



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

## **National Programme for European Integration 2024-2028**

**October 2024**  
**Prishtina**

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

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Legislature VIII  
*Autumn Session*

Pursuant to Article 65 (1) of the Constitution of the Republic of Kosova, as well as Article 3, paragraph 1.4, and Article 103, of the Rules of Procedure of the Assembly, the Assembly of the Republic of Kosova, in its Plenary Session held on 30 October 2024, following its review of the National Programme for European Integration 2024-2028, took the following:

**DECISION**

The National Programme for European Integration 2025-2028 is hereby adopted.

No. 08-V-786  
Prishtina, 20.10.2024

Glauk Konjufca

\_\_\_\_\_  
(signed)  
President of the Assembly

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



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

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Legjislatura VIII  
Sesioni vjeshtor

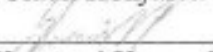
Kuvendi i Republikës së Kosovës, në mbështetje të nenit 65 (1) të Kushtetutës së Republikës së Kosovës dhe të nenit 3 paragrafi 1.4 dhe nenit 103 të Rregullores së Kuvendit, në Seancën plenare të mbajtur më 30 tetor 2024, pasi e shqyrtoi Programin Kombëtar për Integrim Evropian 2024-2028, mori këtë:

V E N D I M

Miratohet Programi Kombëtar për Integrim Evropian 2024-2028.

Nr. 08-V- 786  
Prishtinë, 30.10.2024

Glauk Konjufca

  
Kryetar i Kuvendit

Kopja e Vendimit u dërgohet:

- Qeverisë së Republikës së Kosovës,
- Drejtorisë për Mbështetjen e Komisioneve Parlamentare dhe
- Arkivit të Kuvendit.



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

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**No. 08/198**

**Date: 02.04.2024**

Pursuant to Article 92, Paragraph 4, and Article 93, Paragraph 4, of the Constitution of the Republic of Kosova, Article 8 of the Law No. 08/L-117 on the Government of the Republic of Kosova, in accordance with Article 19 of the Rules of Procedure (No. 09/2011) of the Government of the Republic of Kosova, the Government of the Republic of Kosova, in its session held on 2 April 2024, adopts the following:

**DECISION**

1. The National Programme for European Integration (NPEI) 2024 – 2028 is hereby approved.
2. The budget for implementation of the present Programme is within budget allocations to budget organisations for 2024 and in line with the Medium Term Expenditure Framework 2024-2026.
3. The Office of the Prime Minister and other responsible institutions, as per the Programme, are obliged to implement the present Decision.
4. The General Secretary of the Office of the Prime Minister is obliged to submit the Decision under point 1 of the present Decision to the Assembly of the Republic of Kosova for adoption.
5. The present Decision enters into force on the date of its publication in the Official Gazette of the Republic of Kosova.

**Albin KURTI**

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(signed)

Prime Minister of the Republic of Kosova

Submitted to:

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





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

Nr. 08/198  
Datë: 02.04.2024

Në mbështetje të nenit 92 paragrafi 4. dhe të nenit 93 paragrafi 4 të Kushtetutës së Republikës së Kosovës, të nenit 8 të Ligjit Nr. 08/L-117 për Qeverinë e Republikës së Kosovës, në pajtim me nenin 19 të Rregullores së Punës së Qeverisë së Republikës së Kosovës Nr. 09/2011, Qeveria e Republikës së Kosovës, në mbledhjen e mbajtur më 2 prill 2024, merr këtë:

**V E N D I M**

1. Miratohet Programi Kombëtar për Integrim Evropian (PKIE) 2024 – 2028.
2. Buxheti për zbatimin e këtij Programi është brenda ndarjeve buxhetore të organizatave buxhetore për vitin 2024 dhe në pajtim me Kornizën Afatmesme të Shpenzimeve 2024-2026.
3. Obligohet Zyra e Kryeministrit dhe institucionet e tjera përgjegjëse, sipas Programit, që të zbatojnë këtë Vendim.
4. Obligohet Sekretari i Përgjithshëm të Zyrës së Kryeministrit që Programin nga pika 1. e këtij Vendimi t'ia procedoj Kuvendit të Republikës së Kosovës për miratim përfundimtar.
5. Vendimi hyn në fuqi ditën e publikimit në Gazetën Zyrtare të Republikës së Kosovës.

**Albin KURTI**

Kryeministër i Republikës së Kosovës

Iu dërgohet:

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

## List of Abbreviations and Acronyms

AFLA	Agency for Free Legal Aid	FVA	Food and Veterinary Agency
AI	Administrative Instruction	GDP	Gross Domestic Product
ANSA	Air Navigation Services Agency	GLP	Government Legislative Programme
AoJ	Academy of Justice	GP	Government Programme
AP	Action Plan	HEI	Higher Education Institution
APC	Agency for Prevention of Corruption	IBM	Integrated Border Management
BCP	Border Crossing Point	IFI	International financial institution
CAA	Civil Aviation Authority	IMC	Independent Media Commission
CBK	Central Bank of Kosova	IMF	International Monetary Fund
CEC	Central Election Commission	Interpol	International Criminal Police Organisation
CEFTA	Central European Free Trade Agreement	IPA	Information and Privacy Agency
CEI	Assembly Committee on European Integration	IT	Information Technology
CIAAI	Commission for Investigation of Aeronautical Accidents and Incidents	KA	Kosova Accreditation Agency
CoE	Council of Europe	KAS	Kosova Agency of Statistics
COREPER	Committee of Permanent Representatives to the EU	KCA	Kosova Competition Authority
CPA	Central Procurement Agency	KC	Kosova Customs
CRM	Common Regional Market	KfW	German Development Bank
CSO	Civil society organisation	KIA	Kosova Intelligence Agency
DEI	Departments of European Integration, Office of the Prime Minister	KIB	Kosova Insurance Bureau
DEIPC	Department of European Integration and Policy Coordination	KIESA	Kosova Investment and Enterprise Support Agency
EARK	Employment Agency of the Republic of Kosova	KIPA	Kosova Institute for Public Administration
EBRD	European Bank for Reconstruction and Development	KJC	Kosova Judicial Council
EC	European Commission	KOSTT	Kosovo Transmission System and Market Operator
ECAP	Election Complaints and Appeals Panel	KP	Kosova Police
ECB	European Central Bank	KPC	Kosova Prosecutorial Council
ECT	Energy Community Treaty	KPCVA	Kosova Property Comparison and Verification Agency
EIB	European Investment Bank	KPST	Kosova Pension Savings Trust
EIP	Economic and Investment Plan for the Western Balkans	KSF	Kosova Security Force
ENQA	European Association for Quality Assurance in Higher Education	LD	Legal Department
EP	European Parliament	LI	Labour Inspectorate
ERO	Energy Regulatory Office	MAFRD	Ministry of Agriculture, Forestry and Rural Development
ERP	Economic Reform Programme	MCC	Millennium Challenge Corporation
EU	European Union	MCEI	Ministerial Council for European Integration
EUOK	European Union Office in Kosova	MCR	Ministry of Communities and Returns
EUROPOL	European Union Agency for Law Enforcement Cooperation	MCYS	Ministry of Culture, Youth and Sports
Eurostat	European Union Statistics Agency	MESPI	Ministry of Environment, Spatial Planning and Infrastructure
ERA	European Reform Agenda	MESTI	Ministry of Education, Science, Technology and Innovation
FDI	Foreign Direct Investments	MFAD	Ministry of Foreign Affairs and Diaspora
FIU	Financial Intelligence Unit	MFLT	Ministry of Finance, Labour and Transfers
Frontex	EU Border and Coast Guard Agency	MIA	Ministry of Internal Affairs
MIET	Ministry of Industry, Entrepreneurship and Trade	RGF	Reform and Growth Facility for the Western Balkans
MLGA		RRA	Railway Regulatory Authority

	Ministry of Local Government Administration	SAA	Stabilisation and Association Agreement
MoD	Ministry of Defence		
MoE	Ministry of Economy	SAC	Stabilisation and Association Council
MoH	Ministry of Health	SAD	State Aid Department
MoJ	Ministry of Justice	SAP	Stabilisation and Association process
MRD	Ministry of Regional Development	SAPC	Stabilisation and Association Parliamentary Committee
MTEF	Medium-Term Expenditure Framework	SC	Stabilisation and Association Subcommittee
NAO	National Audit Office		
NBMC	National Border Management Centre	SDGs	Sustainable Development Goals
NDP	National Development Plan	SEE	South-East Europe
NDS	National Development Strategy	SG	Stabilisation and Association Special Group
NGP	New Growth Plan for the Western Balkans	SG PAR	Stabilisation and Association Special Group on Public Administration Reform
NPEI	National Programme for European Integration		
NPHI	National Public Health Institute	SIGMA/OECD	<i>Support for Improvement in Governance and Management (OECD)</i>
NPISAA	National Programme for Implementation of the Stabilisation and Association Agreement	SME	Small and medium-sized enterprise
		SPRK	Special Prosecution Office of the Republic of Kosova
OECD	Organisation for Economic Cooperation and Development	SWGEI	Sectorial Working Group for European Integration
OG	Official Gazette		
OI	Ombudsperson Institution	TAK	Tax Administration of Kosova
OPM	Office of the Prime Minister	TFEU	Treaty on Functioning of the European Union
PAK	Privatisation Agency of Kosova		
PAR	Public Administration Reform	TPP	Thermal Power Plant
PIA	Prishtina International Airport "Adem Jashari"	USA	United States of America
PoE	Public-Owned Enterprise	WB	World Bank
PPRC	Public Procurement Regulatory Commission	WBIF	Western Balkans Investment Framework
PRB	Procurement Review Body	WCEI	Working Committee for European Integration
RCC	Regional Cooperation Council		
RAEPC	Regulatory Authority of Electronic and Postal Communications	WSRA	Water Services Regulatory Authority
		WTO	World Trade Organisation

## INTRODUCTION

The National Programme for European Integration (NPEI) is the main strategic document of the Republic of Kosovo for implementation of reforms for integration into the European Union (EU), oriented towards adoption of the EU *acquis* into the national legislation and implementation of the legislation aligned. NPEI 2024-2028 is the second consecutive programme holding this title, and the ninth consecutive one since the entry into force of the Stabilisation and Association Agreement (SAA) between the EU and the Republic of Kosovo.<sup>1</sup> It was approved by the Government of the Republic of Kosovo on 2 April 2024 and adopted by the Assembly of the Republic of Kosovo on 30 October 2024.

This programme is in line with the Government Programme 2021-2025 and the National Development Plan (NDP) 2024-2026 implementing the National Development Strategy (NDS) 2030. It also reflects the content of main sectoral documents. During its drafting priority was also given to addressing conclusions agreed with the EU within the joint stabilisation and association institutional structures with the EU and findings and recommendations of the *EC Kosovo 2023 Report*.

NPEI 2024-2028 was drafted during October-December 2023 and public consultations took place in January 2024. Based on the Government Decision No. 06/22 of 3 April 2015<sup>2</sup>, this process was led by the European integration departments at the Office of the Prime Minister (OPM/DEI) as the main coordinating institution, in cooperation with line institutions (LIs) responsible for each chapter, namely ministries and other institutions. The work at the LI level was coordinated by Departments of European Integration and Policy Coordination (DEIPCs) / equivalent structures. Legal Departments (LDs) and other LI structures mandated for policy development and implementation in relevant areas have also participated in this process. OPM/DEI were also an active part of the work throughout this process.

Regarding the division of responsibilities, initially LIs proposed short-term measures based on reforms agreed in meetings of the latest round of joint institutional stabilisation and association structures between the EU and Kosovo, specifically of subcommittees and special groups, as well as on findings of the *EC Kosovo 2023 Report*. The measures proposed were then analysed by OPM/DIE in terms of quality, addressing priority reforms and their implementation feasibility (based on capacities available, time needed, etc.).

The programme is comprehensive in its scope. It envisions short-term reforms for 2024 and medium-term priority objectives to fulfil obligations arising from the Stabilisation and Association Agreement (SAA) and other EU integration mechanisms, through alignment of national legislation with the EU *acquis* and implementation of aligned legislation. Based on the structure of the Copenhagen Criteria, it is divided into three blocs: *Political Criteria*, *Economic Criteria*, and *European Standards – Alignment of Kosovo’s Legislation with the EU Acquis*.

**Bloc 1: Political Criteria** covers the following areas: legislative, constitution, electoral system, public administration, ombudsperson, civilian oversight of security forces and regional cooperation. It is related to chapters 23 and 24 of the *acquis* (of the third bloc), and contains five chapters: *Constitution, Assembly and Election System; Public Administration; Ombudsperson; Civilian Oversight of Security Forces; and Regional Cooperation and International Obligations*.

**Bloc 2: Economic Criteria** are aligned with the Economic Reform Programme (ERP). It also reflects priorities and activities arising from other mechanisms of dialogue with the EU, such as annual priorities, conclusions of SAA structures or from multilateral mechanisms such as agreements with the IMF, etc. This bloc contains two chapters: *Existence of a Functioning Market Economy*, and *Capacity to Cope with Competitive Pressure and Market Forces within the Union*.

**Bloc 3: European Standards – Approximation of Kosovo’s Legislation with the EU Acquis** cover all areas of the EU *acquis* with which the national legislation needs to be aligned and implemented, also requiring

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<sup>1</sup> Law No. 05/L-069 on Ratification of SAA, available at <https://gzk.rks-gov.net/ActDocumentDetail.aspx?ActID=11239>.

<sup>2</sup> Government Decision No. 06/22, available at <https://gzk.rks-gov.net/ActDetail.aspx?ActID=62226>, p. 5.

administrative capacities. This bloc contains *acquis* 33 chapters and one chapter on the legal framework for approximation of domestic legislation with the *acquis*.

Each chapter includes the textual part and the matrix of short-term measures. The textual part summarises the state of play<sup>3</sup> (legislative, policy and institutional framework) and medium-term priority objectives. The state of play reflects key developments in respective areas at the time of finalisation of the document, specifically during the period from the end of November to the end of December 2023. The programme also includes an annex of key relevant development assistance projects funded by the EU, bilateral donors, international financial institutions (IFIs) and development banks under implementation during the timeframe of its implementation.

The matrix of short-term measures includes actions planned for 2024 to implement reforms, namely legislative measures (framework legislation and bylaws and other regulatory acts) and implementing measures (policy framework, institutional reforms, capacity-building, and enforcement or implementation in practice).

Implementation of NPEI and monitoring of its implementation is the responsibility of state administration bodies, within the scope of their legal mandate. As the central governance mechanism in charge of the fulfilment of obligations arising from the SAA and other EU integration mechanisms, the entity in charge at the highest level is the Government Cabinet, namely ministers, as well as heads of other institutions of state administration in charge of relevant policy areas. Implementation of NPEI is also monitored through joint EU – Republic of Kosovo stabilisation and association institutional structures established under the SAA, namely the Stabilisation and Association Council (SAC), the Committee and subcommittees (SCs) and special groups (SGs). Another institutional instance that monitors implementation of this programme are national coordination structures for European integration, namely the Ministerial Council for European Integration (MCEI), Working Committee for European Integration (WCEI) and Sectorial Working Groups for European Integration (SWGEIs). OPM/DEI, in cooperation with Lis (through DEIPCs / equivalent units, in charge of coordination at the level of LIs) are in charge of overall coordination at working level, including through regular monitoring and reporting.

Measures foreseeing adoption of draft-laws are considered implemented upon approval of the respective draft-laws by the Government.

The Assembly is one of the main institutional pillars for implementation of this programme, particularly through adoption of laws, including through the Committee on European Integration (CEI) and the Stabilisation and Association Parliamentary Committee (SAPC).

On behalf of the EU, the European Commission (EC), including through the EU Office (EUO) in Kosovo plays an important role in the fulfilment of obligations deriving from the SAA and other EU integration mechanisms, and consequently in implementation of this Programme.

Civil society and other stakeholders also play their role in implementation of this Programme. The OPM, as responsible institutions of the Government for European Integration, will cooperate with stakeholders outside public institutions in the implementation of this Programme, including through consultations with CSOs and other stakeholders the context of joint EU – Kosovo stabilisation and association institutional structures.

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<sup>3</sup> For a detailed overview of the SAA obligations across all chapters refer to the NPEI 2022-2026 and the National Programme for the Implementation of the SAA (NPISAA), available at <https://integrimievropian.rks-gov.net/SAA/programi-kombetar-per-zbatimin-e-marreshjes-se-stabilizim-asociimit-pkzSAA/>.

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

The Stabilisation and Association process (SAP), as a framework for the accession of Western Balkan countries to the EU, was initiated by the EU in 1999 and officially launched in November 2000 at the Zagreb Summit. Based on the Copenhagen and Madrid EU membership criteria, SAP sets out that these countries' European perspective depends on progress in establishing sustainable democracy, the rule of law, a market economy, and regional cooperation. This perspective was reaffirmed at the Thessaloniki European Council in June 2003, as well as at the EU – Western Balkans Summit held in Tirana on 6 December 2022, the first one held in the region since Croatia's EU accession. The EU membership perspective of the Western Balkans region was most recently reaffirmed in the fourth annual EU – Western Balkans summit held on 13 December 2023, in Brussels.

Regarding Kosova, in April 2005 the EC published the communication *The European Future for Kosovo*, and in 2006 the Council adopted the first European Partnership for Kosova and the second one was adopted later in 2008. In response to the European Partnership, during 2008-2012 Kosova implemented the European Partnership Action Plan (EPAP), followed by the Stabilisation and Association Agreement Action Plan (SAAAP), during 2013-2015, and the Action Plan for addressing recommendations of the Progress Report (APPR). Following the entry into force of the SAA, during 2016-2022 Kosova implemented the National Programme for Implementation of the SAA (NPISAA), and from 2023 onwards it has been implementing the National Programme for European Integration (NPEI).

On 17 February 2008 the Assembly of Kosova declared Kosova an independent and sovereign state. The Republic of Kosova is at present recognised by one hundred and seventeen (117) states<sup>4</sup>, including 22 EU member states.

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

The process towards the SAA commenced in October 2011, when the EC recommended the initiation of the *Feasibility Study for the SAA*. This study, published in October 2012, concluded that Kosova was ready to negotiate the SAA. Negotiations took place from October 2013 to July 2014. Subsequently, the SAA was approved by the Governments of EU Member States and was signed in Strasbourg on 27 October 2015. It was approved by the Government of the Republic of Kosova on 30 October 2015 and ratified by the Assembly of the Republic of Kosova on 2 November 2015. Finally, the SAA entered into force on 1 April 2016. The joint EU – Kosova institutional structures established by the SAA to oversee its implementation were made operational in 2016: Stabilisation and Association Council, the Committee, subcommittees (SCs) and special groups (SGs), as well as the Stabilisation and Association Parliamentary Committee (SAPC). These structures are convened regularly.

Another significant development is the conclusion of implementation of the second phase of political priorities agreed between the EU and the Republic of Kosova for implementation of the SAA – European Reform Agenda (ERA II), respectively of 15 priorities implemented through the Action Plan implementing these priorities (AP ERA II). Within ERA II, from mid-2021 until the end of 2023 Kosova implemented key economic reforms, for strengthening of the rule of law, consolidation of good governance, and alignment with EU standards in the areas of employment, education and healthcare. This has brought Kosova closer to the EU, and it is prepared – politically, economically, legally and institutionally – for the next stage towards EU membership.

On 15 December 2022, the Republic of Kosova officially applied for EU membership. The application was submitted to the Government of Czechia, in its capacity of the rotating Presidency of the European Council,

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<sup>4</sup> List of recognitions, <https://mfa-ks.net/lista-e-njohjeve/>.

namely to the Minister of European Affairs, Mikulaš Bek, by Prime Minister Albin Kurti. On 20 December 2022, the Council of the EU (COREPER II) was informed by the Czech Presidency about the application. The Republic of Kosovo is awaiting the receipt of the candidate status for membership so that, together with the EU, it can initiate preparations to start accession negotiations.

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

Regarding *visa liberalisation*, decision-making was concluded in 2023 upon the publication in the EU Official Journal of the *EU Regulation No. 2023/850*<sup>5</sup>, on 25 April 2023, and its entry into force, on 15 May 2023. As of 1 January 2024, citizens of the Republic of Kosovo travel visa-free to the Schengen Area for short-term visits. The Government and the EU Office have conducted public communication campaigns on rights and obligations stemming from the decision and rules of visa-free travelling.

In another significant development for the European perspective of the Western Balkans, on 8 November 2023 – along with the publication of the annual enlargement package (*Communication on EU Enlargement and Country Reports*)<sup>6</sup> – the European Commission adopted the proposal for a *Reform and Growth Facility for the Western Balkans (RGF)*. Building on the support for European reforms in the region on the Economic and Investment Plan for the Western Balkans 2021-2027, once agreed by the co-legislators, this facility will be implemented through the *New Growth Plan for the Western Balkans*<sup>7</sup> and the *Regulation of the European Parliament and of the Council establishing the Reform and Growth Facility for the Western Balkans*<sup>8</sup>. In response to this plan, on 22 January 2024 the Government of the Republic of Kosovo submitted to the EC the updated list of reforms. Dialogue with the EC Directorate-General for Enlargement Negotiations to finalize the list of reforms into a specific and implementable plan within the next four years is ongoing.

In terms of participation in *EU Programmes*, Kosovo currently benefits from *Creative Europe*, *ERASMUS+*, *Customs*, *Fiscalis* and *Horizon 2020*, while it is in the membership process for other programmes as well.

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<sup>5</sup> Regulation (EU) No. 2023/850 of the European Parliament and of the Council of 19 April 2023 amending and supplementing Regulation (EU) No. 2018/1806 with the list of countries whose citizens must possess visas for crossing the external border and those whose citizens are exempt from this requirement (Kosovo), <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32023R0850>.

<sup>6</sup> [https://neighbourhood-enlargement.ec.europa.eu/enlargement-policy/strategy-and-reports\\_en](https://neighbourhood-enlargement.ec.europa.eu/enlargement-policy/strategy-and-reports_en).

