kosovo: November 2015 - March 2016". *MKSF Integrity Plan (2016-2018)* that was developed in



2016, with the support by the Norwegian Government, was launched in July 2016, which implies the beginning of implementation of the activities defined in the relevant time interval within a year. This plan identifies the MKSF as the first institution within the departments of the Government of the Republic of Kosovo that has drafted and developed such a policy. MKSF, through its protocol unit, has implemented wide range of *protocol activities* within the Ministry and the force in the high level organizations of state protocol.

**8. Continuation of the qualitative application of non-discriminatory policies for the staff of the Ministry and Force** - MKSF and FSK since its establishment has created the legal infrastructure, which guarantees *equal participation of women and men, equal position and opportunities for all, regardless of ethnicity or gender*. The gender perspective MKSF and KSF is a vital dimension, already expanded in the objectives of the Minister of the MKSF as well as in sectorial policies and plans at all levels and organization structures of the MKSF and KSF.

Women in KSF are playing an extraordinary role, which is affirming the KSF as a modern security organization established and functioning in accordance with the standards of the NATO members and partner countries. Currently in Kosovo Security Force are involved 206 women in important commanding and control positions at all levels of the organization. Human Rights Unit in order to increase the transparency, has continued monitoring of the recruitment process aimed at providing equal opportunities for all, regardless of gender or ethnicity, and after each process has prepared special reports on the advantages and disadvantages of the process, providing recommendations for the decision makers.

Media promotion of women and gender equality in MKSF and KSF has continued throughout the year, highlighting a roundtable organized by HRU supported by the Geneva Centre for the Democratic Control of Armed Forces (DCAF), which was held on the eve of December 10<sup>th</sup>, the International Day for Human Rights. The *Office for Community Affairs* in the Ministry for the Kosovo Security Forces during 2016 has continued with good results in support of the process of integration of members of non-majority communities in the Kosovo Security Force, and development, promotion and protection of the non-majority communities' rights.

One of the main activities foreseen by the plan of the Office for Community Affairs was the organization and conducting of regular annual meetings with members of the non-majority communities in Kosovo Security Force. These meetings during this period have provided the opportunity to be informed and to assess the real situation in the implementation and observance of the rights of the KSF non-majority community members, finding solutions for their practical problems, monitoring of the implementation of the measures taken by the MKSF in light of their rights, and establishing a systematic and effective communication with them. Office for Community Affairs worked in the field of outreach to members of non-majority communities in Kosovo and application opportunities for cadets in the Kosovo Security Force. Information included municipalities with non-majority communities throughout Kosovo.

This process has resulted with two non-majority members attending academic studies in the MA of the Republic of Macedonia, a Serb and a Bosnian, while one member of the Bosnian non-majority community was admitted in the CUS in Prishtina. On 10 October 2016, at the Military Academy of the Armed Forces of the Republic of Macedonia, for the first time have graduated four KSF cadets, two from the Serbian community and two from the Bosnian community. This is the first generation of graduates from the KSF non-majority communities. Based on the policy for the integration of non-majority communities, approved by the Minister of the KSF, General Secretary of the MKSF, by a special decision, has established a Working Group for drafting a Strategy for the Integration of non-majority communities, which has prepared the initial draft strategy, and according to the preliminary plan this strategy will be finalized in the first quarter of next year.

**9. Deepening of the international cooperation and advancing of the process towards integration in the international organizations and initiatives** - During 2016, the Minister of KSF, KSF Commander and General Secretary of KSF within their legal responsibilities have intensively continued their activities in international

representation during the entire year through official visits and working, attendance at conferences in the level of defence ministers and chiefs of defence.

Also, numerous visits and receptions of dignitaries and delegations of different levels prove the high reputation that the institution of MKSF and KSF enjoys, along with its leadership in the international arena. The MKSF, on 10.06.2016, has signed the "Agreement on bilateral cooperation between the Ministry of KSF and the Ministry of Defence of Hungary".

During this period it was coordinated implementation of bilateral plans for 2015 and 2016 with all countries with whom MKSF has signed the relevant plans, such as with the United States, Albania, Croatia, Macedonia, Germany, Turkey, Great Britain, Lithuania, Netherlands and Slovenia. During this reporting period, with the aim to synchronize the overall support provided to the KSF from the bilateral partners and NATO, the MKSF along with the structures of partners in April and October has organized joint conferences with the title "KSF and Partners". During this period, many meetings with defence attaches accredited in Kosovo and for Kosovo were organized, as well as with other representatives of foreign embassies covering the field of security. This year, the MKSF has invited for participation of the military units of the partner countries in the field exercise of KSF called "Eagle 5." In this exercise attended US Army Europe (USAREUR), IOWA National Guard and SATM Team with their teams, it was also attended by the participants of Albania, Croatia, Macedonia and Slovenia in the capacity of observers. Responsible structures have continued with the coordination of all activities planned in the framework of bilateral plans for 2016, as follows:

Accomplishment of sixteen trainings for members of the KSF in NATO schools, where 19 members have been certified; German AF organized 5 trainings/6 members and 14 activities to exchange experiences; Croatian AF organized 6 trainings/13 members and 12 activities to exchange experiences; Armed Forces of the Republic of Albania organized 6 trainings/8 members and 18 activities to exchange experiences; Armed Forces of the Republic of Turkey organized 15 trainings; Armed Forces of the UK organized 8 trainings; Lithuanian AF organized 1 training; Netherlands AF organized 1 training; Slovenian AF organized 1 training.

Responsible MKSF structures, through US ODC as host, have coordinated the participation of the KSF members in trainings/workshops held in Kosovo, in the USA and in other countries. Planning and accomplishment of training sessions held in the USA, in other countries and in Kosovo conducted by the IOWA staff were as a result of the continuous cooperation of the IOWA National Guard, ODC and the Department for Cooperation and Security (DCS) of MKSF. From this partnership, MKSF/FSK has received trainings for infantry, logistics, transportation, communications, HAZMAT, intelligence, cyber security, but also various donations for HAZMAT and EOD units. Trainings and seminars that were held in collaboration with the IOWA National Guard focused on: cyber security, human resource management, professional military development, interoperability and deployment of the combined land forces, strategic developments, response capacity during natural disasters, partnership and regional cooperation, logistics operational capacity, development of doctrine, as well as planning and execution of field exercises. Besides these activities, numerous visits at various levels were conducted, the purpose of which was to increase the cooperation in various fields to further develop the KSF.

#### **10. Further advancement of the process towards integration in international organizations and initiatives -**

During this reporting period, MKSF with its representatives participated in the following conferences and regional initiatives: Participation in the initiative, main and final planning conference for the exercises "Immediate Response 16" and "Joint Effort 16"; Participation in A-5 Adriatic Charter defence policy directors annual meeting, held on 15 April 2016 in Zagreb; Participation in the conference State Partnership Program at the European Centre for Security Studies "George C. Marshall" in Garmisch, Federal Republic of Germany on 20-22 July 2016; Participation in joint training conference "Combined training conference" organized by the US Army Command for Europe, at the NATO school in Oberammergau, Germany on 25-29 July 2016; Participation in A-5 Adriatic Charter defence policy directors annual meeting, held on 12 November 2016 in Zagreb, Croatia; Participation in the 20<sup>th</sup> Conference "U.S. - A-5 Adriatic Charter" of the Chiefs of Defence, held on 30 November 2016 in Split, Croatia. This year have also continued

regular contacts and meetings with the Ministry of Foreign Affairs on the coordination of activities and foreign policy and security. The central focus was to evaluate the possibility of expanding the representation of KSF abroad by security attachés or by representatives from the field of security at our embassies in different countries, as well as membership in regional initiatives (A5, RACVIAC, SEECP, RCC, etc.).

**11. Continuing of participation in the joint exercises with NATO member and partner countries** - During the reporting period, the MKSF with its teams and units participated in the following field exercises, "Summer Camp 2016" held on 13 July 2016 in Krivolak, Macedonia; "Vigilant Guard" organized by the IOWA National Guard on 14 - 11.20.2016; "The Search and Rescue Exercise - Sea Lion 2016" held on 03-06 May 2016 in Turkey (in the capacity of observer); "Joint Combat Simulation Training YILDIZ-2016", held on 17-18 May in Turkey (in the capacity of observer); "The Anatolian Eagle - 2016", held on 01-02 June 2016 in Turkey (in the capacity of observer); "The Search and Rescue Exercise - Martyred Ensign Caner GONIYELI 2016", held on 06-09 June 2016 in Turkey (in the capacity of observer); "ISIK - 2016", held on 27-28 June 2016 in Turkey (in the capacity of observer); The race "Cambrian Patrol", held on 19-21.10.2016 in Wells, United Kingdom.

**12. Continuous commitment to the process of implementing the recommendations of SSSR analysis that deals with the transformation of MKSF into MD (Ministry of Defence) and KSF into KAF (Kosovo Armed Forces)** - The MKSF, through its Commission for the Implementation of the Recommendations of the Security Sector Strategic Review (SSSR) and the Department for Transformation, during 2016 has continued with the following activities in the preparations for the process of transformation of the Ministry of KSF into Ministry of Defence and of the Kosovo Security Force into Kosovo Armed Forces: analysis, review, amending and finalization of the Comprehensive Transformation draft Plan (CTP) with details of personnel, trainings, operational, logistical and financial resources; close activity with the American teams of DIRI and DIB about detailed planning and preparation regarding issues of KSF transformation process into KAF; preparation of the concept for the standardization process in the KSF, which will take place during 2017.

## - MINISTRY OF INFRASTRUCTURE

MI during this year has managed the budget in the amount of EUR 205.5 million (excluding the loan of EUR 24.2 million). For capital investments are allocated around EUR 204.4 million\*, respectively 95.5% of the budget, including the highway Prishtina-Hani i Elezit, reconstruction of the existing infrastructure, construction of new roads, and co-financing by the municipal assemblies. In physical volume, 130.46km of roads have been treated. During this year, 148 procurement procedures have been initiated of high, medium and small value, most of them for capital investments. The Ministry of Infrastructure, during the year has fostered the development of public infrastructure, such as in highways, national, regional roads, as well as those co-financed by the local authorities. Specific involvement was made in the maintenance of national, regional roads and highways, both during the summer and winter season, as well as in the horizontal and vertical signalling program. Attention is paid to inspections on road infrastructure, transport, and vehicles technical control centres, driving schools and key vehicle control measures. It was monitored the issuance of licenses in the field of aviation, where it was marked an increase of passengers travelling in direct flight lines from and through Kosovo. During this year, capacities are increased in monitoring the process of theoretical and practical exams in drivers licenses unit (installation of CCTV cameras to monitor exam process), by this it is increased the security and transparency of the exam process. This year was marked a significant increase in the number of candidates and at the same time increase of number of tests printed in Albanian, Serbian and English language. In the field of rule of law, two laws were drafted by the Government and have been adopted by the Kosovo Assembly, Law on Drivers Licenses and Law on Traffic Rules. Currently in the process of proceeding in the Kosovo Assembly is the draft law on vehicles. During the year, MI has signed 8 administrative instructions, which mainly cover the area of transport and vehicles, which facilitate the conditions of doing business by eliminating various administrative barriers.

**Objectives of Road Infrastructure were:** Implementation of the project of Highway R6 Prishtina - Hani i Elezit, continuation of expansion of the National Road N9 towards Peja; beginning of works on the expansion of the National Road N25 Prishtina-Podujeve; rehabilitation and reorganization of the National Road N2, section: Veternik (intersection towards Gjilan) QMI; expansion of the National Road N25, section: Suhareke - Korishe; stratification by asphalt of the Road N9, section: Dheu i Bardhe - Mutivode; continuation of expansion of the regional road R102 Komoran - Skenderaj, section: Kline e Eperme - Morine; construction of the road Shtime Transit Road - Belince; rehabilitation of the road Kramovik - Xerxe; rehabilitation of the road Lipjan - Magure; road rehabilitation program of the National and Regional roads, the co-financing programme with municipalities for the improvement of the condition of local roads; development of capital investment projects; cooperation with the International Financial Institutions.

### **Projects and Elaborates of the completed expropriation projects:**

Drafting of the main project for the expansion of the road N25, section: Besi-Podujeve roundabout L= 20km; Drafting of the main project for reconstruction of the National Road N2, section: intersection Gjilan - QMI L= 8.40km; Drafting of the main project for the Transit Road in municipality of Malisheve L= 13km; Drafting of the main project for the reparation of foundations of two pillars of the bridge in the location of Kashan, the road N2, section: Kaçanik - Hani i Elezit, completed; Drafting of the main project for the rehabilitation of tunnel No. 2, in the road N2, section: Kaçanik - Hani i Elezit, completed; Expropriations elaborates for the expansion of Regional Road R102, section Kline e Eperme-Morine L = 13km, proceeded to MESP; Elaborate for the rehabilitation and reorganization of the National Road N2 (road intersection Gjilan - QMI) and Shtime Transit Road-Belince.

**Implementation of the project for the construction of Highway R6 Prishtina - Hani i Elezit -** After completing the sub-section C1 from the intersection R6/R7 - the connection to the National Road N2 (Gjilan intersection), in a total length of 5.0 km and connection and exit roads of the main node of Highway R6/R7, in a length of 5.5 km, works are performed on the track towards the road connection in Lipjan - road connection in Babush - road

connection in Ferizaj - road connection in Doganaj. 20km of road have been completed in the section C1 until Babush and inauguration was done at the end of the year. Environmental and Social Impact Assessment Report for the road section C3 Doganaj - Hani i Elezit of the Highway R6 project, has been prepared and approved by the Ministry of Environment and Spatial Planning. Expropriation elaborates have been prepared and the process of expropriation for sections C1 and C2, as well as part of the section C3 has been completed.

**Continuing of construction of the road R7 Morina - Prishtina - Merdare.** After opening for traffic of the Highway R7 sections Morine - Gjurgjice (Connecting to N9) - Bresje - Besi, the Ministry of Infrastructure in collaboration with WBIF and EIB started completing the Feasibility Study and Environmental Impact, and the Preliminary project for the section Besi - Merdare (border with Serbia). Consulting Company COWI has carried out the study of several alternatives of the future corridor of the Highway Besi - Merdare (25 Km). These alternatives of the Highway corridor were assessed according to a mechanism consisting of technical, financial, social, and environmental and security criteria, and based on the findings it is prepared a Final Report, most favourable option, which was approved by the MI.

**Continuing of the project of expanding the National Road N9 Prishtina - Peja.** In cooperation with WBIF (Western Balkan Investment Framework) and EBRD began the completion of the Feasibility Study and Environmental Impact for the road section Kijeve - Zahaq (32 Km), and completion of the implementation project. The Ministry of Infrastructure has approved the road track of the National Road N9, from Kijeve to Zahaq. Consulting company has completed the Feasibility Study and Environmental Impact. In collaboration with WBIF and EIB/EBRD have been defined Terms of Reference for drafting the preliminary project design for the section Kijeve - Zahaq (32 km), which is expected to commence in early 2017. MI has under its management a total of 1,925 km of national and regional roads, and 84 km of highway roads. Within the program of winter and summer road maintenance, MI has managed a total of 14 contracts for winter road maintenance in 7 regions of Kosovo: Prishtina, Mitrovica, Peja, Prizren, Gjilan, Ferizaj and Gjakova. In each region two companies (for each region) were engaged for road maintenance. Ministry of Infrastructure during this year has started works on the expansion of the National Road N9, section Peja - Zahaq, Lot 5 and 6 in a length of 6.70 km and expansion of the road at the entrance to the city of Peja from the direction of Prishtina, the segment from Peja Transit Road to the entrance of the city, in a length of 1.99 km. The expansion of the Regional Road R102 Komoran - Skenderaj, section: Kline e Eperme - Morine has continued. This project includes 8 Lots with a length of 27.02 km. Considerable part has been completed, whereas the rest will be completed following the procedure of expropriation and settlement of property issues.

For the road transport of passengers, 134 bilateral permits were issued; for the regular international transport, 148 permits; 395 bus certificates; 73 licenses for the transport of passengers were issued to 8 contractors for humanitarian transport of passengers by bus - according to the bus itineraries, 73 licenses for the third parties, rental and paid; 13 licenses for personal needs, 13 licenses for the transport of dangerous goods; 2 licenses for goods terminals; 120 ADR certificates for drivers and operators; 395 certificates were issued for trucks (*and for third parties*); 55 certificates based on license for personal needs; 2118 permits for transport of goods (for Bulgaria 1293, Turkey 300, Italy 521, Hungary 28, Croatia 5, Albania 6 (license for the third countries) Austria 100 permits and Slovenia 5 permits).

In the field of civil aviation, 11 permits have been approved, operation permits for regular and seasonal Airline Companies, and 208 permits for Ad hoc flights have been approved, from 1 January to 16 December 2016. Services for arrangement of regular and charter flights this year have offered 26 Airline Companies. During this year, air traffic was carried out in 27 destinations, which is enabling the transport of passengers and goods, and is enabling the connection of Kosovo with other countries. The Ministry of Infrastructure has welcomed and enabled access to the market of the Airline Company 'Easy Jet' from UK, which is British passenger air carrier,

and which operates with low prices. The number of passengers during this year has marked a record growth, reaching to 1,744,202 passengers, which represents a growth of 12.6%, compared to 2015 (1,549,198 passengers). It has been drafted the Animation for the rights of passengers and it was published several times in national television channel, with the aim to raise awareness on the rights of passengers, to protect them from fraud, and ongoing preventive activities influenced to achieve the protection of the passengers' rights and to achieve the preventive effect.

In order to standardize the procedures for the mobile technical checkups (on the roads), CITA in association with CORT are preparing the preliminary procedure for vehicle checks on roads, based on the Directive 2014/47/EU. 609 candidates for driver instructors have been tested, of whom 198 have passed. 21 driving schools have been licensed and 38 driving schools have been re-licensed in various categories. 9 vehicle technical control centres have been re-licensed and 282.983 vehicles have been checked as part of technical inspection by the categories of Centres for Technical Checkups of Auto-Vehicles in Kosovo. 30. 841 individual and type homologation of vehicles were conducted; they were conducted 314. 484 technical checkups by CTC in Kosovo and measurement of gas emission were performed on 20.000 vehicles (since June 2016).

In the period January-November 2016, the following candidates were tested: in the theoretical part were tested a total of **94.057** candidates (in all categories), while in the practical part were tested a total of **53.757** candidates (in all categories).

In order to increase the quality in testing and to regulate the whole process of testing we have undertaken three initiatives: **a)** launching of the project for **electronic testing** of candidates. Functionalization of electronic testing will be done by Touch Screen computers; **b)** in order to enhance the quality and transparency in practical testing, dual cameras were installed, which record the entire process, from the moment of dissemination of questioners until the issuance of results. From the preliminary data it results a decline of the passability of nearly 15% in the practical test, which implies that the number of candidates which failed and retook the practical test has grown, in which case we have engaged officials who are licensed as examiners, to cope with the influx of candidates; and **c) "e-driving" Application**, which will regulate the entire testing process of candidates, from the moment the candidate is registered in the driving school, until the moment when candidate obtains the drivers license. In order to avoid the arrival of the candidates in units to submit application for exams, through this application it is foreseen to be submit application for exams online. In the field of oversight, the Inspectorate has conducted the following inspections: 2223 inspections of road transport; 779 inspections of road infrastructure; 1072 inspections for technical checkups; and 1258 inspections in driving schools.

## - MINISTRY OF EUROPEAN INTEGRATION

During 2016, significant progress has been made in the process of European integration, namely, relations with the EU were advanced from mainly political relations to contractual ones. This was achieved through the adoption and entry into force of the Stabilisation and Association Agreement (SAA). Other key advances marked during this reporting period include the functioning of joint bodies between Kosovo and EU, within SAA for its supervision, establishment of the policy framework for the implementation of SAA obligations and the monitoring of its implementation, legislation alignment, EU and bilateral assistance, as well as communication and public information about the European integration process.

SAA entered into force on 1 April 2016. It is the most important international agreement and most comprehensive agreement that Kosovo has ever concluded, which at the same time established the framework of our relations with the EU member states and its institutions, as well as mechanisms and official deadlines for the reforms that will progressively align Kosovo with EU standards, which will create a political stability and democratic institutions, and will make its economy integrated into the EU and able to cope with market forces and the competition pressure within the internal market of the EU. The SAA covers all governing fields within 144 articles, divided into ten (10) titles, as well as seven (7) annexes, five (5) protocols and a joint declaration.

Secondly, regarding *Kosovo - EU Stabilisation and Association joint bodies*, the SAA has established the Stabilisation and Association Council (SAC), Committee, seven subcommittees and two special groups, as well as the Stabilisation and Association Parliamentary Committee. In these bodies, required under the SAA, it will be regularly discussed about its implementation and will be taken the most important political decisions for the next stages of EU accession. These bodies became operational in the second half of 2016. In this regard, in cooperation with the EU institutions and line institutions was drafted the legal basis for their operation (*Rules of Procedure* of those bodies, adopted by the EU Council on 28 July 2016, and by the Stabilisation and Association Council on 25 November 2016, at its first meeting, as well as the *Regulation No. 13/2016-GRK for the Functioning and Representation of Government Institutions of the Republic of Kosovo in the Stabilisation and Association Structures*, adopted by the Government on 16 September 2016, through Decision No. 03/109.

In cooperation with the EC, an agreement was reached on the calendar of the first round of meetings of these structures, and three structures had their first meeting so far: SAC (on 25 November 2016, in Brussels), the Subcommittee on Innovation, Information Society and Social Policy (15 December, in Brussels) and the Special Group on Public Administration Reform (3 December, in Prishtina). Currently, it is being worked on procedural guidelines for the functioning of these structures, which are expected to be finalized in March 2017. At the first

SAC meeting was discussed on recent developments about the political relations Kosovo - the EU, the situation in the areas of economic criteria, SAA implementation, regional cooperation, and EU assistance.