<sup>7</sup> [https://neighbourhood-enlargement.ec.europa.eu/system/files/2023-11/COM\\_2023\\_691\\_New%20Growth%20Plan%20Western%20Balkans.pdf](https://neighbourhood-enlargement.ec.europa.eu/system/files/2023-11/COM_2023_691_New%20Growth%20Plan%20Western%20Balkans.pdf).

<sup>8</sup> [https://neighbourhood-enlargement.ec.europa.eu/system/files/2023-11/COM\\_2023\\_692\\_Proposal%20Regulation%20Reform%20Growth%20Facility%20Western%20Balkans%20%2B%20annex.pdf](https://neighbourhood-enlargement.ec.europa.eu/system/files/2023-11/COM_2023_692_Proposal%20Regulation%20Reform%20Growth%20Facility%20Western%20Balkans%20%2B%20annex.pdf).

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

**Constitution**

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

**Parliament**

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

***State of Play***

The *EC Kosovo 2023 Report* assesses that the lack of decision-making quorum and of efforts to build inter-party consensus persist in negatively impacting the work of the Assembly. The Assembly has increased the number of accelerated procedures to adopt key laws. The absence, delays and early departure from plenary sessions and committee meetings have become a common practice. Although the new Rules of Procedure of the Assembly have been adopted, they lack measures to impose financial (or other) sanctions for unjustified absence in parliamentary sessions. The report recommends for the Assembly to strengthen its oversight role, improve internal management, adopt an annual work plan, and establish an electronic voting system and an electronic attendance registration system.

Under the stabilisation and association structures the Assembly is required to ensure appointment of board members of independent institutions under its remit. This process must be carried out based on principles of merit and professionalism, as well as by avoiding politicisation of these appointments. Pursuant to the Memorandum of Cooperation with the United Kingdom, the Assembly should commit to ensuring the appointment of board members of independent institutions under its remit through a transparent and merit-based process. This priority remains the most important one for the Government of Kosova as well, and it is therefore reflected in all its main planning documents.

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

**Legislation:** The composition and structure of the Assembly are set out in Chapter IV of the Constitution of the Republic of Kosova. The organisation and functioning of the Assembly and its working bodies, as well as the rights and duties of MPs, are provided for in the Rules of Procedure of the Assembly, adopted on 28 July 2022. In order to implement Article 132 of the SAA, SAPC, as a joint forum of the Assembly of the Republic of Kosova and the European Parliament in charge of exchanging views on implementation of the SAA, has been established. SAPC is functional and convenes regularly, on biannual basis. **Policy:** According to its Rules of Procedure, the Assembly operates mainly based on GLP and Work Plans of its committees, while in relation to the SAA it currently also implements reforms foreseen in NPEI.



*Institutional framework:* The Assembly of the Republic of Kosovo consist of 120 MPs, including guaranteed seats for non-majority communities. Its functions, provided for by Article 65 of the Constitution of the Republic of Kosovo, include the legislative function, election of the Government and the President of the Republic, as well as appointment of heads of supervisory bodies of independent institutions and oversight of their performance. In addition, the Assembly, mainly through its committees, oversees implementation of laws, recommending measures to be taken in case of their non-implementation or inadequate implementation. Internal functioning of the Assembly is further regulated by its Rules of Procedure. In order to ensure its functioning the Assembly elects its Presidency (the Speaker and Deputy Speakers) and appoints its standing, functional and *ad hoc* committees. The Assembly administration consists of its General Secretary, who is appointed by the Presidency of the Assembly, and three Directorates-General (DGs): DG for Procedural Issues, DG for Media and Public Relations, and DG for Administration. Key functions in the context of implementation of the SAA, including that of approximation and alignment of legislation, are performed by the DG for Legislative Services.

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

- Enhancing the Assembly's law-making capacities, especially of the DG for Legislative Services, through the filling of vacant positions during 2024;
- Improvement of oversight of the executive, including the security sector, by monitoring implementation of policies and laws;
- Overseeing budget expenditures of the Assembly during the fiscal year, including through analyses and implementation of gender-responsive budgeting monitoring;
- Enhancing professional capacities of the Assembly's administration pursuant to the new Rules of Procedure, through the Training Plan, training programmes under agreements between the Assembly and donors, exchange with other assemblies, and the International Cooperation and Inter-parliamentary Relations Strategy.

**Election System**

The Republic of Kosovo is a democratic parliamentary republic with a multi-party representative system. The Constitution and the Law on General Elections in the Republic of Kosovo, the latter in force since July 2023, regulate the election system in Kosovo. According to the Constitution and this law, Kosovo is a single constituency with multiple candidates. By exercising his/her right to vote, a voter votes for one (1) certified political entity and can vote for up to ten (10) candidates from the list of candidates of that political entity, and in case he/she votes for more than ten (10) candidates only the vote for the political entity is counted. The Assembly of the Republic of Kosovo has one hundred and twenty (120) MPs elected by secret ballot based on open lists, twenty (20) of whom have guaranteed seats to represent non-majority communities in the country. The election legislation also guarantees gender equality in the election system.

***State of Play***

According to the *EC Kosovo 2023 Report*, Kosovo has made significant progress on electoral reform through the adoption of the amended Law on Financing of Political Parties and the Law on General Elections. The new legal framework addresses the longstanding recommendations of EU and OSCE election monitoring missions. The extraordinary local by-elections in four municipalities in the northern part of the country, held on 23 April 2023, were in accordance with Kosovo's legal framework and efforts have been made to ensure that they are conducted in a peaceful and orderly manner. However, due to the very low turnout (3.47% of voters), especially of Serb citizens of Kosovo, these elections do not ensure a long-term political solution for these municipalities. The report commended the establishment of the *Ad-hoc* Assembly Committee to address EU's recommendations regarding the election process.

Nevertheless, *it recommends* the adoption of the Law on IMC. CEC must implement the new legal framework prior to organising the next general elections and needs more financial and human resources to perform the additional tasks according to the amended legislation. Early local elections should be held as soon as possible in four municipalities in the northern part of the country, organised in a fully inclusive manner with the unconditional participation of Kosovan Serbs.

### *Legislative, Policy and Institutional Framework*

*Legislation and policies:* Elections in the Republic of Kosovo are regulated by the new Law on General Elections, the Law on Local Elections and the Law on Financing of Political Parties (in force since August 2022, in line with Venice Commission recommendations), CEC bylaws governing the electoral process and the Central Election Commission Strategic Plan 2023-2026.

*Institutions:* The institutional framework in this area consists of the Central Election Commission, Election Complaints and Appeals Panel, and Electoral Management Bodies such as Municipal Election Committees (MCC) and Polling Station Councils (PSCS). Another relevant institution in the context of the ongoing reform to link the address system with civil registers is the MIA Civil Registration Agency (CRA), in charge of the civil registers component within this reform.

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

- Implementation of recommendations of the EU Election Observation Missions;
- Linking the address system to the central civil status registry, to increase accuracy of the voter list;
- Refurbishing of CEC premises and provision of resources for education, training and capacity-building for participants in electoral processes (political entities, election governing bodies, voters and civil society);
- Application of technology in electoral processes in order to ensure accuracy, transparency and efficiency.

### **1.1.2. Public Administration**

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

#### *State of Play*

According to the *EC Kosovo 2023 Report*, Kosovo has some level of preparation and made limited progress in the area of public administration reform. The EU recommends that during 2024 Kosovo should focus on:

- Improving functioning and accountability of public administration, including through rationalisation of agencies and introduction of performance management in agencies; to that end, strengthen administrative capacities, fill open vacancies regularly in line with the principle of merit-based recruitments;
- Amending the new Law on Public Officials, in accordance with the principles of a modern public administration;
- Ensuring efficient functioning of the new remuneration system by implementing the Law on Organisation and Functioning of the State Administration and Independent Agencies and finalising the processes of: (i) regulating internal organisations of public bodies, (ii) job classification; and (iii) systematisation of job positions at the central level according to job descriptions;
- Improving legal certainty, reducing administrative burden and increasing the number of services in the public administration for businesses and the public.

On the other hand, according to MIA's assessment, for the first time since 2012 political influence is not mentioned in EC's Report on Kosovo. Specifically, the comprehensive Public Administration Reform Strategy 2022-2027 and the Public Finance Management Reform Strategy 2022-2026 were adopted in 2022 and their implementation has begun. Human resource related issues encountered in implementation of the Law No. 06/L-114 on Public Officials and the Constitutional Court's decision have prompted a substantial

revision of this law and a comprehensive drafting of the Law on Salaries in the Public Sector. Consequently, the Assembly adopted the Law No. 08/L-196 on Salaries in the Public Sector on 23 December 2023, which is being implemented as of 5 February 2023, and the Law No. 08/L-197 on Public Officials. It is worth to point out that for the first time in the Republic of Kosovo a uniform law on salaries in the public sector is being implemented. On the other hand, the law on public officials is bringing agility in human resource management and a new dynamic in attracting human capacities from outside of public administration. In addition, after three attempts to finalise the classification and systematisation of job positions, it was adopted by the Government on 16 February 2023 and is being implemented with a grace period for possible corrections. The Government is focused on professionalising public administration by strengthening human capacities of the Ministry in charge of public administration and all public institutions.

On the other hand, there are still challenges in implementation of the Law on Organisation and Functioning of the State Administration and Independent Agencies; that is its implementation has not been satisfactory due to issues arising from the discrepancy between the law and the real context in the state administration. This issue is being addressed by responsible institutions. Addressing issues in the state administration and independent agencies is a priority, and the Assembly has therefore adopted laws on the first and second waves of rationalisation of agencies in 2022, a process that had stalled since 2015. With regard to this reform, a methodology on establishing, abolition or merging of agencies has also been adopted and based on it a new action plan on subsequent waves of rationalisation of agencies is being developed. As for the reduction of administrative burden in the provision of public services and digitalisation of these services, in September 2022 the Assembly has adopted the Law amending laws containing special administrative procedures and aligning them with the Law on General Administrative Procedure, which will implement the first wave of harmonisation of laws with LGAP. As a continuation of this reform, the Government has adopted the AP on the next two waves of alignment of the remaining laws with LGAP. The second wave is already in the second reading in the Assembly of the Republic of Kosovo, while the third wave is being analysed and preparation of the draft-law will commence soon. On other key developments under this pillar, in September 2022 the Government has adopted the Programme on Prevention and Reduction of Administrative Burden 2022-2027 and the E-Governance Strategy and has so far digitalised over 150 public services provided through the e-Kosova platform, while digitalisation of several other public services is underway.

Furthermore, in the context of the *SG on Public Administration Reform*, Kosovo prioritises the following key reforms in this area:

- Ensuring that the new PAR Strategy is implemented timely and properly;
- Harmonising the new Public Finance Management Reform Strategy with the Law on Public Financial Management;
- Improve functioning of the civil service and completing the job classification process;
- Enhancing capacities of the Strategic Planning Office to coordinate the Administrative Burden Reduction Programme;
- Ensuring that draft-laws, prior to their approval by the Government, are in line with the Law on General Administrative Procedure and the principles of administrative burden reduction.

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

*Legislation:* The main laws in this chapter are the following: Law No. 06/L-113 on Organisation and Functioning of State Administration and Independent Agencies, the new Law on Public Officials and the Law on Salaries in the Public Sector. The Law amending laws related to rationalisation and establishment of accountability lines of independent agencies, the first wave (adopted in August 2022) and the second wave (adopted in April 2023), on rationalisation of existing agencies; the Law amending laws containing special administrative procedures and their alignment with LGAP, with a view to amending special laws regulating special administrative procedures while ensuring compliance with general principles and protecting parties' legal rights and interests.

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

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

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

- Creation of a professional, apolitical, merit-based and well-managed civil service through reorganisation of ministries and their subordinate bodies, finalisation of the job classification process and implementation of a new salary system;
- Increasing efficiency, transparency and accountability, as well as improving services for citizens and businesses through advancement of electronic government by implementing the e-governance strategy;
- Administrative burden reduction through alignment with LGAP of special laws and bylaws containing special administrative procedures;
- Continuation of implementation of the process of rationalisation of agencies;
- Improvement of the human resource management system by linking it with the payroll system;
- Further strengthening of the administration through capacity development for policy planning, analysis, development and implementation, with a view to creating substantive, economically efficient and financially affordable policies;
- Improvement of training provided to civil servants based on adequate assessment of their level and training needs;
- Completion of the PAR legal and operational framework and finalisation of costing reforms, thus forming the basis for determining the scope of the general and financial sectoral budget support;
- Further improvement of quality of public consultations, in accordance with the Regulation on Minimum Standards for the Public Consultation Process;
- Provision of sufficient funds for implementation of the PAR legislative package;
- Increasing transparency to the public through advancement of the open data portal where data will be published by central and local level institutions.

**Local self-government**

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

***State of Play***

According to the *EC Kosovo 2023 Report*, there are still disparities among municipalities in their performance and service delivery, and effective oversight of executive municipal authorities by legislative ones remains a challenge. Communication and cooperation between the Government and Municipalities need to be improved. On audit practices, progress has been made towards more effective oversight and transparent governance. Municipalities do not sufficiently utilise existing mechanisms for inter-municipal cooperation.

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

*Legislation:* The legislative framework on local self-government consists of the Law on Local Self-Government, Law on Local Elections, Law on Local Government Finance, Law on the Municipal Performance Management System and the Performance-Based Grant Scheme, as well as MLGA AIs and regulations on organisation and functioning of Municipalities. *Policy:* The Local Self-Government Strategy 2016-2026 sets Government's priority policies for the advancement of local self-government by linking the short- and long-term policies of MLGA and other government and local sectors on key development aspects in this area. The National Local Economic Development Programme, aiming to improve socio-economic well-being and decentralise local government, and the Open Governance Partnership National AP 2023-2025, are also being implemented. *Institutions:* Key institutions in the area of local self-government are Municipalities and the Ministry of Local Government Administration.

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

- Development of the socio-economic infrastructure and increasing inter-municipal cooperation;
- Expansion of community oriented infrastructure;
- Advancement of local government policies and legislation;
- Simplification of administrative services at the local level;
- Increasing citizens' participation in local policy development;
- Implementation of IPA funded Cross-Border Cooperation Programmes.

### **1.1.3. Ombudsperson<sup>9</sup>**

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

#### *State of Play*

OI continued to work on fulfilling its constitutional mission of protecting the rights of Kosovo's citizens against actions of public authorities. This had an impact on increasing citizens' trust in the institution and accountability by public authorities in terms of meeting their constitutional and legal obligations in citizens' service.

According to conclusions of *SC VI on Justice, Freedom and Security*, the country's institutions must ensure proper monitoring of implementation of Ombudsperson's recommendations, with a view to further increasing the rate of their implementation. The process of selecting the Deputy Ombudspersons has also been completed, in order to ensure the full functionality of this institution.

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

*Legislation:* The Ombudsperson's mandate is defined by the Constitution and the human rights legal package (Law on the Ombudsperson, Law on Protection against Discrimination, Law on Gender Equality and Law on Child Protection). The Ombudsperson also has specific competencies defined by other laws, such as the Law on Child Protection, Law on Access to Public Documents, Law on Disciplinary Liability of Judges and Prosecutors, Law on the Kosovo Intelligence Agency, Law on Tax Administration and Procedures, Law on General Administrative Procedure, Law on Administrative Disputes, Law on the Protection and Promotion of the Rights of Communities and their Members, Civil Law against Defamation

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<sup>9</sup> This chapter is related to *chapter 23: Judiciary and fundamental rights*.

and Insult, Law on the Execution of Criminal Sanctions, Criminal Procedure Code, Law on the Use of Languages, Law on Contested Procedure, etc.

On approximation with the *acquis* in this area, a considerable number of relevant acts have been (partially) transposed into the Law on Protection against Discrimination and the Law on Gender Equality. The *policy* document in this chapter is the OI Strategy and Development Plan 2021-2025.

*Institutions:* OI is an independent constitutional institution that protects, oversees and promotes human rights and freedoms. The National Mechanism for Prevention of Torture operates within its remit by monitoring the places where persons deprived of their liberty are kept in cases of suspected violation of human rights and freedoms. It is a guide in fulfilling the mission by the *Paris Principles*<sup>10</sup> and *Venice Principles*<sup>11</sup>, as minimum international criteria for any national human rights institution to be considered credible and worthy of exercising its mandate.

**Medium-term priority objectives:**

- Protection and oversight of fundamental human rights and freedoms through OI's enhanced influence in fulfilling its mandate;
- Promotion of fundamental human rights and freedoms;
- Promotion of Sustainable Development Goals (SDGs);
- Further development of OI's institutional capacities and human resources;
- Continuing efforts and institutional cooperation and coordination in following up and increasing the rate of implementation of Ombudsperson's recommendations.

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

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

*Legislative, Policy and Institutional Framework*

*Legislation:* The legal framework in this area consists of the Law on the Ministry of Defence, Law on Kosova Security Force and the amended Law on Service in the Kosova Security Force, in force since November 2022. The legal framework in this area was advanced in 2022 through the Law on Military Police in the Kosova Security Force and the Law on the Parliamentary Commissioner for the Kosova Security Force. This area is also regulated by the Law on Classification of Information and Security Clearances and the Law on the Kosova Intelligence Agency. *Policy:* Kosova Security Strategy 2022-2027 is the main policy document in this area. *Institutions:* Pursuant to the relevant legislation, the chain of democratic civilian control begins with the Assembly (through its relevant committees), the President of the Republic as KSF Supreme Commander, the Prime Minister and the Minister of Defence, whose powers are exercised by calling to report, appointment, promotion and oversight of finances. So, responsible institutions in this area are the following: President of the Republic, Assembly, the Oversight Committee and the Government, namely the Prime Minister and the Minister of Defence.

## **1.2. Regional Cooperation and International Obligations<sup>12</sup>**

Within the Copenhagen political criteria, good neighbourly relations and regional cooperation are essential for EU integration, as they establish a favourable climate for stability and political and economic integration of the region. In this area, Kosovo remains committed, constructive and pragmatic to enhance regional

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<sup>10</sup> The Paris Principles are the minimum criteria set by the UN that a national human rights institution must have to be considered credible, independent and effective in the international context.

<sup>11</sup> Principles for the Protection and Promotion of Ombudsperson Institutions (Venice Principles), Venice Commission, [https://www.venice.coe.int/webforms/documents/default.aspx?pdffile=CDL-AD\(2019\)005-e](https://www.venice.coe.int/webforms/documents/default.aspx?pdffile=CDL-AD(2019)005-e)

<sup>12</sup> This chapter is related to *chapter 31: Foreign, Security and Defence Policy*.

cooperation, with a view to strengthening relations with neighbouring countries, raising the level of comprehensive exchange and advancing cooperation in areas of common interest. Kosovo also maintains good neighbourly relations and is committed to expanding cooperation in all areas and levels, based on principles of mutual respect, equality and inclusiveness, within the EU integration agenda and with its direct involvement.

### *State of Play*

According to the *EC Kosovo 2023 Report*, Kosovo generally maintains good bilateral relations with other enlargement countries and neighbouring EU Member States.

On *bilateral relations in the region*, Kosovo maintains close relations with Albania, with which it develops a strategic partnership. Both states also regularly hold joint meetings of Governments, while in November 2022 the first joint meeting of assemblies of both states was held.

*Relations with Bosnia and Herzegovina have not changed.* The latter does not recognise Kosovo's statehood and the strict visa regime between the two countries remains in force, while the initiative to facilitate visa procedures for citizens of Kosovo is still pending. Kosovo has ratified the Agreement on Freedom of Movement with Identity Cards, signed in the course of the Berlin Process in November 2022. However, citizens of Kosovo and Bosnia and Herzegovina cannot yet benefit from this agreement because B&H has not ratified it. Kosovo urges for the agreement to be ratified, allowing citizens to start benefiting from the signed agreement.

Kosovo enjoys good relations with Montenegro, which have improved through the official visit of the President of Kosovo to Montenegro, in February 2023, and the visit of the Prime Minister of Montenegro to Prishtina, in April 2023. Kosovo also enjoys good relations with North Macedonia. Kosovo enjoys good relations with Türkiye, including political, economic and cultural sectors. Kosovo has sent 36 KSF members to Türkiye during the humanitarian intervention following the 6 February 2023 earthquake.

*Regarding the normalisation of relations with Serbia*, the Republic of Kosovo is committed to contributing constructively to creating the necessary conditions for the implementation of the agreement of 27 February, along with the annex approved on 18 March 2023. The goal is to establish neighbourly relations and conclude the process of Kosovo's accession to international organisations. Kosovo is interested in completing the implementation of the latest agreement for the normalisation of relations with Serbia as quickly as possible and working towards a clear future for Kosovo's accession to the EU.

Kosovo has proven to be a credible, constructive and contributing partner within regional organisations and initiatives. A challenge for Kosovo remains achieving equal representation and without discrimination at various levels within these organisations and initiatives. Kosovo aims to lead at least one regional organisation/initiative. The current distribution of leadership positions among member states is unbalanced, and Kosovo seeks to address this issue with other regional countries.

*Legal, policy and institutional framework:* The key law in this area is the Law No. 04/L-052 on International Agreements, while the Law No. 04/L-023 on Missing Persons is applicable in relation to missing persons. The state policy in this area is provided for under the Government Programme of the Republic of Kosovo 2021-2025, namely in the chapter on foreign policy and diaspora. *Institutions* responsible in this area are MFAD and OPM, with the latter in charge of the dialogue for the normalisation of relations with Serbia, the Common Regional Market (CRM) and the Berlin Process.

## 2. BLOC 2: ECONOMIC CRITERIA

### 2.1. Existence of a Functional Market Economy

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

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

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

Based on Council conclusions, the EC has recently launched a new approach, similar to mechanisms used for member states, to promote economic and political development in Kosovo. In this context, the EU Enlargement Strategy for the Western Balkans is based on three pillars, one of which is economic governance. Policy dialogue with the EU, including the Economic Reform Programme (ERP), is a key instrument to strengthen economic governance. Similarly, the new enlargement methodology establishes six membership negotiation clusters of chapters. Economic criteria, along with rule of law and PAR, are part of the first cluster, on fundamental reforms (the 'fundamentals first' approach). The EC monitors progress in economic governance based on assessment of the fulfilment economic criteria and the ERP mechanism. For all Western Balkans countries ERPs are the basis of EC policy guidelines endorsed at ministerial level for WB countries and Türkiye.

#### *State of Play*

According to *the EC Kosovo 2023 Report*, Kosovo is at an early stage and has made partial progress in developing a functioning market economy. According to the EC, despite the resilience the economy has shown during the pandemic, and confronting the consequences of Russia's occupation of Ukraine, long-term structural challenges, such as the high level of the informal economy, corruption and generally weak rule of law, continue to hamper the private sector. The financial sector has remained stable and lending has continued to expand. According to the EC, although the economic recovery has generated new jobs, the lack of data prevents a proper assessment of the state of the labour market. To improve the operation of the market economy. EU recommends that during 2024 Kosovo should focus on:

- Continuing to mitigate the impact of the energy crisis by well-targeted and temporary support measures if needed, while complying with the fiscal rule's deficit ceiling of 2% of GDP;
- Preparing a review of the social security system, including war veteran pensions, with a view to improving the cost-efficiency and fairness of the social security schemes, and a review of tax expenditure, quantifying the size of the revenue foregone from all exemptions and reduced rates;
- Improving the quality of public spending by reforming the social security system and addressing weaknesses in public investment management;
- Implementing relevant business environment measures, in particular on the fight against the informal economy and the simplification and digitalisation of licences and permits.



Furthermore, in conclusions of the *SC on Economic and Financial Issues and Statistic* issues requiring attention have been identified, such as macro-fiscal stability, preparation of the 2023 budget based on realistic assumptions, implementation of ERP, public spending transparency, improvement in execution of capital expenditures, and refraining from adoption of new pension and social initiatives, in line with recommendations in ERP guidelines. In the financial sector, it is recommended to adopt and implement the Law on Micro-financial Institutions and Non-banking Financial Institutions and the Law on Banks, and implementation of recommendations of the in-depth analysis for staff and key policy competencies, in particular related to financial stability functions. On the business environment, structural reforms, and private sector development, it is necessary to restructure KIESA, adopt the legislation on sustainable investments, continue the financial access reform and expand credit guaranteeing, adopt and implement the Strategy and AP on Prevention and Combating of Informal Economy, Money Laundering, Financing of Terrorism and Financial Crimes, and continue digitisation and simplification of permits and licenses.

### **Macroeconomic stability**

2022 was characterized by stable economic growth of 4.3% in real terms and 12.3% in nominal terms, while inflation reached 11.6%. According to data from KAS, the increase in economic activity has continued in the first part of 2023. This increase was mainly influenced by consumption, which recorded an increase of 2.2% in real terms and contributed by 2.35 pp to the GDP growth.

Private and public investments in the first half of 2023 increased by 1.6% compared to the first half of 2022, contributing positively by 0.6 p.p. to GDP growth, significantly also due to the base effect.

On the other hand, net exports in the first half of 2023 remained at the same level as in the same period of the previous year. While export of goods saw a real decline of 6.6%, with a negative share of 0.8 p.p., export of services increased by 18.3% in real terms, contributing positively to overall GDP growth by 4.0 p.p.

Import of goods recorded an increase of 1.6% and a share of 1 p.p., while import of services marked a 19.7% growth, contributing with 2.3 p.p.

Inflation – the harmonized consumer price index increased by an average of 5% in 2023, showing a strong downward trend. The categories that had the most growth were food and non-alcoholic beverages, with an increase of 10.3%, the category of “Supply, household appliances and routine home maintenance”, with an increase of 8.2%, the category of “Housing, water, electricity, gas and other derivatives”, with an increase of 7.3%, while the “transportation” category recorded a decrease of 2.0%, reflecting the decrease in international oil prices during this period.

The current account deficit during January-July 2023 amounted to EUR -450.2 million, a significant decrease of around 23.0% compared to the same period of the last year.

Trade in goods during 2023 reflected the effects of rising prices. Trade deficit in goods continued to expand by around 3.8% during this period, while the services surplus recorded an annual increase of 24.9%.

Export of goods recorded a decrease of 6.2% in 2023, while the export of services recorded an annual increase of 20.7% compared to the same period of the previous year. This increase came mainly from the growth of travel services, with a contribution of 12.6 p.p., computer, information and telecommunication services, with 4.2 p.p., and other business services, with a contribution of 1.8 p.p.

Import of goods recorded an increase of 2.0% compared to the previous year, mainly affected by the category of ‘transportation equipment’, with 3.1 p.p., import of textile and related articles, with a share of 1.6 p.p., and import of machinery, tools and electrical equipment, with 1.1 p.p., countered by the negative contribution of the category of ‘mineral products’, with 4.4 p.p., and the category of ‘plastics, rubber, and articles thereof’, with a negative contribution of 1.3 p.p. Import of services recorded an increase of 16.1%, driven mainly by a significant increase in the import of travel services, with a contribution of 14.1 p.p., and the category of computer, information and telecommunication services by 2.9 p.p.

The primary revenue balance during January-July 2023 decreased by 24.6% compared to the same period of last year, while the secondary income balance had an annual increase of 7.4% for the same period.

Developments in this and previous years in economic activity have also been reflected in the labour market.

Bank credit has continued to be a sustainable source of funding for the economy. At the end of August 2023, the loan stock reached around EUR 4.7 billion, marking a growth of 13.2% compared to the previous year. The corporate loan stock increased by 11.1%, while the household loan stock increased by 16.9%.

Deposits continued growing, with a major contribution from households. At the end of August 2023, the total deposit stock reached around EUR 5.8 billion, an annual growth of 12.2%. Corporate deposit stock grew by 17.6%, while household deposit stock grew by 9.8%. On the type of deposits, transferable deposits marked an annual growth of 6.6% and contributed to the total deposit growth by 4.4 p.p. The rate of non-performing loans (NPL) reached 2.0% at the end of August 2023, a slight improvement from the same period of last year. The average weighted interest rate on loans during January-August 2023 was 6.7%, or about 0.7 p.p. higher than the same period of last year. Furthermore, the weighted average interest rate on deposits averaged around 2.5%, up from 1.8% during the same period of last year.

On public debt, the legal framework on managing the state debt consists of the Law No. 08/L-099 on Public Debt and State Guarantees, adopted on 20 December 2022. It grants the Republic of Kosovo the right to borrow, provide loan guarantees, pay expenses related to borrowing and principal and interest on its state debt. Moreover, unless otherwise regulated by the Public Finance Management Law, pursuant to it the outstanding amount of general government debt should not exceed 40% of GDP under any circumstances. Due to the COVID-19 pandemic, the Government decided to amend the fiscal rule, and the fiscal deficit as a percentage of GDP has temporarily changed from 2% to 6.5%, and the banking balance as a percentage of GDP from 4.5% to 3%.

The overall debt portfolio consists of both domestic and external debt. According to the table below, the state debt as of 30 September 2023 is approximately EUR 1.621 billion, representing 16.76% of GDP (including Government guarantees). Out of the total amount of the state debt, external debt is EUR 655.68 million.

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

	2018	2019	2020	2021	2022	Jan.-Sept. 2023
<b>External Debt</b>	416.43	409.10	525.80	576.75	641.20	655.68
<b>Domestic Debt</b>	676.62	791.94	961.90	1,106.14	1,112.00	965.10
<b>State Debt</b>	1,093.05	1,201.05	1,487.69	1,682.89	1,753.20	1,620.78
<b>State Guarantees</b>	43.70	42.68	31.65	30.63	29.61	28.59
State Debt and Guarantees (% of GDP)	17.04%	17.63%	22.44%	21.53%	19.95%	16.76%

Since 2021 there has been a decrease in the overall debt level as a percentage of GDP.

Data for January-September 2023 indicate that a growth of budget revenues and expenditures compared to the same period of last year. Specifically, budget revenues reached the EUR 2,114.7 million value, recording an increase of 14.3% compared to the same period of 2022. On the other hand, budget expenditures reached the value of EUR 1,826.3 million, increasing by 15.2%. However, revenues reached a higher execution rate than expenditures compared to projections at the beginning of the year. Given the flow of revenues and expenditures, the overall budget balance recorded a surplus of EUR 288.4 million for this period.

Direct tax revenues recorded an annual growth of about 19.8% for January-September 2023, reaching the value of EUR 376.1 million. This increase was, among other factors, a result of growth of the number of employees in the private sector. Among categories of direct revenues, personal income tax revenues increased by around 19.3% compared to the previous period, while corporate income tax increased by 15.6%. It is worth noting that real estate tax, after the recent reassessment, recorded the highest increase among direct tax categories with a rate of 46.8%.

Indirect tax revenues recorded a significant growth, as they are directly related to the increase in the value of imported goods. According to KC data, regular imports recorded a 2.5% increase in January-September 2023. Indirect tax revenues during this period recorded an increase of 9.4% compared to January-September 2022, reaching the value of EUR 1,506.7 million. While customs duties revenues increased by an annual rate of 15.7%, the annual growth of the border VAT revenues was 6.5% in January-September 2023. The upward trend was also evident in excise taxes as one of the major contributors to indirect revenues, increasing at a rate of 5.5% for the reporting period.

Non-tax revenues during this period reached the value of EUR 197.4 million, indicating an annual increase of 4.2%. The highest increase among non-tax revenue categories was recorded in concession fees, increasing by around 39.3%, attributed to the rising trend in the number of passengers at Prishtina International Airport. Analysing non-tax revenues by the levels of government, we note that while local rates showed a growth of 19.1%, central level revenues were characterised by a decrease of 3.0% in non-tax revenues.

Regarding budget expenditures, all categories had a positive contribution to their growth in January-September 2023. The category of wages and salaries recorded an annual growth of 18.5% compared to the previous year, due to implementation of the new Law on Salaries in the Public Sector since February 2023. Double-digit growth (17.7%) was also recorded in expenditure of goods and services, reaching the value of EUR 257.2 million, which is 38.8% more than the same period in 2022.

On the other hand, subsidies and transfers did not record any significant movement compared to the same period in 2022. This is due to the high increase in the previous year, mainly driven by implementation of the Economic Recovery Package measures, whose implementation continued during January-September 2023. The structure of expenses related to the economic recovery package continues to be dominated by the category of subsidies and transfers for the reporting period.

Capital expenditures during January-September 2023 recorded a considerable increase of 66.9% compared to the same period of 2022. It is worth noting that part of this increase can be attributed to the base effect, as in the same period of 2022 capital expenditures had decreased by around 28.7%. The structure of capital expenditures in January-September 2023 was dominated by the regular budget, at around 82.6%, followed by own-source revenues (13.6%), external borrowing funded by investment clauses (3.2%), and regular external borrowing (0.7%).

Interest expenses during January-September reached the value of EUR 32.9 million, recording a 21.0% annual increase. Tax expenditures are alternative fiscal facilities that provide tax relief or incentives for individuals and businesses for specific purposes, usually with a substantial budgetary impact. Tax expenditures are currently being assessed using the 'foregone revenues' method, with a particular focus on customs exemptions for local producers in Kosovo. These exemptions include the following:

- Elimination of excise tax on the import of energy sources for generation purposes;
- Exemptions from customs duties for the import of specific products (raw materials, semi-finished products, IT equipment, etc.).

Tax expenditures in 2021 amounted to EUR 151.06 million, as presented in Table 2, reflecting a 56.90% increase compared to 2020, indicating economic recovery after the global pandemic. In 2022 tax expenditures were recorded at EUR 151.06 million, indicating a 6.51% increase, a sign of stability and consolidation in the local production sector. Over a five-year period from 2018 to 2022 cumulative revenue losses from these tax expenditures reached EUR 520.6 million, representing about 20% of the total budget revenues for 2022, or an average annual budget loss of around 4.17%. These figures highlight the significant impact of these tax expenditures on the state budget.

Table 2. Tax expenditures from customs exemptions for local producers, in million Euro

	2018	2019	2020	2021	2022	Total
Customs Exemptions	9.3	8.02	6.78	17.54	17.59	59.23
Excise Exemption	11.7	10.24	12.4	11.63	8.11	54.08
VAT Exemption	53.3	55.39	61.17	112.06	125.36	407.28

<b>Total Exemptions</b>	<b>74.3</b>	<b>73.65</b>	<b>80.35</b>	<b>141.23</b>	<b>151.06</b>	<b>520.59</b>
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Source: Kosova Customs; Calculations: DFPM

### **Functioning of the labour market**

Employment data published by the Kosova Agency of Statistics provide information only for up to 2022. Based on these data, the unemployment rate in 2022 was 12.6% on average (compared to 20.7% in the previous year), while the labour force participation rate averaged 38.6% (compared to 39.3% in 2021).

Since official data from the Kosova Agency of Statistics on the labour market are up to the end of 2022, this section also presents data from TAK, which are administrative data on labour market. According to these aggregated data for the first half of 2023, an average of 403,476 people were employed, representing an annual increase of around 4.3%.

The high level of informal economy continues to be one of the main challenges for the Government of the Republic of Kosova. One of key documents in this area is the National Strategy of the Republic of Kosova for the Prevention and Combating of the Informal Economy, Money Laundering, Financing of Terrorism and Financial Crime 2024-2028, which is in the final stages of drafting. This strategy presents the vision and strategic and specific objectives of the Government of the Republic of Kosova to combat informal economy in general and prevent extreme manifestations of illegal activities favoured by informal economy and with consequences for functioning of the rule of law and social cohesion, such as corruption, money laundering and financing of terrorism, etc. Within the framework of the Strategy, the 2024-2026 Action Plan has also been prepared, which includes activities to be implemented by responsible institutions to combat these phenomena.

The previous strategy, covering 2019-2023, had a positive impact on preventing and combating informal economy, resulting in continuous increase in tax revenues and formalisation of the economy and the labour market.

On assessment of informal economy in the labour market/informal employment, KAS, within the IPA 2017 Project and the National Accounts Methodology, has applied the Eurostat international methodology for assessing the informal economy based on the Labour Input Method. This methodology was applied for the 2017-2019 period according to economic activities. However, discrepancies between TAK data and Labour Force Survey have emerged since it was not possible to compile data for all economic activities. Therefore, KAS has sought technical support from the Czech Statistical Office to continue compiling these data.

In the last three years KAS has also applied the international methodology for the following components:

- Assessment of the informal economy based on fiscal audit 2017-2019;
- Assessment of drug trafficking 2017-2019;
- N1 – producers intentionally not registered for self-employed individuals for the period 2011-2023;
- N6 – producers intentionally misreporting for self-employed individuals for the period 2011-2023;
- Assessment of informal economy in the health sector for the 2019-2021 period, currently underway.

Table 3. The employed and the employment-to-population ratio by gender and age group

Kosovë	2020			2021			2022		
	Meshkuj	Femra	Gjithsej	Meshkuj	Femra	Gjithsej	Meshkuj	Femra	Gjithsej
<b>PUNËSIMI (NË MIJËRA)</b>									
15-24	28.113	10.296	38.409	31.183	12.664	43.847	32.054	14.062	46.116
25-34	65.864	23.442	89.306	70.720	29.711	100.431	74.493	32.159	106.652
35-44	58.071	22.832	80.903	64.448	24.723	89.171	69.671	27.893	97.564
45-54	62.996	18.801	81.797	67.689	21.772	89.461	70.275	23.043	93.318
55-64	45.548	11.109	56.656	47.411	12.983	60.394	46.792	13.371	60.163
<b>15-64</b>	<b>260.591</b>	<b>86.480</b>	<b>347.072</b>	<b>281.451</b>	<b>101.853</b>	<b>383.304</b>	<b>293.285</b>	<b>110.528</b>	<b>403.813</b>
<b>Raporti punësim ndaj popullsisë (%)</b>									
15-24	16.1	6.4	11.4	18.4	8.0	13.4	20.8	9.7	15.4
25-34	47.9	19.2	34.4	52.3	24.1	38.8	56.3	26.5	42.1
35-44	58.7	20.3	38.2	61.9	21.2	40.4	67.0	24.5	44.8
45-54	58.2	15.3	35.3	59.6	17.6	37.7	62.1	18.6	39.3
55-64	51.1	11.8	30.9	51.8	13.5	32.1	52.2	13.7	32.1
<b>15-64</b>	<b>42.8</b>	<b>14.1</b>	<b>28.4</b>	<b>45.9</b>	<b>16.5</b>	<b>31.1</b>	<b>49.4</b>	<b>18.4</b>	<b>33.8</b>
Kosovë	2020			2021			2022		
	Meshkuj	Femra	Gjithsej	Meshkuj	Femra	Gjithsej	Meshkuj	Femra	Gjithsej
<b>PAPUNËSIA (NË MIJËRA)</b>									
15-24	23.232	13.782	37.013	15.868	11.000	26.868	7.338	5.204	12.542
25-34	24.595	16.273	40.868	22.745	12.413	35.158	13.975	7.766	21.741
35-44	13.980	6.331	20.311	12.350	6.285	18.635	7.500	4.624	12.124
45-54	12.878	4.124	17.002	11.104	3.350	14.454	5.433	3.035	8.468
55-64	5.488	0.697	6.185	4.087	0.959	5.046	1.938	1.268	3.206
<b>15-64</b>	<b>80.173</b>	<b>41.206</b>	<b>121.379</b>	<b>66.154</b>	<b>34.007</b>	<b>100.161</b>	<b>36.184</b>	<b>21.897</b>	<b>58.081</b>
<b>SHKALLA E PAPUNËSISË (%)</b>									
15-24	45.2	57.2	49.1	33.7	46.5	38.0	18.6	27.0	21.4
25-34	27.2	41.0	31.4	24.3	29.5	25.9	15.8	19.5	16.9
35-44	19.4	21.7	20.1	16.1	20.3	17.3	9.7	14.2	11.1
45-54	17.0	18.0	17.2	14.1	13.3	13.9	7.2	11.6	8.3
55-64	10.8	5.9	9.8	7.9	6.9	7.7	4.0	8.7	5.1
<b>15-64</b>	<b>23.5</b>	<b>32.3</b>	<b>25.9</b>	<b>19.0</b>	<b>25.0</b>	<b>20.7</b>	<b>11.0</b>	<b>16.5</b>	<b>12.6</b>

### Labour market developments and trends

According to administrative data on pension contributions, formal employment has increased by 4.9% compared to 2021. At the same time, in December 2022 registered job-seekers decreased by 1.5% compared to December 2021. Positive developments have been observed in the significant drop in unemployment from 20.7% in 2020 to 11.8% in 2022. However, the inactivity rate, especially among women (78%), remains remarkably high, at 61.4%. Data from the Labour Force Survey document an increasing trend in the employment rate compared to previous years. LFS data also show that the labour market continues to be characterised by significant gender imbalances in employment (employment rate of 49.4% for men and 18.4% for women in 2022) and for inactivity (78% for women and 44.5% for men).

The labour force in Kosovo also faces issues related to skill levels and compatibility with the labour market. According to the *EC Kosovo 2023 Report*, statistics indicate a challenging school to employment transition. The economy is mainly based on hotel services, agriculture, trade and construction. Youth unemployment remains high (21.4%), despite downward trend it has seen from previous years. Demographic pressures, the pattern of unemployment growth, the trend towards emigration and poor education are the key factors affecting the precarious position of young people. A recent publication according to the EC report shows that since 2018 there have been noticeable changes in the categories of young people who are not engaged in employment, education or training, in terms of educational achievements. Rates for those with primary education were below 30%, rates for youth with secondary education rose, at a moderate rate, to just over 40%, while rates for youth with university education rose from around 30% in over 50%.

A challenge in the labour market remains matching of supply and demand, i.e. mismatch of professional skills in the job market. Supply is disproportionately higher than demand in the labour market, leading to a high number of unemployed and inactive individuals. The situation becomes evident considering studies

that present a situation where employers say they have difficulty finding employees. On the employer's side, about 50% of firms report that general education does not adequately prepare students for jobs, either in terms of up-to-date knowledge or soft skills (World Bank, 2019). According to the STEP survey, 75% of companies have encountered difficulties in hiring managers, professionals and technicians.

Youth employment will be supported through implementation of the Youth Guarantee Scheme as an inter-ministerial structural policy aimed at combating inactivity and unemployment among this group. In addition, the Government intends to continue with youth employment through the "Superpuna" platform and the "Kosovo Generation Unlimited" Programme, with nearly 11,000 beneficiaries so far. The effectiveness of active labour market measures is aimed to be improved through regulatory changes. Public employment and vocational education and training services will be improved through revision of policies aimed at increasing effectiveness of active labour market measures and employment services. Moreover, outsourcing of vocational training programmes to private providers is being piloted, while new vocational education and training curricula are being revised and new ones drafted as well, in line with labour market demands. The Government is taking action to enhance capacities and cooperation among institutions involved in the area of employment through various policy instruments. Similarly, the Government has implemented measures with a special focus on employment, including encouraging employment among vulnerable groups.

Regarding recent developments in the legislative and strategic framework, the Concept Document to regulate the legal framework of the area of employment has been adopted by the Government. Based on the analyses conducted in this Concept Document, the option that addresses the relevant issues in the employment services and active labour market policies is the drafting of a draft-law for regulating the area of employment and related bylaws in this area to replace and completely update the legal framework in this area. The Ministry started drafting the new Law on Employment Promotion.

At the time of preparation of this document the Employment and Labour Market Strategy 2023-2028 was finalised. It is an inter-institutional and cross-sectoral document prepared in accordance with the ILO Convention on National Employment Policy, addressing essential issues of the labour market in Kosova.

With respect to combating informality, one of key documents is the National Strategy of the Republic of Kosova for Prevention and Combating Informal Economy, Money Laundering, Financing of Terrorism and Financial Crime 2024-2028. The strategy is in the final stages of adoption and introduces the Government of Kosova's vision and strategic objectives to combat the informal economy in general and prevent extreme manifestations of illegal activities facilitated by informal economy. Such manifestations have consequences for the functioning of the rule of law and social cohesion, such as corruption, radicalism, violent extremism, money laundering and terrorist financing. Within the Strategy, the Action Plan has also been developed by all relevant key institutions involved.