To set a sustainable *policy basis for the implementation of reforms required by the SAA*, in cooperation with other institutions, MEI has drafted and coordinated the implementation of the first National Programme for Implementation of SAA (NPISAA). This programme, approved by the Government in December 2015 and by the Assembly in March 2016, has established a comprehensive framework of reforms needed during the medium-term period to implement the SAA and for the approximation of national legislation with that of EU, as well as the implementation of approximated legislation. It contains short-term measures (planned annually) and medium-term priorities (which have a medium-term perspective), divided into two categories: legislative measures and priorities and implementing measures and priorities. It consists of three blocks: *Political Criteria*, *Economic Criteria* and *European Standards - Harmonization of Kosovo Legislation with the EU acquis*. Besides key political and economic reforms required by the SAA, it provides concrete measures within the 33 chapters of the EU acquis. The Programme is the main national strategic document for planning, implementing and monitoring the implementation of all necessary reforms until the negotiations for EU membership and beyond. Its content is in accordance with the Government Programme, the budgeting process and documents as well as other documents and local mechanisms. It also reflects the priorities and measures arising from the policy dialogue with the EU and the European Commission's Annual Report on Kosovo. Annual Review of the Programme is under finalization, focusing on short-term measures and it is expected to be adopted in February 2017.

In addition to the Programme, it was also adopted the European Reform Agenda (ERA). This Agenda was proposed just before the SAA entered into force, and was officially launched by the Prime Minister Mustafa and EU Commissioner for Enlargement Negotiations, Johannes Hahn, on 17 May at the *High Level Conference Kosovo - the EU on the Stabilization and Association Agreement*, held in Prishtina. After finalizing the priorities and the annual action plan for their implementation, ERA was adopted by the Government on 9 November, while its application was launched on 11 November, at the first meeting of the High Level Dialogue Kosovo - the EU on Key Priorities. ERA's goal is to focus on the implementation of the SAA and to serve as an instrument of regular High Level Dialogue to be held from now on in addition to the one within the stabilisation and association structures. For this purpose, ERA gives the highest political priority to implementation of key economic reforms, strengthening the rule of law and the consolidation of good governance, including through the High Level Dialogue, at least every six months, monitoring and pushing forward their implementation. Therefore, ERA also contains an annual action plan, and will be reviewed annually by updating its priorities and activities. ERA contains a total of 22 priorities, divided into three pillars: Good Governance and the Rule of Law (9 priorities); Competitiveness and Investment Climate (7 priorities); and Education and Employment (6 priorities).

In the beginning of the year, MEI has developed and put in place a mechanism for *monitoring and reporting*, and has drafted three regular reports on the implementation of NPISAA short-term measures (one every three months). The purpose of these reports is to assess and improve the implementation of the Programme, serving as a basis for accountability within the institutions to the highest political level, as well as to ensure transparency towards other stakeholders and the wider public on the SAA implementation. Their findings were discussed in Government cabinet's sessions and will also serve for the work of stabilisation and association structures. In terms of the content, reports provide a quantitative overview of measures implemented during the reporting period within the Programme as a whole, for each block and each chapter. They also provide a qualitative assessment of the situation in each chapter, summarizing the main implementation challenges and the potential challenges during the remainder of the year (highlighting issues that require special attention at the highest political level). During 2016, MEI has drafted three quarterly reports on the implementation of NPISAA, whereas the latest report (covering the entire 2016) will be finalized during February 2017.



The main development of the year in terms of *visa liberalization* is the recommendation from the European Commission on 4 May, and the European Parliament (namely, Committee on Civil Liberties) on 7 July. In addition, there was a continuation of efforts to implement the remaining two recommendations: ratification of the agreement on demarcation of the border with Montenegro and results in fighting corruption and organized crime. Ratification is still pending, while in terms of the other recommendation, 33 cases of corruption and organized crime of high level were prioritized whereas 21 charges were filed (4 for organized crime and 17 for abuse of office, fraud, bribery and forgery), against 150 defendants, including a number of senior public and political officials. Since the recommendation from the European Commission, Kosovo has also submitted two reports to the EC on the fulfilment of these two remaining recommendations.

Furthermore, *the Framework Agreement for the participation of Kosovo in EU programs* was signed on 25 November in Brussels. This agreement will enable Kosovo access to 17 such programs.

Regarding the *approximation of legislation*, during this year, the MEI has estimated a total of 138 draft normative acts, i.e. controlled their compliance with the EU acquis and issued legal opinions. Also, during this year were held 9 rounds of three-day-training on the approximation process. During this year were translated 165 acquis acts from English to Albanian language, as part of the cooperation agreement with Albania.

In order to fulfil the SAA obligations and to approximate the legislation in priority areas, during the year in question was prepared a supporting two year project, through the Twinning instrument, which is expected to begin implementation in spring 2017 by German-Polish-Croatian consortium. Its purpose is to improve policy planning and approximation of legislation by analyzing the state of approximation of national legislation with the acquis and its implementation (including the required institutional capacities), capacity building for acquis as well as informing of public and interested parties about the SAA. The project will focus on eight chapters of the acquis (1, 3, 5, 6, 7, 8, 23 and 24).

Regarding *the EU assistance and donor coordination*, Single Project Pipeline of Infrastructural Investments (covering four sectors: transport, energy, environment and social sector) was updated and adopted by the Government, while the National Investment Committee (NIC) adopted all the projects included in the Investment Clause. Within the Western Balkans Investment Framework (WBIF), during this year, Kosovo has submitted a project for the round of 16 grants, to conduct a feasibility study and a detailed project for Route N9, which connects Kosovo with Montenegro. The IPA 2016 Program has been finalized and all documents required for the Program (sectoral planning documents and documents of action) have been developed and submitted to the European Commission. MEI has also begun preliminary consultations with the EC on priorities for IPA 2017 and proposed to include sectors and priorities arising from the National Development Strategy and Economic Reform Program. During this year, within the IPA 2014 and 2015 were also signed and entered into force the financial arrangements for cross-border cooperation (CBC) with Albania, Macedonia and Montenegro.

On 18 October were held the annual intergovernmental negotiations between Kosovo and Germany; this time was discussed on commitments for two years of the German assistance to Kosovo, in the value of 47 million Euros. After negotiations, Germany and Kosovo will sign financial and technical agreements which will govern the implementation of the projects initiated in the intergovernmental negotiations. On 24 October were signed the bilateral agreement and memorandum of understanding between Kosovo and Luxembourg, which govern the implementation of Luxembourg's assistance to Kosovo for the period 2017-2020, with a total of 30 million Euros. On 15 December entered into force the financial agreement for the IPA 2015 Program, under which the EU funds projects for Kosovo in the value of 78 million Euros. On 16 November, the Government adopted the decision to establish sectoral working groups and sub-sectorial working groups for coordinating external donors in Kosovo. During 2016 was also implemented the tenth round of Young Cell Scheme, as part of which were allocated 35 scholarships for postgraduate master studies of public administration, economy and justice. After

completing the studies, the beneficiaries will be employed in public institutions, as part of policies for public administration reform.

## - MINISTRY FOR DIALOGUE

In the framework of Euro-Atlantic vision for Kosovo and policies of good neighbourly relations as one of the basic conditions for European and Euro-Atlantic integration of our country, the Government of the Republic of Kosovo has continued during this year as well with serious commitment on the interstate dialogue between the Republic Kosovo and Serbia, mediated by the European Union and strongly supported by the US.

The Government of Republic of Kosovo has paid special attention to the Brussels Dialogue, knowing the importance such a dialogue has for the implementation of its strategic objectives to strengthen the state, such as: advancement of Euro-Atlantic integration for Kosovo, promotion of good neighbourly relations, peace and stability in the region and Europe, where one of the key factors is the normalization of relations and the mutual recognition between the two countries, as well as the expansion and consolidation of sovereignty in the northern part of the country by growing integration of the Serb community in Kosovo state system and the dissolution process of Serbia's parallel structures in Kosovo.

Ministry for Dialogue, as the institution responsible for the process of Brussels Dialogue, has carried out a voluminous and intense activity intense to conclude agreements, implement them and monitor the quality of implementation, in order to put forward the strategic objectives of the Government in this dialogue, protecting national interests in full compliance with the Constitution and laws of the Republic of Kosovo, Assembly Resolutions and Euro-Atlantic values, which are the red lines of the Kosovo Government's positions in this dialogue, since its commencement in 2011.

In cooperation and coordination with all state institutions and in full coordination with the Office of the Prime Ministry, Ministry itself and Minister of Dialogue Edita Tahiri, as the chief negotiator, have developed a competent and strategic negotiator activity. In her duty, she was supported by a team of consultants who are political coordinators of specific fields, as well as the expert working groups that represent are seconded by line ministries, depending on the fields addressed in the dialogue process. Negotiation platform and concluding agreements have been based on the abovementioned red lines, programming and strategic documents of the Government, and theoretical and practical knowledge on international negotiations. A huge number of preparatory meetings were held with working groups in ongoing consultations with the political level. We participated in all rounds of technical level talks in Brussels. At the beginning of the year was held a meeting at the level of Prime Ministers of the two countries and the EU High Representative, Federica Mogherini, a meeting in which Kosovo was represented by the Prime Minister Isa Mustafa.

Minister of Dialogue has reported regularly to the Government of Kosovo, Presidency, Assembly and parliamentary committees, with the aim of recognizing and enhancing the flow and results of the Brussels Dialogue. Also, we cooperated with local and international media, research centres, and participated in roundtables and conferences.

Ministry for Dialogue has developed diplomatic activities to ensure the international support for Kosovo's state positions in the dialogue and for advancement of the Euro-Atlantic processes, as a reward for seriousness shown in the dialogue, which also resulted in concrete progress of Kosovo in relation to the EU, NATO and new

memberships in international organizations. We had special cooperation with the US Government and the US Embassy in Kosovo, the EU and the EU office in Kosovo, other European partners, especially with Germany, Austria, the United Kingdom, the five countries of the EU that have not yet recognized Kosovo, and many other countries, the diplomatic corps in Kosovo, and we participated in the forum of the EU member states organized by the EU office in Kosovo, etc.

### **Outcomes of the Brussels Dialogue**

Achievements from this year's Brussels Dialogue can be considered quite substantial, considering their importance for our country. One of the main achievements of this year is that Kosovo took the international dialling code 383 from the ITU on 15 December 2016, thus strengthening the international independence, after six years of negotiations. We have also removed the barricade from the Ibër Bridge on 14 August 2016 while the revitalization of the bridge is being finalized. Kosovo is establishing its institutions in the northern municipalities, a process which started this month, it has opened CRA offices for being equipped with citizenship documents and it is soon expected to have the offices of civil status opened. Kosovo has dissolved the so-called "Civil Protection" in January this year while parallel courts and police were dissolved in 2013. Kosovo finally establishes the unitary justice system in the north of the country in January 2017. With the IBM agreement, Kosovo has established interstate border with Serbia in 2012, while this year we finalized the permanent buildings projects in three border crossings points between Kosovo and Serbia, where our country is a host party, construction of which begins in January and is funded by the EU.

The new agreements reached this year are as the one on reciprocity temporary license plates between the two countries in September 2016, mutual recognition of certificates for dangerous goods (ADR) in May 2016 and the extension of the agreement on mutual recognition of diplomas, which includes all levels of education. The issue of the independence of KOSTT is still pending, being blocked by Serbia since 25 August 2015. Based on the Brussels Agreement on Energy, KOSST has signed the Agreement on connecting with European organizations for electricity transmission, ENTSO-E in October 2015, but its implementation is pending. It is also pending the Agreement on the Association of Serb majority municipalities in Kosovo, reached on 25 August 2015, in accordance with the Law and the Constitution of Kosovo. The Association shall not have executive powers and will not be a third level of governance in Kosovo. Statute of the Association shall be in full compliance with the Constitutional Court's Decision of 26 December 2016. This process will go in parallel with the dissolution of the remaining parallel structures of Serbia in Kosovo, on which will be discussed in Brussels by the tripartite group.

Another important achievement from the dialogue is that the European Union has conditioned Serbia on its path to European integration with Chapter 35 which requires Serbia to normalize neighbourly relations with Kosovo through a legally binding agreement and to implement the agreements reached. Such conditionality is the result of reliable official reports the Ministry of Dialogue has regularly submitted to the European Union, since the beginning of the dialogue in 2011, where informed the EU in detail on the situation about the implementation of the agreements and the failure of Serbia to fulfil its obligations.

It is worth mentioning that the process of dialogue has faced numerous challenges as a result of obstructive attitude of the Serbian side. The most concerning phenomenon is Serbia's dualism regarding the implementation, which means that on the one hand it implements the agreements and on the other hand continues to support its parallel structures in Kosovo, including efforts for destabilization, such as the case of illegal wall in Mitrovica these days, in violation of the Brussels Agreement. Kosovo institutions have made it

clear the position for removal of the illegal wall, pursuant to Kosovo laws and with the utmost care to maintain the stability of the country.

## **Contribution of the Brussels Dialogue to strengthen the state and Euro-Atlantic agenda**

Achievements from this year's Brussels Dialogue have significantly contributed to the realization of the Government's strategic objectives to strengthen the state at home and abroad. About the internal aspect, the Brussels Dialogue has contributed to strengthen the state, as Kosovo has further extended and consolidated sovereignty in the north, through the dissolution of Serbian parallel structures in fields where agreements have been reached. Also, the dialogue has helped to improve the overall life of citizens in many aspects, rule of law, free movement, socio-economic development and in particular in improving the political stability, safety, inter-ethnic relations and the integration of the Serb community in the northern part of country. About the external aspect, the Brussels Dialogue has contributed to strengthen the international position and to advance the Euro-Atlantic agenda.

### **1. Strengthening of state sovereignty - further expansion of sovereignty in the north**

Brussels Dialogue has contributed significantly to strengthening the state sovereignty, which is one of the main achievements of our commitments in the Brussels Dialogue. Kosovo has managed to further expand and consolidate the state sovereignty in the north, through the process of establishing the legality, democracy, rule, establishing state institutions in the north, integrating the Serb community and dismantling parallel structures in the fields where agreements were reached. Ministry of Dialogue in cooperation with local institutions have been fully committed to the realization of their responsibilities in order to consolidate the state's sovereignty over all the country, while the political stability and safety of citizens has made significant progress.

As a result of Brussels Agreements, we have achieved the dissolution of Serbian parallel structures in the field of justice, dissolution of the illegal structure "Civil Protection", dissolution of offices for issuing illegal documents, while soon will start the implementation of the agreement to remove from usage the illegal plates and dissolution of offices, etc. Removal of the barrier from the Mitrovica Bridge on 14 August this year and revitalization of the bridge by the EU has a powerful symbolic in terms of strengthening the state sovereignty, since after many years, this bridge has become a unifying bridge and free for circulation of all citizens and vehicles. This dialogue has helped to ensure free movement, i.e. remove all barricades in the north. Great changes have been achieved, considering the fact that in the past, customs officers had to go by helicopter to the Jarinja and Bërnjak border crossings points.

We managed to extend the state sovereignty in the north of the country through the establishment of central institutions in most of the sectors, institutions which will start operation this month, challenged for many years now for well-known reasons. The Government of Kosovo will soon start issuing citizenship and civil status documents for citizens in four northern municipalities, for which the demands are growing. For this purpose, the offices of the Kosovo Civil Registry Agency (KCRA) begin working after the commencement of the legal process of recruitment and training of the staff by CRA, while the Civil Status Offices are being prepared for work. Kosovo should establish a unitary justice system in the north in early January, according to the Brussels Agreement. A Basic Court and a Prosecution Office will be established for the seven municipalities, in accordance with the laws of Kosovo, while the integration of Serbian judges, prosecutors and administrative staff in the Kosovo system has been finalized, for which the final implementing agreement was reached on 30 November 2016. During this year, there has been progress in legal functioning in four northern municipalities in several key areas, including the approval of annual budgets under the law on public finances of the state, which is a positive indicator, unlike what happened in the previous years.

Inter-state border and border control has been further consolidated while the cooperation under the IBM Agreement is at a satisfactory level. This year, we have completed the projects for permanent buildings at the border crossing points in Merdare, Bërnjak and Mutivodë, where our country is a host party, in cooperation with EU, which funds and implements such projects. Construction shall commence in January 2017. Kosovo has established the inter-state frequency boundary with Serbia, as a result of the Brussels Agreement on Telecom, which also stipulates the dissolution of illegal mobile operators who have operated illegally in our country.

## **2. Strengthening the rule of law, welfare, integration and safety of citizens**

The agreements reached in the Brussels Dialogue have had positive direct impacts on the overall improvement of citizens' life, in particular in the aspect of rule of law, safety, freedom of movement, socio-economic development and ethnic relations, something which is seen in the increased dynamics of the integration of Serb community in Kosovo and the demands for documents of citizenship. Today, the situation in the north is much better than it was before the Brussels Dialogue, something which can be seen also from the official reports of local and international institutions, thanks to the commitment of the Kosovo Government for implementation of agreements, integration/employment of individuals after dissolution of parallel structures in certain fields, allocation of the fund for development and continuous dialogue with citizens in there.

In the socio-economic aspect, agreements as the ones on IBM, freedom of movement, free trade, collection of customs taxes in border crossing points in Jarinja and Bërnjak, systematic electronic exchange of customs data (SEED), have had direct positive effects, since they reduced significantly the illegal activities, as well as strengthened the rule of law and effective border control. As a result, revenues in the state budget have increased significantly from the increase of payment of customs taxes. Also, citizens are exempted from additional fees for vehicle insurance since August last year when the agreement on mutual recognition of border insurances came into force. The issue of import and export of food products, pharmaceuticals and those at high risk (ADR) was solved through the mutual recognition of certificates between the two countries. Significant economic benefits, in millions, were insured after receiving the telephone code, since there will be no payment for foreign codes, and citizens shall receive better services.

In the aspect of political stability and safety, a series of agreements have contributed in this regard, such as the one on legal functioning of four northern municipalities after the local elections of 2013, placement of Kosovo Police in the north and dissolution of parallel Police of Serbia, dissolution of parallel courts, dissolution of the former Civil Protection, removal of the barricade from the Ibër Bridge and all others, along with the establishment of central institutions in the north and functionalization of justice institutions. The following steps were focused on returning Albanians to their homes in the north and vice versa, Serbs in south of Mitrovica. The Government and relevant institutions are working to stop illegal constructions in the north, ethnically motivated by Serbia, and to establish law and order in the municipal urban development for the benefit of all citizens indiscriminately.

## **3. Strengthening the international position of the state - Advancing the Euro-Atlantic agenda**

Regarding the international level, the Brussels Dialogue has contributed to strengthening of the international position of Kosovo and advancement of the Euro-Atlantic agenda of our country.

Brussels Dialogue has contributed to advancing Kosovo's path to European integration. This year, Kosovo signed the Stabilization and Association Agreement (SAA) with the EU, and had the first official dialogue with the EU. This was a historical achievement for Kosovo, a process which began in 2011, just after Kosovo was

engaged in the Brussels Dialogue. Kosovo established formal relations with NATO this year, which proves that our state is considered as a serious partner in the international community. Also, Kosovo received international dialling code from the ITU on 15 December this year, for which Austria applied, thereby strengthening its statehood and international independence in the field of telecom. International importance is related also to the fact that for the first time, a UN organization is in formal cooperation with our country, which marks a new beginning in the official relations with the UN.

Regarding the memberships in international organizations, Brussels Dialogue has helped remove membership barriers, therefore Kosovo, as a state with full rights as other states, became member of many international and regional organizations. Just this year, Kosovo has become a member of the Permanent Court of Arbitration, Apostille Convention, International Association of Prosecutors, and European Chamber of Commerce. Kosovo takes part in the Parliamentary Assembly of NATO, of the Council of Europe, as well as in the A5 Adriatic Charter meetings on security issues and many other organizations. Kosovo became a member of all important international sports organizations, including the International Olympic Committee.

In its diplomatic commitments, the Ministry of Dialogue has used the argument that Kosovo, as a constructive party in the Brussels Dialogue, deserves to be rewarded with the Euro-Atlantic integrations. This argument has brought the support of five EU countries which does not recognize Kosovo, providing support to Kosovo in Euro-Atlantic integration processes by voting the SAA, supporting the formal relations of Kosovo with NATO, international telephone code from ITU, and many other memberships of Kosovo in international and regional organizations, since the dialogue started in 2011.

#### - MINISTRY FOR COMMUNITY AND RETURN

Ministry for Community and Return (MCR) even this year continued to provide financial support to initiatives for return and reintegration. Construction of houses is a clear example of the ongoing efforts of the MCR to accommodate the returnees of different communities by providing them with conditions of decent living which then will have positive effect in other aspects of their life, such as employment, health, education, etc.

During 2016, through the implementation of the foreseen activities of MCR, the EU support with the project "Return and Reintegration in Kosovo phase IV" as well as joint projects with other international partners, MCR has helped in total 122 families or 653 returnees in building houses and providing grants for generation of income.

Table: The total number of families and the number of returnees assisted through the construction of houses by ethnicity and municipality

Year 2016	Ethnicity							
	Ashkali	Bosnians	Egyptian	Roma	Serbs	Croats	Albanians	Total
Municipality:	Number of	Number of	Number of	Number of	Number of	Number of	Number of	Number of

	families /persons	families /persons	families /persons	families /persons	families /persons	families /persons	families /persons	families /persons
Gjakova	/	/	7 / 31	/	/	/	/	7 / 31
Gjilan	/	/	/	/	1 / 5	/	/	1 / 5
Istog	1 / 6	/	1 / 7	/	6 / 28	/	/	8 / 41
Klina	/	/	/	/	/	/	/	/
Obiliq	/	/	/	8 / 48	18/100	/	/	25 / 132
Peja	/	1 / 8	2 / 17	3 / 25	3 / 10	/	/	9 / 60
Shtërpca	/	/	/	/	16 / 87	/	/	12 / 67
Kamenica	/	/	/	/	1 / 8	/	/	1 / 8
Kllokot	/	/	/	/	/	1 / 2		1 / 2
Novobërda	/	/	/	/	1 / 5	/	/	1 / 5
Prishtina	/	/	/	/	1 / 4	/	/	1 / 4
Graçanica	/	/	/	/	1 / 8	/	/	1 / 8
Lipjan	/	/	/	/	1 / 5	/	/	1 / 5
Shtime	1 / 7	/	/	/	/	/	/	1 / 7
North Mitrovica	/	/	/	/	/	/	2 / 30	2 / 30
Vushtrria	/	/	/	/	1 / 7	/	/	1 / 7
Zubin Potok	/	/	/	/	1 / 1	/	/	1 / 1
<b>Total</b>	<b>2/13</b>	<b>1/8</b>	<b>10/55</b>	<b>11/73</b>	<b>51/268</b>	<b>1/2</b>	<b>2/30</b>	<b>122/ 653</b>

### *Community Integration Projects*

As in previous years, the Ministry for Community and Return was also committed in 2016 and contributed with a large part of its budget to the stabilization of all communities living in Kosovo, trying to improve their living standard to the highest possible level.

Through various projects of construction and reconstruction of houses, assistance for schools, construction of cultural and sports centres, construction of roads, sewerage networks, bridges, squares, street lighting and projects for their sustainability, the MCR has tried to provide conditions for a stable and normal life to the communities throughout Kosovo.

MCR in cooperation with the British Embassy and through the project "Strengthening opportunities to achieve sustainable solution for displaced persons in Kosovo", which was aimed to renovate the houses in Prizren and



renovate the apartments or houses of returnees in the municipality of North Mitrovica, and managed to renovate 5 houses for 6 returned families of the Serb community and minor repairs of 5 buildings for the host community of the categories of socially vulnerable families, while in the municipality of North Mitrovica for 6 families of the Albanian community were made minor repairs of apartments and renovations of 3 houses for host community, as a balancing component.

390 beneficiary families with poor socio-economic conditions were supported with construction material, which is in the function of return, reintegration and stabilization of communities in all regions of Kosovo.

During this reporting period, MCR has completed the following infrastructure projects:

1. Regulation of the road and platform of St. Ilija church and the church of Christ the Saviour in the Cërnica village, municipality of Partesh
2. Renovation of St. Nicholas church in Banjska village, municipality of Vushtrria
3. Regulation of the yard of primary school "Braca Aksic" in Gracë e Vjetër village, municipality of Lipjan
4. Construction of the kindergarten in Banja village, municipality of Skenderaj
5. Construction of the sports hall in Hajnovc, municipality of Kamenica
6. Drilling of the well for the primary school in Uglarë, municipality of Graçanica
7. Infrastructure projects for the communities (asphalting of roads, construction of side walls, construction of sports fields, reconstruction, etc.), municipality of Shtërpca
8. Asphalting of roads in Zhebница village, municipality of Novobërda
9. Regulation of the church in Drajkovca village, municipality of Shtërpca
10. Construction of the youth centre in Osojana village, municipality of Istog
11. Renovation of the school in Hajnovc village, municipality of Kamenica
12. Regulation of space at the primary school in Braca Aksic village, municipality of Lipjan
13. Installation of central heating in the primary school in Uglarë village, municipality of Graçanica
14. Supply and installation of bus shelters for local roads in Viça and Firaja villages, municipality of Shtërpca
15. Construction of the heating and accompanying equipment for central heating in Vidanja village, municipality of Klina
16. Construction of the road in Shillova village, municipality of Graçanica
17. Transfer of the network and high-voltage substation for the Brezovica project, municipality of Shtërpca
18. Supply with translation equipment, municipality of Novobërda
19. Expansion and regulation of the existing market in Shtërpca, municipality of Shtërpca
20. Asphalting of the roads in Pasjak and Burim villages, municipality of Novobërda
21. Installation of the central heating, reconstruction of floors and construction of toilets in the primary school Braca Aksic in Gracë e Vjetër village, municipality of Lipjan
22. Regulation of infrastructure and central heating in the sports hall in Brod village, municipality of Shtërpca
23. Construction of the summer theatre in Hoçë e Madhe village, municipality of Rahovec
24. Asphalting of the road in Rusi neighbourhood, municipality of Shtërpca
25. Installation of security cameras in Shtërpca (second phase), municipality of Shtërpca
26. Installation of central heating in the monastery of Holy Virgin, municipality of Gjakova

Also, in cooperation with NGOs, MCR has implemented various projects. Upon initiatives of citizens and non-governmental organizations, the MCR has funded 44 projects in the field of education, culture, inter-ethnic dialogue, sports, religious events and many other fields that are important to the quality of life of citizens.

Through the EU Programme for Community Stabilization phase III (EU-CSP III), a programme funded by the European Union and the Ministry for Community and Return, managed by European Union Office in Kosovo and implemented by the International Organization for Migration, are ensured the needs of non-majority communities to generate income and improve their living conditions. Assistance is provided through the provision of grants and technical support to new enterprises and existing small enterprises as well as community improvement initiatives.

Through these actions, the Programme aims to improve conditions for members of non-majority communities in Kosovo and to encourage displaced persons who want to return.

In this year, EU-CSP III Programme has implemented in total 115 projects from 122 selected projects, out of which 98 were small projects for business development, 22 community-based initiatives and two of business.

In general, the implemented projects have created over 110 full-time jobs, over 80 part-time jobs and have ensured the continuation of 80 existing positions. 40% of supported businesses were of vulnerable groups in terms of development among the non-majority communities (women, youth, disabled persons, and returnees from non-majority communities)

From these projects indirectly benefited 28,598 people from the wider community. 38 of them were specifically targeted as persons returned to Kosovo and the host community.

## - MINISTRY OF CULTURE, YOUTH AND SPORTS

Ministry of Culture, Youth and Sports has continued to support the institutional culture of the central level during 2016 in the implementation of work plan in accordance with program policies. Regarding the legislation, three (3) concept papers were finalized and forwarded to the Government Coordination Secretariat (on Promotion of Culture; Publishing Activities and Books; and draft concept paper on the Philharmonic, Opera and Ballet. With the assistance of the project funded by the European Union was worked on finalizing the Draft Strategy on Culture 2017-2021. All objectives for Kosovo's participation in the Venice Biennale in 2017 were realized. Also, Kosovo participated for the first time in the Francophone Games in Abidjan, Ivory Coast.

Regarding Kosovo's participation in international festivals, it is worth mentioning the KCC's participation in international film festivals as well as the participation of artists in international festivals of different profiles. Kosovo became member of the International Federation of Arts Councils and Culture Agencies with headquarters in Sydney, Australia.

To promote the independent art and culture, young artists within and abroad the country and cultural creativity in the international arena, in 2016, from all sectors of the Department of Culture were developed projects and cultural events that were supported by the Assessment Committee, projects and cultural events which competed in the 2016 competition in the following fields and sectors: dialogue and cultural diversity, gender equality, society with disabilities, career and annual awards for theatre, film, music, literature, book publishing and purchase as well as internationalization of Kosovar art and culture.

In the course of international cultural cooperation, the Ministry of Culture, Youth and Sports has continued with the formalization of agreements on cultural cooperation with the respective countries. In this context, during 2016 were signed the agreements on cultural cooperation between the Government of the Republic of Kosovo and the Government of the Republic of Croatia, as well as between the Government of the Republic of Kosovo and the Government of Bulgaria. Also, initiatives were undertaken to conduct negotiations with respective countries like Montenegro, Turkey, Italy, Switzerland, Japan and France. During 2016, the Ministry of Culture of the Republic of Kosovo has continued the implementation of Cultural Cooperation Protocol with the Ministry of Culture of the Republic of Albania.

### **CULTURAL HERITAGE**

In the framework of program policy *Protection and Conservation*, the following activities were conducted: Regulation No. 09/2016 on Awarding the Prize for Life Activity in the Field of Cultural Heritage; Regulation on the Establishment and Administration of the Archaeological Park "Ulpiana".

On 30 December 2016, the Government of Kosovo adopted the National Strategy for Cultural Heritage 2017-2027.

In the implementation of Regulation No. 09/2016 on Awarding the Prize for Life Activity in the Field of Cultural Heritage, for the first time was announced the announcement/call for proposals.

List of Cultural Heritage for a Temporary Protection includes 1534 assets and List of Cultural Heritage for Permanent Protection includes 23 assets.

In the framework of program policy *Research and Presentations*, the following planned projects were implemented: For the category of archaeological heritage: Prizren Castle; Dersniku Locality; Harilaq Castle; Novobërda Castle; Explorations in the locality in Barileva; Archaeological excavations in Korisha Castle; The opening of the Archaeological Park "Ulpiana".

For the category of architectural heritage: House of Katarina Josipi in Zym; Tower in Aqareva; KIPM complex in Prishtina; Jusuf Gërvalla Tower in Dubovik.

In this context, the subordinate cultural heritage institutions (Regional Centres for Cultural Heritage) drafted 30 projects for intervention in buildings with protection status and the Feasibility Study for the Museum of Natural History.

Also, during this year were published the following works: Publication of the results in the field of archaeological heritage; Cultural Heritage of Gjilan; Catalogue with exhibits from Gjilan Region; Archaeological Guide: Cultural Heritage of Prishtina; Archaeological Heritage of the municipality of Istog; Brochure on the archaeological park "Ulpiana", as well as the Publication of the first Conference on "Cultural Heritage and Tourism" .

In the framework of program policy *Promotion*, were implemented the following activities: Marking of the International Day of Monuments and Sites; Marking of the International Museum Day and at the end of the European Heritage Days was held the second international conference: Promotion and Management of Cultural and Spiritual Heritage".

In the framework of cooperation with other institutions, regarding the CHD was signed a cooperation agreement with the Faculty of Philosophy, for engaging students of history, archaeology and ethnology in activities of cultural heritage subordinate institutions.

## YOUTH

In 2016, the Department of Youth marked numerous successes, including the implementation of new projects and in supplementing of legislation (Administrative Instructions for Informal Education and Instruction for Volunteer Work).

In the context of enhancing regional cooperation in the field of youth, the Agreement establishing a Regional Youth Cooperation Office was signed in the Western Balkans Summit in Paris on 04 July 2016. The main headquarter of this office is located in Tirana, Albania. The agreement was negotiated within Berlin Process.

Our main priority was the affirmation of the role of youth, as well as improving their participation in the public sphere at local and central level. To this end, throughout the year, we supported continuously LYACs and CYACs in terms of financial and technical aspect, advocacy for their membership in other institutional mechanisms and so on. Youth policies were drafted by relevant municipalities and LYACs, as well as youth organizations, which are summarized in the Local Action Plan for Youth. More precisely, the budgeted LYAC is adopted in 10 municipalities (Malisheva, Vushtrria, Prizren, Suhareka, Viti, Gjakova, Drenas, Peja, Klina and Klllokot), and in 5 municipalities this plan is adopted without budget (Deçan, Junik, Rahovec, Istog and Partesh). Whereas, 8 municipalities have drafted the plan in question, but it is not adopted by the Municipal Assembly (Dragash, Ranilluga, Ferizaj, Kaçanik, Gjilan, Kamenica, Fushe Kosova and Prishtina), 2 municipalities are in the process of drafting the Local Action Plan for Youth (Mitrovica and Shtime), while the other 6 have not yet started the process (Skenderaj, Podujeva, Obiliq, Hani i Elezit, Lipjan and Graçanica).

In addition, in the framework of capacity building of youth organizations, were supported a large number of workshops on the training of youth organizations, such as: Erasmus +, strategic planning, career guidance and counselling, informative and awareness sessions related to legislation, various programs and projects in which they may be included, as well as various conferences aimed at coordination of stakeholders and actions in different areas. In this regard, a number of donors operating in Kosovo contributed significantly.

Regarding the prevention of extremism and radicalization that lead to terrorism, 15 projects were supported.

Department of Youth, in cooperation with Friedrich Ebert Stiftung and the NGO "Debate Centre" has conducted the project "Debate" under British Parliamentary model, in order to create opportunities for the Youth Centres members on developing their debating skills, rhetoric and critical thinking as a precondition for their

participation in socio-political and decision-making processes under British Parliamentary model. The project was conducted in April - May 2016. During the project lifespan, 189 young people were certified, 124 females, 65 males and 10 representatives of Youth Centres.

Likewise, the Informal Education Sector, in cooperation with organization Friedrich Ebert Stiftung and D4D, conducted the project "Salons" in eight municipalities of Kosovo. Salons are initiatives by the Institute for Democracy and Development (D4D). Salons have a semi-formal format pursuant to the rule of Chatham House. Discussions gathered experts and analysts, politicians and publicists to reflect and seek consensus on the selected topics. Implementation period of the project was April – December 2016.

In the light of cooperation between Kosovo and Albania, as well as implementation of the agreement in the field of youth between our two countries, signed on July 2015, and the calendar of joint activities in 2016, the three-day joint workshop was held with the youth from Kosovo (20) and Albania (20), with the topic "The role of religious tolerance as a mechanism for the prevention of extremism" and "The role of media in religious tolerance as a mechanism for the prevention of extremism", topics within the "No Hate Speech" movement, which is part of the European Council .

Within the cooperation of the Ministry of Culture, Youth and Sports/ Department of Youth/ Promotion Sector, Ministry of Education Science and Technology (MEST), Ministry of Labour and Social Welfare (MLSW) and financial support by the German Association DVV International, we supported the organization "IRDNJ" in implementing the project „ Watch, participate and learn” as part of the organization „Lifelong learning week" in Kosovo. The project was aimed at promoting Informal Education for youth through fifteen seminars in 15 municipalities of the Republic of Kosovo, from which benefited 450 young people.

Based on the Kosovo Strategy for Youth 2013-2017 and Action Plan 2016-2017, the Department for Youth/ Promotion Sector conducted the audio/video advertisement "Promotion of Informal Education", which will be released in 2017 - 2018.

Within the component of Entrepreneurship, Employment Sector carried out the activity "trainings on entrepreneurship and development of business plans for youth (aged 18-24)". The main purpose of the project was provision of services on developing entrepreneurship skills and developing business plans for 200 young people from all regions of Kosovo. Trainings consisted of these modules: Introduction to Entrepreneurship, Business Planning, and Financial Planning. MDA was the implementing organization.

Trainings were provided for 200 young people from 7 (seven) main regions of Kosovo (Prishtina - 2 groups, Mitrovica, Peja, Prizren, Gjilan and Ferizaj) and 1 (one) Serb majority municipality, respectively the municipality of Graqanica.

Within the project on improving job-seeking skills, Department of Youth/ Employment Sector this year, through training programs on improving job-seeking skills for youth (aged 15-24), was focused on meeting these objectives: Youth personal development; Improving job-seeking skills for youth; Increasing communication skills. With the aim of providing services in the field of job-seeking skills, 8 organizations were supported (two of which from the Serb community), whereas the others from the municipality of Podujeva, Mitrovica, Lipjan, Fushe Kosova and Northern Mitrovica.

In 2016, the Action Plan for Youth was successfully drafted and implemented. Objectives, activities and results were specifically defined for this year, within the division which includes Human Security Sector; Sector of Culture, Sport and Recreation as well as the Sector on Prevention and Health Education.

The Administrative Instruction No. 01/2016 on Youth Voluntary Work was amended and adopted, thus making possible for the first time to recognize the voluntary work for youth that are 15-24 years old. Also, thanks to the UNICEF support, we have managed to draft the Platform and Database on Voluntary Work, an institutional electronic service which is now available for free to the youth, helping them in the process of recruitment, promotion and online recognition of youth voluntary contribution.

A campaign was organized on implementing the objective to promote a healthy way of life among youth. A total of 15 youth centres and youth NGOs were supported. About 3700 young persons are expected to benefit directly or indirectly from such support.

## **SPORT**

Department of Sports within the Division of Federations, school sports and sports Infrastructure was highly committed in meeting the objectives and tasks of MCYS, with the aim of implementing the foreseen plan in accordance with the program policies and implementation strategy of Department of Sports' objectives.

### **Participation in international competitions and international seminars:**

- Summer Olympic Games Rio 2016;
- World, European, Mediterranean and Balkan Championships;
- World, European, Mediterranean and Balkan Cups;
- Junior & senior international official tournaments;
- Nationwide tours of traditional character.

### International seminars:

- Seminars for coaches;
- Seminars for sports referees;
- Seminars for competitors/ players;
- Seminars for sports managers and administrators;

### Results and achievements in sports:

*Judo Federation, announcement of Majlinda Kelmendi as the World Champion in Russia and Nora Gjakova winner of bronze medal, and for the first time the flag was flown and the anthem was played.*

Karate Federation: Senior and U-21 team achieved success in the European Championship and in regional competitions. Orges Arifi won the World Cup championship and Alma Lokaj in the junior category won the Championship;

Athletics Federation: Announcement of Musa Hajdari in the second place in Balkan Championships, and his distinguished representation in prestigious athletics tournaments in Europe;

Acceptance of Football Federation of Kosovo to UEFA and FIFA and participation of Kosovo national football team in the qualifying competitions in "2018 FIFA World Cup Russia";

Acceptance of Federation of Skiing, with full rights in the International Federation (FIS);

Preparation of Basketball Federation in European Championships Qualifications, for both genders U-18;

Organization of European Chess Championship for the first time in Kosovo;

Organization of Minigolf European Championships for the first time in Kosovo;

Organization of the Half-marathon in Prishtina;

Participation of Boxing Federation in the World Boxing Championships in Azerbaijan, and in European Junior Boxing Championships in Hungary;

Participation of Ping-pong Federation in the World Championships in Malaysia;

Participation of Shooting Sport Federation in the European Championships and participation in important activities related to this sport;

Participation of Kosovo for the first time in Olympics in Rio, Brazil and the success of Majlinda Kelmendi marking a history for Kosovo Sports (first place, gold medal in category -52 kg.), which in regards to Kosovo Sports is a historic achievement.

This result is one of the most significant events characterizing not only this year, but for the sports of Kosovo in general. The success of Majlinda Kelmendi is undoubtedly closely connected with the continued support of the Department of Sports in the last 8 years towards the Judo Federation, in particular to Majlinda Kelmendi and the coach, Driton Kuka, always referring to the small budget that the Division of Federation possessed.

Participation of Kosovo Basketball Federation in the qualifying competitions in the European Championships for the first time in official competitions organized by FIBA-Europe, which can be regarded as solid presentation bearing in mind that we are in the first steps of consolidation of collective Sports representations after the acceptance with full rights in the International Federation.

Participation of Boxing Federation in the Junior European Championships in Bulgaria, in which Donjeta Sadiku won the gold medal, the first place in this Championship, thus implying she is a qualitative athlete who demands additional attention from sports' institutions.

School and university competitions were organised and carried out by the School Sport Federation, Association of Physical Education Teachers, University Sports Association, whereas funding was done by MCYS - sports department and other budgetary organizations.

Competitions were organised at these levels:

- Organisation of competitions at the municipal level
- Organisation of competitions at the regional level
- Organisation of competitions at the republican level

During this year, it was continued with new investments and construction of sports halls, which started being built in the previous year, such as in Istog, Rahovec, Deçan, Skenderaj, Dardana, Klina, Kaçanik, Viti and Dragash, as well as Sports Halls in Samadrexhe, Vushtrri and in Zheger, Gjilan.

Construction of sports Polygons in regional centres, construction of sports fields in the Municipality of Podujeva and Gjakova, renovation of existing halls in the Palace of Youth and Sports in Prishtina, sports halls in Peja and Gjakova, and school hall „Bedri Pejani” in Peja.

Renovation of some existing buildings of stadiums, such as: Renovation of Prishtina Stadium, Feasibility on Constructing the National Stadium, Renovation of „Zahir Pajaziti” Stadium in Podujeva, Annexes in the Stadium of Peja, Renovation of Stadium in Lipjan, Construction of „Shahin Haxhiislami” Stadium in Peja, Construction of Stadium in Gjilan, Construction of football Stadium in the Municipality of Shterpca.

Construction of tennis courts in the Municipality of Gjakova and Peja.

Renovation of some existing buildings, such as: Sport Halls in regional centres in municipalities as required, Renovation of Stadiums in regional centres, initiation of project on constructing the Ancillary Football Stadium in the Municipality of Prizren.

Renovation of reflectors in „Adem Jashari” Stadium in Mitrovica, with the aim of functionalizing the stadium and creating conditions on developing national and international competitions.

## **COPYRIGHT AND RELATED RIGHTS**

Office of the Copyrights and Related Rights (OC) continued to play a significant role in creating a functional system on copyrights in the Republic of Kosovo in function of implementing the Law on Copyrights and establishing policies in the field of copyright. In 2016, OC, during the period of implementing the Government Work Plan, has conducted seminars, workshops, trainings and a conference aimed at promoting copyrights and public awareness. In particular, it is worth mentioning the lectures with students and rights holders.

Coordination of the fight against piracy of the Task Force against Piracy was a special priority for OC, actions against piracy were conducted in main cities of our country. Thus, thousands of pirated copies of books, CDs and DVDs containing protected material were seized. Due to OC coordination, the first investigative actions on violations in the field of digital piracy were conducted, and decisions of competent judicial authorities on blocking or banning the access to many pirate websites are expected to be taken.

Organization of three workshops for judges, prosecutors, lawyers and institutions who implement the Law on Copyright and Related Rights, is considered to be of particular importance in preparing judges and prosecutors to establish and investigate cases in the field of copyright. All workshops were organised due to applications made by OC in the TAIEX Programme of the European Commission, namely with EU funds.

Participation in international and regional activities in the field of copyright is worth mentioning, with a special emphasis to the World Intellectual Property Organization, as well as the good relations established with the Intellectual Property Office of the United Kingdom and the United States Patent and Trademark Office, which provided training and experts. By virtue of excellent relations with the Intellectual Property Office of the United Kingdom, one of the leading experts on implementing the intellectual property rights of this office is engaged in consultations for the drafting of Kosovo Strategy on Piracy 2017-2021. With the aim of having a professionally trained staff, OC participated in some trainings held in 2016 and was of particular importance for them.