### **Functioning of the product market**

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

The Republic of Kosova continued with reforms aimed at a favourable business environment to establish businesses and operate in the market.

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

On *institutional framework*, the institution responsible for this area is KRBA within MIET. Upon the entry into force of the Law on Sustainable Investments, this institutional structure is expected to undergo changes, as functions related to foreign investments will be transferred to a new agency within OPM. KRBA registers all domestic and foreign business organisations in accordance with the Law No. 06/L-016 on Business Organisations. KRBA provides information and cooperates with KAS, TAK, KC, KP and other agencies. It also registers all new businesses, modifies business data, business closures, issues registration certificates with fiscal numbers, VAT certificates and import-export certificates, as well as provides free of charge information and forms.

Regarding *policy* and reforms, the 2030 Industrial Development and Business Support Strategy and 2023-2025 Industrial Policy Action Plan has been adopted. It provides a strategic framework for policymakers, dialogue partnership with the business community and coordination with development partners in Kosovo to facilitate the development of the manufacturing sector in the country. Furthermore, the Industrial Policy has been developed using a methodology known as the Industrial Policy Quality Growth, created to support countries to develop comprehensive industrial policy based on robust diagnostics. Key objectives of the Strategy include expanding industrial production, reducing industrial deficit, generating better and more inclusive employment, maximising domestic value growth and facilitating green industry.

Procedures for opening businesses through the *one-stop shop* concept are simple and fast, and this can be done at any KBRA municipal centre, depending on the location of the entity applying for the activity. For individual businesses and partnerships, registration takes place within one day, while for joint-stock and limited liability companies within two days.

Currently institutions are actively involved in digitalising public services and simplifying the permits and licences legal framework. In this regard, by September 2023 over 150 public administrative services at the central and local levels have been launched on the eKosova Platform, provided to citizens, businesses and NGOs. They primarily cover areas of civil status, property, education, utilities, police, judiciary, taxation, health, vehicles, employment, family, pension contributions, grants and subsidies, eMunicipality, legal auditors, consular services, etc.

By the end of September 2023 over 800,000 citizen accounts have been created on the platform, and they have accessed millions of electronic services, saving time and costs.

The judicial system is a very important factor for country's economic development and plays a key role in facilitating investment, adequately protecting businesses' contractual rights and enhancing the private sector. This system is regulated by the Constitution, the Law on Courts, the Law on KJC, etc. According to the Law on Courts, the Court of Appeals is the second instance court with territorial jurisdiction throughout the country, while the Supreme Court, as the highest judicial instance, includes the Appellate Panel of Kosovo Property Agency and the Special Chamber on Privatization Agency of Kosovo Related Matters.

In order to reform the judicial system in the commercial area, the Law on the Commercial Court was adopted in early 2022. This law established the Commercial Court, as a specialised court with the primary task of providing efficient justice for businesses. The aim is to promote a stable business environment by strengthening legal certainty, thus encouraging foreign investments and economic growth in the country.

To this end, the Commercial Court, following its establishment, has selected judges specialised in the economic area who, with their expertise, have ensured the provision of efficient justice in commercial contexts, which have distinct complexities compared to other civil matters.

Since its establishment, the Court, in cooperation with international partners, has provided training on specific topics in the area of commercial law, aiming at ongoing specialisation of judges and ensuring the necessary knowledge during the handling of commercial disputes. Additionally, the Court has consistently held collegiums in both chambers to unify case law, serving to create predictable justice for businesses.

In order to reduce the backlog of cases handed over to this new court, an action plan with the primary objective of reducing cases of enforcement nature that also enjoy priority under the Law on the Commercial

Court has been adopted in 2023. It is expected that cases of an economic nature, especially those remanded for reconsideration, will be given priority in 2024. In its first two years of its operation the court has shown good performance in handling cases, as seen from the data in the table below.

Administratively, the court has started to make operational the Case Management Information System (CMIS), aiming to improve case management and to expedite judicial administration. The court is also in the process of making operational the issuance of electronic certificates reflecting information on whether the relevant businesses are in bankruptcy proceedings before this court.

Regarding organisation, the Commercial Court is organised into two chambers: First Instance Chamber, consisting of General Department, Department for Economic Affairs, Administrative Department and Fiscal Department, and the Second Instance Chamber, which rules on legal remedies against decisions of the first-instance chamber.

The appointment of judges to the Commercial Court has been done through a competition announced following the entry into force of the Law on the Commercial Court. The selection of judges was preceded by a transparent and objective recruitment process monitored by local and international organisations. The Court has currently 18 judges in its two instances of adjudication.

Table 4. Numerical status of cases before the Commercial Court First Instance Chamber (01.01.2023-30.09.2023)

Ordinal no.	TYPE OF CASES	Cases pending at the beginning of the reporting period	Cases received during the reporting period	Total in progress	Cases resolved during the reporting period	Cases pending at the end of the reporting period	Structure of received cases expressed in %	Resolution rate	(+ ) more or (-) less unresolved cases: Third quarter of 2023 compared to the end of 2022	
									Total	%
	1	2	3	4	5	6	7	8	9	10
1	Economy	2802	736	3538	195	3343	22.34	26.49	541	19.31
2	Enforcement	2444	1569	4013	1946	2067	47.63	124.03	-377	-15.43
3	Disputes Related to Foreign Investors	10	4	14	1	13	0.12	25.00	3	30.00
4	Fiscal	983	508	1491	205	1286	15.42	40.35	303	30.82
5	Activity	1393	429	1822	210	1612	13.02	48.95	219	15.72
6	General	91	48	139	68	71	1.46	141.67	-20	-21.98
7	Bankruptcy	11	0	11	4	7	0.00	#DIV/0!	-4	-36.36
I	<b>TOTAL</b>	<b>7734</b>	<b>3294</b>	<b>11028</b>	<b>2629</b>	<b>8399</b>	<b>100.0</b>	<b>79.81</b>	<b>665</b>	<b>8.60</b>
II	Second Instance Chambers	1272	1281	2553	1555	998		121.39	-274	-21.54
	<b>TOTAL (I+II)</b>	<b>9006</b>	<b>4575</b>	<b>13581</b>	<b>4184</b>	<b>9397</b>	<b>100.0</b>	<b>91.45</b>	<b>391</b>	<b>4.34</b>

Regarding property rights, Article 119, point 1 of the Constitution of the Republic of Kosova provides a legal environment conducive to the market economy, freedom of economic activity and security of the public and private property, recognising public property and private property as constitutional categories. The Constitution guarantees the right to property and offers guarantees that exclude the possibility of arbitrary deprivation of property. Once the types of property are determined by the Constitution, the regulation of their content is delegated to the legislature. The Assembly adopted Law on Property and Other Real Rights, which governs the creation, content, transfer, protection, and termination of real rights as well as regulates the ownership and, as limited real rights, possession, real security rights and real rights of use. However, there is still no law regulating public property in general. Law No. 08/L-014 on Property Rights of Foreign Nationals was adopted in 2022, which regulates property rights for EU citizens, in accordance with the SAA.

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



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

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

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

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

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

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

Since the signing of the SAA, the Republic of Kosova has taken fundamental steps to align its state aid regulatory system with EU standards, as required by the SAA.

These steps include legal framework adjustments, the establishment of regulatory bodies, and measures for transparency and compliance with EU principles for state aid control. Kosova's efforts demonstrate commitment to fulfilling its obligations under the SAA in this specific area.

A new Law on State Aid was adopted in December 2016 and implemented in February 2017, reflecting the country's commitment to establishing a legal framework for state aid control.

The new Law on State Aid is broadly in line with the EU's state aid regulatory system. It generally prohibits state aid unless notified and pre-approved by state aid authorities. It obliges state aid providers, including ministries, municipalities and other public organisations to submit information about state aid to state aid enforcement authorities. This alignment showcases Kosova's efforts to align its state aid legislation with EU rules and standards, as required by the SAA.

Kosova has also made substantial progress in developing secondary legislation to support the implementation of the state aid regulatory framework. The adoption of various regulations covering aspects such as notification, de minimis aid, and compensation for Services of General Economic Interest (SGEI) demonstrates a commitment to aligning with EU standards and promoting the state aid control transparency. The focus on developing future regulations, including those related to horizontal and sectoral aid, demonstrates a proactive approach to fulfilling the requirements of the SAA with the EU.

Regarding the institutional structure, necessary regulatory bodies have been established to oversee and enforce state aid control. Particularly, the State Aid Commission and the State Aid Department within the Ministry of Finance and Transfers have been established. The State Aid Commission is an independent decision-making body consisting of five members, independent experts in the area of state aid. The law and associated regulations provide a clear regulatory framework, detailing the functions, responsibilities and work procedures of the State Aid Commission, which is essential to ensure the effective implementation of state aid control. The State Aid Commission has been assigned various functions, including determining whether a measure constitutes state aid, making decisions on compliance or non-compliance, issuing orders for suspension, ordering recovery of unlawful state aid, initiating investigations, approving reports, and monitoring existing state aid schemes.

Kosova has also made progress in creating a basic inventory of state aid (see Chapter 8).

### **Privatisation and restructuring**

According to the *EC Kosovo 2023 Report*, Kosova undertook steps to dissolve the privatisation agency and to set up a sovereign wealth fund. In June 2022, the Government approved adopted a Concept Document on the Sovereign Fund. In December 2023, the Assembly of Kosova adopted the Law on the Sovereign Fund. The Sovereign Fund is expected to take over several Socially-Owned Enterprises (SOEs) and assets managed by PAK. The EC report recommends that in the future the legal framework for the governance and supervision of POEs should be amended in order to address the issues of poor performance and mismanagement.

Regarding the institutional framework, the Privatization Agency of Kosova (PAK) has been established as an independent public body that exercises its functions and responsibilities in full accordance with Law No. 04/L-034 on PAK, amended by Laws No. 04/L-115, No. 05/L-080 and No. 06/L-023 on PAK. Pursuant to Law No. 04/L-34, privatisation is carried out through three main methods: the *spin-off* method, the liquidation method and direct sales. Three waves of sales were completed in 2023, involving a total of 63 assets tendered, out of which 9 assets were sold through liquidation and 26 assets were sold through direct sales, totalling EUR 1,781,915.96. Two Socially-Owned Enterprises (SOEs) were placed in liquidation in 2023, while 15 SOEs are planned to be liquidated in 2024. The total amount of 20% of the share of proceeds distributed for 2023 is EUR 3,145,675.71.

A total of 7 waves of sales are planned to take place in 2024, involving 210 assets.

### **Functioning of the financial market**

The financial system consists of the banking sector, which consisted of 12 commercial banks (10 of them foreign-owned), accounting for 67.6% of the total assets of the system, the insurance sector, with 12 insurance companies (7 of them foreign-owned), pension funds (2 funds), financial auxiliaries (60), the microfinance sector with 32 MFIs/NBFIs(14 of them foreign-owned), and the securities market. The financial system has continued to expand over the years, reaching a financial intermediation ratio of 109.9% of GDP at the end of September 2022, compared to the level of 79.8% a decade ago. Banks are the main intermediaries in the financial sector, followed by pension funds (24.7% of the financial market), MFIs/NBFIs (4.5% of the market), insurance companies (2.8% of the market), and the remaining share consists of financial auxiliaries (0.4%).

The financial system assets at the end of September 2023 reached a value of EUR 10.60 billion, representing an annual growth of 12.2%, signalling a similar growth trend to previous years (over the last 14 years, there has been an average annual growth of 10.5%). The banking sector continues to have the main contribution to this growth, with its assets reaching a value of EUR 7.16 billion at the end of September 2023 (74.3% of GDP), primarily funded by citizen deposits. This is followed by pension funds, the assets of which reached a value of EUR 2.62 billion at the end of September 2023 (27.1% of GDP), expanding mainly from collections from contributors and positive returns from investments. The assets of MFIs/NBFIs at the end of September 2023 reached a value of EUR 479.0 million, representing about 5.0% of GDP, and are mainly funded by foreign borrowings. The insurance sector assets reached a value of EUR 300.7 million at the end

of September 2023, representing 3.1% of GDP, expanding mainly from own-source capital and revenue from collected premiums. Meanwhile, the value of financial auxiliaries' assets constitutes about 0.4% of GDP and reached a value of EUR 39.4 million at the end of September 2023, primarily consisting of money transfer and currency exchange offices.

The financial system has been characterised by stability and without any materialised risks despite fluctuations in international financial markets resulting from the failure of some medium-sized banks in the USA and a globally significant systemic bank in Europe in the first half of 2023. Furthermore, despite challenges from higher risks faced by the economy, such as increased inflation and a weaker economic outlook, the financial system has expanded at an accelerated pace. Therefore, despite all these developments, the financial system continues to be stable, resilient and liquid. Thus, banks and financial institutions managed to be profitable, liquid and well-capitalized.

The banking sector is dominated by foreign-owned banks (84.4% of assets) and the rest is made up of three domestic banks. The concentration rate in the sector has decreased over the years as a result of the increase in new banks in the market. The three largest banks in the country represent around 52.4% of the sector's assets compared to 66.7% ten years ago. Furthermore, the decrease can also be observed through the Herfindahl-Hirschman Index (HHI), which has dropped to 1395 points from 1,862 points ten years ago. The lending activity of the banking sector has continued to record two-digit growth for the third year in a row, but at a slower rate. In September 2023, the lending stock reached EUR 4.79 billion (49.7% of GDP), recording an annual growth of 13.3% (18.4% in September 2022). The slowdown in growth was evident in the non-financial corporate segment, which accounted for 60.8% of lending and reached a value of EUR 2.91 billion, recording an annual growth of 10.8% (18.4% in September 2022). The trade sector lending continues to have the highest weight within non-financial corporations (41.9%), followed by manufacturing (19.6%), construction (14.1%), financial services (8.3%), while the agriculture sector crediting has a low share (2.1%). Household loans, which make up about 38.6% of total loans, recorded an annual growth of 17.3% in September 2023, similar to last year, and reached the value of EUR 1.85 billion.

Deposits make up around 81.7% of liabilities and are the main source of funding for banks, thus determining the direction of expansion/contraction of the sector's assets. In September 2023, the value of deposits in the banking sector reached EUR 5.85 billion (60.7% of GDP), continuing the two-digit annual growth trend for the third consecutive year, but at a slower pace, 11.3% (12.7% annual growth in September 2022). Household deposits make up around 66.4 of the total deposits portfolio, reaching a value of EUR 3.90 billion at the end of September 2023, while the stock of deposits from non-financial corporations reached EUR 1.22 billion (20.8% of the total deposit portfolio). The increase in base interest rates (deposits and funding) from central banks to curb increased inflation since September of last year has also been reflected in the banking sector in the country, with a more significant increase recorded in deposit rates, while a lower increase in loans. The increase in interest rates on deposits has also impacted the overall structure of bank deposits, with a larger shift towards time deposits (constituting 25.7% of total deposits compared to 21.5% a year ago). This is in contrast to a decrease in the share of transferable deposits (63.9% in September 2023 from 66.9% in September 2022) and savings deposits (10.4% in September 2023 from 11.6% in September 2022).

The banking sector continues to have a high level of liquidity. The ratio of liquid (broad) assets to short-term liabilities in September 2023 decreased by 2.6 p.p. compared to the same period of the previous year, namely to 32.6%, which despite declining is significantly above the recommended minimum level (25.0%). This decrease compared to a year ago is the result of reducing liquid funds due to the high increase in lending (channelling liquid funds - cash into credit and non-governmental securities) while short-term liabilities recorded an increase (impacted by deposit performance). Another liquidity indicator, reported since the beginning of 2023, the Liquidity Coverage Ratio, stands at 260.5% compared to 228.2% in January 2023, which should be above the 100% level.

The banking sector recorded a record net profit of EUR 123.7 million by the end of September 2023, representing an annual growth of 14.8% (EUR 16.0 million more than a year ago). Revenues reached EUR

317.1 million, representing an annual growth of 17.2%: EUR 234.7 million from interest, mainly from loans (84.8%), and the remaining part from income from placements with other banks (8.4%) and interest accrued from investments in securities (6.8%). Non-interest income during this period amounted to EUR 71.6 million, consisting mainly of income from fees and commissions. Sector expenses reached EUR 193.4 million at the end of September 2023, recording an annual increase of 18.8%. The highest contribution to the increase in expenses came from the expenses for interest on deposits, within the interest expenses, the value of which at the end of September 2023 reached EUR 21.5 million, followed by the expenses for personnel within the general and administrative expenses, the value of which at the end of September 2023 reached EUR 49.5 million. The higher profit also impacted the improvement of financial performance indicators, such as ROA (return on assets) and ROE (return on equity), which stood at 2.6% (2.5% in September 2022) and ROE at 20.9% (19.8% in September 2022).

Interest rates on new loans and deposits have recorded a gradual increase since the beginning of the last year, impacted by the implementation of tight monetary policy by central banks in the fight against inflation. The increase was more significant in interest rates on loans than in those for deposits, expanding the loan-deposit interest margin. In September 2023, the interest rate on loans was 6.4% (compared to 5.9% a year ago), with a more favourable rate for non-financial corporations (6.2%) compared to the interest rate for households (6.2%). Similarly, for deposits, non-financial corporations had a more favourable interest rate (1.7%) compared to households (1.4%), while the overall interest rate on deposits was 1.5% (1.4% in September 2023). The loan-deposit interest margin expanded to 4.9 percentage points in September 2023 from 4.5 percentage points in September 2022, as a result of a higher increase in loan interest than for deposits.

The banking sector continues to be well-capitalized, significantly above the required regulatory minimum of 12%, at 15.3% in September 2023 (compared to 15.8% in September 2022). The decline in the capitalisation level compared to a year ago came as a result of a slower increase in capital (distribution of dividends) compared to the higher growth of risk-weighted assets (loans and securities).

Non-Performing Loans (NPLs) at the end of September 2023 reached a value of EUR 94.1 million, representing an annual increase of 8.4%, while total loans increased at a rate of 13.3%. Therefore, non-performing loans increased at a slower pace than the active loan portfolio. As a result, the NPL level in September 2023 was lower, at 2.0%, compared to 2.1% in September 2022. The coverage of non-performing loans stands at a high level, at 143.5% (compared to 150.6% a year ago). The coverage of NPLs for stage 3 in September 2023 was 71.2%, while for stage 2 it was 8.1%, and for stage 1 it was 0.9%. According to economic sectors, NPLs for agriculture were at a level of 5.0%, and their value reached EUR 3.4 million. NPLs for manufacturing were at a level of 1.9%, and their value reached EUR 11.3 million. NPLs for trade were at a level of 1.8%, and their value reached EUR 23.0 million. NPLs for households were at a level of 1.4%, and their value reached EUR 25.3 million.

As for other sectors, the pension sector assets at the end of September 2023 reached a value of EUR 2.62 billion, representing an annual growth of 12.8% (compared to 4.2% a year ago). About 99.7% of these funds belong to the Kosova Pension Savings Trust (KPST), while 0.3% belong to the Slovenian-Kosova Pension Fund (SKPF). The accelerated growth of fund assets reflects a positive trend in returns on investments this year, unlike the previous year when losses were recorded during the same period, as well as stable and growing contributions from the contributors. As of September 2023, KPST recorded an investment return of EUR 47.6 million (compared to a loss of EUR 170.5 million a year ago, as a result of the deterioration of the geopolitical situation in Eastern Europe, affecting global financial markets after sanctions against Russia). As of September 2023, KPST collected contributions amounting to EUR 212.3 million (compared to EUR 177.1 million a year ago). A more significant increase in KPST's collected contributions (19.9% this year compared to 13.0% a year ago) is also a result of the increase of salaries of public sector employees in the country. As of September 2023, KPST recorded a positive return on investments amounting to EUR 0.41 million, while collected contributions amounted to EUR 0.49 million.

The insurance sector is less concentrated than the banking sector. About 53.6% of the assets are represented by foreign insurers, with the remaining share belonging to domestic insurers. The three largest companies in the insurance sector make up 36.5% of the market (compared to 35.1% in September 2022). The assets of the insurance sector reached a value of EUR 300.7 million at the end of September 2023, recording an annual increase of 16.1% (compared to 9.9% a year ago), primarily reflecting the trend in collected premiums over a one-year period. As of September 2023, the value of written premiums reached EUR 110.1 million (compared to EUR 98.2 million a year ago). Approximately EUR 5.1 million are life insurance premiums (compared to EUR 4.9 million a year ago), while EUR 105.0 million are 'non-life' insurance premiums (compared to EUR 93.3 million a year ago). As of September 2023, the value of claims paid by the insurance sector reached EUR 53.1 million (compared to EUR 46.6 million a year ago). About EUR 48.7 million are claims paid by insurance companies (compared to EUR 40.0 million a year ago), while EUR 4.4 million are claims paid by KIB (compared to EUR 6.6 million a year ago). The net profit of the sector reached EUR 9.4 million (compared to EUR 2.8 million a year ago), while the claims-to-premium ratio slightly increased to 48.2% (compared to 47.4% a year ago).

The microfinance sector, like the banking sector, is dominated by foreign-owned institutions. Foreign microfinance institutions constitute about 78.8% of the sector's assets (compared to 78.5% a year ago). Meanwhile, the three largest institutions represent 53.5% of the total assets of the sector (compared to 55.9% a year ago). The microfinance sector has a 4.5% share of the total assets of the financial system, compared to only 2.8% just ten years ago, indicating significant growth in recent years. The microfinance sector has regained pre-pandemic growth momentum this year, with an annual growth of 25.1% in September 2023, and the value of assets at the end of this period reached EUR 479.0 million. This growth is mainly a result of external borrowings, constituting about 62.6% of the total obligations to the MFIs, while the rest is mainly funded by own-source capital (approximately 26.2% of sector liabilities) and other liabilities accounting for 8.8% of sector liabilities.

The loan portfolio constitutes approximately 70.9% of the total sector assets and reached a value of EUR 339.7 million at the end of September 2023, recording an annual increase of 25.0% (compared to 17.5% a year ago). Household lending had the highest contribution to the overall growth of loans. This segment recorded an annual growth of 20.5% (compared to 14.8% a year ago) and represents 62.4% of the total loans. The loan portfolio for this segment at the end of September 2023 amounted to EUR 212.0 million. Lending to non-financial corporations increased by 33.3% (compared to 22.7% a year ago) and accounts for 37.6% of total loans. Loans to non-financial corporations reached a value of EUR 127.7 million at the end of September 2023. The second most significant category in terms of importance and weight, namely leasing (19.4% of assets), reached a value of EUR 92.8 million at the end of September, representing an annual growth of 29.6% (compared to 12.7% a year ago). Household leasing has a representation of 31.3% in total leasing and recorded an annual growth of 4.1% (4.7%). This segment reached a value of EUR 29.0 million at the end of September 2023. In contrast to lending, in leasing, funding of non-financial corporations has a significant weight (68.7%) and recorded an annual growth of 45.9% (compared to 18.4% a year ago), defining the growth trend in this area. Leasing for this segment reached a value of EUR 63.8 million at the end of September 2023.

The microfinance sector nearly maintained the profit level of the previous year, recording a net profit of EUR 12.8 million by September 2023 (compared to EUR 13.5 million a year ago). The 5.1% decline in realised profit during this period is a result of a slower increase in revenues (19.1%) compared to expenses (30.8%). Revenues by September 2023 amounted to EUR 49.4 million, of which EUR 44.6 million are generated from loans and leasing interest, representing an annual growth of 20.6% (compared to 16.3% a year ago). Sector expenses reached a value of EUR 36.6 million (compared to EUR 28.0 million a year ago), primarily reflecting the growth in interest expenses (an increase of EUR 3.5 million compared to a year ago, reaching EUR 9.6 million at the end of September 2023) and personnel expenses (an increase of EUR 3.2 million compared to a year ago, reaching a value of EUR 19.6 million at the end of September 2023).

The microfinance sector continues to have high loan interest rates compared to the rates provided by banks, impacted by its funding method (mainly from credit lines), unlike banks funded primarily by customer

deposits. In September 2023, the loan interest rate was 18.9%, slightly down from 19.1%, the same as the corresponding period a year ago. Corporations without financial services had more favourable rates (15.7%, compared to 16.1% a year ago) than households (21.8%, compared to 20.9% a year ago).

The level of Non-Performing Loans (NPLs) for microfinance institutions at the end of September 2023 was 1.9% (compared to 2.1% a year ago). NPLs only for MFIs were 1.6% (compared to 1.8% a year ago), while NPL only for NFBIs was 3.1% (compared to 3.2% a year ago). The NPL coverage ratio with provisions continues to be optimal, at 145.1% (compared to 144.0% a year ago). The NPL coverage ratio with provisions for MFIs was 165.7%, while for NFBIs it was around 110.2%.

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

### *Medium-term priority objectives*

In the medium term, key priorities in this chapter are as follows:

- Implementation of the Public Finance Management Strategy 2022-2026;
- Development of the legal framework on public finance, including through new legislation and secondary legislation in this area;
- Continuing the fight against informal economy;
- Effective review of cases before the Commercial Court;
- Continuous advancement of the banking system regulatory framework in line with international standards and EU legislation.

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

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

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

According to *EC Kosova Report 2023*, Kosovo is at an early stage in terms of the ability to cope with competitive pressure and market forces in the EU. Inadequate quality of education and skills mismatches make the transition from school to the labour market difficult. Some progress has been made in improving the transport infrastructure. The recent energy crisis highlighted the urgency to ensure a reliable and clean supply of energy and the diversification of its sources. Kosovo made some progress regarding the digitalisation of the economy. Structural changes are progressing slowly as the economy remains heavily dependent on small and micro firms that cannot compete internationally. The export structure remains dominated by basic metals with slightly increasing percentages of mineral, plastic and textile products. The EU recommends that during 2024 Kosovo should focus on:

- Improve the quality of education at all levels, and align education, particularly higher education programmes and vocational education and training, with the labour market needs by closely cooperating with the business community;
- Strengthen energy security and increase energy efficiency incentives in the residential and private sectors and increase the share of renewables in power generation in a cost-efficient way;

- Advance tailored financial and non-financial support for SMEs to improve their competitiveness and export capacity.

Furthermore, NK conclusions require the reorganisation of the KIESA and the implementation of the Strategy and AP on the Prevention and Combating of the Informal Economy, Money Laundering, Terrorist Financing and Financial Crimes. Kosova also needs to improve the business environment by increasing digitalisation, simplification and removal of licenses and permits.

In the context of regional cooperation and integration in the EU, the Republic of Kosova is committed to implementing the obligations deriving from the Common Regional Market Action Plan and the Western Balkans Green Agenda, within the Berlin Process.

### **Education and innovation**

According to the EU assessment, improving the quality of education and aligning it with the needs of the labour market remains a key challenge in Kosova. Public spending on education in 2021 was 4.1% of GDP, which is in line with the EU average, but Kosova does not perform well in terms of educational outcomes. While some progress has been made in enhancing the research, development, and innovation system. The *EC Kosova 2023 Report* underlines that Kosova's performance in the area of research and innovation lags behind regional countries in terms of overall governance in this area, the public research system, links between the public and private sectors, company innovation, and overall innovation capacity. Despite legal provisions for allocating 0.7% of GDP for science and innovation, the allocated budget remains around 0.1% of GDP, significantly lower than the legal requirement.

The Government's priorities continue to be focused on developing physical capital, specifically infrastructure, and human capital through reforms in education and measures to support the private sector. The strategic framework with priority measures and objectives consists of the Government Programme 2022-2023, the National Development Strategy 2030, and sectoral strategic documents such as the Education Strategy in Kosova 2022-2026. The development of economically important sectors such as energy, infrastructure, telecommunications and information society, and tourism are priority objectives.

Kosova benefits from various external funding opportunities. In the COST Association, during 2022, Kosovar researchers were involved in 48 new COST actions, compared to only 18 in 2021. We expect to see that there was a similar increase in participation in 2023 as well. Regarding the *Horizon Europe* Programme, there is a significant improvement in performance. So far, the research and innovation community has participated in 81 project proposals, 11 of which have been funded, totalling EUR 1.08 million. The Ministry of Education, Science, Technology, and Innovation (MESTI) actively promotes these programmes and supports researchers in their applications. The number of publications attributed to Kosova's institutions in the Scopus database continues to rise. In 2022 there were 1,027 publications, a considerable increase from only 786 publications in the previous year (2021).

This year, MESTI has prepared the National Science Programme 2023-2028, a national strategy channelling the directions of scientific development in the country. Also, the merger of two laws on science and innovation has been completed, and a concept document has been finalised to amend the law on scientific research activities. For this year, investments of EUR 2.4 million are planned for research and scientific exploration.

Early childhood education is a priority area in the Education Strategy 2022-2026. This level of education is provided by public pre-school institutions, private institutions, public-private partnership institutions and community-based institutions. The development of early childhood education is now regulated by the newly adopted Law on Early Childhood Education this year, aiming to provide inclusive quality education in all forms of care and education in early childhood for children from birth to 6 years old. It also sets the standards for the organisation, functioning, supervision and institutional and professional responsibilities of all stakeholders in early childhood education.

In vocational education, besides vocational schools, there are also 6 Competency Centres. The National Qualifications Authority (NQA) has accredited 104 institutions and validated 270 qualifications so far. Five (5) Resource Centres for learning and counselling and two (2) Special Schools operate for children with special needs. The gross enrolment rate in pre-university education is presented in the Table below. Currently, in Kosovo, there are seven (7) public universities and twelve (12) private colleges.

Table 5. Gross enrolment in pre-university level, in percentage

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

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

Table 6. The number of students at all education levels in the public and private sectors 2022/2023

Level		Private	Public	Total
University	Bachelor	27,851	33,235	61,086
	Master	3,101	7,594	10,695
	PhD		167	167
	<b>Total</b>	<b>30,952</b>	<b>40,996</b>	<b>71,948</b>
*Special education (1+2+3)		111	3792	3903
Upper Secondary (3)		4,344	63,029	67,373
Primary/Lower Secondary (1 2)		7,611	212,967	220,578
Preschool and Primary (0-5)		6,630	24,366	30,996

Source: Educational Statistics in Kosovo, 2022/2023, EMIS/MESTI and KAS

In 2022, ENQA reinstated the associated membership status to the Kosovo Accreditation Agency (KAA) as an independent authority, ensuring the quality of educational and research work in Higher Education Institutions (HEIs) in Kosovo. MESTI is the policymaking body in the area of education, science and scientific research, while scientific and research activities are carried out by HEIs, academies and institutes, as subordinated institutions of MESTI, including the Academy of Sciences and Arts of Kosovo, the Albanology Institute, the Institute of History, universities, and other institutions engaged in scientific research. Furthermore, the National Centre for Recognition of Diplomas (NARIC) operating within MESTI validates the equivalence of higher education diplomas obtained abroad. Upon some countries' request, it validates/ attests diplomas obtained from HEIs in Kosovo for the purpose of employment or further studies abroad. Additionally, NARIC provides academic information on the education system in Kosovo and education systems in other countries.

Although Kosovo has not formally joined the Bologna process<sup>13</sup>, the legal basis aligns the current education practices with the priorities of the Bologna Declaration, especially certain provisions of the Law on Higher Education and the National Qualifications Framework and facilitating the recognition of prior learning and qualifications acquired in other countries.

### **Physical capital**

#### *Road infrastructure*

The Government of the Republic of Kosovo remains committed to further improving the road and rail infrastructure, focusing on the completion of major international and regional road sections, as well as the international railway line to enable faster and cheaper movement of citizens and freight, thus reducing the costs and distance of transporting people and goods. This will facilitate businesses to expand their products in domestic and international markets, and the modernisation of the international railway network will aid the transportation of goods and the overall economy. In the context of the overall dynamics of GDP

<sup>13</sup> The application for formal admission was submitted in 2014

\* This number of students in vocational education is in the Resource Centres and regular schools



components, private investments in 2022 were around 30% of GDP, and they are expected to remain at the same level in 2023 and 2024<sup>14</sup>. During 2023, public investments are expected to have a faster execution dynamic, not only as a result of new projects planned but also due to the operationalisation of the Procurement Review Body in the second half of 2022 (after an absence of about a year). Additionally, the implementation of contracts based on the Law on Support of Public Works, which allows for compensation for the increase in construction material prices and ongoing works, contributes to this acceleration. According to the MTEF projections for the period 2024-2026, public investments are expected to continue growing in the medium term.

The national roads and highways connecting the country with neighbouring countries and international corridors are crucial transportation links. In this context, works have continued on the following segments:

- Prishtina - Gjilan - Dheu i Bardhë Highway: The first phase from Banulla to Bresalc, spanning 22.31 km, is currently in progress and expected to be completed next year.
- The construction of the second segment from Bresalc to Dheu i Bardhë (border with Serbia) is anticipated to commence next year.
- Expansion of National Road N25 Prishtina - Podujeva: The project is underway and is expected to be completed next year.
- Expansion of National Road N9 Prishtina - Peja, Kijeva-Zahaq in a length of 33 km: Procurement procedures for the Kijeva-Dollc segment, covering 13.5 km, were initiated this year, and the procurement procedures for the Dollc-Zahaq segment are expected to commence next year.
- Expansion of National Road N9.1 Dollc - Gjakova: This project is in progress and is expected to be completed next year. Upon completion of the Dollc - Gjakova and Kijeva - Zahaq road expansions, travel time from Gjakova, Peja, Klina, Deçan and Istog to connect with Highways R6 and R7 will be significantly reduced.
- Construction of the road from the "Ibrahim Rugova" highway junction in Prizren to the village of Struzha L=20 km: This project is in the procurement process, and construction is expected to begin next year. Cooperation with North Macedonia will also involve the construction of a tunnel, notably shortening the road linking Prizren to Tetovo.
- In the course of the project 'Signalling Road Equipment on National and Regional Roads and Connecting Roads' in the Republic of Kosovo for the period 2023-2026, eight (8) lots have been signed. Seven (7) of them involve horizontal and vertical signalling in seven (7) regions, and one lot involves the placement of elastic bumps throughout the country. One (1) lot (public lighting and traffic lights) is still in the procurement process due to an appeal. The contracts are three (3) years long, and the total value of the contracts signed so far for eight (8) lots is EUR 1,865,502.12.

In 2024, projects in the road safety area will continue, particularly focusing on horizontal and vertical signalling, especially for the signalling of Highways R6 and R7.

Infrakos J.S.C., POE with 100% shares owned by the Government of the Republic of Kosovo, manages the railway infrastructure under state ownership. The railway network of Kosovo consists of 335,079 km of railway lines. The four railway lines require varying levels of rehabilitation to bring them up to modern standards of speed and safety. Over the past year, there has been a significant increase in both passenger and freight transportation. The railway network has maintenance that ascertains the necessary safety of train traffic. The railway infrastructure consists of:

- Railway Line 10 (Border with Serbia - Leshak - Mitrovica - Fushe Kosova - Hani i Elezit - Border with North Macedonia), with a length of 149.110 km, single-track, unelectrified, with a gauge of 1435 mm, falling under Category D3. The axle load is 22.5 tons and the longitudinal mass is 7.2 tons/m;
- The astern railway line (Serbian border - Podujeva - Prishtina - Fushë Kosovë), of a length of 45.198 km, a single pair of rails, not power supplied, width 1435 mm, category D3, axis masses 22.5 tons and 16 tons and longitudinal masses 7.2 tons/m and 5 tons/m.

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<sup>14</sup>According to MTEF 2024-2026

- The eastern railway line (Fushë Kosovë-Peja), of a length of 81.940 km, a single pair of rails, not power supplied, width 1435 mm, Category C2, axis masses 20 tons and longitudinal masses 6.4 tons/m; and
- The southwestern railway line (Klina-Xërxë-Prizren) is 58.831 km long, with a single-track, unelectrified, a gauge of 1.435 mm, falling under Category D3 and B1. The axle load is 22.5 tons and 18 tons, and the longitudinal mass is 7.2 tons/m and 5 tons/m.

Regarding current investments in railway infrastructure, the SOE Infracos J.S.C. is undertaking the modernisation project of Railway Line 10. This project is part of the Balkan key network and a continuation of the Trans-European transport networks. The project is divided into three phases: (i) works in the first phase have progressed, and so far, 72.3% of the work on the line has been completed. A total of 57.52 km has been constructed, including 49.18 km of open-line tracks and 8.34 km of tracks in stations; (ii) in the second phase of the works, negotiations have been conducted to avoid claims and notifications of contract termination from both parties. As a result of these negotiations, the decision has been reached to make a correction to the price applied according to the Construction Index published by KAS. Subsequently, a new order has been issued to commence the works. Starting from 10 October 2022, these matters have been addressed through Amendment A1 to the contract for the second-phase railway line rehabilitation project (Fushë Kosova – Mitrovica). The works for this phase are anticipated to conclude by 8 January 2024. (Iii) as for the third phase, Mitrovica – Leshak – Border with Serbia, the project design is currently underway.

Preparations have been initiated for the development of the feasibility study and conceptual design for the Kosova-Albania railway line project. The two Governments signed the agreement for the financing of the feasibility study and conceptual design on 20.06.2022. The next step is for the Ministry of Infrastructure and Energy of Albania to publish the tender. The evaluation of bids and the selection of the winning company are expected to be carried out by a joint group of experts.

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

In January 2023, the Government adopted the Sectoral Multimodal Transport Strategy 2023-2030, which includes the railway sector. This Strategy reflects the interoperability of the railway system, the safety, and the standards of the European railway system. It also encompasses the strategies developed in accordance with the Treaty Establishing the Community of Transport for the countries of the Western Balkans.

### **Air transport**

Kosova has the Prishtina International Airport (ANP) “Adem Jashari”, which operates with combined military and civil services. In April 2010, the Public-Private Partnership Contract between the Government of the Republic of Kosova and the Turkish-French Consortium Limak-Aeroport de Lyon came into effect for the concession of the Prishtina International Airport. This is one of the successful concession projects in the SEE.

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

At the beginning of 2022, a project funded by MESPI, amounted to EUR 33 million, was completed. *It involved the extension of the runway, the upgrading of the instrumental landing system, and the radio communication system at Prishtina International Airport “Adem Jashari”.* The runway has been extended from 2,500 metres to 3,040 metres, and the technical capacities of the ANSA have been enhanced.

PIA “Adem Jashari” now operates in the IIIb category of airports, providing the highest level of operational safety conditions for all aircraft categories.

These investments have facilitated an increase in the number of passengers, and this year it is expected that the number of passengers will reach a record figure of around 3.3 million passengers.

## Energy

The electricity system in Kosova consists of generation, transmission, distribution, non-registered consumers, as well as consumers with the right to universal service. Suppliers and wholesalers are also among the electricity market participants.

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

In the absence of a natural gas system and considering the highly limited centralised heating system, the main responsibility for ensuring the supply of energy resources to consumers currently falls on the electrical energy system.

Kosova has achieved energy independence through the new Agreement for Integration between KOSTT and ENTSO-E. Since December 2020, KOSTT operates as an independent regulatory zone within the AK bloc (Albania-Kosova) within the synchronous area of continental Europe. The allocation of interconnection capacities and the management of network congestion are carried out within the structure of this bloc. This has paved the way for KOSTT’s integration into the regional energy market, participation in the Albanian Power Exchange (ALPEX), and the commissioning of the 400 KV Kosova-Albania line.

*Generation* is primarily based on thermal power plants (*Kosova A* and *Kosova B* TPPs) and RES (hydropower, wind and solar energy). *Transmission of electricity*: KOSTT, 100% owned by the Republic of Kosova, with the shareholder rights exercised by the Assembly, is the sole operator of transmission and the market. It operates with two separate licenses: one for the transmission system operation and one in the market operation. The market operator is responsible for organising and developing the electricity market, while the transmission operator handles the transmission of electrical energy, the operation and maintenance of the transmission system, as well as the system balancing. *Electricity distribution*: KEDS, a private entity, is the sole operator of the distribution system. It is responsible for the operation and maintenance of the distribution system and the management of the connected generators. KESCO is a licensed electricity supplier, including the *Public Service Obligation* defined by the regulator to supply consumers with the right to universal service.

According to data from 2021, the burden of electricity generation primarily falls on the base load thermal power plants. These plants cover approximately 93% of the total electricity generation, while the remaining portion is supplied by power plants using RES (mostly from hydroelectric plants, mainly small ones) and through imports. Energy generation is mainly done by the Kosova Energy Corporation of (KEK JSC), part of which are two TPPs (*Kosova A* and *Kosova B*) and coal mining. These TPPs started operating in the 1970s, respectively 1980s, and as such are obsolete and their continued operation requires investments in accordance with the environmental conditions based on EU parameters. Therefore, in the coming years, investments are planned to be made in the *Kosova B* TPP.

Kosova, as a signatory party to the Energy Community Treaty, agreed in July 2022 on the decarbonisation targets, which are also reflected in the Energy Strategy 2022-2031, approved by the Kosova Assembly in March 2023. This base policy document has 5 strategic objectives: improving the reliability of the energy

system; decarbonisation and promotion of renewable energy; increasing energy efficiency; strengthening regional cooperation and market functioning; and protecting and empowering consumers.

On 12.05.2023, the Ministry of Economy announced the launch of a competitive process for guaranteeing the purchase price for energy produced by a 100 MW photovoltaic solar power plant (FW), to be built on public land. The photovoltaic solar power plant will be constructed in the cadastral area of Kramovik and Petkoviq in the Municipality of Rahovec, leased to the selected bidder for a period of no less than 30 years.

In addition, supported by donors, Kosova will develop a project with a capacity of 100 MW within KEK, and another one with a capacity of 50 MW storage of RES supplied heating energy, which will supply Termokos with energy for heating.

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

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

### **Electronic communications market**

In Kosova, the electronic communications and ICT sectors are of great economic importance. In recent years, the share of these sectors reached about 2.2% of the GDP. With regard to market developments, the landline historically has had a low development in our country. The following operators are currently active in the market for the provision of landline telecommunication services: (1) Kosova Telecom JSC (former PTK), licensed on 30.07.2004; (2) IPKO Telecommunications LLC licensed on 08.09.2006; (3) Kujtesa.net, licensed on 07.01.2014; (4) Fiberlink (Decision No. 607, Protocol No. 013/B/15, has allocated the numerical bloc from the geographic numbering series for use by 'FiberLink' LLC); (5) Mts d.o.o., with general authorisation under the telecommunications agreement between the Republic of Kosova and Serbia, facilitated by the EU.

The downward trend of *landline telephony* continued from previous years. The penetration rate of landline telephony in Kosova continues to be very low compared to the regional countries, and also to the EU countries. The highest share in the market belongs to the company Telecom of Kosova, followed by IPKO, then MTS D.O.O and Kujtesa Net. However, all landline telephony indicators show a very slow and declining trend. In the third quarter of 2023, the number of landline telephone users was 67,287, experiencing a decrease of 5.5% compared to the same period of the previous year.

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

The mobile telephony market has the widest spread in all electronic communications. Mobile telephony services in Kosova are provided by three operators in the 900/1800 MHz frequency band, including the operator with temporary authorisation and limited infrastructure mts D.O.O.: (1) Kosova Telecom

J.S.C./Vala licensed on 30.07.2004 for 15 years, and by Decision no. 1419, dated 30.07.2019, the RAEPC renewed the right to use frequency resources for 20 years; (2) IPKO Telecommunications LLC licensed on 06.03.2007 for 15 years, and by Decision no. 1420, dated 30.07.2019, had the right to use frequency resources renewed for 20 years; and (3) Mts D.O.O., with temporary authorisation based on the Telecommunication Agreement between the Republic of Kosova and Serbia, facilitated by the EU (this enterprise provides services through limited infrastructure only in specific locations and does not have the right to expand). In addition to three authorised mobile network operators mentioned above, currently in the Republic of Kosova, there is another virtual mobile operator: Dukagjini Telecommunications JSC (D3 mobile) licensed on 24.06.2008, which mainly provides M2M services. The total number of mobile phone users at the end of the third quarter of 2023 was 1,949,961, with an increase of 0.3% compared to the same period of the previous year.