## - MINISTRY OF ENVIRONMENT AND SPATIAL PLANNING

During 2016, MESP continued with the completion of the legislative framework. As regards the primary legislation, the Law on performance of energy efficiency in buildings has been adopted by the Assembly, whereas another two draft laws have been approved by the government: Draft law on noise protection, which currently is in the procedure of approval in the Kosovo Assembly and draft law on Infrastructure of spatial information. Also, 3 concept documents were approved. From the secondary legislation, MESP approved 13 sub-legal acts, out of which: 10 Administrative Instructions (out of which 5 in the area of environment, 2 in the area of water and 3 in the area of spatial planning and construction); 1 Regulation (in the area of waters); 2 Decisions (from the area of environment) and 3 concept documents.

In order to further improve the **situation in the environment**, MESP has continued with the undertaking of implementing measures which have an impact on improving the lives of citizens and fulfilled the following activities:

During this year, upon the decision of the government was established the Advisory Board for the protection of environment of Kosovo, as an important and advisory body for important environmental issues.

The annual report on the state of the environment has been prepared and approved by the Assembly and Government, in which the situation is presented and recommendations for improvement are given. KEPA has completed the preparation and finalization of the inventory of greenhouse gases for 2014 as the reference year, under which it is estimated that the main source of greenhouse gases in Kosovo is energy sector with 88% of total emissions. Also emissions were measured from large combustion plants (Kosova A and Kosova B Power Plant) and technical and human capacity building was made for monitoring emissions within the project supported by JICA.

Within the project supported by the European Environment Agency, for the first time in Kosovo, KEPA has conducted the data reprocessing for 2006, data generation for 2012 and assessment of change of land coverage by categories for 2006-2012. The project for the coverage of land surfaces 2006-2012, according to CORINE methodology is finalized and final report is drafted.

In regards to **waste management**, the Master Plan for Waste Management has been completed, which was drafted with the EC support. Prefeasibility study of municipal waste landfill in Dragash is also prepared. Assessment for hazardous waste situation in Kosovo, which includes hazardous waste inventory, assessment and national inventory, has been completed. Web application for Waste Management Information System, enabling all relevant institutions (MESP, Municipalities, regional waste companies etc) to exchange data in this system is finalized. Also, in cooperation with GIZ, was made the identification of illegal waste landfills in 16 municipalities of Kosovo. In view of the hazardous waste management, the government has taken a decision to establish a public enterprise, named "Enterprise for storage of hazardous waste" as well as was issued a decision by Government on the selection of the location for construction of the landfill for the conservation of the temporary hazardous waste.

In regards to the **water resources protection and management**, in this context with the development of supporting project is empowered the hydrology sector and the automatic monitoring of water quantities (surface water flows into Kosovo rivers) began. Hydro meteorological Institute of Kosovo, for the first time has prepared the hydro meteorological report for 2014, where hydrological and meteorological detailed data have been presented. Also, this Institute has reached inter-regional agreement with other relevant Institutes and services in the Balkan region for the exchange of hydrological data in the context of advancing the flood early warning system.

Regarding the **protection of nature**, the undertaking and implementation of measures for this purpose has continued. The report on the state of nature 2010-2014 has been approved by the government. Within the steps to identify the potential areas for NATURA 2000, is finalized the document for the establishment of biogeographic regions of Kosovo. Also, was made the marking of 130 natural protected monuments, throughout Kosovo, where basic data for each of these monuments have been presented.

After finalizing the professional rationale, 18 decisions have been prepared for the announcement of strict nature reserves, which have been approved by the Government.

The Spatial Plan for the National Park “Bjeshket e Nemuna” (Accursed mountains) has been prepared and finalized and is in the procedure for approval.

In order to protect natural resources in NP Bjeshkët e Nemuna, their monitoring has started through the placement of 24 hours surveillance cameras in the main entries and exits of the Park area, placing informational boards on the Park and strengthening cooperation with the relevant community and authorities.

Also, the registration and controlling of constructions in Sharri National Park and Bjeshket e Nemuna National Park was carried out, as well as, the plan for the management of non-wood forest products for Sharri NP and Bjeshket e Nemuna NP was designed.

The monitoring of fauna (mammals) through camera traps in Sharri NP and Bjeshket e Nemuna NP continued, where data were collected on the presence of several rare and endangered fauna species in these areas. It is also prepared a database on biodiversity based on current data available to the Nature Protection Institute.

In the area of **spatial planning, construction, housing and land administration and development of cadastre**, in 2016, MESP/SPI has developed and treated 35 basic indicators for Spatial Planning, which will serve for the design and evaluation of spatial central and local level planning. This document was presented to the both central and local level.

During 2016, based on the final decisions which are in force for all national projects **for expropriation**, MESP has compensated 812 owners for 1087 parcels and 98% of the budget of 27,145,314 euros was implemented.

KCA has continued with the registration of expropriated properties **in the Cadastre** at the national level, and during this year the number of properties registered under the Cadastral Information System for the lands in Kosovo (CISLK) is 83.571.

Regarding cadastral data protection in case of a disaster, was established the second centre of Information Technology and hardware consolidation has been made, in coordination with the Civil Registration Agency within the Ministry of Internal Affairs.

KCA, this year as well, with the support of the EU Office and the Government of the Kingdom of Norway has developed the project for the physical placement of road signs in 10 municipalities and the physical placement of the numbers on entrances to residential facilities in 8 municipalities. The placing of road signs has been completed in 5 municipalities and it is being finalized in four other municipalities except Ranillug, where it is temporarily suspended for technical reasons. Physical placement of numbers on entrances to residential facilities is being completed, except in Glogovac where, due to technical reasons, it did not start yet.

Within the **Inspectorate’s activity**, re-inspection activities were conducted for the illegal constructions in the area of Mirusha waterfall in order to stop all interventions in specific natural protected areas and MESP initiated the minor offence procedures. Also, the inspectorate in the function of monitoring the implementation of environmental legislation in force has conducted 577 inspections of the economic operators with reports, has

issued 29 decisions, 57 initiations in court; 530 recommendations and observations and has conducted 35 joint inspections with KFOR, KSF, etc. regarding the management and supervision of hazardous materials.

For the implementation of legislation in force, MESP also carried out the regular activities in issuing permits, other conditions and approvals as follows:

- In the **area of environmental protection** were issued: 10 waste management licenses, a license to import chemicals, 28 permits for biocidal products, 25 permits for import of additive free plastic bags, 8 permits for waste export, 2 permits for outdoors scientific researches, 1 permit for the import of three rescued bears, 131 environmental consents, 11 strategic environment consents and 52 environmental permits.
- In the **area of waters** were issued 29 water permits, 37 conclusions, 27 water conditions, 8 water consents, 9 decisions for the extension of water permits and 8 amendment decisions.
- In the **area of planning and construction** were issued 3 construction conditions for third category buildings and 4 for other categories, as well as, were issued 4 constructions permits and 1 certificate of use. Revenues from fees for construction permits for 2016 are **87.569,62 €**.

## - MINISTRY OF INTERNAL AFFAIRS

In the fight against **serious crimes, terrorism, organized crime and corruption**, Kosovo police carried out 887 operations, thus fighting **38** criminal groups, arrested 1246 persons, as well as filed 1154 criminal charges. Kosovo Forensic Agency conducted over 4,500 forensic expertises and accredited its five laboratories based on ISO17025 standard. Review and assessment of national strategies in the field of drugs, organized crime, terrorism, cyber security and intelligence-led policing was made. New strategies for community safety and control of small, light arms, and explosives have been finalized. Kosovo police, also, drafted the risk assessment of serious crimes and organized crimes (SOCTA) 2015-2015 by EUROPOL standards. In the area of terrorism, Kosovo police handled 47 cases, arrested 33 persons, filed 30 criminal charges against 78 persons and conducted 9 operations and 32 searches. Moreover, as a result of the implementation of intelligence-led policing and inter-institutional and international cooperation were prevented terrorist attacks in the country and no new cases of foreign fighters in the conflict zones in Syria and Iraq were identified.

Regarding the **increase of public security**, special focus is directed on prevention of violent extremism and radicalism leading to terrorism. MIA has implemented a range of activities aimed at raising awareness of citizens and institutions, the media, civil society and religious communities with regard to the phenomenon of violent extremism and radicalism. MIA has organized and participated in 24 meetings of local security forums, 4 joint roundtables with citizens and various institutions, and has developed a communication strategy in this field and is finalizing the campaign and spot which will be in the function of raising the awareness of the citizens of Kosovo. Referral Mechanism was established in Gjilan, which aims at early identification of radicalized individuals and providing support for those affected in order to prevent their further radicalization and re-socialization into the surrounding community. In 2016, have been suspended the activities of 5 NGOs which have been identified to have engaged in the spreading of violent extremism.

Kosovo Police Inspectorate during 2016 has received and handled 1246 complaints and information, of which 748 complaints that are classified as low profile disciplinary violations and were forwarded to be handled by the Professional Standards Directorate of Kosovo Police. Out of 162 cases with elements of crime, 98 were addressed from investigation departments to competent prosecution offices as criminal charges, while 32 cases were sent with special report. In total 238 police employees have been subject to investigation by PKI. Until 1 December 2016, the PKI has taken the following measures and recommendations: 69 arrests, 93 recommendations for suspensions, 4 recommendations for transfer. Also, KPI has investigated 44 cases of criminal offences with elements of corruption and other offenses against official duty.

In order to build the capacities of public security institutions, Kosovo Academy for Public Safety has organized 110 training courses and 2.613 participants have been trained. KAPS has finalized the draft agreement with the EU Agency for Law Enforcement Training (CEPOL). KAPS has signed a cooperation agreement with the Police Academy of Montenegro. Emergency Management Agency has benefited from regional project "IPA FLOODS II" in which case the Water Rescue Unit is equipped with all necessary logistics for action. National Cyber Security Strategy and Action Plan 2016-2019 were approved, as well as, are established Computer Emergency Response Teams (CERT) in MIA and KP. MIA has finalized the draft law on the Critical Infrastructure which is expected to be submitted to the Government for approval in early 2017.

**European integration and international cooperation** process, MIA and its agencies were responsible for 70 out of 95 criteria for visa liberalization roadmap and all of them are fully met. Within the National Programme for Implementation of SAA, MIA is responsible for the implementation of 99 implementing measures and 14

legislative measures, of which 24 have been completed, 34 are underway and 55 measures are addressed in continuation and are reported through statistical data. The agreement to establish operational cooperation with FRONTEX has been signed. The process for signing the agreement with EUROPOL is initiated and intensive efforts to join the INTERPOL continued. In the area of international police cooperation, was signed an agreement with Lithuania, whereas agreements with Turkey, Estonia, Italy, Belgium, Denmark are in the negotiation phase.

MIA and its agencies, during 2016 achieved concrete results in **migration management and sustainable re-integration**. As a result of measures and policies undertaken, the number of asylum applications by citizens of Kosovo to the EU and Schengen Area has decreased from 73,2015 in 2015 to 10,220 in 2016. While, the total number of Kosovo citizens readmitted until November 2016 is over 13,000. Migration Profile was adopted which contains the data and analysis of migration trends for 2015 and the National Coordinator for Migration responsible for monitoring the migration flows and coordination of all relevant institutions in the field of migration was appointed. In order to manage the possible refugee flux, a Response Plan was developed which will be updated depending on the situation on the ground. MIA is also focused on improving policies for the reintegration of repatriated persons through a special fund for Reintegration. Municipal re-integration plans in 34 municipalities of the Republic of Kosovo were drafted and adopted. The guideline for readmission and reintegration of unaccompanied children is designed and approved. In total 5 507 persons benefited from Reintegration Program, while the data from the reintegration schemes are as follows: 130 persons benefited from consulting services, 1767 persons from vocational and educational training, 252 people were employed, 575 beneficiaries of business funding, 347 children have benefited from language courses, requests for the houses reconstruction of 4 families are approved, whereas 5 families have benefited from the renovation houses support.

Civil Registration Agency has continued to build infrastructure and improve services to citizens in order to create a **reliable and modern civil register**. CRA has digitized all principal registers (re-turned from Serbia) of civil status the verification of which is underway. CRA improved the physical infrastructure, by providing services closer to citizens such as the new building of the Centre for Vehicle Registration in Kaçanik and continued the construction of the two new buildings and renovation of more than 13 centres, and has raised the safety of facilities by installing surveillance cameras in all its centres. CRA has begun to provide its services of civil registration and vehicles registration in the 4 northern municipalities. In cooperation with the Kosovo Institute for Public Administration (KIPA), CRA has trained and certified all consular officials and officials of the local level of Municipalities of Kosovo in the field of civil status. Moreover, the advance of civil status electronic system in the Consulates of the Republic of Kosovo was made, thus enabling the Kosovo citizens residing abroad to be supplied with the civil status documents.

## - MINISTRY OF FOREIGN AFFAIRS

### **The international recognition of Kosovo**

During the participation in various international summits and forums, Minister Hoxhaj met with over 100 foreign delegations, and received commitments from a large part of the representatives of countries that have not yet recognized Kosovo that they will recognize the state Kosovo.

During the year, the process of lobbying has taken an important place in the agenda of the Foreign Ministry. Meetings with state delegations accredited to the UN were held in New York, late June, whereas in July on the

summit of the Caribbean, Minister Hoxhaj met with the President of Suriname and only a few days after this meeting, Suriname recognized Kosovo.

During November 2016, Minister Hoxhaj participated in the two-day Francophonie summit, two years after Kosovo's membership as an observer member. During this summit, Minister Hoxhaj met with Secretary of Francophonie to discuss Kosovo's intention to become a member state in the Francophone University Agency and the Parliamentary Assembly of Francophonie. Meetings have been held with other representatives such as with Canadian Minister on Economic Development Francine Landry, where was discussed on economic cooperation between the two countries and the possibility of concrete joint projects from which Kosovo citizens will benefit. Special meetings were also held with the foreign ministers of Belgium, Djibouti and Burundi.

In response to the letter of Minister Hoxhaj, sent to Foreign Minister of Singapore in 2014 and after meetings held on December 1, 2016, Singapore has recognized the independence of Kosovo, and we have established diplomatic relations.

The Republic of Kosovo will benefit from the Singapore Cooperation Programme, starting from the beginning of next year. Singapore will share its experience and expertise, in particular, the development of human resources and economic development with Kosovo, offering specializations for public servants of Kosovo. As part of this program, each year Kosovo will send its civil servants to gain knowledge from the experience of Singapore's economic development.

In December 2016, Foreign Minister Hoxhaj met his Hungarian counterpart, Mr. Peter Szijjártó, with whom he discussed the interstate economic cooperation between Kosovo and Hungary. During the visit of the Hungarian Minister, the agreement to establish a framework program for financial cooperation between the two countries was signed.

During this period, Minister Hoxhaj held also meetings with the non-residential ambassadors of Honduras, Australia and Israel to Kosovo, where they discussed the deepening of political and economic cooperation and the support of these states for Kosovo's membership in international organizations.

Minister Hoxhaj, during December hosted his Italian counterpart where they agreed to deepen the cooperation in the area of economy and the fight against terrorism.

## **Diplomatic relations**

During 2016, Kosovo has established diplomatic relations with Gambia, Malawi, Ivory Coast and Singapore. Several other states are in the process of finalizing their internal procedures and Kosovo expects to finalize the establishment of diplomatic relations next year. Currently, Kosovo has established diplomatic relations with 86 countries in the eight years of its independence.

Kosovo has opened three joint consulates with Albania in Milan, Bari and Munich, and will soon have two new ones in Denmark and Turkey.

## **Membership in international organizations**

Regarding the membership in organizations in 2016, the achievements are concrete and are presented as below: **The Permanent Court of Arbitration:** in June 2016, the Republic of Kosovo has become 121st member with full rights of the Permanent Court of Arbitration, with its seat in the Netherlands. The membership in this international institution is a very important achievement due to the fact that the Permanent Court of Arbitration is one the most prestigious and oldest interstate organizations. The membership in this organization further

consolidates Kosovo's international subjectivity, and provides our country with an important tool to address and resolve the international various disputes with States or other public and private parties.

**Apostille Convention:** Since July, after the accession of Kosovo to the Hague Convention for the abolishment of the requirement to legalize foreign public documents, the citizens of Kosovo besides spending less budget, they will also spare time, as they can carry out the verification of public documents in the Department on Consular Affairs within the Ministry of Foreign Affairs and in the Civil Registration Agency within the Ministry of Internal Affairs.

### **Euro- Atlantic agenda**

During these months, a particular focus on Kosovo's Euro-Atlantic agenda was paid to the visit of Minister Hoxhaj in the capital cities of the EU member states: Brussels and Strasbourg, in relation to the implementation of the SAA and visa liberalization. Increased support for Kosovo and its agenda within the EU institutions and EU member states are two main dimensions of the Foreign Ministry in implementing the European agenda.

**Regarding the SAA implementation,** in November 2016, was held the first meeting of the Kosovo-EU Stabilization and Association Council, in Brussels. Having attended this meeting was of great importance because it provides continuous monitoring of the SAA implementation and helps determine more easily the priorities within the implementation of this agreement.

The institutional framework for the SAA implementation was also established and the relevant working groups ensure wider involvement of all central and local institutions and other stakeholders to implement the SAA.

A review of the SAA implementation has been sent to the European Commission by 1 September as Kosovo's contribution to the EC report on Kosovo.

**European Reform Agenda** - Signing the ERA (November 11, 2016) helps to accelerate the successful SAA implementation, specifying 22 key priorities in 3 main areas. I. Good governance and the rule of law; II. Competitiveness and investment climate; III. Employment and education. ERA is aimed at increasing the focus in these 22 key priorities. Implementation of these reforms is quite complex and requires the utmost commitment of the institutions involved in this process, but on the other hand the focus on 22 priorities would facilitate Kosovo addressing and implementing reforms in the areas mentioned.

**Framework Agreement on Kosovo's Access to EU programs** - On 25 November 2016, was signed the framework agreement between Minister Hoxhaj and Chief of EU Foreign Affairs, Federica Mogherini, for access to EU programs. The signed agreement is the second contractual agreement after the Stabilisation and Association Agreement between Kosovo and the EU. The programs have different scope of activities such as research and innovation, energy and transport, health, culture, education, sports, youth, development of entrepreneurship and competitiveness, environmental protection, employment, social policy and many other areas.

On 15 December 2016, the Financial Agreement between Kosovo and European Commission for IPA 2015 under Instrument for Pre-Accession Assistance (IPA II) 2015/038-065 - 2015/038-066, between the Government of Kosovo, represented by MEI, and the European Union, represented by European Commission, is ratified and entered into force.

### **Regional cooperation and membership into regional organizations**

During this period, Minister Hoxhaj has actively participated in forums and summits of regional character: Dubrovnik, Bled, Visegrad and within SEECP meetings held on the margins of PA of UNO in New York. MFA is also part of all initiatives stemming from the Berlin process. Deputy Minister Murtezaj is the co-chair of Kosovo-Albania joint Secretariat dealing with the dynamics of implementation of tasks stemming from the joint meetings of the two governments, where the first meeting of this secretariat was held in November 2016.

Political consultations were developed with most countries in the region and Kosovo was part of a regional ministerial 'Western Balkans' focusing on inter-state coordination for the implementation of projects in infrastructure and energy.

During this reporting period, the process of joining the 'Western Balkan Fund (WBF), as well as the accession process in RYCO are not yet finalized (their ratification is expected to take place during 2017). Financial quota for membership in RYCO is part of the budget planning for the next year (2017).

### **NATO/Security**

In December this year, Kosovo received a letter from the Secretary General of NATO, giving clear instructions and points to Kosovo in order to open a new chapter of relations with this institution.

This approximation between Kosovo and NATO is the best proof that Kosovo but even NATO are very interested to keep the Western Balkans as Euro-Atlantic area with a clear perspective for future membership.

Kosovo is interested in the shortest possible time to become part of the Partnership for Peace and to formalize the contractual relationship with NATO.

During 2016, Kosovo participated and marked significant progress in the Adriatic Charter + USA (A5) and observer countries. In the spirit of Euro-Atlantic shared values, Kosovo already participates in the regional security organization or forums. Participation in these roundtables brings added value, but also the participation and membership has to be made on the permanent basis at all levels in international organizations. This should be followed with periodic time-limited plan. In this context, in the final declaration adopted by all participating countries is also reflected the demand of Kosovo for membership into the Adriatic Charter. In the final declaration is stated: *"Kosovo's official request to join the Charter remains a pending issue. We look forward that this issue will be resolved and we will be able to provide an answer during the next 12 months."*

MFA for the first time has provided a financial contribution of 24,000 euros for 2016 to RACVIAC organization with the seat in Zagreb. During the year, 30 members of the Kosovo institutions were sent to attend various trainings in different events.

### **Economic diplomacy**

Concrete engagement for attracting investments and advancement of economic relations are substantial part of MFA activities.

MFA carried out forums or platforms presenting economic advantages of investing in Kosovo, where the primary goal is attracting foreign investments: co-organization of two conferences on trade and investments in Istanbul (18.10.2016) and London (03.11.2016).

MFA also organized meetings with the Mayors so as to notify them on the economic diplomacy and on the potential for attracting the foreign investments.

So far, the organization of such forums or platforms is specifically discussed and agreed with Italy, Germany, Austria, Croatia, Greece and recently Hungary, as well as, with the six Gulf countries to be led by the United Emirates.

Deputy Foreign Minister Murtezaj was appointed a co-chair of the Joint Committee for Economic Cooperation with Hungary, where the first meeting of the committee is expected to be held next year and have the concrete projects assessed.

A support and assistance is provided in organizing the Economic Forum for Investment with Montenegro, between the Kosovo Chamber of Commerce and the Chamber of Commerce of Montenegro, in Prishtina.

A coordinating preparatory activity is organized with representatives of municipalities, where presentations were conducted by the MFA on promoting Kosovo through economic diplomacy.



## **Conferences**

*Brexit* - On 16 July, 2016 MFA has organized a conference "Europe after Brexit and the European integration process in Kosovo and the region", which resulted with a document on recommendations given from the conference panellists.

*Interfaith Conference* - Kosovo for the fifth time has organized the international conference, with the title "The role of women in the promotion of interfaith dialogue and the fight against extremism", attended by more than 50 states. This was a three-day conference, whereas it was also attended by two Peace Nobel Prize winners, Shirin Ebadi (Iran) and Tawakkol Karman (Jemen).

*Ambassadors' Conference* - MFA has organized the ambassadors' conference held from 19-22 December 2016, which was attended by prominent personalities from the country and abroad: President, Prime Minister, President of Parliament, dep. Prime Ministers, Ministers from Kosovo and Albania, members of parliaments, Mayors, ambassadors accredited to Kosovo, ambassadors of the RK throughout diplomatic missions and experts of the same area, to discuss in relation to the various topics such as: the security in Kosovo and the new relationship with NATO; Kosovo's relations to the EU and application for obtaining the candidate status; Economic diplomacy and attracting foreign investments, multilateral diplomacy: membership benefits and new applications.

After the conclusion of conference was drafted a final document including all the topics discussed in panels.

## **Documents issued by the consular department within the MFA and DCM**

During 2016, the Department on Consular Affairs within the MFA has issued around 29,305 legalized documents; 13,172 documents with apostille stamps and a large number various documents were issued by the diplomatic missions of RK.

## **Capacity building of MFA staff and increasing the number of diplomats in DCM**

The participation of the MFA staff in various trainings, seminars in Germany, Bulgaria, Austria, Poland, Brussels, Sarajevo, Zagreb, Montenegro, and The Hague. Diplomatic Academy organized the third edition of the spring school for young diplomats from Kosovo, region and the world.

During this year the number of diplomats in DCM increased - a total of 10 (diplomats holding various ranks) and 2 general consuls.

## **Agreements signed**

DA within the MFA has signed a memorandum of understating with "L'Ecole National d'Administration" in France, Czech Republic DA, Albanian DA and Law Faculty of the University of Prishtina. The draft MoU with Honduras DA is prepared and is to be signed by the two parties.

DA initiated activities for signing MoUs with the DA of Malaysia, Canada, Oman, Qatar, UAE, Pakistan, Jordan, Bahrain, Oman, Kuwait.

**Kosovo's participation in coalitions of geostrategic interest** - Kosovo continues to actively participate in the coalition against DAESH.

- MINISTRY OF LABOUR AND SOCIAL WELFARE

**Vocational training and employment:** According to the statistics, which do not include the programs of other ministries through which are open new jobs, MLSW, through public employment services, namely **through the Employment Office has recorded 19.367 jobseekers or 4,153 more than last year. The Identified number of job vacancies** by the Office of Employment for 2016 appears to be 14040 or 2013 job vacancies more than the previous year. Out of this number, the Employment Office mediated 3973 people for regular employment or 638 people more than last year. 1717 have used Maternity leave, and to 1227 cases were provided services in the field of migration. MLSW through cooperation with partners has provided employment opportunities, training or training through a series of projects in the field of agriculture, manufacturing, public works, entrepreneurship, and self-employment. Total number of beneficiaries from 3973 through Active Measures of Labour Market has significantly increased the number of women beneficiaries, persons with disabilities, members of vulnerable families, minorities and youth. During the year 2016, **capacities of the Office of Employment have increased** and in all Employment Offices performance system is formalized. It has also started the implementation of the new concept for the provision of employment services based on job seeker's profile.

Based on this concept, jobseekers will be divided into three main categories, and services and measures will be offered based on the categorisation. As of **vocational training** for the period January- December 2016 **are included in trainings** 6818 jobseekers, amongst them 1874 are females, returnees 2058, minorities 549 candidates, persons with disabilities 39 candidates. While, according to the data from centres, amongst this number are certified 5781 for this period.

**Welfare and Social Assistance:** In their field of work, MLSW, through social schemes continues to support a large number of social categories. During the year 2016, in cooperation with EC, GIZ and UNICEF **are developed 12 standards for social services. 145 providers of the social services are licensed**, out of them 87 providers of the social and family services for superior level and 58 for basic level. **18 nongovernmental organizations** that are offering social and family services **are also licensed**. In cooperation with the European Commission project, **are trained 150 officials of the managerial level and levels of the Municipal Directorates for Health and Social Welfare as well as from Social Affairs Centre**. During the year 2016 the **support for family shelter within the family continued for 557 children** with a compensation of 75 euro per month, and alternative shelter out of the family for 84 children with payment of 150.00 euro per month. In cooperation with NGO-s are offered shelter services in 6 regional shelters for protection from domestic violence. MLSW selected and financially supports project of 20 NGO-s with more than 50% of the financial costs of each project intended to provide social and family services. **Social services are provided to 423 domestic violence cases**, amongst them 237 women respectively 186 children as victims of the domestic violence. 29 people victims of trafficking with human beings amongst them 11 adults and 18 minors are sheltered. As of the field of elimination of the severe forms of child labour, **56 children have been removed from these activities (job)**.

Decentralization of the services for Elderly houses in Istok (Gurrakoc), Gracanica and houses for persons with disabilities in Shtime, Vushtri, Ferizaj, Decan, Lipaj and Kamenice has been done.

Also are decentralized three Municipal Centres for Social Labour, Leposavic, Zubin Potok and Zvecan. MLSW have continuously monitored services provided to the benefit of the clients in need. The total number of clients who receive services and are under 24 hour care at two major institutions (SSI HEPFC) and 11 community houses is 242. While with the Scheme of the Families of the Children with Permanent Disabilities, 2749 children benefited 100 euro- s per month. MLSW in total received 819 complaints, 265 have been approved in the first instance, and 23 of them were approved in the second instance. During the year 2016 within the **Social Assistance schemes**, social assistance has been provided to 26,302 families with 107,575 family members. Depending on the number of the family members, families benefited 50 to 150 euro.

During January-December 2016, Medical Commission, level I, conducted the assessment of disability (80%) for 21.902 requests submitted for social assistance in the I-st category. Of 21.902 submitted requests for medical evaluation, **19 654 requests or 89% were assessed as unable to work**, while 1.224 requests or 6% are assessed as able to work. Also during this period were examined 541 complaints, of which 101 complaints or 18.66% were approved, while 440 or 81.33% complaints were rejected as unfounded. MLSW has regularly inspected in 13 CSW and checked 966 cases of the users of social welfare, out of which it resulted that 666 or 68.94% of the files have been completed with the necessary documents, while in 300 or 31.06% case files were missing documents foreseen with the Law. It was also completed direct verification of 891 families to their homes. Of this verification resulted that 743 or 83.39% of the families have been eligible in accordance with the terms and conditions provided by law, while 148 or 16.61% of the households in the SWS were not eligible.

During the period January-December 2016, Evaluation Commission of MLSW has reviewed 329 requests for one-off social assistance. 186 families/ individuals benefited with 100.00 €, and 54 families/individuals with 150.00 € up to 300.00 €. The total amount allocated for one-off social assistance during this period was 32,900.00 €. Memorandum for exemption from electricity payment for Social Assistance and Families of Martyrs and War Invalids between MLSW, MED, KEK- KEDS was also concluded.

**Pensions and benefits (including negotiation with abroad):** MLSW, in accordance with legal regulations in force, within own activity, continued successful operation of policies and the implementation of existing schemes, more precisely managed **to successfully deal with more than 95% of submitted requests and appeals for the right to pension schemes. Categorization of the pension contributors was completed in accordance with qualification structure and with duration of contributions payment** - pension internship and apprenticeship recognition for education employees for the years 1989-1999, and is also developing process on new schemes about family and disability pension, whereas in this regard was made rough calculation of the budgetary costs for two new schemes. As a result of more effective management, coordination and the issuance of the Administrative Instruction (AI), for procedures of registration, suspension and reapplication, are suspended from payment of base and contributory pension schemes those pensioners who have not been able to establish residential addresses in Kosovo and consequently to Kosovo budget are saved about 12 million euros. **In accordance with the recommendations of the Auditor General, MLSW was engaged to improve pension and social scheme**, with emphasis on return of the assets with no legal basis, which was achieved in cooperation with the Agency of Civil Registry, Tax Administration of Kosovo, and Religious Communities. Regarding negotiation within the social insurance field, consultative meetings were held with delegations from Macedonia, Belgium, and Switzerland. In this regard, it is worth noting signing of the pilot agreement with the Swiss and the approval of Swiss government to launch the negotiations for general agreement as a result of the successful implementation of the pilot agreement by the MLSW. This process is expected to extend to Croatia, Slovenia, Germany, Austria. In accordance with the legislation, **support to war categories continued**, more precisely, the number of family beneficiaries for 2016 was 12.680, while those for veteran was 28.207. Agreements to assist the rehabilitation of the respective categories, as well as memorandum for exemption from electricity payment between MLSW, MED, KEK- KEDS have been concluded.

**Legislation: During 2016 are approved 3 laws**, more precisely the Law no. 05/L-078 on amending and supplementing the Law No. 03/L-019, on Vocational Ability, *Rehabilitation and Employment of People with Disabilities*; Law no. 05/1 -077 on *Registration and Providing of the Services for Unemployed*, Jobseekers and Employers; and the *Law on Social Enterprises* approved on 14.12.2016 in the 120<sup>th</sup> meeting of the Government of Kosovo, while **the draft laws on amending and supplementing of the Law no.04/L-008 on Economic and**

*Social Council are in procedure*; as well as the draft law on amending and supplementing of the Law no. 04/L-131, on Pension Schemes Financed by State.

In the area of employment, sub-legal acts approved by the government in 2016 are the decision to establish the National Council for Health and Safety at Work, and approval of the Action Plan 2015-2016 for the elimination of all worst forms of child labour in Kosovo. Within the Administrative Instructions and Regulations, MLSW has approved the Regulation. 01/2016 for operation and labour in shelter for protection and rehabilitation of victims of human trafficking, reg. no.02/2016 on minimum safety and health requirements for the use of personal protective equipment at the workplace, reg. no.03/2016 on minimum safety and health requirements for protection of employees regarding manual handling of loads, reg. no. 04/2016 on minimum requirements for the provision of safety and health signs at work, Regulation no.05/2016 on minimum requirements regarding occupational safety and health of employees at risk from explosive atmospheres, reg. no. 06/2016, on the minimum safety and health requirements for work with display screen equipment.

In the context of alignment of national legislation with the *acquis communautaire*, in the field of safety and health at work are in procedure draft regulations for noise protection at the workplace, for minimum requirements of safety and health at work, exposure to other risks such as vibration or asbestos. Also regulations on subsidies and grants for paraplegia and tetraplegia are in procedure.

**Coordination, IPA:** During 2016, MLSW carried out **"Coordination of process for the review and monitoring of NPISAA"** respectively periodic monitoring and reporting for the implementation of National Program for Implementation of SAA (NPISAA). As part of the dialogue between the EU and Republic of Kosovo, MLSW, on 15 December 2016, **attended the first meeting of the Sub-Committee for Innovation, Information society and social policy**. For the first time, the Interior work plan of MLSW for 2016 is designed, which serves as an instrument of planning and assessment of working performance of MLSW departments. In the context of the development and improvement of policies, MLSW has given its contribution to drafting the Guidelines for the Implementation of the National Strategy, in its first pillar of Human Capital. In the framework of the Economic Reform Programme, a contribution is given to the proposal of measures for employment and the labor market and social inclusion, poverty reduction and equal opportunities. Within the IPA 2016 programme, *we developed the action document for IPA 2016 approved by the EC including 3 projects, and the total value of the EC contribution is 8 million euros.*

**Inspectorate:** Labour Inspectorate **conducted 6716 inspections**, out of which 4611 were regular inspections, 1576 re-inspections which were made to verify whether parties eliminated the deficiencies listen in the official report given them on the initial inspection by the labour inspectorate, 417 inspections by way of parties' submissions who considered that they legal rights have been violated, and 112 inspections in cooperation with other bodies that are competent to monitor the implementation of legislation.

Out of these inspections **LI managed to influence so as to formalize the employment relationship of 1262 employees who were found to have exercised their working activities in an informal way.**

**During this period LI imposed 115 fines**, and their amount is variable (different), depending on the nature and type of violations that were identified during the inspection process that occurred. **Also, 808 warnings in writing were imposed against the entities** that were identified to have failed complying with the legislation in force.

**The total number of the inspected employees during this period was 55749, out of them 44252 were males, 11383 females, and 36 foreign males and 44 foreign females.** This year we started to conduct planned inspections. This is a new policy, where crucial goal of this form of inspection is to raise the level of awareness of the parties to adhere to the legislation in force. **Furthermore, the commission for professional examination on health and safety at work is established,** whereas the interested parties started to apply to pass this exam. **The committee for licensing the legal persons who perform the HSW is established and made operational.** **Strategic Development Plan on the Labour Inspectorate 2017-2021** is drafted. We have also organized awareness and inspection campaigns regarding legal framework of employment relationship, as legislation in the field of health and safety at work.

**Finances:** For 2016, **377,518,382.53 Euros** were allocated to the Ministry of Labour and Social Welfare, out of which 377,000,000.00 Euros were spent so far. According to current projections, until the end of **2016, is expected to be spent around 95-98% of budget.** Despite requests for additional funds, MLSW respected the limits allowed for the budget year 2017 and in conformity with forecast of MTEF 2017-2019, are also prepared the program policies and priorities of the MLSW.

#### - MINISTRY OF HEALTH -

Aiming a strategic orientation of reform in the health sector, the Government of the Republic of Kosovo has approved the Health Sector Strategy 2017-2021 that aims at maintaining health, promoting healthy ways of living and providing qualitative, secure, easily accessible, equitable, without financial risk and cost-effective services.

Completion of the legal framework has continued with the amendment of the law on emergency services and the government approval of the draft law on health inspectorate. In addition, the government adopted a concept paper on health insurance and a concept paper on health. The statute of the Health Insurance Fund and the Financial Management Regulation of the Fund were also adopted.

During 2016, the following Administrative Instructions were adopted: Administrative Instruction No. 01/2016 on Continuing Medical Education, Administrative Instruction No. 02/2016 on archive and archive material, Administrative Instruction No. 03/2016 on medical treatment outside the public health institutions, Administrative Instruction No. 04/2016 on fees provided to KMA, Administrative Instruction No. 05/2016 for amending and supplementing the Administrative Instruction (MH) general and specific hospital conditions 06/2015, Administrative Instruction No. 06/2016 on methadone administering and managing for the maintenance programs, Administrative Instruction No. 07/2016 on premium collection for mandatory health insurance, Administrative Instruction No. 08/2016 on conditions for qualification and training of persons performing transplants.

The program of the Government of the Republic of Kosovo 2015-2018 has determined that the new health system of the country will rely on the reorganized Ministry of Health which has strengthened its policy-making, regulatory, monitoring and evaluating role, as well as its full functionalization of new institutions. In this respect, the Ministry of Health has functionalized the Chambers of Healthcare Professionals through the issuance of statutes and other bylaws and has transferred competencies as defined by law. University Hospital Clinical Service of Kosovo is functionalized as a form of integrated operational services in secondary and tertiary health care.

In order to functionalize the Health Insurance Fund, in addition to adoption of the Statute of the Health Insurance Fund and the Financial Management Regulation of the Fund, the Government has set the date of premiums collection. In this regard the internal regulation of the Agency for Health Financing and the internal regulation of the Preparatory Council of the Health Insurance Fund were also adopted, the Preparatory Council of HIF was established and functionalized, the (DRG) form of contracting hospital services was adopted and the Communication Strategy for the Health Insurance Fund was prepared.

With the aim of increasing hospital capacities in the health system with the support of the United Arab Emirates, the Hospital of Vushtrri, a project worth 6 million euro, has been inaugurated. In the sector of primary health care the Main Centre of Family Medicine (MCFM) in Kaçanik was inaugurated, which had a cost of 6,500,00 euro and the construction of the Main Centre of Family Medicine (MCFM) in Skenderaj was completed with 1.1 million euro invested in it. In order to advance the health of mother and child, institutions of secondary and tertiary level were supplied with equipment in the amount of 1.6 million euro. Three ambulances were provided for the needs of health institutions.

During this year, the procedures for the construction of the Paediatric Clinic have started with a donation from UEA in the amount of 22 million euro. The cornerstone of the construction of the new Emergency Clinic was also laid, as were the cornerstone of the Regional Institute of Public Health in Gjilan and Ferizaj, and the cornerstone of MCFM in Gjilan.

Regarding new services, during this year 106 cardiac operations were conducted, thus saving approximately 1,500,000 euro.

Given the commitment for more funds to all the municipalities, the Government has raised the amount of health grant to municipalities from 40 million euro to 44 million euro for 2017. Also, the commitment for additional medical personnel was realized by temporary employment of 153 professionals while the volunteer residents were systemized with salaries based on performance. Supply of medicines and medical material has reached over 70% in all levels of the health system.

Regarding the groups of citizens in need, around 960 patients were treated outside the public health institutions in the amount of € 7,366,502.00. With regard to fighting cancer, 2792 mammographies were conducted and the Oncology Clinic has treated all patients in need. The program for home health visits for maternal and child care has started.

In order to disseminate appropriate infrastructure and medical staff across the country, achievement of international standards in terms of number of medical staff in relation to the population, the Ministry of Health has begun procedures for drafting the plan for human resources in health sector and has transferred the competences for organisation of health professionals to the chambers.

In order to address the aspects of accountability, the Ministry of Health is implementing the Institutional Integrity Plan which was developed in collaboration with UNDP. Aiming to strengthen direct communication with citizens, the telephone line was functionalized and 160 complaints from citizens were processed this year.

No case of Crimean-Congo Hemorrhagic Fever was recorded in 2017. The vaccines against seasonal flu are provided for citizens. Smoking among youth aged 13-15 has decreased from 6.7% in 2004 to 4.4% in 2016 (GYTS). Seven vehicles for the functionalization of the Drinking Water Centre NIPHK were provided.

This year, the Ministry of Health has started the process of re-licensing of health professionals. In order to support the specialist and sub-specialist education, 199 specializations for health professionals were allowed. Meanwhile, through the continuing professional education program 114 health professional and 18 professional associations have benefited in the amount of € 114.320;

Given that the primary responsibility to remain healthy lies with the citizens, the Ministry of Health with the support of technical assistance of the European Commission has drafted the Strategy for promotion and health education. As part of activities for maternal and child health are also included civil society organizations and citizens who have aimed at raising awareness on reproductive health in the community.

The ratification of the agreement with Austria for modernization of Invasive Cardiology services at UCC was also made by the Assembly, in the framework of international cooperation. An agreement was also signed on international Accreditation of Specialisation of Family Medicine of Kosovo from the British College. Kosovo and Albania have signed a cooperation agreement in the field of public health and cooperation agreement between the Health Inspectorate of Kosovo and Albania.

Donor support to the health sector is also provided through signing agreements with the Government of Luxembourg in the amount of 9.5 million euro, the Swiss Agency for Development and Cooperation in the amount of 6 million euro, and the United Arab Emirates in the amount of 22 million euro. The health sector is also supported by "Globus Relief" from US in the amount of \$ 3.5 million. Ministry of Health and TIKA have signed the agreement for the New Intensive Care Unit in UCC.

#### - MINISTRY OF TRADE AND INDUSTRY

General information on figures:

- Trade exchange (January - October 2016) = € 2 536 000 000.00
- Exported goods = € 253 million
- Imported goods = € 2 283 000 000.00
- Businesses registered 2016 = 10,289
- Terminated businesses = 2,290
- Businesses with foreign owners = 656
- Foreign Direct Investments (January - September 2016) = € 184 000 000.00
- Kosovar products exposed at home and abroad = 1166;
- Export-related contracts = 33
- Kosovo Credit Guarantee Fund = approximately 63 credits for local businesses
- Implementation NPISAA = Legislation = 90%; Measures = 75%

LEGISLATION - There were 4 laws adopted (Law on Bankruptcy, Law on Strategic Investments, Law on Late Payments in Commercial Transactions and Law on Accreditation); Draft law on Services was approved in principle by the Assembly of the Republic of Kosovo; Draft Law on Commercial Companies, the Draft Law on Consumer Protection and the Draft Law on construction products are in the phase of harmonization with EU legislation. During this year we issued 17 administrative instructions, 6 regulations and 4 concept papers. The Private Sector Development Strategy 2016-2020, was processed in the Office of Strategic Planning (PMO).

**The National Council for Economic Development of Kosovo (NCED)** - NCED has held three meetings during this reporting period. NCED as the most important platform of public-private dialogue has discussed important issues to country's economic development, such as MSA, the Report of the World Bank of Doing Business, addressing the many requests coming from the business community in order to eliminate the unnecessary barriers and bureaucracy and other issues and has taken a number of decisions of interest to improve the climate for doing business.

**European integration and policy coordination** - Periodic reports were prepared, as were analysis for the

National Implementation Plan of the SAA and its review, Work Plan (AGWP) and other strategic documents. In relation to business information about SAA, there were conferences held with six industrial sectors with potential for export: processing of wood, metal, food, information and communication technology, as well as the textile sector. IPA project proposals for 2016 which are related to MTI were prepared; sectoral planning document 2014-2020 (IPA) was updated. There were reports prepared and meetings held which were related to the Stabilisation and Association Dialogue and the coordinating meeting with donors in June 2016 was held. MTI has performed the function of a national coordinator of the implementation of the South East Europe Strategy 2020 within the Regional Cooperation Council. In this regard, there were meetings held of the task force for monitoring, strategy steering board, programming committee, investments committee and sub-groups of this committee, such as the subgroup on investments, industry and tourism. Within the objective of drafting strategic documents, the program on the European Reform Agenda (ERA) was drafted, as were the measures for the implementation of the Economy Reform Programme (ERP).

**Trade Policies** - the electronic platform for reporting trade barriers was created and the brochure for the web-platform was prepared; the memorandum of cooperation between border agencies was concluded, as an obligation emerging from trade facilitation negotiations between CEFTA countries; the agreement on recognition of tachograph with Albania was signed. Economic analysis for the CEFTA Agreement for the period 2005-2015 has been finalized; Active participation was achieved in the services negotiations within CEFTA; the draft memorandum and action plan for the application of the WTO were completed; the National Committee for Trade Facilitation, as an obligation emerging from CEFTA, was established. In order to protect domestic manufacturers, an analytical report has been prepared for the following products: eggs, wheat, clay-based construction materials, milk and its products; All issues/trade barriers with Albania were addressed (the issue of pharmaceutical drugs, wheat, potato, grape, chocolate, etc.). The Republic of Kosovo has established reciprocal measures towards Serbia for recognition of ADR certificates and the measures remained until the documents of transporters from Kosovo were received.