The number of broadband fixed line Internet lines by the second quarter of 2022, reported by the operators reaches the figure of 399,132 subscribers. This shows an increase of 0.4% compared to the same period of 2022. Internet penetration according to households (per 100 inhabitants) turns out to be 21.98%. The broadband Internet access distribution rate for households is 134.3%. The number of mobile Internet service users (Mobile Broadband) or Internet access through 3G and 4G mobile networks in the Q3 2023 period reached 1,734,558 users, marking an increase of 14.0% compared to Q2 2023 and a 5.2% increase compared to Q3 2022. Regarding the market share of Internet services by users for each operator, at the end of the third quarter of 2023, Telekom Kosova had 6.11%, IPKO 27.75%, Kujtesa 15.18%, Artmotion 28.43%, and others had the remaining share.

*Regulatory and policy framework:* The Law on Electronic Communications and applicable legislation establish a comprehensive legal framework in compliance with the EU Directives (transposing the 2009 directives on electronic communications, amending the package of 2002 directives). This law, inter alia, has put in place the legal basis for transition from the License regime to the General Authorisation regime for the provision of electronic services and communication networks. This implies more opportunities and qualitative improvement in the environment for new investments and fair competition, which is one of the Government's key objectives (priorities). The European Electronic Communications Code (Directive (BE) 2018/1972) is in the process of transposition. On 10.05.2023, the Government approved the Concept Document on the Electronic Communications Code, and the drafting of the Electronic Communications Code will continue, aiming for its approval by mid-2024. On 29.06.2023, the Government adopted the Digital Agenda of Kosova, which reflects the strategic objectives of the Digital Agenda for Europe, taking into account and adapting to the reality and state of the IT sector in the country.

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

The structure of enterprises by economic activities is dominated by the trade sectors. According to the KBRA data (October 2023), their distribution in sectors is as follows: trade 2,309 entities (23.8%); professional, scientific, and technical activities 1,026 entities (10.6%); manufacturing/production industry 998 entities (10.3%); construction 994 entities (10.2%); hospitality and accommodation 935 entities (9.6%); other service activities 656 entities (6.7%), etc.

The total number of newly registered businesses with KBRA as of October 2023 is 9,704. Compared to the same period in 2022 (9,243), there are approximately 2.4% more registered businesses. The number of closed businesses is 1,325, about 4.2% less compared to the same period in 2022 (1,441). The number of registered businesses with foreign owners is 688, compared to 742 in the same period of 2022. The number of registered businesses owned by women is 2,578, around 3.26% more than in the same period of 2022 (2,415).

*Table 7. Number of registered businesses, 2015 – October 2023*

Description	2015	2016	2017	2018	2019	2020	2021	2022	January - October 2023
Registered	9,833	10,553	9,335	9,966	10,054	9,805	9,854	11044	9704
Closed	2,205	2,378	1,589	1,892	1,766	1,356	1,412	1768	1325
Owned by women	2,020	2,332	2,096	2,443	3,016	1,764	2,534	2844	2578

*Source: Kosova Business Registration Agency (KBRA)*

The industry sector in Kosovo is dominated by micro-enterprises accounting for approximately 86%. Kosovo has a small industrial base focused on low value-added activities with limited export competition and concentrated on few export products and markets. Kosovo has not shown any structural changes in the composition of its economy. The manufacturing sector contributes around 13-14% to the value added in GDP, ranking third after services and construction/mining.

The industry sector (Sector C) in Kosovo, in 2022, accounted for approximately 12% of employment, 13.74% of turnover, 12.9% of the total number of enterprises, and its contribution to DGP increased by 2.32% compared to 2021. Sector C represents around 83% of the total exports and 93% of the total imports in 2022.

Table 8. Annual statistics of manufacturing industry trade (2020 - 2022<sup>15</sup> Years (in EUR )

	2020	2021	2022
<b>Export of processing industry products</b>	398,461,079	626,341,608	763,936,150
<b>Import of processing industry products</b>	3,061,352,367	4,338,794,494	5,244,635,490

Source: Kosovo Agency of Statistics

Regarding the support for SMEs, MIET subsidised SMEs for the purchase of production machinery in 2023. With the aim of boosting production capacities and enhancing the competitiveness of our enterprises in both domestic and international markets, 36 agreements with businesses were signed in 2023, totalling EUR 700,000 based on public calls. These businesses were beneficiaries in 2022 but signed agreements in 2023. In the last quarter, an additional 35 beneficiary enterprises were supported, amounting to EUR 1 million based on the call, and are currently in the implementation phase.

In order to encourage local businesses to increase production capacities, especially to improve product quality for export growth, KIESA is financially supporting 8 companies for product certification. Through this scheme, these companies will enhance product quality standards.

The Kosovo Credit Guarantee Fund built a portfolio which, as of September 2023, reached a cumulative value of guaranteed loans of EUR 586.1 million, EUR 309.2 million approved guarantees, and 13,613 of disbursed loans to date.

Through credit guaranteeing, the Fund has contributed to improving the performance of SMEs with investments made through the guaranteed loans. Fostering business development, creativity and innovation, the Kosovo Credit Guarantee Fund has facilitated access to finance, thereby assisting in economic development.

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

Kosova's trade deficit during the nine months of 2023 reached EUR 3.6 billion. The export coverage with imports in January-September 2023 indicates a decline of 15%, 17% in the same period of 2022, and 16% in that of 2021. As of September 2023, trade exchanges in goods have marked an approximate value of EUR 4.9 billion, an increase of EUR 48 million compared to the same period of the previous year. The exported goods are valued at EUR 640.8 million, a decrease of EUR 47.1 million or 7% compared to the nine-month period of 2022. The share of exports in GDP during the first half of 2023 is 10%, 11% in 2022, and 9.4% in 2021. Imports are valued at over EUR 4.2 billion, an increase of EUR 95.3 million or 2%. Exports to EU-27 countries are valued at EUR 203.6 million, accounting for 32% of total exports, a decrease of 11% compared to the nine-month period of 2022.

Imports from the EU are valued at over EUR 1.8 billion, an increase of 3.5%, accounting for 43% of total imports. Exports to CEFTA countries are valued at EUR 256.8 million, covering 40% of total exports, an increase of 3%. Imported goods from CEFTA have reached a value of EUR 700 million, accounting for 16% of total imports, a decrease of 5% compared to the nine-month period of 2022. Inflationary pressures in the Eurozone, with which Kosovo conducts the majority of its trade exchanges, were reflected in the country's

<sup>15</sup>The data on exports and imports for the manufacturing industry, for the year 2022, are preliminary. During the calculation, the percentage of the manufacturing industry in 2021 was taken as the base and was calculated with the total value of exports and imports for 2022.

economy. Therefore, developments in the country's price level continue to be determined by the fluctuation of prices in international markets, due to the high dependence of the country's economy on imports, which is also confirmed by the similar behaviour of the consumer price index to the import price index.<sup>16</sup>

Foreign Direct Investments (FDIs) in Kosova in 2022 were EUR 778.2 million, an 85% increase compared to the previous year, while in the first nine months of 2023, FDIs in Kosova reached EUR 612.7 million, according to the Central Bank (about EUR 200,000 more than the same period of the previous year).

*Medium-term priority objectives:*

- Alignment of education and vocational training with labour market demands and implementation of the Curriculum Framework;
- Effective management of the education system at all levels;
- Improvement of the quality and integrity of higher education, in line with international standards;
- Implementation of guaranteed employment, and related to this, strengthening the capacities of employment centres and the reform of education and professional training (VET);
- Implementation of the 2030 Industrial Development and Business Support Strategy;
- Supporting businesses in certifying their products with European and international standards by providing small grants and subsidies for SMEs for the purchase of production/processing machinery, ensuring, where possible, equal gender representation;
- Promotion of exports through preparation of SMEs for export and identification/development of potential markets;
- Development of SME policies through development of new instruments to support SMEs and start-up businesses (start-up schemes, artisan schemes).

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<sup>16</sup> The Import Price Index in the second quarter of 2023 had an annual growth of 5%, which constitutes a slowdown compared to the 8.6% growth in the first quarter.

### 3. BLOC 3: EUROPEAN STANDARDS - APPROXIMATION OF KOSOVA'S LEGISLATION WITH THE EU ACQUIS

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

The alignment and implementation of national legislation with the EU *acquis* are a prerequisite for the accession of the Republic of Kosova to the EU. This requirement is outlined in Article 74 of the SAA. Approximation implies the alignment of national legislation with the *acquis* and consists of two components: undertaking the obligations arising from the *acquis* and implementing it in practice. The alignment of legislation is carried out according to a programme agreed between the Republic of Kosova and the EU, known as the NPEI, which outlines the priorities and modalities for monitoring the conformity of legislation approximation and its practical implementation.

##### *Legislative and Institutional Framework*

The priorities and reforms for the alignment of legislation are determined in the NPEI. The implementation of the *acquis* requires administrative capacity, legal mechanisms and guidelines for the alignment of legislation. The alignment of legislation is regulated by the following bylaws and guidelines/manuals:

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

The legislation alignment assessment goes through several procedural steps. The initial step commences with responsible institution that drafts the Statement of Compliance (SoC) and Tables of Concordance (ToC) with the EU *acquis*, preliminarily assessing the level of approximation. The next step is the Legal Opinion on Compliance (LOC) with the EU *acquis*, which summarises two types of findings: the substantial and material part of the EU *acquis* within the draft legislative act. After the LOC receipt, the responsible institution that has drafted the legislative draft submits it to the OPM for approval. Following the approval by the Government, the draft-laws are submitted to the Assembly for approval, respectively, to the relevant committees, which analyse and review the respective draft-law. After approval by the committee, the draft-law is submitted for approval to the Assembly in a plenary session.

The whole process of alignment of legislation is related to the translation of the EU *acquis* into the official languages of Kosova (Albanian and Serbian), which is an internal part of the alignment process. This process is regulated by Regulation on the Process of Translation of EU Legislation into the Official Languages of the Republic of Kosova, which defines the translation procedures, coordination of the translation process well as the unification of the terminology of the EU *acquis* in official languages of Kosova. As part of regional cooperation between Kosova and Albania, a Cooperation Agreement was signed in 2015 to establish the Technical Commission for the Translation of EU Legislation into the Albanian language. It aims to cooperate in the alignment of legislation, coordinate the common agenda for translating EU acts, and exchange translated *acquis*. This commission has also created the electronic platform 'albterm.net', where translated *acquis* acts into Albanian are updated based on the annual translation scheduled approved by the Government. In addition, a Cooperation Agreement was signed with the University of Prishtina "Hasan Prishtina" for translation of the EU *acquis*.

The Legal Office within the OPM, through the Division for E.U. Law, is the coordinating institution responsible for the assessment of alignment of legislation, while the Legal Departments of equivalent units of independent institutions are responsible at the level of line institutions. In the Assembly, the GD for Legal and Procedural Issues and the parliamentary committees are included in the process of alignment.

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

###### *Alignment of legislation:*

- Revision of the AI on Standards for Drafting of Normative Acts;



- Operationalisation of the online Legal Approximation System;
- Professional training on approximation of legislation in priority areas: Freedom of Movement of Goods; Right of Establishment and Freedom to Provide Services; Public Procurement; Company Law; Intellectual Property Law; Competition; Judiciary and Fundamental Rights; and Justice, Freedom and Security.

*Translation of legislation:*

- Increasing the number of EU *acquis* acts translated into the official languages of Kosova;
- Enhancing cooperation between stakeholders (line ministries) in Kosova and with the regional countries for the translation of acts of the EU *acquis*;
- Drafting a guideline on certification of the EU *acquis* in the official languages of the Republic of Kosova;
- Updating the electronic platform 'albterm.net' on an ongoing basis for the publication of the EU acts translated into the official languages of the Republic of Kosova.

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

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

*State of Play*

The *EC Kosovo 2023 Report* highlights that Kosova is in between some and moderate level of preparation in the area of the free movement of goods. Partial progress has been made with the adoption of the Law on general product safety and further alignment of Kosova's legislation with the EU *acquis* on market surveillance and on mutual recognition. Further alignment with the EU *acquis* is needed in this area and Kosova must increase staff numbers and improve staff skills in the area of quality infrastructure (especially conformity assessment and market surveillance). The EU recommends that during 2024 Kosova should focus on:

- Increasing enforcement capacity on conformity assessment and market surveillance bodies;
- Starting implementation the new Law on general product safety and Law on inspections and adopt relevant secondary legislation;
- Starting implementation of requirements of the European Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) Regulation.

*Legislative, Policy and Institutional Framework*

**Horizontal legislation**

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

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

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

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

The main legislative acts for market surveillance are: Law No. 06/L-041 on Technical Requirements for Products and Conformity Assessment (for details, see the conformity assessment section), Law No. 08/L-172 on General Product Safety, and Law No. 03/L-181 on Market Inspectorate and Inspective Supervision. Law 08/L-172 on General Product Safety was approved by the Assembly and published in the Official Gazette on 03.04.2023, and it is full compliance with Directive 2001/95/EC of the EP and of the Council of 3 December 2001 on the general product safety and Directive 357/87/EC of the EP and of the Council of 25 June 1987 on imitation of food products and establishes the requirements for the overall product safety, the obligations of manufacturers and distributors, public information, promotion of voluntary measures, as well as supervision of compliance with the requirements set by this law. Law on the Market Inspectorate and Inspective Supervision, in line with the *acquis* requirements defines the principles, organisation, powers and procedures of market inspective supervision in the territory of the Republic of Kosovo. There are also four applicable (4) bylaws, which have partially transposed the relevant *acquis*.

### **New and global approach**

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

### **Old approach**

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

### **Procedural measures**

Procedural measures cover the following areas: Notification Procedures, External Border Controls, Cultural Goods, Crystal Glass and Textile Labelling and Protective Products. *Policy*: The policy planning framework including the Economic Reform Programme 2023-2025 has defined measures aimed at improving the business environment through trade facilitation and quality infrastructure development.

*Institutions* responsible in this chapter are as follows:

*Horizontal issues:*

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

*New and global approach:*

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

*Old approach:*

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

*Procedural measures:*

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

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

*Horizontal measures:*

- Adoption of regulations on product groups and technical regulations subject to inspection supervision in accordance with the law on product conformity;
- Establishing relevant units (Liaison Office and Contact Point for Products) based on the CD on product conformity;
- Drafting of the Strategy for monitoring inspections of product conformity;
- Full membership of KAD in EA, signing of MLA with EA;
- Further policy development in the area of metrology;
- Full/associated membership of the Metrology Agency in BIPM, OIML and Euramet;
- Creation of new laboratory spaces - construction of the annex to the metrology facility
- Operationalisation of the time and frequency laboratory and strengthening the existing metrology laboratories;
- Organisation of awareness-raising activities for businesses regarding the role of quality infrastructure;
- Expansion of accreditation activity – preparing calibration laboratories for accreditation according to the ISO/IEC 17025:2017 standard (force, thermometry and length)
- Conduction of a survey on how the businesses are well informed of the quality infrastructure, including the SAA;
- Capacity-building of the staff responsible for quality infrastructure;
- Transposition of the EU Regulation 2019/1020 on Market Surveillance and Compliance of Products and EU Regulation 2019/515 on Mutual Recognition of Goods in primary legislation (Drafting of the new Law on Market Surveillance of Products);
- Implementation of the Programme for elimination of barriers in trade 2021-2025 (according to Articles 34-36 TFEU).

*New and global approach:*

- Adoption of bylaws under the Law on Construction Products;
- Capacity-building of the staff responsible for quality infrastructure and technical rules.

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

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

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

The *EC Kosovo 2023 Report* highlights that Kosovo has some level of preparation in the area of free movement for workers and made limited progress during the reporting period, notably on social security coordination. Kosovo is in ongoing negotiations for bilateral agreements on social security with various countries of the European Union and not only. The draft-law on ratification of the social security agreement with The Netherlands was adopted in November 2023. Kosovo is in negotiations with Austria and Croatia, and agreements are expected to be reached in the second half of this year. We are also at the beginning of negotiations with Slovenia and Türkiye.

*Legislative, institutional and policy framework*

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

- Directive 96/71/EC concerning the posting of workers in the framework of the provision of services and amending Regulation (EU) No. 1024/2012 on administrative cooperation through the Internal Market Information System ('the IMI Regulation').

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

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

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

- Negotiation and conclusion of social security agreements for citizens living and working outside of Kosovo, as well as for employees of EU Member States employed in Kosovo, in line with the EC recommendations;
- Revision of the legislative framework on regulation and management of pensions and benefits, including better management of state-funded pensions through a single body in MFLT;
- Alignment of legislation with *acquis*, by transposing the following directives:
  - Directive 79/7/EEC on equal treatment in matters of social security in line with the country's possibilities and capacities;
  - Directive 2014/67/EU of the EP and of the Council of 15 May 2014 on the enforcement of Directive 96/71/EC concerning the posting of workers in the framework of the provision of services and amending Regulation (EU) No. 1024/2012 on administrative cooperation through the Internal Market Information System (IMI Regulation);
- Revision of the legal framework for social and family services and the formula for funding social and family services, as well as complete reform of the social assistance scheme.

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

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

***State of Play***

The *EC Kosovo 2023 Report* highlights that Kosovo remains moderately prepared in this area and made some progress. Kosovo started implementing its five-year action plan to make its sectoral laws compliant with the EU Services Directive. The Point of Single contact is not fully functional. Kosovo's postal market has already been opened to competition in 2022 and the legal framework is being aligned with the EU postal *acquis*. More efforts are needed to align Kosovo with the EU *acquis* on recognition of professional qualifications. The EU recommends that during 2024 Kosovo should focus on:

- Remove the identified barriers to the right of establishment and freedom to provide services and implement the action plan to make sectoral laws compliant with the EU Services Directive;
- Complete the alignment with the EU postal acquis as regards the Regulation on crossborder parcel delivery services and strengthen institutional capacity to monitor and ensure compliance with the new rules in the postal market;
- Align with the EU *acquis* on mutual recognition of professional qualifications, including with the Directive on recognition of professional qualifications and with the Directive on a proportionality test before adoption of a new regulation of the profession.

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

*Legislation:* The main legislative act in the area of services is Law No. 05/L-130 on Services, effective since February 2017. In line with the *acquis* requirements, it defines the basic principles and criteria that enable the right of establishment and freedom to provide services in Kosova, guaranteeing at the same time security and high quality of services for their beneficiaries. There are also two (2) applicable bylaws, which have partially transposed the relevant *acquis*. *Policy:* To fulfil the obligations of the SAA in the area of services, ERP 2022-2024, as part of Reform 18, aims to enhance competitiveness in the services trade sector.

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

#### **Postal services**

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

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

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

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

The main *institution* in charge in this area is the Ministry of Education, Science, Technology and Innovation, namely the Division for the Examination of Regulated Professions within the Department of Higher Education, Science and Technology. The Division of Regulated Professions has drafted the bylaws deriving from the Law on Regulated Professions, which have been approved and signed, and presented herein:

- AI (MESTI) No. 21/2018 on Composition, Duties, and Responsibilities of the State Council for Regulated Professions
- AI (MESTI) No. 103/2020 on Rules for the Functioning of the State Exam Commission, Compensation of its Members, as well as the Procedures and Manner of Conducting the State Exam
- AI (MESTI) No. 18/2020 on Criteria and Procedures for Obtaining the Right to Practise a Regulated Profession
- AI (MESTI) No. 10/2021 on Organisation and Functioning of the Professional Body
- AI (MESTI) No. 07/2022 on the Professional who has Earned the Right of a Profession in a Foreign Country and is Exempt from the Obligation to Take the State Exam in the Republic of Kosova.

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

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

- Implementation of the Action Plan for Transposition of the Directive (2006/123/EC) on Services in the Internal Market;
- Implementation of AI No. 04/2018 on Functioning of the Single Point of Contact;
- Implementation of the Action Plan on establishment of the Single Point of Contact (SPC);
- Implementation of AI No. 05/2018 on Notification Procedure and Compliance Assessment of Draft Normative Acts with the Law on Services;
- Drafting of analysis on diagnosis of important service trade sectors as a basis for the development of appropriate policies;
- Continuing operationalisation of the Single Point of Contact for Services through gradual digitalisation of services;
- Continuing alignment of national legislation with the Services Directive;
- Professional skills capacity-building for staff of the Legal and Trade Departments to assess alignment of draft normative acts with the Law on Services;
- Increasing awareness among businesses, professional associations and municipalities to simplify administrative procedures related to the implementation of the five-year AP;
- Implementation of the Law on Electronic Identification and Trusted Services in Electronic Transactions;

#### *Postal services:*

- Continuing alignment with the postal services *acquis*;
- Further capacity-building of institutions dealing with postal services, to ensure successful review and alignment;

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

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

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

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

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

According to EU estimation in the *EC Kosovo 2023 Report*, Kosova is moderately prepared in the area. The *EC Kosovo 2023 Report* highlights that some progress was made by adopting the Law on Implementation of Targeted International Financial Sanctions and the Law on the State Bureau for Verification and Confiscation of Unjustified Assets. Although initial steps were taken, the recommendations of the previous report remain valid. The EU recommends that during 2024 Kosova should focus on

- Increase efforts to further align its legal framework with the EU Payment Services Directive 2;
- Increase efforts to fight economic and financial crime, and align the Law on the prevention of money laundering and terrorist financing with the EU *acquis*;
- Strengthen inter-institutional cooperation in the fight against economic and financial crime and strengthen the effectiveness of confiscations of assets and proceeds of crime.

Furthermore, in the conclusions of the 6<sup>th</sup> SC on Economic and Financial Issues and Statistics, the following aspects have been identified to be addressed:

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

*Legislative, Policy and Institutional Framework*

### **Liberalisation of capital movement**

The main legislative act in this area is Law No. 03/L-154 on Property and Other Real Rights, effective since August 2009. In line with the *acquis* requirements, it regulates the establishment, content, transfer, protection and extinction of real rights. Also, there are 2 applicable bylaws, which have partially transposed the relevant *acquis*. The main *institution* in this area is the Ministry of Justice, which is responsible for the legislative framework and policies on property rights in Kosovo.