Kosovo trade exchange for the period January - October 2016 amounted to € 2 billion 536 million. Exported goods amounted to € 253 million, while imports amounted to over € 2 billion 283 million.

**Industrial policies** -- 6 conformity assessment bodies were authorized in the area of oil and elevators; the case report regarding the development of clusters/groups in Kosovo was drafted. There are 4 foundations created: tour operators, private kindergartens of children, food processing and accommodation houses; Two studies of industrial sector profiles of plastic and rubber were drafted; Guide to Good Regulatory Practices was drafted and it will be used by the line Ministries which draft the legislation in the field of Quality Infrastructure, in particular technical regulatory policies; A study report was prepared aiming to analyse the opportunities, costs and expenses and benefits for Kosovo's membership in the World Tourism Organization (UNWTO); The study for the development of human resources in the tourism and hospitality sector was drafted.

**Market Supervision and Regulation of the Oil Market** - During this period, 473 licenses were issued; 16 were rejected; 13 were revoked. There are a total 863 retail points for diesel and gas. Out of them, 646 are operational and 217 are not operational .

733 market inspections were carried out; 2,440 products were withdrawn from the market. The monitoring plan of the quality of petroleum and petroleum products was implemented and 580 samples were taken from retail point of sales, storage and public companies, where out of 580 samples taken, 534 (or 92.1%) resulted to be in conformity with the standards, and 46 samples (or 7.9%), were not in conformity. Compared with 2015, the number of samples taken during this year has increased by 58%; The inspection program of petroleum sales points that operate without trading licenses in municipalities of northern Mitrovica, Zubin Potok, Leposavic and Zvecan has begun; The national coordination body for market surveillance has been established; The devices of mobile laboratory which will increase the number of verifications of the quality of liquid petroleum fuels in the domestic market of Kosovo have been all provided. The database for the exchange of unsafe products conform



European database RAPEX has been established and functionalised. MTI has signed cooperation agreements with the University of Prishtina "Hasan Prishtina" related to the strengthening of the quality infrastructure, laboratories that MTI possesses and market surveillance.

**Control of strategic goods market** - The Government has adopted the list of military goods and the list of dual-use goods harmonized and adapted to EU lists; around 117 businesses considered to perform activities with strategic goods were identified. there are 31 companies registered which possess certificates; 4 individual licenses were issued; 6 trainings were held informing businesses about registration procedures in records and licensing procedures; The cooperation agreement was signed between MTI and MI/State Export Control Authority, the Republic of Albania, in the field of export control cooperation and exchange of information and experiences in this area; Internal Compliance Program (ICP) was finalized and three companies that need to have this program were identified.

**Consumer protection** - Consumer information has continued through activities, such as: holding of consultative roundtables; printing of 7000 awareness postcards; delivery of SMSs and leaflets on human rights and awareness of consumers in shopping malls; the Action Plan on Consumer Protection Programme (2016-2020) was drafted and adopted; membership in ICPEN, International Consumer Protection and Enforcement Network, was achieved; The cooperation agreement with the Hungarian Government for the purpose of cooperation for Consumer Protection was signed; We have received about 6500 phone calls/consultations and about 250 smoking complaints which were forwarded to the 'Food and Veterinary Authority.'

**Accreditation** - During the reporting period there were 12 accreditations; 3 re-accreditations; 35 regular supervisions; 9 evaluations; 1 suspension; 13 applications; whereas 2 testing laboratories and 1 calibration laboratory are in the procedure for accreditation; while the software for 'online' DAK-SMIS accreditation is in the final stage of testing.

**Metrology** - There were 465 fuel points, 1,695 water meters, 48 tankers, 13 fuel nozzles verified and 340 calibration activities conducted; it was worked on the establishment of the Quality Management System, and the quality manuals for laboratory of mass, volume and flow, force and thermometry were prepared as were the calibration procedures and other documents provided by SK ISO/IEC 17.025. Laboratory intercomparisons were organized with countries of the region and the EU; there were amendments made in the CPA Quality Manual where Annex 1 which refers to ISO / IEC 17025; 2005 and Annex 2, which contains the list of CPA procedures were added to the second version; Kosovo Metrology Agency is a member in the capacity of associate member in WELMEC (European Cooperation in Legal Metrology).

**Businesses registration** - In order to improve the business environment we have made the unification of business registration number with the number of export and import; we are also working with TAK so that businesses will have only one number. The deadline for registration of businesses has been brought forward and the recommendations of the task force "Doing Business" led by MTI have been implemented. The deadline for business registration is shortened from 3.5 days as was the case earlier to 1.9 days now. In the World Bank report on doing business we are ranked in 13th place for business registration. There were eliminations and reductions made to fees for services provided to businesses in their registration process. The module for online business registration was developed. Pledge Registry was advanced and provides more advanced services required by banks. There are 10.549 businesses registered and 2,328 businesses were terminated. Number of businesses with foreign owners is 656; number of limited liability companies is 3868.

**Standardization** - There are 1,201 European and international standards adopted as Kosovo standards; the sale of standards has continued as required by businesses; it was worked on advancing the web-platform of the Kosovo Standardization Agency and SMIS software.

**Foreign Direct Investments** – The value of FDI for the period January - November 2016 (according to CBK) is € 218.4 million. Countries that have invested the most are: Switzerland, Great Britain, Turkey, Albania, Germany, America, and Austria. Meanwhile, the sectors where it was invested are: real estate, renting and other business activities, construction, commercial services, other services, financial services, and energy.

**Promotional activities:** MTI (KIESA) participated in five (5) conferences, two (2) forums, one (1) study visit, one (1) workshop/fair and one (1) event of liaison of foreign businesses with those of Kosovo; A total of 12 foreign companies which have invested or have been expanding their activities in Kosovo, have been supported directly and indirectly; 300 visits to foreign investors who have invested in Kosovo were conducted, identifying the problems and barriers that current investors are facing; Through analysis and 'after care' report, the addressing of challenges through the draft documents prepared by the Agency was done; the brochures and promotional materials were sent to: Albania, Montenegro, Croatia, Hungary, Czech Republic, Germany, Sweden, Belgium, France, Luxembourg, Turkey, Bulgaria, Italy, Slovenia, Austria, Switzerland, United Arab Emirates, UK, Netherlands and America.

**Promotion of Export and Tourism:** 17 activities were organized abroad and at home for sectors, 1166 products were exposed, 33 contracts were signed and 97 are being negotiated. In order to promote the tourism potential of Kosovo and engagement of tour operators in the promotion of the tourism sector, 5 various promotional activities have been organized.

**SMEs support:** The monitoring of the implementation of the European Charter for Small Enterprise has continued. There were trade fairs organized, such as "Women in Business 2016" fair. Within the Global Entrepreneurship Week in collaboration with the ICK, 6 best business plans (ideas) were selected. The event "Small Business Days" was held in which 9 conferences, 3 at local level and 6 at regional level, were organized; the event "most competitive MSMEs" was attended by over 600 enterprises. A total of 136 students are continuing their two-month internship within the program 'Business Internship' and 45 enterprises were supported through the voucher counselling scheme. From January to 12.19.2015, 164 businesses were visited.

**Economic zones:** Business Park in Drenas (BPD) - The project has been drafted, the economic operator to implement the overpass project and the construction of two bus stations was selected, and the park maintenance is being monitored. Concrete steps have been taken to expand the park of Drenas for 75 ha; the elaborate of expropriation has been completed, the Government has decided on the initiation of expropriation. MTI has funded and supported three other municipalities for the establishment of economic zones: Economic Zone in Shtime; Economic Zone in Suhareka; Economic Zone in Lipjan. The renovation of Business Incubators in Bernice and BPD was completed. An AI on Business Incubators was issued and after the public release, the entity for the development of the Technology Incubator at Bernice was selected.

**Improvement of access to finance and product certification:** Kosovo Credit Guarantee Fund has been functionalized and has so far issued 63 loans to local businesses. About 20 Kosovar businesses have benefited from the project for the certification of Kosovar products with internationally recognized quality standards, which is being implemented by EBRD in collaboration with USAID and other donors.

**Industrial property** - Examination of applications - Industrial Property Agency (IPA) has examined the applications and requests for changes, extensions and others, in which case it conducted 27.685 actions in the IPAS system. IPAS system actions include the passing of the application from one stage of examination to another. IPA has published 7 bulletins containing 4798 industrial property objects; the issue of Sharri cheese was addressed through geographical indicators; 5 tables were organized with the aim of raising awareness regarding the importance of industrial property.

**State reserves** - The Strategic Plan and Annual Program 2016-2018 were prepared and adopted. Regarding the growth of reserves fund, state oil reserve fund is supplied in the amount of 117.469 litres; meanwhile the state grain reserve fund is supplied in the amount of 1,072.82 tons of wheat. The analysis of finding alternative forms related to creating the state compulsory oil reserves taking into account the contractual obligations of Kosovo in the Energy Community, is being conducted.

## - MINISTRY OF ECONOMIC DEVELOPMENT

Ministry of Economic Development (MED) is committed to contribute to the development of the standard of living and wellbeing of citizens, by promoting sustainable development of the energy sector with particular emphasis on EE, RES and cogeneration, geological-mining sector and ICT in the Republic of Kosovo. MED will ensure stable, efficient and effective use of energy, mineral and frequency resources in compliance with best European and international practices. In addition, the enhancement of competition in economy by creating a favourable climate, for investment in the country, restructuring of economy through transformation of property, modernisation and enhancement of efficiency of publicly owned enterprises, in order to create a functional market economy.

### Energy sector

**Strategy & Laws** - Within the Department of Energy, it is finalized the draft Energy Strategy of the Republic of Kosovo 2017-2026. During 2016 MED finalized the package of laws in the energy sector and were approved in the Assembly of Kosovo the laws that are in accordance with the third package of EU directives. The adopted laws are as follows: Law no. 05/L-081 on Energy; Law no. 05/L-085 on Electricity; Law no. 05/L-084 on the Energy Regulator; Law no. 05/L-082 on Natural Gas.

During 2016, with the aim of implementing the Laws on Energy commenced the activities for reviewing and drafting of several bylaws, which are expected to be finalized in 2017.

During the reporting period, MED has also drafted the Concept Paper on the Treatment of Pressure Devices that are subject to pressure higher than 0.5 bar which was adopted by the Government of the Republic of Kosovo.

**Energy Efficiency (EE)** - In view of better regulation in the field of EE, the Law on Energy Efficiency was drafted and the draft Progress Report for the second midterm national Energy Efficiency Action Plan 2013-2015 was prepared; draft National Action Plan for Energy Efficiency 2016-2018 was prepared; Kosovo Agency for Energy Efficiency in cooperation with municipalities (Klina, Junik, Malishevë, Zvečan, Viti, Kaçanik, Partesh, Shterpce and Zubin Potok), have prepared Municipal Energy Efficiency Plans 2016-2020, which were approved in the relevant municipal assemblies. Within the implementation of projects for the application of energy efficiency measures which are financed by loans from the World Bank, the selection of the company for implementing the project for 14 buildings and 5 facilities to be financed by the MED, was done. Were selected 20 new buildings, and the company for preparing the designs for these 15 buildings has been selected and has commenced the work. The energy audits for the project financed from WB were finalized.

In the framework of implementing the EE measures that are financed by the MED, was installed the central heating system in three primary schools "Avni Rrustemi" - Irzniq, Deçan; "Faik Dragaj" - Leçin, Skenderaj; and "Jahë Salihu" - Molliq, Gjakove. This project continues throughout 2017 in other schools.

**TPP project Kosova e Re** - Negotiations on closing the first phase of the project "Commercial Closure" have continued intensively during this period, and the signing of these agreements is expected to take place in early 2017. At the same time, it is being worked on preparing the finalization of the second phase of the project "Financial Closure", which is expected to take place in Q3-2017.

**TPP Kosova B and Decommissioning** - Activities for implementation of the Feasibility Study for the rehabilitation of TPP Kosova B, a project which is supported under IPA 2015 and is underway and expected to be completed in the first half of 2017. For the decommissioning process of facilities of gasification, fertilization and heating at the site of TPP Kosova A, it is continuing the tendering procedure by the EU Office in Kosovo for the selection of the consulting company within the IPA 2014 program. In the meanwhile the first working for decommissioning has prepared the technical documentation of objects which are expected to undergo the decommissioning.

**Transmission of electricity** - In the context of building capacities at the transmission level, were realized the following capital projects during 2016, such as: Placement of infrastructure for secondary regulation of the transmission line between Kosovo and Albania; Supply and installation of TR3, 40 MVA in SS Prishtina 2; Rehabilitation of the facilities of HT in SS 110/10 kV - Prizreni 3; Rehabilitation of the facilities of HT in Sub Station (SS) 110/10 kV - Gjakova 2; Installation of TR2 in SS 110/10 kV - Berivojçë and SS Viti; Installation of metering groups in the new commercial border KOSTT - KEDS/OSSH (ending in Q1 2017); Installation of TR 2 in SS 110/10 (20) - Skenderaj and SS Burim (ending in Q1 2017).

In the light of monitoring the fulfilment of obligations deriving from KEDS privatization contract between the Government of the Republic of Kosovo and KCLE/KEDS, so far there are no legal issues raised between the signing parties of the Share Sale Agreement.

### **Mining sector**

In the context of implementing the policies for development of the mining sector: was drafted a Progress Report 2015 regarding the implementation of the Mining Strategy; it is prepared and approved by MED the Mineral Resource Management Plan for 2016.

As regards to the regulation of the status of "Trepça" enterprise, it is approved the Law no. 05/L-120 on Trepça by the Assembly of Kosovo.

In cooperation with the Parliamentary Committee for Economic Development, Infrastructure, Trade and Industry, was drafted and adopted the Law no. 05/L-062 on Safety at work in mining activity.

Capital projects, funded by MED, were also conducted, such as: Reactivation of mining sites in horizons VIII and IX of TREPÇA Mine in Stanterg; Opening of new mining sites in horizons X-XI of TREPÇA Mine; Improvement of working conditions in Zveçan Refinery; Support to Trepça enterprise - PAK through subsidies for payment of salaries and wages to Trepça employees; Study regarding the identification of the adverse effects of mining activities in the community; The study regarding the identification of the adverse effects of mining activities in the Community was also conducted.

Meanwhile, regarding the Geological Service of Kosovo, the following activities were conducted: Functionality of the GSK laboratory with equipment; Drafting of the geological plots (maps) of Kosovo with scale 1:25000. It was also approved the Concept Paper for Geological Service of Kosovo.

### **ICT Sector**

The National Strategy for Information Technology which contains detailed action plan for the period 2016-2018 was adopted by the Government of the Republic of Kosovo.

The following projects were also conducted: World Bank Projects: Implementation of the Kosovo Digital Economy Programme - KODE includes broadband telecommunications infrastructure of Kosovo. The project for this infrastructure has entered in the investments clause and will be implemented in the following years. Pilot project "Women in Online Work" - WOW was conducted in two municipalities, Lipjan and Gjakova; Pilot project "Women in Online Work" - WOW 2 has started - This pilot project includes the training of at least 65 women divided in three different training groups/modules and includes the region of Prishtina.

Data collection for broadband infrastructure in Kosovo - Project on the establishment of Electronic Atlas for Broadband Telecommunication Infrastructure (within which project the data will be collected) is in the tendering stage.

Preparation of the Annual Programme for Postage Stamp 2017 and selection of the winning motifs from the annual program of postage stamps for 2016 - Postage Stamp Committee has prepared and proposed for approval the Annual Programme for Postage Stamp 2017 with a total of 12 topics, which was then adopted by MED.

Postage Stamp Committee also selected the designs and adopted the first samples with topics: Sanctification of Mother Teresa; Species of extinct; Reka Wearing; Gastronomy - arboriculture."

Draft Concept Paper on Postal Services (CPPS) was approved by the Government of the Republic of Kosovo.

### **Public enterprises**

Public enterprises were supported by MED regarding capacity building of the board members of public enterprises by conducting training sessions. In the framework of implementing the government policies, through financial support from the Kosovo budget, the public enterprises were supported as follows: Subsidizing of electricity - Social cases (4,500,000 € subsidies); Central Heating (€ 400,000 subsidies); Water and Waste (€ 9,590,050 capital investment and € 1,059,381.00 subsidies); Trainkos (€ 850,000 capital investment: 500,000 subsidies); Infrakos (€ 871.274 capital investment and € 700.000 subsidies); Post of Kosovo (€ 100,000 capital investment), Kosovo Landfill Management Company KLMC (€ 200,000.00 subsidies) Regional Waste Company - Uniteti (€ 183,151.26 subsidies), Gjakova Airport (€ 130.000.00 subsidies)

## **Annex 1: IMPLEMENTATION OF THE ANNUAL PLAN OF STRATEGIC DOCUMENTS FOR 2016**

### **Executive summary**

The process of drafting the Annual Plan of Strategic Document (APSD) is carried out in accordance with the Rules of Procedure of the Government and Administrative Instruction 02/2012 on procedures, criteria and methodology of drafting strategic documents plans for their implementation. Based on the abovementioned rules, OSP requested from the respective ministries to report about the drafting process of these documents. After reporting by line ministries, OSP has drafted this year's report on implementation of Annual Plan of Strategic Document for 2016, in which is foreseen the drafting of 41 strategic documents, out of which were approved only 8, 5 strategic documents were not drafted, 28 strategic documents are in the drafting process, where 26 of them were transferred from the previous year, and 12 strategic documents were transferred from the last three years - 2014, 2015 and 2016.

Among the most emphasized problems during this process were: the lack of cooperation of the relevant departments responsible for drafting strategic documents with the European Integration Departments and Policy Coordination in line ministries; failure to observe the Rules of Procedure of the Government and Administrative Instruction 02/2012; failure to observe the deadlines defined in the Annual Plan of Strategic Document and noncompliance with the Strategic Medium Term Budgetary Framework and annual budget; lack of sectoral approach; lack of monitoring and evaluation system for implementation of strategic documents; failure to report to the Office of Strategic Planning (failure to observe the Annual Plan of Strategic Document, namely the Government Annual Work Plan).

Among the key recommendations issued by the OSP in this report are included: proposals of line ministries to draft strategic documents to comply with the standards set forth by the Administrative Instruction no. 02/2012 and to respect the Rules of Procedure of the Government and other relevant documents related to the process; better cooperation with DEIPC-and the relevant departments responsible for drafting strategic documents in line ministries; determination of realistic deadlines for the development of strategic documents - the cost of strategic documents in accordance with the MTEF and annual budget; closer interconnection with the Government Programme, the national development strategy (NDS), as well as measures related to the implementation of the economic reform program, the European integration process and other strategic documents, in order to avoid overlapping (duplication) of existing strategic documents.

## *Introduction*

The Annual Plan of Strategic Document (APSD), is compiled according to line ministries proposals, and is approved as part of the Government<sup>4</sup> Annual Work Plan. The OSP at the end of last year prepared the Annual Plan of Strategic Documents 2016, adopted as part of the Government's Work Plan for 2016. This Plan was prepared in a process that was coordinated with all ministries, and derives as a result of proposals of ministries or other relevant institutions. The plan includes strategies, programs, action plans and other strategic documents under the Administrative Instruction 02/2012.

The OSP's role is to ensure that planning and development of strategic documents provided by APSD is done in accordance with priorities, main strategic documents and policies of the Government of the Republic of Kosovo.

The report in question covers the period from 01 January to 31 December 2016 and the main purpose of this report is the analysis, evaluation and reflection of the situation of strategic documents drafting process by line ministries, implementation of above Guidelines for development of strategic documents, highlighting the main issues and problems faced during this period, the involvement of OSP in the process, findings and recommendations for solving these problems<sup>5</sup>. The report also identifies strategic documents that in the last few years have been continuously transferred and the OSP will request line ministries to review them, in accordance with the objectives of the Strategy for Improving Policy Planning and Coordination in Kosovo, and to consider their placement in the sector and cross-sector aspect.

### *Coordination of the process of drafting strategic documents according to APSD 2016*

The APSD's main goal is better coordination of the strategic documents drafting process and ensuring their compliance with strategic priorities and policies of the Government of the Republic of Kosovo. OSP has coordinated and monitored the process of drafting strategic documents according to APSD 2016. Also, OSP participated in all processes of preparing these documents, such as the working groups and the process of reviewing strategic documents in order to ensure compliance and consistency with strategic priorities set out in the Government Programme, the National Development Strategy 2016-2021, Economic Reform Program, and the National Plan for Implementation for SAA.

In the table below is reflected the general situation in the process of drafting and adoption of strategic documents during 2016.

**TABLE 1. *The preparation and adoption of strategic documents for 2016***

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#### **A: Plan for the year 2016**

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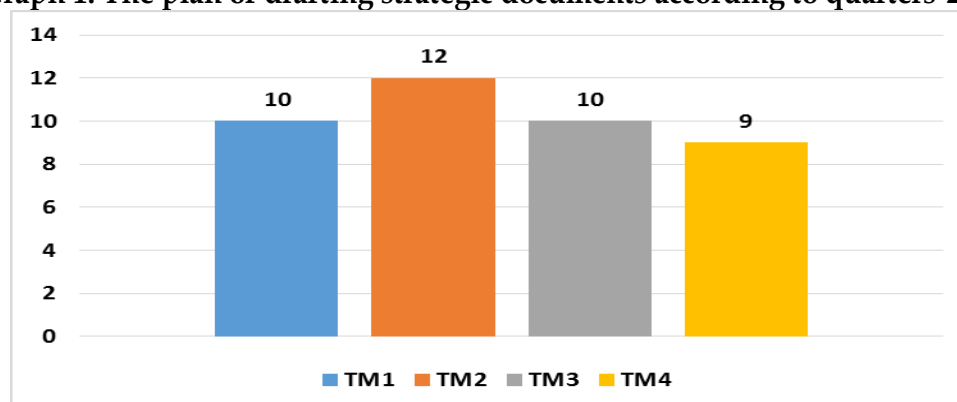
<sup>4</sup> Office of Strategic Planning (OSP) based on the Rules of Procedure of the Government, namely in accordance with Article 5 of the Administrative Instruction No. 02/2012, is responsible for coordinating the process of drafting strategic documents within the Government of Kosovo. The regulation stipulates involvement in the drafting of strategic documents within the key institutions of the Government of the Republic of Kosovo, the Office of Strategic Planning, Ministry of Finance, the relevant Department for European Integration and Policy Coordination, Department of Budget of the relevant Ministry.

<sup>5</sup> Office of Strategic Planning during the compilation of this report is based primarily on the working groups, part of which is also the OSP according to applicable regulations. Then, on 12 August 2016, OSP send an email to all ministries, to report on the general situation of the process of drafting strategic documents according to the plan foreseen with APSD 2016.

Number of planned strategic documents to be drafted in 2016	41
<ul style="list-style-type: none"> <li>• Strategic documents transferred from the previous year (2015)</li> </ul>	26
<ul style="list-style-type: none"> <li>• Strategic documents transferred during the last three years (2014, 2015, 2016)</li> </ul>	12
<b>B: Implementation of the Plan for 2016</b>	
1. Approved Strategic Documents	8
2. Strategic Documents which are still under drafting/approval process	28
3. Strategic Documents, which did not commence drafting during 2016	5

Therefore, as noticed, during 2016, the APSD included 41 strategic documents which were proposed by Ministries to be drafted and adopted during 2016. The process of their completion according to quarters is as given in the graph below:

**Graph 1: The plan of drafting strategic documents according to quarters-2016**



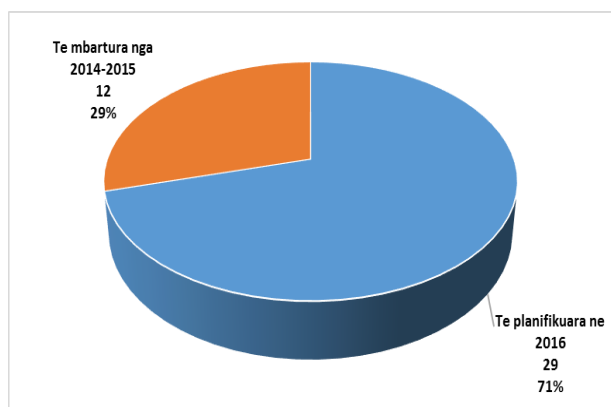
The above data reflect an unsatisfactory situation and raise some concerns which were identified earlier by the OSP.

These problems are:

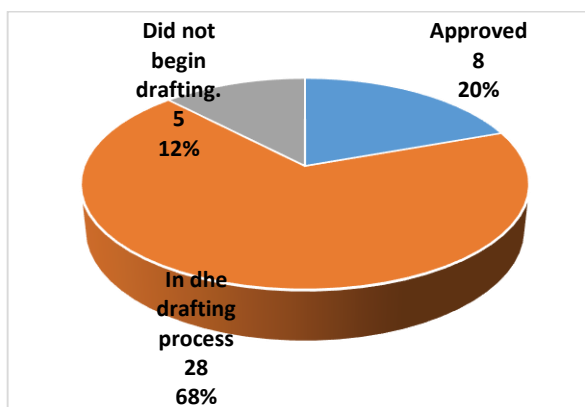
**1) Lack of line ministries' capacity to timely draft planned documents.** If we look at the data in the table above, we have a large number of strategic documents which due to delays and lack of ministries' capacities have been transferred from one year to the other. The following graphs show the number of strategic documents transferred. In 2016, 12 strategic documents, or 29% of them were transferred from 2014 and 2015, whereas for 2016, due to non-performance, this number is even bigger: in total out of 42 only 8 were completed and approved, while 32 strategies or 80% of the planned documents foreseen to be drafted in 2016 were not completed.



**Graph 2: PVDS 2016 - Planning**



**Graph 3: PDSV 2016 - Implementation**



Out of this number, 28 documents or 68% of documents planned could not be completed in 2016, whereas 5 or 20% did not commence drafting at all during 2016.

The table below presents detailed information on the state of development of strategic documents planned in 2016, and strategic documents transferred from previous years.

**Table 2: List of strategic documents according to their status**

Drafted and approved in 2016	Did not begin implementation in 2016
<ul style="list-style-type: none"> <li>Public Finance Management Reforms Strategy for the years 2016-2020 and Action Plan 2016-201 (Ministry of Finance)</li> <li>Strategy for training of civil servants 2015-2017</li> <li>Program on State Commodity Reserves 2016-2018;</li> <li>Cultural Heritage Strategy 2015-2020;</li> <li>Strategy on the Reduction of Risks from Natural Disasters</li> <li>Health Sector Strategy 2015-2020;</li> <li>KESP 2017-2021;</li> <li>Programme against Domestic violence and Action Plan</li> </ul>	<ul style="list-style-type: none"> <li>National strategy of the civil aviation development 2017-2021</li> <li>Human Rights Strategy and Action Plan in the Republic of Kosovo (2016-2020)</li> <li>Kosovo Program on Gender Equality (AGE) - was transferred for 2017</li> <li>Strategy on regulating the issue of piracy in the field of copyright 2017-2021 (MCYS);</li> <li>Strategy for Women in ICT (MED).</li> </ul>
Transferred from previous years	
<ul style="list-style-type: none"> <li>Strategy on advancing of Agri-food Enterprises (AVUK) - The strategy for the advancement of agro-food enterprises (AVUK) - for this strategic document exists the decision issued on 28.09.2012 to establish a working group to develop a strategy by the Chief Executive of the Agency. OSP's recommendation is issue the new decision for this strategy in accordance with the Administrative Instruction 02/2012.</li> <li>Strategy on Radiation Protection and Nuclear Safety and Action Plan of Radiation Protection and Nuclear Safety (AKMBRr) - is awaiting adoption.</li> <li>Kosovo Program on Gender Equality 2016-2020.</li> <li>Strategy and Action Plan on Human Rights in the Republic of Kosovo (2016-2020) (OGG).</li> </ul>	

- Strategic Plan on Children’s Rights 2016-2020(OGG).
- Strategy on the Protection and Promotion of Language Rights (OLC)
- National Water Strategy (MESP)
- Action Plan on Climate Change (MESP)
- Action Plan on Air Quality (MESP)
- National Strategy on the sector of Viticulture and Wine (2015 - 2020) – since 2014 (MAFRD)
- Program for Agriculture and Rural Development 2014-2020 – since 2014 (MAFRD)
- Strategy on Non-timber forest products 2015-2020 (MAFRD)
- National Afforestation Program (MAFRD)
- Program on Identification of Disease and Pests (MAFRD)
- Strategy on Sports Development 2015-2020 (MCYS)
- Strategy on Cultural Heritage 2015-2020 (MCYS)
- Strategy on Culture Development (MCYS)
- Program for Implementation of the Energy Strategy of Kosovo for the period of three years (MED)
- Energy Strategy of the Republic of Kosovo for the period of ten years (MED)
- Strategy on the Reduction of Risks from Natural Disasters and Action Plan 2016 - 2020 (MIA)
- Strategy for the Development of the Private Sector (MIT)
- Sectoral Health Strategy 2015-2020 (MH) – under drafting process since 2014.
- Kosovo Program against Domestic Violence and Action Plan (MJ)
- National Strategy on Property Rights
- Strategy for Training of Civil servants 2015-2017 - adopted
- Strategy for Electronic Governance 2016-2020 (MPA).

**2) *The large influx of strategic documents and their fragmentation.*** Kosovo currently has 55 strategic documents. The problem is not only the large number of strategies, but their fragmentation as well. Some ministries have a large number of strategic documents, each ministry has at least 1 strategy, while the number of cross-sector or institutional strategies remain limited. OSP has come to the conclusion that there is fragmentation and overlapping of strategic documents, while many of them can be merged into a single strategic document.

**3) *Process’ management problems of line ministries.*** The transfer of strategies from the previous year(s) and the delay in finalizing their drafting and approving process results in disruption of the working group for drafting relevant strategic document and causes problems terms of not-observing planning done under the annual plan or often in the content of the strategic document itself.

**4) *The lack of planning skills regarding appropriate deadlines for drafting strategic documents.*** Line ministries usually plan that within a quarter to draft strategic document, whereas according to our calculations and current practice, the drafting of a strategic document can take from three to six months or even more. This largely depends on the nature of the strategic document. Line ministries should pay more attention to the correct setting of deadlines for drafting strategic documents.

**5) *Lack of coordination process within ministries and with the OSP.*** OSP has participated in all drafting processes, whereby we were informed in due time and in accordance with applicable regulations, by the relevant ministries, but we found cases where the entire process of drafting strategic document commences and ends and the OSP is only notified in the end. Therefore, OSP has consistently contact DEIPC as responsible for the coordination of strategic planning and policy development in the line ministries in order to be better informed

on the process of drafting strategic documents. From these contacts, it was concluded that often DEIPCs are left out of the strategy development process from structures responsible for drafting the strategic document. This constitutes a violation of Regulation No. 01/2011 on the role of the Department for European Integration and Policy Coordination within the ministries. On the other hand, DEIPC's role does not consist only of the summary of the proposals prepared by the sector departments without analyzing and verifying them. According to Regulation No.01/2011 on DEIPC, they should care about the quality of policy proposals, plans and strategies of their respective ministries.<sup>6</sup>

**6) Problems with non-adherence of criteria set with regard to strategic documents.** Such a lack of coordination has often led to inconsistencies of the document drafted with the applicable regulations and the delay of finalizing strategic documents. Failure of the Administrative Instruction 02/2012 on procedures, criteria and methodology of strategic documents and plans for their implementation remains one of the biggest deficiencies of the process of drafting strategic documents. This Guidance aims to create a unique practice in the planning and development of strategic documents by establishing uniform criteria and methodology and detailed determination of all procedural steps on preparation and adoption of strategic documents<sup>7</sup>. Articles 7, 8, and 9 of this Guidance clearly define the steps that must be followed by line ministries and other relevant institutions during the drafting of strategic documents.

Also, in addition to the above problems related to the skills of ministries, OSP founded some other problems:

**7) Lack of clear costing and financial coverage** does not guarantee that all strategic documents have also strategic financial coverage (MTEF and annual budget).

**8) Lack of strategic documents monitoring and reporting by ministries.** This deficiency results in lack of proper information about the level of political implementation of strategic documents, the results achieved from their implementation, and therefore, deficiencies regarding the application of institutional accountability principles for accomplishing the strategic objectives of the Government. Also, ministries have difficulties establishing specific easily measurable indicators who are clearly linked to the achievement of objectives/implementation of the proposed activities and in most cases they only use indicators based on the results of monitoring the implementation of activities. As a result, we often have cases where objectives are repeated or overlapped in different strategic documents, or objectives that follow expired strategic documents.

**9) Failure to observe the requirements of transparency and public information.** Not all line ministries publish adopted strategic documents in their official sites, and even when they do, publication is partial (strategic documents are not published in all official languages). Also, during the drafting of strategic documents, line ministries often fail in conducting the public consultation process.

Despite the above deficiencies which remain very disturbing, achievements were made in some respects, as follows:

**Drafting of Action Plans:** It should be noted that when comparing with other years, progress was made in terms of developing strategic documents under Article 10, '**Preparation of the Action Plan for implementation of the strategic document**' of Administrative Instruction 02/2012, since all strategic documents submitted for opinion to the OSP are followed by action plans.

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<sup>6</sup> For more see in particular Articles 1.2, 1.4 and 1.5 of the Regulation no 01/2011 on departments for European Integration and policy coordination in the ministries

<sup>7</sup> [http://kryeministri-ks.net/repository/docs/Draft\\_Udhezimi\\_Administrativ\\_Per\\_Strategjite\\_FINAL\\_2012\\_\\_2\\_.pdf](http://kryeministri-ks.net/repository/docs/Draft_Udhezimi_Administrativ_Per_Strategjite_FINAL_2012__2_.pdf)

In order to improve this situation, as part of the second pillar of the Public Administration Reform, strategic orientation of the Republic of Kosovo is also establishment of **System Integrated Planning, through the Strategy for Improving the Planning and Policy Coordination in Kosovo revised and adopted on 21 December 2016**. In particular, as regards the drafting of documents this strategy **aims to eliminate fragmentation and duplication between central planning processes and financial policies**. The main improvement focus will be in two central frameworks which must cover all government planning processes:

- **Strategic Planning Framework:** The National Development Strategy (NDS); and Sector Strategies establish the government's strategic framework, medium to longer term goals and strategies for all sectors; and
- **Budget Planning Framework:** the Medium-Term Expenditures Framework (MTEF), which requires each ministry to develop a 3-year plan to achieve its objectives and goals within the ministry's expenditure limits.

Also, within this, OSP is amending and supplementing the Administrative Instruction No. 02/2012 and with this is intended to apply a more sector approach (application of sector strategies reflecting the sectors presented in the Medium Term Expenditure Framework); then focus on strengthening the role of OSP and the Strategic Planning Steering Group on the occasion of proposal of new strategic documents; strengthen monitoring and evaluation, implementation of using measurable performance indicators at the level of objectives; building a reporting system for implementation of sector strategies, where after the establishment of reporting gradually, at a later stage the medium-term and final systematic assessment of strategy implementation would be mandatory.

In the end, the Office for Strategic Planning in this period has also updated the applicable Strategic Document Register, and has published all strategic documents taken by line ministries in the official website of the Office of the Prime Minister.

### *Conclusions*

Below are presented the problems outlined as conclusion during this period, for which should be noted that are a repetition of previous years although OSP has repeatedly invited all DEIPC's in the meeting to clarify issues about drafting strategic documents and deadlines set by the Government of Kosovo. An issue which is very acute that must be addressed by Ministries as soon as possible is the monitoring and evaluation of strategic documents implementation.

**As a general conclusion**, based on the detailed analysis carried out above, the system of drafting strategic documents in Kosovo still has deficiencies regarding:

- (i) planning capacities;
- (ii) large influx of documents and their fragmentation;
- (iii) lack of institutional and inter-institutional coordination;
- (iv) failure to comply with the Rules of Procedure of the Government;
- (v) failure to comply with the Administrative Instruction no. 02/2012;
- (vi) excessive costs of strategic documents and non-inclusion in the Medium Term Budgetary Framework and annual budget;
- (vii) lack of monitoring and evaluation for implementation of applicable strategic documents;

## ***Recommendations***

In order to overcome the problems outlined above, the Office of Strategic Planning provides the following recommendations

- Objectives foreseen with the strategic documents are in full compliance with the priorities contained in the National Development Strategy, the Government Program, the Economic Reform Program, the European integration process (National Plan for the Implementation of the SAA);
- Strategic documents should be guided by the national vision and not by organizational or thematic approach. This requires the application of a sector approach when proposing strategic documents to be adopted as part of the Annual Plan of Strategic Documents. At this point, line ministries have to handle those strategic documents that have been proposed in the recent years (2014, 2015, and 2016) and have not yet been developed, and fuse them into a document or even remove them from the annual plan. This should be objectives of S.
- Increase cooperation with DEIPC and the relevant departments responsible for drafting strategic documents in line ministries. Proposals for strategic documents of ministries should be prepared as a result of joint work of sector departments, the Department of Budget and DEIPC.
- DEIPCs of line ministries, in accordance with the above regulations, play a leading role in the preparation of strategic documents;
- Drafting of strategic documents should be done in full compliance with the Administrative Instruction No. 02/2012;
- Follow implementation of approved strategic documents (monitoring and evaluation of their implementation);
- Pay more attention to setting deadlines during the submission of proposals for the development of strategic documents from line ministries for the next year;
- Determination of strategic documents cost should be done in a realistic manner and the financing process must be carried out in accordance with the MTEF and annual budget. If the budget implications are significantly above MTEF and annual budget projections, there should be a detailed explanation on how to cover the additional costs;
- Ministries should take care of publishing all applicable strategic documents in their web sites.

## **Annex 2: IMPLEMENTATION OF STRATEGIC PROGRAMME FOR 2016**

The Regulation no. 09/2011 on the rules and procedures of the Government of the Republic of Kosovo defines the rules and procedures on drafting legislation and policy recommendations from the Government and Ministries.

The Government of Kosovo in accordance with its rules of procedure prepares the Annual Work Plan in annual basis, including legislative and non-legislative activities. Legislative activities are contained in a specific Annex of the Annual Work Plan in order to facilitate management and monitoring of legislative initiatives of the Government - Legislative Programme.

Legislative program contains ministries' draft-laws and dates when the ministries are expected to submit the draft law for review and approval to the Government.

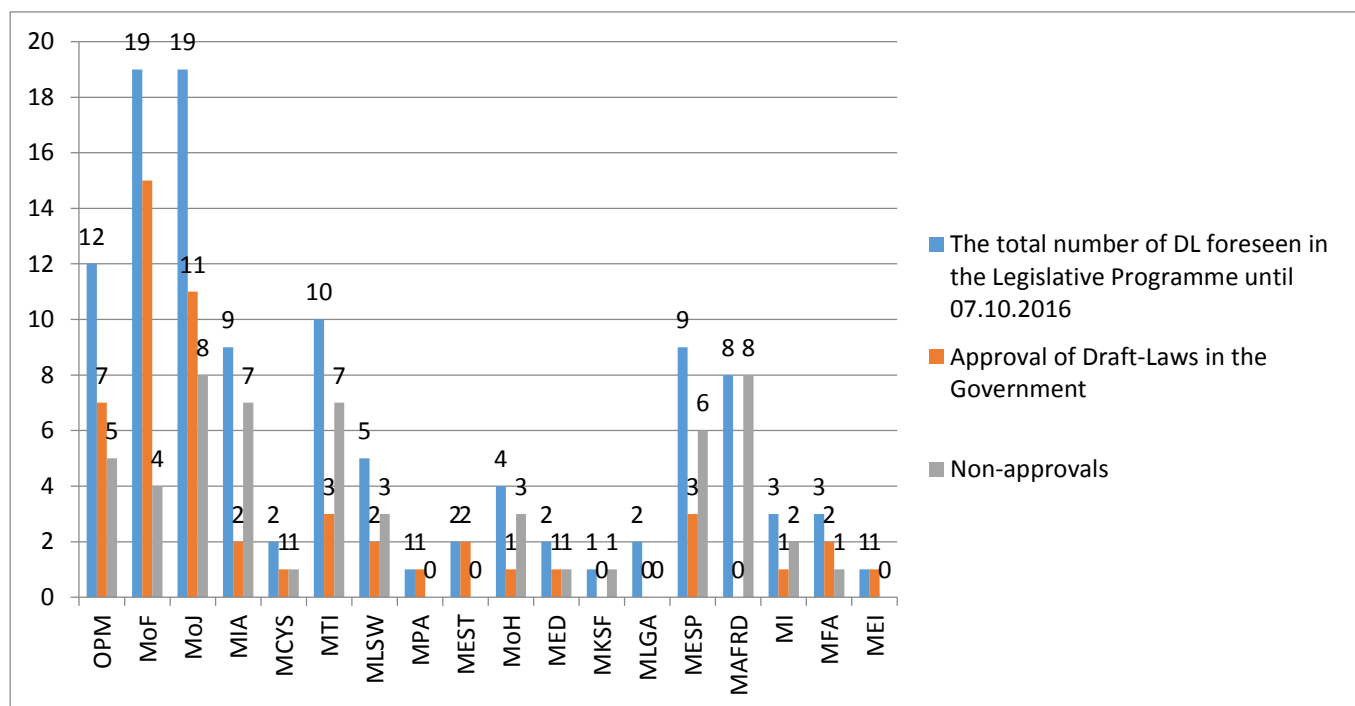
Moreover, this program is further used by the Assembly of Kosovo to plan sessions throughout the year, and development work plans for parliamentary commissions

The Office of the Prime Minister monitors the implementation of the Government's Legislative Programme, and this report contains details for implementation of the Legislative Programme during 2016.

The Legislative Program 2016 contains a total of 112 draft laws, out of which a total of **53 draft laws** were approved.

Within 112 draft laws planned for 2016, 51 of them were foreseen for the NIPSAA, where only 12 of them have been approved whereas 39 were not.

In order to reflect implementation of the legislative program during 2016, below is presented the state of draft-law implementation.



Institutions	OPM	MoF	MoJ	MIA	MCYS	MTI	MLSW	MPA	MEST	MoH	MED	MKSF	MLGA	MESP	MAFRD	MI	MFA	MEI
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the total number of planned drafts vs 2016	12	19	19	9	2	10	5	1	2	4	2	1	2	9	8	3	3	1
approvals	7	15	11	2	1	3	2	1	2	1	1	0	0	3	0	1	2	1
non-approvals	5	4	8	7	1	7	3	0	0	3	1	1	0	6	8	2	1	0
total																		53/59

### Annex 3: PROCESS OF PREPARING CONCEPT PAPERS

Aiming to develop governmental policies and implement certain activities within the Government Annual Work Plan 2016 and after a long period of consultation and verification with all ministries, a list of concept papers<sup>8</sup> has been drafted, which originally planned on preparing 74 concept papers. The list also contains 14 concept papers transferred from the previous year. Whereas, the list now consists of 69 concept papers, amended and supplemented on 13.06.2016, 19.09.2016 and 23.11.2016.

This report contains comprehensive data on the process of preparing concept papers for 2016. The report includes data on Concept Papers adopted by the Government, those that have passed the preparation and consultation phases foreseen in the Regulation No. 09/2011 on Rules of Procedure of the Government, as well as draft concept papers which did not commence drafting in accordance with the deadlines set out in the Government Annual Work Plan 2016 and the List of Concept Papers 2016.

Concept Papers planned for 2016 by Ministries: OPM had planned 2 CPs, MEST planned 4 CPs, MoJ planned 4 CPs, MoF planned 5 CPs, MESP planned 7 CPs, MLGA planned 5 CPs, MIA planned 2 CPs, MLSW planned 3 CPs, MCR planned 2 CPs, MoH planned 4 CPs, MPA planned 2 CPs, MCYS planned 7 CPs, MoF planned 2 CPs, MAFRD planned 6 CPs, MTI planned 9 CPs, and MoD had planned only 1 CP for 2016. In the chart below are presented the data of concept papers for ministries by deadlines.