### **Payment system**

The main legislative act in this area is Law No. 04/L-155 on Payment System, effective since May 2013. In line with the *acquis* requirements, it defines the rules for authorising payment institutions that provide payment services and for the licensing of operators of payment systems, clearing and settlement of securities by the CBK, the conditions and standards for the provision of such services and the operation of payment, clearing and settlement systems, as well as the facilities and procedures according to which CBK exercises its supervisory powers. There are also 3 applicable bylaws, which have partially transposed the relevant *acquis*. CBK Strategic Plan 2022-2024 is the key policy document in this area. CBK is an independent public institution, with the primary objective of promoting and maintaining a stable financial system and an efficient payment system.

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

The main legislative act in this area is Law No. 05/L-96 on the Prevention of Money Laundering and Combating Terrorist Financing, effective since 2016. It defines the measures, competent authorities and procedures for detecting and preventing money laundering and combating terrorist financing. In line with the *acquis* requirements. This Law also defines the measures, competent authorities and procedures for detecting and preventing money laundering and combating terrorist financing. There are also 12 applicable bylaws, which have partially transposed the relevant *acquis*. The key policy document in this area is the Strategy and AP on the Prevention and Combating of the Informal Economy, Money Laundering, Terrorist Financing and Financial Crimes 2021-2024.

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

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

*Liberalisation of capital movement:*

- Strengthening the property rights system;
- Adoption and implementation of the legislation in the area of property rights of foreign citizens, in particular EU nationals in line with the SAA;

*Payment system:*

- Adoption of the new law on payment services (to transpose EU directives, such as PSD2, EMD, PAD), as well as preparing secondary legislation based on requirements arising from the Law on Payment Services;
- Adoption of secondary legislation under SEPA;
- Strengthening CBK's human capacities for the development of secondary legislation;



- Implementation of an instant payment system in the country with standards and technical infrastructure ready for integration with TIPS (Target Instant Payment Settlement the EU);
- Capacity-building for risk assessment on systemically important payment systems and supervising payment systems, based on EU Directives and CPSS-IOSCO principles;
- Establishment of standards for the interaction of payment service providers through “QR codes”;

*Prevention of money laundering and terrorist financing:*

- Transposition of Directive 2015/849 and Directive 2018/843 on prevention of use of the financial system for the purposes of money laundering or terrorist financing through amendment of the Law No. 05/L-096 on the Prevention of Money Laundering and Combating Terrorist Financing;
- Raising the quality of information the FIU receives from the reporting entities;
- 3<sup>rd</sup> National Money Laundering and Counter-Terrorism Financing Risk Assessment;
- Kosova’s membership in Moneyval;
- Increasing the number of FIU staff;
- Provision of specific instructions to reporting entities on risk assessment preparation and conduction;
- Strengthening the overall structure of the supervisory framework and develop supervision based on risk and the most vulnerable sectors;
- Strengthening capabilities to identify beneficial ownership and limit abuse of legal entities and legal agreements for the purposes of AML/CFT;
- Reviewing the AML/CFT risk assessment methodology and strengthening risk assessment, risk management and strategic framework;
- Investigation and prosecution of financing of terrorism;
- Capacity-building on preventive measures against terrorist financing and on financial sanctions.

### 3.5. Chapter 5: Public Procurement

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

#### *State of Play*

According to EU estimation in the *EC Kosovo 2023 Report*, Kosova has a moderate level of preparation in this area. A limited progress has been made in this area. Training sessions have been conducted to enhance the capacities of contracting authorities in using the best value for money as a criterion for the contract award and on the use of modules for contract management and contractor performance evaluation. Public procurement remains susceptible to irregularities and is vulnerable to corruption both during the procurement process and in the subsequent contract implementation. No progress has been made in the adoption of a new Law Public Procurement. As the recommendations from the previous year have not been implemented, they largely remain valid. EU recommends that during 2024 Kosova should focus on:

- Adoption of a new law on public procurement and a new law on concessions in line with the EU *acquis*; preparation of the corresponding implementing legislation and ensuring their proper implementation;
- Increasing capacities of and cooperation among all public procurement institutions and contracting authorities;

- Ensuring that the Procurement Review Body is fully operational and remains functionally independent; it should also strengthen the Body's capacity and ensure that its review process is timely, effective and transparent

Furthermore, in the conclusions of the 6<sup>th</sup> SC on Internal Market and Competition, the following aspects have been identified to be addressed:

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

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

Legislation is partially aligned with EU standards and is based on the main principles of this area. With the LPP being amended, the preferential treatment for local bidders has been eliminated. The main law is Law No. 04/L-042 on Public Procurement, amended by the Law No. 04/L-237, Law No. 05/L-068 and Law No. 05/L-092. Additionally, there are several applicable bylaws and procedural acts for the implementation of the law, including Regulation No. 001/2022 on Public Procurement, Public Procurement Operational Guidelines No. 002/2023, standard forms for each type of notice, tender dossiers, the Code of Ethics, forms for reporting signed contracts, forms for submitting complaints to the PRB and instructions for minimum value procedures. Manuals related to specific issues in public procurement have also been prepared and published to support the proper implementation of public procurement and e-procurement, such as: Manual for the use of the Most Economically Advantageous Tender (MEAT) criterion in public procurement, Manual on the use of e-procurement, and Manual on contract management and performance evaluation of contractors through e-procurement for contracting authorities and economic operators.

There is still a need for an alignment of the public procurement legislative framework in Kosovo with the EU *acquis*, especially with the following acts:

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

The main public procurement policy document is the 2022-2026 Public Finance Management Reform Strategy and the AP for its implementation. Its key objective for public procurement aims to improve the efficiency and effectiveness of procurement processes through amending the legislative framework, training, developing implementation tools and advancing the e-procurement system. The *institutions* in charge under this chapter are: Ministry of Finance, Labour and Transfers, Public Procurement Regulatory Commission (PPRC); Procurement Review Body (PRB), and the Central Procurement Agency (CPA) within the MFLT.

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

- Further alignment of country's legislative framework with the EU legal framework based on SAA requirements, and utilising the experience and best practices of EU member states in the area of public procurement;
- Preparation of implementing legislation in the area of public procurement in line with amendments to the Law on Public Procurement, including procurement manuals, guidelines, forms and standard models for tender and contract documents;

- Training and increasing the quality of Public Procurement training in order to develop professional staff capacities in the area of public procurement to cope with a growing market and its expected role in national economic development;
- Adoption of regulations and instructions on market research as part of the assessment before awarding centralised public procurement decisions.

### 3.6. Chapter 6: Company Law

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

#### *State of Play*

The *EC Kosovo 2023 Report* highlights that Kosovo has some level of preparation in the company law. Kosovo made limited progress in further aligning with the EU *acquis* on company law and is preparing a new law on business organisations to align more broadly with the EU *acquis*. Since the 2022 recommendations were only partially addressed, they remain largely valid. EU recommends that during 2024 Kosovo should focus on:

- Adopt the draft-law on business organisations to further align with the EU *acquis* on company law including with the most recent EU *acquis* (the encouragement of long-term shareholder engagement, the Directive on the use of digital tools and processes in the company and the Directive on company cross-border operations);
- Further align with the EU *acquis* on company reporting and strengthen both the institutional audit-oversight structures and the professional independence/objectivity of auditors and audit firms as well as their sufficient and sustainable funding.

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

- Aligning the future developments in the legislation on the right of business organisations with EU Directive EU/2017/1132 (codification) and other EU provisions in areas where there were gaps or partial alignment in the Law on Business Organisations. This includes minimum capital requirements, aspects of information disclosure regarding companies and their branches, cross-border mergers, shareholder protection, and acquisition bids;
- Adopting the draft-law on business organisation, including its alignment with the latest EU *acquis* (Directive 2017/828, Directive 2019/1151, and Directive 2019/2121);
- Ensuring that conditions are met for the connection of the Kosovo Business Registration Agency with the technical infrastructure of the Business Registers Interconnection System (BRIS);
- The Kosovo Business Registration Agency to ensure the publication of updated company information, including financial statements and audit reports, to increase transparency and enhance the credibility of the data registry;
- Providing adequate resources for exercising supervisory competencies, conducting inspections for the supervision and control of the quality of professional associations, audit firms, and statutory auditors, and operationalising software for obtaining and processing financial statements;
- Further aligning legislation with the EU *acquis* on corporate accounting and auditing and sharing the final draft for assessing progress made.

*Legislative, Policy and Institutional Framework*

#### Company law

*Legislation:* The main legislative act in this area is Law No. 06/L-016 on Business Organisations, effective since 2018. It is partially aligned with the *acquis* requirements and sets the rules for the types of undertakings, their setup, registration and operation. With a view to implementation of the primary legislation, 8 bylaws are in force, which have partially transposed the relevant *acquis*. *Policy:* The main policy document in this area is the Government Programme and National Development Plan 2023-2025, which defines the priority policies for the development of the private sector and enterprises.

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

### **Financial reporting and auditing**

*Legislation:* This area is regulated by Law No. 06/L-032 on Accounting, Financial Reporting and Auditing, effective from January 2019, partially aligned with the *acquis* acts. It regulates the accounting and financial reporting system of business organisations, the powers and responsibilities of the Kosovo Council for Financial Reporting (KCFR), audit requirements, qualifications for professional accountants, licensing of auditors and local and foreign audit firms, as well as professional accounting organisations.

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

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

#### *Company law:*

- Drafting secondary legislation under the new Law on Business Organisations;
- Preparation of the Business Register to be compatible with the BRIS interconnection system;
- Implementation of the corporate governance code;
- Improvement of human and technical capacities of *One-Stop-Shop* centres and business services and undertaking affirmative measures to encourage gender representation in line with the Law on Gender Equality; and
- Staff training on the use of software and of the new electronic platform;

#### *Financial reporting and auditing:*

- Adoption of implementing legislation in line with the amended Law on Accounting, Financial Reporting and Auditing;
- Development and implementation of auditing and financial reporting standards and rules for ongoing professional education and development in the area of accounting and auditing;
- Development and implementation of the quality inspection methodology of audits, in line with the audit regulation.

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

This chapter is a well-developed area in the EU, with harmonised rules for all member states, where *acquis* establishes the rules for legal protection of trademarks, industrial designs, patents, geographical indications and designations of origin, trade secrets and protection of integrated circuit topography. Membership in the European Patent Convention and the European Patent Organization is important for the EU patent system. Copyright and related rights include literary creations or works, music, motion pictures, computer

software, and television and radio broadcasts. These rules include procedures for registering private parties or economic operators to protect ‘creations’ and to become the right or patent holders.

### *State of Play*

*EC Kosovo 2023 Report* highlights that Kosovo is moderately prepared on intellectual property rights. Some progress was made to align the domestic legal framework with the EU *acquis*. The government adopted the new laws on: patents, trademarks, industrial design, topographies of semiconductor products and trade secrets. The government adopted the new Law on copyright and related rights (and relevant legislation regarding a collective rights management system in the fields of copyright for literary and visual works). This new law also aims to align with the Directive on certain online transmission of broadcasting organisations and retransmissions of television and radio programmes to cover online transmissions as well as with the Directive on copyright and related rights in the Single Market. Kosovo also took steps to better enforce intellectual and industrial property rights by establishing the Commercial Court that is mandated to solve cases and disputes in this field. The EU recommends that during 2024 Kosovo should focus on:

- Establish a functioning collective management system by strengthening the existing collective management organisations in the fields of music and audiovisual and by facilitating the creation of a collective management organisation in the fields of literary and visual works;
- Adopting implementing legislation as a result of the approval of industrial property laws (patents, trademarks, industrial design, topographies of semiconductor products and trade secrets).

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

- Continue raising awareness for the protection of industrial property rights, contributing to the increase in the number of applications for intellectual property. Increase awareness among the rights holders to seek legal protection by increasing the number of requests addressed to law enforcement institutions to take action;
- Continue to increase the administrative and professional capacities of the Industrial Property Agency;
- Adopt a new Intellectual Property Strategy with a clear timeframe and objectives;
- Take concrete steps, including the implementation of an electronic platform, to enhance the capacity and coordination of policymaking institutions and law enforcement agencies – particularly the effectiveness of the Intellectual Property Task Force and State Council for Intellectual Property – to strengthen intellectual, industrial and commercial property rights and combat counterfeit goods and piracy. Prepare reports on joint activities.

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

### *Legislative, institutional and policy framework*

#### **Copyright and related rights**

This area is regulated by Law No. 08/L-065 on Copyright and Related Rights, fully aligned with the *acquis*. This Law shall define, regulate and protect copyrights, respectively the copyrights in relation to their literary, scientific and artistic works. It also protects and regulates the rights related to copyright, namely the rights of performers, producers of phonograms, producers of films, broadcasting organisations, rights on previously unpublished works, rights of publishers, rights of press publishers regarding online uses (hereinafter: related rights) and *sui generis* rights of database creators. The law is in full compliance with the following EU directives.

The main institution in this area is the Ministry of Culture, Youth and Sports, namely the Office for Copyright and Related Rights. The Office for Copyrights is tasked with developing and, within its powers, implementing the strategy and appropriate policies for the protection and enforcement of copyright, related rights and other rights protected by this law, in accordance with international obligations, national legislation, and the relevant national interests of the Republic of Kosovo. It represents the Republic of Kosovo in international and regional organisations dealing with copyright, related rights and other rights protected by this law. It establishes and maintains cooperation for mutual benefit with government offices, agencies, research institutions and other organisations in other countries dealing with copyright, related rights and other rights protected by this law, in line with the Republic of Kosovo's policy. In cooperation with judicial and administrative authorities in charge, and as appropriate, initiating requests to commence proceedings for the application of enforcement measures, it actively participates in the fight against infringements of rights, especially piracy. It leads and coordinates the Antipiracy Task Force. It proposes to the minister in charge of culture licensing of collective management organisations. The Office monitors also activities of collective management organisations.

### **Intellectual property law**

The *laws* governing this area are: Law No. 08/L-059 on Patents; Law No. 08/L-075 for Trademarks; Law No. 08/L-055 on Industrial Design; Law No. 05/L-051 on Geographical Indications and Designations of Origin; Law No. 06/L-015 on Customs Measures for Protection of Intellectual Property Rights; Law on Market Inspectorate; and Law No. 08/L-053 for Semiconductors Topographs, Law No. 08/L-076 on the Protection of Trade Secret. Each one covers one of the components of this area. Through them, Kosovo has reached a satisfactory level of alignment with *acquis* but it must provide adequate capacity to implement such laws. Also, there are 9 bylaws related to the primary acts in this sector.

The main administrative *institution* for this area is the Industrial Property Agency (IPA) within MIET, which is responsible for the legal protection of inventions, trademarks, industrial designs, designations of origin, geographical indications and topography of integrated circuits, and other matters deriving from international agreements to which the Republic of Kosovo is a party. It also plays the role of an archive where all protected elements are stored. Other institutions in this area, which are responsible for the law enforcement are: Kosovo Customs, Market Inspectorate, the Kosovo Police (Economic Crime Unit and Cyber Crime Unit). For this purpose, a Task Force against Physical and Digital Piracy is also functional, chaired by DCRRO and with members from all the aforementioned institutions and the Agency for Administration of Sequestered or Confiscated Assets.

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

##### ***Copyright and related rights:***

- Adoption of implementing legislation in line with the new Law on Copyright and Related Rights;
- Drafting and adoption of the National Strategy to strengthen the enforcement of copyright;
- Capacity-building and establishment of division for promotion and supervision of Collective Management Organisations;
- Making efforts for proper implementation of collective licensing agreements, in order to guarantee the reimbursement of right holders, awareness raising of right holders regarding the importance of establishing new copyright Collective Management Associations and promoting the importance of collective management of rights;
- Efficient cooperation between the Task Force against Piracy and the contact points established to combat piracy in the seven (7) regions, and raise awareness of combating different forms of piracy, especially digital piracy;
- Promotion of respect for copyright in educational institutions and various stakeholders;

##### ***Intellectual property law:***

- Strengthening human resources of the Industrial Property Agency and establishing the promotion and legal divisions;
- Intensification of inter-institutional cooperation with implementing and policy-making institutions in the area of industrial property;

- Raising awareness of SMEs on the importance of protecting industrial property;
- Membership in international and European organisations (WIPO and EPO).

### 3.8. Chapter 8: Competition Policy

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

#### *State of Play*

According to the EU estimation, Kosovo has some level of preparation in this chapter. According to *EC 2023 Kosovo Report*, competition legislation has been aligned to some extent with the *acquis*, but further efforts are needed to adopt implementing legislation and ensure its enforcement. Similarly, it estimates that Kosovo should continue to align the antitrust framework and ensure its enforcement. The EU recommends that during 2024 Kosovo should focus on:

- Fulfil SAA obligations, including by establishing a functional State Aid Commission;
- Further align the legislative framework on antitrust, mergers and state aid and ensure its enforcement; and
- Ensure the functional capacity and operational independence of the competition and state aid authorities and increase cooperation and coordination between all stakeholders, including ministries, regulators and the judiciary; and

Furthermore, in the conclusions of *SC on Internal Market and Competition*, the following aspects have been identified to be addressed in both areas of this chapter:

#### *Competition:*

- Increase the administrative capacities and the expansion of the staff of the Competition Commission to conduct investigations and achieve the necessary quorum of 5 members, as required by law;
- Increase cartel investigations, more frequent publication of the 'leniency tool' and encouragement for its use;
- Continue the alignment of legislation, taking into account the EC recommendations;
- Steps should be taken to ensure that public and private enterprises are treated on equal terms, following the principles outlined in the EU Treaties to enable fair conditions and avoid unfair competition
- Implement legislation for the homologation of vehicles (AI No. 02/2018, Law on Vehicles, November 2018), in line with the EU best practices to eliminate non-tariff barriers.

#### *State aid:*

- Appoint members of the State Aid Commission and ensure the functioning of the Commission;
- Adopt bylaws, transposing the content of the Regulation on Regional Aid and the Regulation on Horizontal Aid;
- Continue the good progress achieved in the enforcement of state aid rules, with a focus on complaints and investigations *ex officio*;
- Capacity building of the Department for State Aid;
- Enhance cooperation with regulators and awareness raising on state aid;
- The establishment of a single and independent authority for state aid with the functional capacity, resources, and necessary competencies to perform its functions, and which can gather knowledge and expertise.
- Steps should be taken to ensure that public and private enterprises are treated on equal terms, following the principles outlined in the EU in the area of state aid to enable a level playing field.

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

## **Competition**

Regarding legislation, the main law in this area is Law No. 08/L-056 on the Protection of Competition, effective since June 2022. In line with the *acquis* requirements, it establishes the rules and measures for the protection of free and effective market competition; the powers and organisation of the Kosova Competition Authority (KCA), and the procedures for its enforcement. There are also 13 applicable bylaws, which have partially transposed the relevant *acquis*. Competition Authority Strategy 2020-2023 is the main policy document in this chapter.

The main institution in this area is KCA, which is responsible for preventing and prohibiting anti-competitive practices, including prohibited agreements, abuse of dominant position, concentrations or sale and purchase of shares in enterprises, initiation of investigative procedures, market surveillance and proposing measures for ensuring competition in the market as well as for advocacy. The administrative decision-making body is the Kosova Competition Commission. It consists of five (5) members, elected by the Assembly, at the proposal of the Government. In addition to these, the courts are responsible for judicial decisions for competition protection.

## **State aid**

The main law in this area is Law No. 05/L-100 on State Aid, applicable since January 2017, which is partially aligned with the *acquis*. It sets out the principles and procedures for granting state aid, the mechanism and framework for state aid control, and the basis for establishing a comprehensive inventory and reporting state aid system. There are also four applicable (4) bylaws, which have partially transposed the relevant *acquis*.

The responsible *institutions* for this area are: State Aid Commission (SAC), a decision-making body, and the Department for State Aid (DSA). SAC consists of five (5) members, elected by the Assembly, at the proposal of the Government. SAC is responsible for the drafting of implementing legislation, the control of state aid countrywide, as well as developing and maintaining the comprehensive registry/inventory and regional state aid mapping.

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

#### ***Competition:***

- Further alignment with the *acquis*;
- Conclusion of cooperation memoranda with relevant institutions;
- Drafting of awareness raising strategy on competition policy;
- Organisation of seminars with courts, business associations, lawyers and civil society; and
- Institutional and human capacity-building, including capacities for analysis *ex-ante* and assessment *ex-post*, and vocational training programmes for KCA staff.

#### ***State aid:***

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

## **3.9. Chapter 9: Financial Services**

This chapter sets EU rules for banking, insurance, supplementary pensions, investment services and securities markets, with the aim of ensuring fair competition between financial institutions and their stability. They include authorisation, operation and supervision rules. Finally, the *acquis* has established a comprehensive regulatory and supervisory framework for alternative investments, capital funds and social funds, with the goal of increasing transparency towards investors and public authorities.



## *State of Play*

According to *EC Kosovo 2023 Report*, Kosovo is moderately prepared in the area of financial services and it made limited progress in implementing last year's recommendations due in large part to a lack of capacity. Also, further efforts should be made to align with the financial services acquis, focusing on the priorities identified. The EU recommends that during 2024 Kosovo should focus on:

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

Furthermore, in the conclusions of the 6<sup>th</sup> SC on Economic and Financial Issues and Statistics, the following aspects have been identified to be addressed:

- Full implementation of Solvency I measures and approval of the roadmap for the future transposition of Solvency II;
- Adopting the draft-law on banks and establishing of an independent function within the CBK for resolution/ decision-making for commercial bank cases;
- Continuing with the alignment with the Basel framework.