<sup>8</sup> In January pursuant to Regulation no.09/2011 of Rules of Procedure of the Government, specified in Article 48, paragraph 7 and Article 29, paragraph 3, taking into account the proposal of the Government Coordination Secretariat.

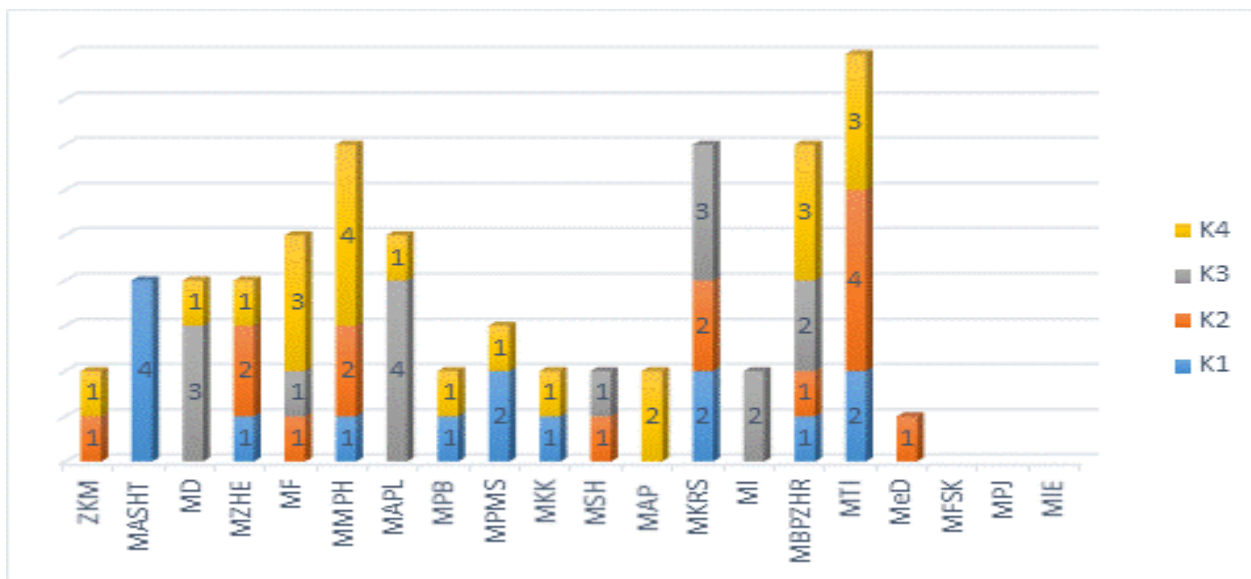


Figure no.1 The chart presents planned concept papers by periods in 2016

During 2016, the Ministry of Finance, Ministry of European Integration, the Legal Office and the Office of Strategic Planning have contributed to the process of drafting concept papers, and their revision by responsible institutions, in accordance to the Rules of Procedure of the Government.

### Data presented for Concept Papers in 2016

From a total of 69 concept papers planned to be adopted in January-December 2016, 26 CPs or 38% were adopted, 8 CPs are in the process of being reviewed in the two phases under Article 7 and 35, or 11%, whereas 35 CPs or 51% did not start being reviewed and no information, on whether they embarked on the preparation process, is available.

The percentage of adopted CPs, those on proceedings, CPs that did not start any procedure and PCs planned for January-December 2016 is presented in the chart below:

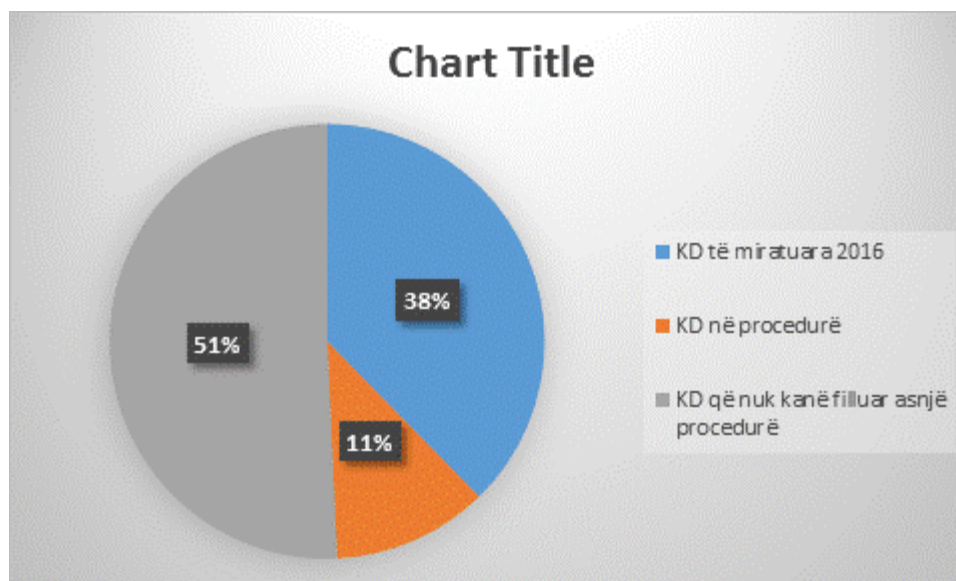


Figure no. 3. The percentage of CPs adopted, those on proceedings and CPs that did not start any procedure for 2016



### Data presented in Concept Papers for 2016

Following, data on the number of planned concept papers, and those adopted in 2016 by ministries are presented in the chart below.

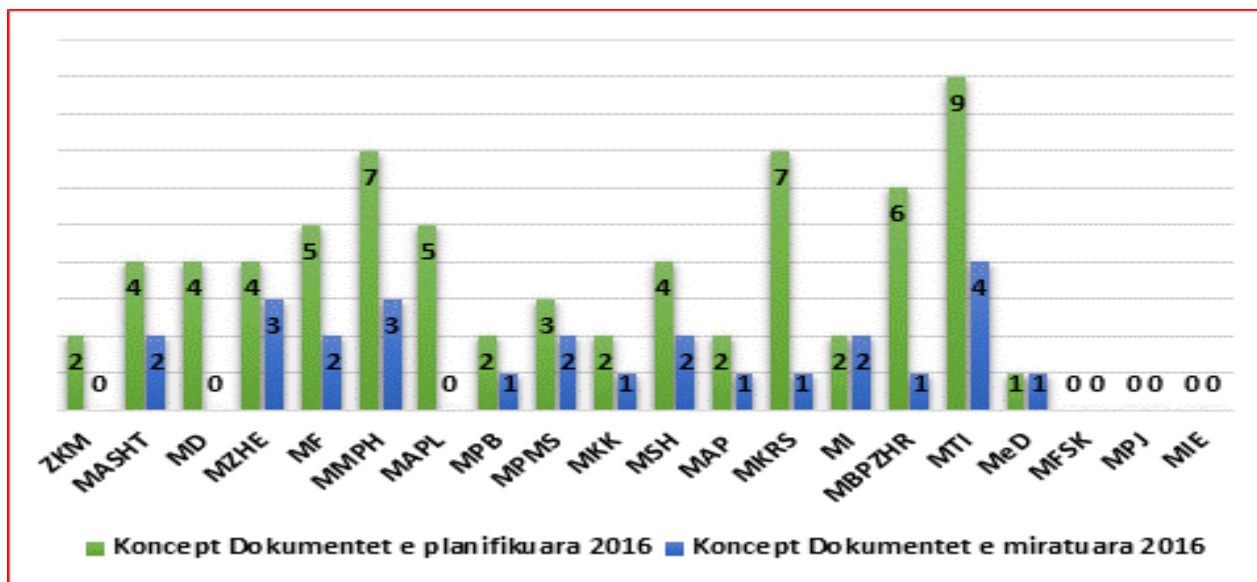


Figure no. 4 Overview of planned and adopted concept papers in 2016 by ministries

### Quality of policy analysis

Throughout the year, GCS, in addition to reviewing Concept Papers under the Rules of Procedure, has conducted various activities with the aim of increasing the quality on drafting new policies.

On the GCS initiative, and with the support of SIGMA's experts and financial support from SIDA, was organised a workshop aiming to open discussions on revision of **Guidelines for the Preparation of Concept Papers and Explanatory Notes No. 074/2012** with the representatives of all ministries. The process was preceded by annual reports on the process of drafting CPs and interviews organised by SIGMA's experts engaged by the Secretariat, with teams and officials responsible for drafting concept papers of six ministries. GCS has also organized additional consultation meetings and provided additional comments in different phases of drafting concepts papers.

**Defining the problem** - In general, the concept papers prepared lacks a proper analysis of defining the problem, and options proposed to address it.

While identifying the issue/problem, the emphasis was not put on the main problem. This chapter lacks the elaboration of existing policy, regardless of specific legal basis for its regulation. What caused the problem, including its effects and duration were not clearly explained in all cases. Proposals on regulating the issue addressed in the Concept Paper did not precisely specify the problems which prompted to take steps on amending/supplementing the existing policy. In some cases, the areas of influence/impact were not identified, and the institutions involved in the regulation or addressing the problem were not included.

Regarding other countries experiences, in some cases, there is not too much information provided on how countries address the specific issue. For example, it is mentioned that the specific country regulated the issue by law, but further details on how the issue was addressed are not provided.

**Analysis of options** - Primarily, options proposed by ministries in essence are not different. Normally, the options proposed by ministries include the preparation of new laws, or amending/supplementing the existing ones, but do not provide sufficient information on the contents. Ministries are typically focused on their recommended option, whereas the other options are not considered. The possibilities on resolving the problem by changing the existing approach are not analysed, which implies the addressing of issue without supplementing and amending the legal basis.

Some of the draft concept papers submitted to GCS, during the first review phase, were aimed at justifying the decision taken in advance by the compiler/sponsor of the document. In such cases, there is not too much attention paid to collection of statistical data on identifying the problem, option analysis, their impact and financial cost assessment.

**Consultation Process** - The exclusion and absence of comments/recommendations by other institutions involved or affected by the new policy, is a general characteristic on the lack of quality of concept paper content.

The ministry did not present in the concept paper content whether the comments and suggestions which were submitted to the ministry in writing or other forms of consultation (meetings, round tables and workshops) were taken into account, or the reasons for not including them in the content of the document.

**Budgetary Impact Assessment** - Even in 2016, budgetary impact assessment was conducted only for the recommended option when the policy was foreseen to have additional budget costs.

**Communication Process** - Communication is a chapter to which is paid less attention by ministries. The process of policy communication remains to be conducted in parallel with the policy document.

**Planning** - Special care must be paid to planning the preparation or drafting concept papers, because several ministries planned on preparing up to 9 concept papers over the year. Based on preliminary reports on evaluating this process, the planning process is not serious and does not contribute on proper development of existing policies and new policy proposals. Therefore, more attention must be paid by ministries to the work regarding their preparation, as well as on selection of issues for concept papers.

Proper and real planning for drafting concept papers is considered as one of the key factors which would affect the quality improvement of concept paper contents.

**Inter-ministerial consultation and final review** - In reviewing concept papers, according to Article 7 of the Rules of Procedure of the Government, GCS gave comments on all received concept papers, or 21 options, wherein we believe that the majority of them were reflected in the concept paper contents, which following this phase were proposed to the Government for revision and adoption. It should be noted that the opinions of offices (LO, OSP, OPC, MEI and MoF)

<sup>9</sup> have assisted GCS regarding the final option on adopting the CP or amending and supplementing the document.

**Compliance with governmental policies** – Not all Concept Papers proposed are in compliance with the Annual Work Plan of the Government 2016, with the priorities arising from the European integration process and in particular with the sector policies of ministries.

## **Conclusions and Recommendations**

After reviewing concept papers received during January-December 2016 in terms of respecting the procedures specified in the Rules of Procedure of Government, compliance with government policies and quality of drafted documents, GCS assesses that:

### *Respecting the Rules of Procedure of the Government and inter-institutional coordination*

- Out of 26 concept papers adopted by the Government in January-December 2016, 8 Concept Papers underwent only the review phase under Article 35 of the Regulation, 1 CP was adopted in an accelerated procedure, meaning that it did not undergo any consultation phase and 17 CPs were reviewed under Article 7 and 35 of RPG;
- At central level GCS, LO, OPC, MEI and MoF have been proactive in the process of reviewing concept papers and providing written opinions. Whereas, OSP did not provide sufficient contribution regarding the options. However, none of concept papers, adopted by the Government was accompanied with all opinions of the respective offices, as required by Article 36, paragraph 1 of RPG;
- Documents lack the table, in which comments submitted by other institutions are listed, as required by Article 36, point 1.6 of RPG and Guidelines for the Preparation of Concept Papers;
- In general, Ministries did not respect the deadlines for the preparation of draft Concept Papers, which affected their preparation in considerable delays. Out of 69 CPs planned to be drafted in 2016, only 26 were adopted;
- Despite the fact that Ministries submitted their proposals for comments in the first review phase, in most cases they do not receive feedbacks by responsible institutions,
- There are still cases where preparation of Concept Papers is done by the legal departments, instead of professional departments responsible for drafting and monitoring new policies;

Based on the above conclusions, it is recommended that all institutions involved in drafting and reviewing of concept papers to take the necessary actions, under their duties defined by Rules of

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<sup>9</sup>Opinions provided for proposal review according to Article 35  
Coordination Secretariat of the Government 30  
Legal Office 27  
Office for Strategic Planning 4  
Ministry of Finance 25  
Ministry of European Integration 12  
Office for Public Communication 9

Procedure of the Government, on improving and further advancing the process of drafting Concept Papers in function of implementation of procedures and quality improvement of CPs.

### The data presented for Concept Papers in Q4 2016

For 7 concept papers adopted in the last quarter, were given: 6 opinions by the Legal Office, 6 opinions by the Ministry of Finance, 2 opinions by the Ministry for European Integration, 3 opinions by the Office of Public Communications and 1 option by the Office of Strategic Planning. Whereas, by the Government Coordination Secretariat were given 6 opinions to 7 adopted Concept Papers.

Concept Papers for Metrology on Regulating the Field of Protective Safeguard Measures on Imports, and on Technical Requirements for Products and Conformity Assessment were adopted by the Ministry of Trade and Industry on the deadline set in the last quarter of 2016, Concept Paper on the Central Bank of the Republic of Kosovo was adopted by the Ministry of Finance on the deadline set in Q4 2016, Concept Paper on Kosovo Geological Service was planned to be adopted in June, but it was adopted in the fourth quarter by the Ministry of Economic Development, Concept Paper on Postal Services was adopted by the Ministry of Economic Development on the deadline set in Q4 2016, whereas the Concept Paper on Regulating the Pensions of War Veterans and other Categories of war was not in the List of Concept Papers, but it was adopted in an accelerated procedure by the Government in November 2016.

The list of Adopted Concept Papers 01.10.2016-31.12.2016				
No.	Concept Paper	Institution	No. of decision	Date
1	Concept Papers on Metrology	MTI	03/112	18.10.2016
2	Concept Paper on the Central Bank of the Republic of Kosovo	MoF	17/113	31.10.2016
3	Concept Paper on Kosovo Geological Service	MED	01/114	07.11.2016
4	Concept Paper on Regulating the Pensions of War Veterans and other Categories of war	MLSW	03/116	16.11.2016
5	Concept Paper on Postal Services	MED	11/116	16.11.2016
6	Concept Papers on Regulating the Field of Protective Safeguard Measures on Imports	MTI	08/122	23.12.2016
7	Concept Papers on Technical Requirements for Products and Conformity Assessment	MTI	09/122	23.12.2016

*Table no.1. The list of adopted Concept Papers by Ministries for Q4 2016*

The chart below shows the number of adopted Concept Papers versus the planned Concept Papers by Ministries for the fourth quarter of 2016. As shown in the chart, Ministry of Environment and

Spatial Planning holds the highest number of Concept Papers for this period, 4 planned CPs, out of which 2 CPs were reviewed under Article 35 and are pending adoption by the Government, whereas 2 Concept Papers were adopted in previous periods Q1 and Q2, MAFRD had 3 CPs, and none of them underwent the review phases, MTI had planned 3 CPs, 2 CPs were adopted within the set deadline, whereas 1 CP did not undergo any of the review phases, MoF had 3 CPs, 1 CP was adopted within the set deadline whereas 2 CPs did not undergo any of the review phases, MPA had 2 planned CPs, 1 CP was adopted in the preliminary period whereas 1 CP did not undergo any of the review phases, MED had 1 CP which was adopted within the planned deadline, OPM and MoH had 1 planned CP, which are in the review phase, whereas other institutions that are presented in the chart with 1 CP did not undergo any of review phases. Other institutions, which are not included in this table, did not plan on drafting concept papers for the fourth period of 2016.

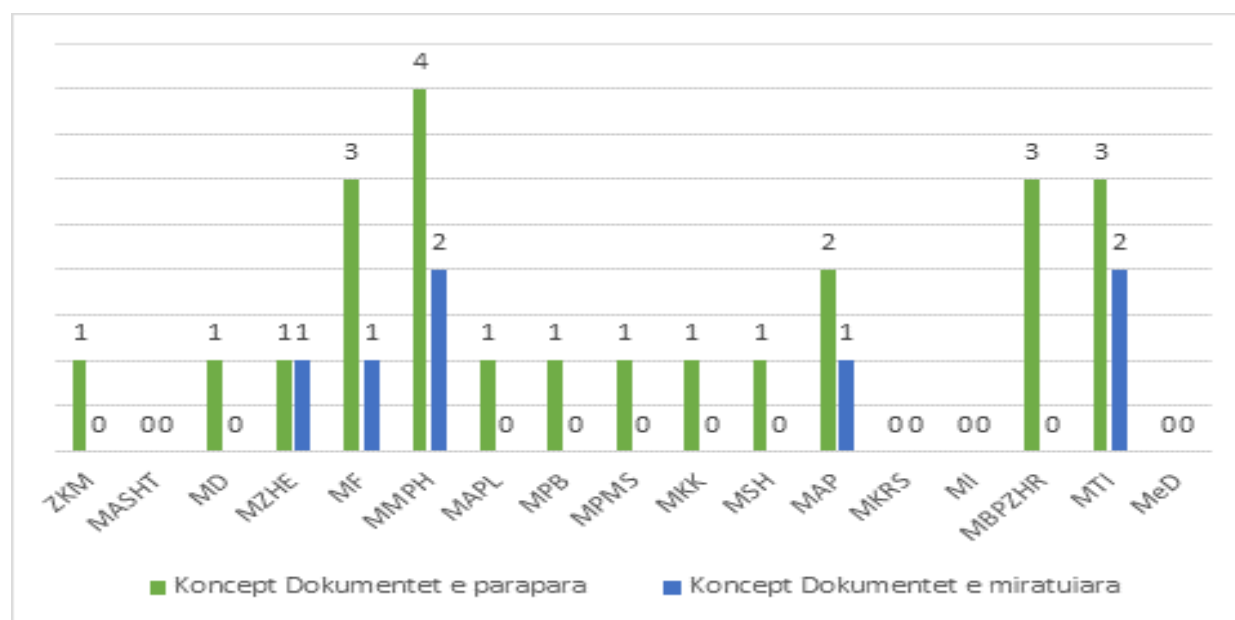


Figure no. 2 The chart presenting the planned Concept Papers, and those adopted by Ministries Q4 2016

### The data on approved Concept Papers in 2016

Concept Papers adopted in 2016				
No.	Concept Paper	Institution	N. of decision-	Date
1	Concept Paper on Public Internal Financial Control	MoF	05/72	29.01.2016
2	Concept Paper on Treatment of Illegal Constructions	MESP	03/81	23.03.2016
3	Concept Paper on Cadastre	MESP	04/81	23.03.2016

4	Concept Paper on Pension Schemes Financed by the State	MLSW	02/81	23.03.2016
5	Concept Paper on Private Security Services	MIA	05/81	23.03.2016
6	Concept Paper on Return of Displaced Persons and Sustainable Solutions	MCR	01/87	13.05.2016
7	Concept Paper on Special Compensation	MCYS	04/84	15.04.2016
8	Concept Paper on Construction Products	MTI	11/91	08.06.2016
9	Concept Paper on the Treatment of Pressure Devices that are subject to Working Pressure higher than 0.5 bar manometer	MED	12/91	08.06.2016
10	Concept Paper on Regulation of the Profession of Architects and Engineers in the Field of Construction	MESP	03/96	22.06.2016
11	Concept Paper on the Law on Roads	MI	02/96	22.06.2016
12	Concept Paper on Road Transport	MI	01/97	24.06.2016
13	Concept Paper on amending and supplementing the Law on Health	MoH	02/98	29.06.2016
14	Concept Paper on Innovation and Transfer of Knowledge	MEST	07/104	10.08.2016
15	Concept Paper on the Regulation of Functioning of Non-Governmental Organizations	MPA	03/105	19.08.2016
16	Concept Paper on Publishing School Textbooks, Teaching Equipment, School Lecture and Pedagogical Documentation	MEST	08/106	25.08.2016
17	Concept Paper on Agriculture and Rural Development	MAFRD	04/110	30.09.2016
18	Concept Paper on Health Insurance	MoH	05/110	30.09.2016
19	Concept Paper on Diaspora	MoD	06/110	30.09.2016
20	Concept Paper on Metrology	MED	03/112	18.10.2016
21	Concept Paper on the Central Bank of the Republic of Kosovo	MoF	17/113	31.10.2016
22	Concept Paper on Kosovo Geological Service	MED	01/114	07.11.2016

23	Concept Paper on Regulating the Pensions of War Veterans and other Categories of War	MLSW	03/116	16.11.2016
24	Concept Paper on Postal Services	MED	11/116	16.11.2016
25	Concept Papers on Regulating the Field of Protective Safeguard Measures on Imports	MTI	08/122	23.12.2016
26	Concept Papers on Technical Requirements for Products and Conformity Assessment	MTI	09/122	23.12.2016

*Table nr.2 Overview of adopted Concept Papers in 2016*