### *Legislative, institutional and policy framework*

The legal framework in the area of banks consists of Law No. 05/L-150 amending Law No. 03/L-209 on the Central Bank of the Republic of Kosovo (CBK); Law No. 04/L-093 on Banks, Microfinance Institutions and Non-bank Financial Institutions; and Law No. 04/L-155 on the Payment System. The CBK is currently reviewing the Law on Banks, Microfinance Institution, and Non-Bank Financial Institutions with the aim of drafting a new law specifically for banks. During this process, work was done in particular on the alignment with the Directive of the EP and the Council 2014/59/EU (the BIRD directive). In 2022, the Regulation on the Liquidity Coverage Ratio (LCR) and the Regulation on the Net Stable Funding Ratio (NSFR) were adopted in accordance with EU Regulation 2015/61 on liquidity coverage requirements of 10 October 2014, EU Regulation 2018/1620 amending Regulation 2015/61 on liquidity coverage requirements of 13 July 2018, and EU Regulation 2019/876 on the Net Sustainable Financing Indicator. The Regulation on Liquidity Risk Management, which has been amended and aligned with the Basel Committee Principles on liquidity risk management and supervision, is also in force. The Regulation on Corporate Governance of Banks has been finalised but not yet approved.

Deposit insurance is regulated by Law No. 03/L-216 on the Establishment of the Deposit Insurance System for Financial Institutions in Kosovo, amended by the Law No. 04/L-133 amending the Law No. 03/L-216 on Establishment of the Deposit Insurance System for Financial Institutions in Kosovo. It regulates the insurance of deposits for individuals and legal entities and establishes the governance and authority of the Deposit Insurance Fund in Kosovo. The area of insurance is regulated by the Law on CBK, Law No. 04/L-018 on Compulsory Motor Liability Insurance and Law No. 05/L-045 on Insurance.

In the pension field, Law on CBK defines pension funds as financial institutions, thus specifying the exclusive competency of the CBK to license, regulate and supervise Pension Funds in Kosovo. The Law No. 04/L-101 on Pension Funds and the CBK regulations on Pension Funds are also in force, partly aligned with EU Directive 2003/41/EC of the European Parliament and Council of 3 June 2003 on the activities and supervision of institutions for occupational retirement provision, providing the basis for full alignment of the requirements of this directive. In the financial market, the domestic debt market has been developed with the issuance of government securities through the electronic trading platform for securities. The market for Government securities of the Republic of Kosovo is regulated by Law No. 04/L-175 on Public Debt, in effect since November 2009, and by bylaws, namely CBK-MoF Regulation No. 01/2014 on the Primary and Secondary Markets for Issuance of Government Securities of 2012 (amended in 2014).

CBK is the key participant and regulatory institution of country's financial system. It enjoys administrative, financial and managerial independence and autonomy. The Kosova Pension Savings Trust (KPST) is an independent public institution established by the Assembly whose activities are regulated by the Assembly and supervised by CBK. Established in December 2001 and operational since August 2002, it is responsible for administering and managing mandatory and voluntary pension contributions of employees in Kosova. Law No. 04/L-101 on Pension Funds in Kosova grants it, through the Board of Directors, the competencies and rights of a trustee for pension funds and defines its rights related to pension funds. KPST is headquartered in Prishtina, while services for contributors and beneficiaries are also provided in six other TAK centres across the country. The Kosova Insurance Bureau (KIB) was established in 2011 by 10 licensed insurance companies to operate in the Republic of Kosova under Law No. 04/L-018 on Compulsory Motor Liability Insurance. KIB is a professional organisation with the legal status, established for non-profit purposes. The Government of the Republic of Kosova recognises its status with unrestricted rights, acting as the paying and processing office, ensuring the fulfilment of all obligations from the international insurance card system. KIB is funded by its members, supervised by CBK, and operates the Compensation Fund, Border Insurance, Insurance Information Centre and the Green Card.

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

#### *Banking sector:*

- Adoption of requirements for the Internal Liquidity Adequacy Assessment Process;
- Development of regulations and management of counterparty credit risk as well as cybercrime and climate change-related risks;
- Strengthening of prudent supervisory practices and risk-based supervision processes;
- Advancement of the reporting framework by financial institutions;
- Preparation of the strategy related to climate change and climate-related risks;
- Capacity-building for emergency management in crisis situation and resolution of troubled banks;
- Capacity-building of staff to align CBK regulations with new Basel regulations, directives and standards, as well as other aspects;

#### *Deposit Insurance Fund:*

- Advancement of cooperation with network partners and members and strengthening collaboration with partners in the financial sector;
- Increasing public awareness through continued and effective communication;
- Advancement of differential premium system and reporting by member banks;

#### *Insurance sector:*

- Further alignment of national insurance regulations with relevant EU directives;
- Commencement of implementation of solvency standards (Solvency II) and training and qualification of staff responsible for insurance supervision for their application;
- Adoption of changes to the Risk-Based Supervision Manual and further specifying early warning indicators, with a view to more adequate assessment of risk profiles at the insurer and market levels overall;
- Strengthening implementation of the corporate governance regulatory framework;
- Further strengthening market conduct supervision by developing and enhancing a regulatory framework for market conduct supervision, along with the development of supervisory tools;
- Development of a graduated supervisory action framework for the insurance sector, including preventive and corrective measures;
- Revision of the Law on Insurance in line with the EU Solvency II and commencement of preparations for implementation of Solvency II, specifically qualitative elements to improve corporate governance and transparency;
- Revision of the Law on Compulsory Motor Liability Insurance;
- Revision of bylaws for the implementation of existing laws;
- Development or improvement of the regulatory framework in terms of cybersecurity;
- Revision of the MTPL tariffing methodology;

- Continuing with provision of assistance to the Kosova Insurance Bureau and other relevant bodies to join the Green Card Bureau;
- Public awareness raising on the importance of insurance;
- Supporting innovation and development of technology/digitalisation to make services more accessible and user-friendly;
- Development of specific methodologies to prevent and address challenges in underperforming insurance institutions in the sector;

#### *Pension sector*

- Revision and drafting of manuals and guidelines on risk-based supervision of pension funds, setting parameters/standards to evaluate their performance and for supplementary pension funds risk management.

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

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

#### *State of Play*

According to the EU estimation, Kosova has some level of preparation in this chapter. According to the *EC Kosovo 2023 Report*, Kosova made limited progress by further aligning its legislative framework with the EU *acquis*, particularly with the adoption of the cybersecurity law. Also, in the area of electronic communications, Kosova adopted the Digital Agenda 2030. Additionally, Kosova has constructively engaged in the high-level regional dialogue on digital transformation and implementation of the Regional Roaming Agreement, and has successfully organised the Western Balkans Digital Summit in Prishtina.

Nevertheless, the legislation in the area of electronic communications, information society and audiovisual policy needs to further aligned and implemented. On the other hand, according to the report, Kosova needs to find a sustainable solution to funding of the public broadcaster and ensure its editorial independence. Moreover, Kosova should adopt the eGovernance Strategy and the Cyber Security Strategy and AP and advance the digital transition. The EU recommends that during 2024 Kosova should focus on:

- Conclude the alignment with the European Electronic Communications Code, the EU Network and Information Security Directive (NIS 2) and the EU's Toolbox for 5G cybersecurity;
- Revise the Law on the Independent Media Commission, in line with the Audiovisual Media Services Directive (AVMS);
- Ensure that RAEPC and IMC are given adequate resources to fulfil their mandates independently, and develop a solution for the sustainable funding of the public service broadcaster; and
- Implement number portability to ensure effective use of numbering resources and foster competition.

Furthermore, in the 6<sup>th</sup> *SC on Innovation, Information Society and Social Policy* Kosova has undertaken to implement the following key reforms:

- Expand the electronic services provided by the e-Kosova Platform for citizens and businesses;
- Approve the National Cyber Security Strategy and the relevant AP, ensuring that sufficient resources are allocated for its implementation;
- Fully align the local legislation with the EU NIS Directive;
- Align local legislation with the European Electronic Communications Code (Directive (EU) 2018/1972) (EECC);
- Ensure basic synergies between green and digital policies;

- Take steps to ensure the successful implementation of Interoperability Memorandums for the Western Balkans to facilitate the free flow of data in the Western Balkans region, signed at the Western Balkans Digital Summit in October 2021 in Podgorica;
- Implement measures to reduce the cost of setting up high-speed electronic communication networks;
- Use EU funds (EUR 30 million) available for technical assistance for broadband projects under the Western Balkans Investment Framework (WBIF);
- Implement number portability to ensure effective use of numbering resources and foster competition;
- Regulatory Authority of Electronic and Postal Communications to have sufficient financial and human resources to fully perform its duties; and
- Align legislation with the Audiovisual Media Services Directive, including the latest 2018 revision. In particular:
  - Amend the Law on RTK in order to find a sustainable solution for funding of the public broadcaster to ensure editorial independence, in accordance with the provisions of the Audiovisual Media Services Directive and other relevant European standards and recommendations;
  - Revise the Law on IMC to update the competencies, ensure transparency and strengthen the IMC independence, including audiovisual media, in accordance with the Audiovisual Media Services Directive. Involve all relevant stakeholders, including civil society and media experts.

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

*Legislation:* The main act in the area of *electronic communications* is Law no. 04/L-109 for Electronic Communications. It regulates electronic communications activities according to the technological neutrality and the EU regulatory framework principles, promoting competition and efficient infrastructure and guaranteeing adequate services in the territory of the Republic of Kosovo. The main act in the area of *information society* is Law No. 04/L-094 on the Information Society Services. It creates opportunities and favourable circumstances for developing electronic commerce, the use of electronic transactions and electronic signatures by the Government, businesses and citizens, as well as reducing the problems of misuse during electronic transactions and addressing the security of IT systems. The key act in the area of audiovisual policy is the Law on the Independent Media Commission (IMC), which defines the IMC competencies with the aim of promoting the development of a healthy market for audiovisual media services in the service of all citizens of the Republic of Kosovo. The following applicable laws also apply to this chapter: Law No. 08/L-007 on Measures to Reduce the Cost of Deploying High-Speed Electronic Communications Networks, Law No. 08/L-022 on Electronic Identification and Trusted Services in Electronic Transactions; Law No. 03/L-166 on the Prevention and Fight of the Cybercrime; Law on General Administrative Procedure; Law on Information Society Government Bodies, and the Interoperability Framework of the Republic of Kosovo. They regulate specific areas and are partially in line with the *acquis*. There is also a significant number of applicable bylaws, which have partially transposed the relevant *acquis*.

*Policy:* The key documents for this chapter are: Kosovo Digital Agenda 2030 (approved by the Government on 29.06.2023), Kosovo Strategy for Information Technology and AP for the period 2016-2019; National Cyber Security Strategy and AP 2016-2019; and the Electronic Atlas for Broadband Telecommunications Infrastructure.

The main institution in the area of *electronic communications* is the Ministry of Economy (MoE), which is responsible for policies to promote growth and economic stability, enable local business development, encourage economic cooperation to attract foreign investment, and promote competition and a sustainable market. The Regulatory Authority for Electronic and Postal Communications (RAEPC) is a regulatory body implementing and overseeing the regulatory framework established by laws in the area of electronic communications and information society, as well as postal services. The main institution in the area of *information society* is the Ministry of Internal Affairs, namely the Agency for the Information Society, which

is responsible for drafting, developing and coordinating the information and communication technology policy in the institutions of the Republic of Kosova. The primary institution in the area of audiovisual policy is IMC, which is responsible for the regulation, management and monitoring of the broadcast frequency spectrum, namely the rights, obligations and responsibilities of natural and legal persons providing audio and audiovisual media services.

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

- Drafting and adoption of laws and bylaws in the area of electronic communications to transpose Directive 2018/1972 establishing the Electronic Communications Code;
- Opening frequency bands with special economic value for the provision of IMT services, including the 700 MHz and 26 GHz frequency bands;
- Expansion of high-capacity networks (VCHN), including 5G networks in the country's territory;
- Creation of a stable and secure infrastructure in landline and mobile networks;
- Encouraging competition in the broadband electronic communications market to increase the efficiency of market regulation and to offer higher-speed Internet access in Kosova;
- Reduction of roaming fees with EU states;
- Revision of the Kosova Information Technology Strategy and its implementation;
- Upgrading of the interoperability platform and interconnecting most of the existing electronic systems through this platform;
- Increasing the number of electronic services for citizens, institutions and other entities in the "e-Kosova" Services Portal;
- Establishment of the Disaster Recovery Centre;
- Drafting of the license package for multiplex at the state and regional level;
- Amendment of IMC's implementing legislation in line with the amended Law on IMC, to be aligned with Directive 2018/1808 on Audiovisual Media Services;
- Amendment of the Law on RTK; and
- Implementation of the process of switching to digital terrestrial broadcasting.

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

This chapter includes a large number of mandatory rules, most of which apply at this development stage. The proper application of these rules and their effective enforcement and control by an efficient public administration are essential for the functioning of the Common Agricultural Policy (CAP). Their operation requires the advancement of the management and quality of systems such as the Payment Agency, the Integrated Agricultural Control System as well as the capacities to implement rural development measures.

***State of Play***

The *EC Kosovo 2023 Report* indicates that Kosova has some level of preparation on agriculture and rural development. In 2022, the budget for direct payments and rural development increased to EUR 58.1 million, 59% higher than in 2021. In 2022, the agriculture and rural development programme prioritised investments in rural diversification. The EC emphasises that there was limited progress with the adoption of the Law on agriculture and rural development, while the agriculture and rural development programme 2022-2027 remains to be adopted. The system for the implementation of the agricultural and rural development policy is being developed. The EC emphasises that Kosova must adopt the 2022-2027 agriculture and rural development programme and the Law on agricultural land, while the administrative capacity of the ministry and agencies must be significantly strengthened with adequate human and financial resources. A political dialogue with the EU for Kosova's strategic agricultural orientation should begin as soon as possible. Regarding the measures for land consolidation, the EC emphasises that they are insufficient. Regarding the Integrated Agricultural Information System (IAIS), Kosova is still in the process of establishing this agricultural system, which includes the Integrated Agricultural Information System (IAIS), the Farm Accounting Data Network (FAD), and the Agricultural Market Information System. As for the quality policy, Kosova has made progress with the first registration of a geographical indicator. Regarding the protection of agricultural land, the European Commission emphasises that an Action Plan

for the protection of agricultural land has not yet been approved. This plan would involve the Ministry of Agriculture and Rural Development, the Ministry of Environment, Spatial Planning and Infrastructure, as well as local authorities, to address the ongoing loss and degradation of agricultural land. EU recommends that during 2024 Kosovo should focus on:

- Perform a qualitative assessment of the direct payments and rural development programmes provided under the financial framework 2014-2020;
- Adopt the Law on agricultural land;
- Adopt the programme for agricultural and rural development 2022-2027;
- Take urgent and effective measures to stop the loss of agricultural land and implement the legislation on spatial planning;
- Take effective action towards developing its organic farming and quality policy sectors;
- Start a political dialogue with the EU for the strategic orientation of Kosovo is agriculture;
- Support measures must be brought into line with the EU *acquis*; and
- Take sufficient measures to encourage land consolidation.

In the 7<sup>th</sup> SC on Agriculture and Fisheries the EC commended efforts to align the legislation governing agriculture and rural development, as well as the establishment of appropriate monitoring and control procedures. In this SC, Kosovo has undertaken to implement these key reforms:

- Continue with the publication of the protected designation of origin for Sharri cheese and the completion of the procedure for Rahovec wine as a geographical indicator;
- Approve the Agriculture and Rural Development Programme 2022-2028;
- Initiate the implementation of reform measures, especially land consolidation, as defined in the current PRE.
- Finalise and adopt the new Law on Wines;
- Draft a new Administrative Instruction on the criteria and procedures for the registration of alcoholic beverages;
- Adopt the Law on amending the Law on Advisory Services for Agriculture and Rural Development;
- Adopt the Law on Agricultural Land;
- Draft a new AI on Rural Tourism;
- Finalise and adopt the Law on the Organisation of the (Common) Market for Agricultural Products;
- Start implementation of the FADN project for 2021-2023 for data collection;
- Use effectively the results achieved with the assistance of the EU, as they are produced to ensure the effective and sustainable development of Kosovo's agri-rural sector; and
- Adopt the regulation on internal organisation and classification of job positions of the Agricultural Development Agency.

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

*Legislation:* The key legislation in the area of agriculture and rural development is the Law on Agriculture and Rural Development, which has partially transposed Council Regulation (EC) No. 73/2009 and Council Regulation (EC) No. 1217/2009. There are also about 50 AIs in the fields of agriculture, rural development, viticulture, and advisory services, partially transposing relevant *acquis* acts.

Regarding *policy*, the key documents in this chapter are: Agriculture and Rural Development Strategy 2022-2028; Programme for Rural Development Measures 2022; Green Report 2022; AP for Organic Farming 2018-2021; Strategic Plan of the Kosovo Advisory System for Agriculture and Rural Development 2023-2027; AP for Organic Farming of the Republic of Kosovo 2023-2026; and the Viticulture and Wine Sector Strategy 2018-2022. One-year programme for Direct Payments and Rural Grants 2023

The main institution responsible for this chapter is the Ministry of Agriculture, Forestry and Rural Development (MAFRD), specifically the following departments: the Department of Rural Development Policy/Managing Authority, in charge of drafting of rural development policies and measures to support rural development; the Department of Agricultural Policy and Markets, in charge of agricultural policy

and the Direct Payments Programme; the Department of Vineyards and Vine, in charge of the development and implementation of wine policy; the Department of Economic Analysis and Agricultural Statistics, in charge of economic analysis and data collection and processing on development and implementation of policies in all areas of this chapter; and the Agricultural Development Agency/Payment Agency, in charge of the direct payments programme and rural development measures.

**Medium-term priority objectives:**

- Ex-post evaluation of the RDP and DPP programme 2022-2027;
- Establishment of an agricultural system, which includes the Integrated Agricultural Information System (IAIS), Farm Accounting Data Network (FADN), and the Agricultural Market Information System, and ensuring their functionality and interoperability;
- Drafting of an action plan for protection of agricultural land, involving the Ministry of Agriculture and Rural Development, the Ministry of Environment, Spatial Planning and Infrastructure, and local authorities, to address the ongoing loss and degradation of agricultural land;
- Capacity-building for implementation of legislation on the Common Market Organisation (CMO);
- Undertaking effective actions towards the development of organic farming;
- Undertaking effective actions towards the development of quality policy;
- Improvement of the policy for the management and conservation of agricultural land.

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

The EU integrated approach on food safety aims to ensure a high level of food safety, animal health, and plant health within the EU through coherent measures from farm-to-table and proper monitoring, ensuring the effective functioning of the internal market. The *acquis* in this chapter covers food safety, including general policies ensuring hygiene in food production; veterinary issues, aiming to protect the health and welfare of animals and the safety of food of animal origin in the domestic market; and phytosanitary issues, including matters such as seed quality, plant protection materials, harmful organisms and animal feed safety.

**State of Play**

According to the *EC Kosovo 2023 Report*, Kosova has some to moderate level of preparation in this area. During the reporting period, Kosova has further advanced its food control and traceability management system and the system for managing laboratory information, managed by the Food and Veterinary Agency. Additionally, it has prepared and approved necessary secondary legislative acts, drafted surveillance and eradication programmes for animal diseases, and implemented control programmes for rabies in dogs. The EU recommends that during 2024 Kosova should focus on:

- Timely secure the means and resources required for effectively operating the Food Control and Traceability Management System and the Laboratory Information Management System developed with EU support;
- Take a decision on a model for operating the rendering plant and animal by-product collection system and start operation of the rendering plant;
- Strengthen surveillance and control of the animal diseases through improved implementation of disease control and surveillance programmes, including by taking over the responsibility of financing fully oral rabies vaccination campaigns to be carried out from autumn 2023 onwards;
- International accreditation for the food and veterinary laboratory;
- Implement programmes for the eradication of endemic diseases in Kosova, including animal health control at the farm level, animal transport and livestock markets;
- Improve reporting on animal movements and taking measures to implement the relevant regulation at the level of animal markets, slaughterhouses and their transport.

Furthermore, in the 7<sup>th</sup> SC on Agriculture and Fisheries Kosova has undertaken to implement the following reforms:

- Implement programmes for the eradication of endemic diseases in Kosova, including health control of animals at the farm level, transportation of animals, and livestock markets;
- Improve reporting on animal movements and taking measures to enforce the relevant regulations at the level of livestock markets, slaughterhouses, and their transportation;
- Implement the aspects of the Rural Development Strategy 2022-2028 related to the advancement of agri-food undertakings;
- Make a decision on the mode of operation and put the animal by-products treatment plant into operation.

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

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

- Adoption and implementation of the strategy and plan for drafting the missing legislation and transposition of the EU *acquis*;
- Further strengthening of human capacities through recruitment of new staff and provision of training, and provision of necessary financial resources for full implementation of the *acquis* in these areas;
- Adoption of the multi-annual national control plan and ensure adequate financial and human resources for its implementation;
- Operationalization, maintenance and further development of the Food Control Management System (FCMS) and Laboratory Information Management System (LIMS);
- Improvement of the infrastructure at border veterinary inspection points and provision of quarantine facilities for live animals;
- Functionalization of the rendering plant for animal by-products and establishment of a system for the collection and disposal of these products;
- Identification and inclusion of key cross-compliance measures in food safety and animal health policy under the agriculture programme;
- Receiving international accreditation of the Food and Veterinary Laboratory;
- Drafting and adoption of legislation on novel food and genetically modified organisms (GMOs), in line with the *acquis*.

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

This chapter establishes rules for the conservation of living water resources and the management of fishing fleet capacity, including control, implementation of structural measures for market operators, application of marketing standards, market organisation, inclusion of producer organisations, assessment of fish stock, and the collection of reliable data. The implementation under this chapter requires measures to prepare the administration and operators for participation in the EU common fisheries policy.

***State of Play***

According to the *EC Kosovo 2023 Report*, Kosova needs to make more efforts to implement the relevant *acquis* in fisheries and aquaculture. The EC also highlights the necessity to develop market policies and collect data in line with the EU *acquis*, as well as establish an inventory of fish species. Furthermore, Kosova needs to significantly strengthen administrative capacities in policy management, inspections and controls. The EU report underlines the importance of adopting a multi-annual strategy for aquaculture and legislation related to aquaculture in line with the *acquis*. The EU recommends that during 2024 Kosova should focus on:

- Adopt a multi-annual strategy dedicated to aquaculture;
- Further align market policy with the *acquis*;



- Establish an inventory of fish species; and
- Strengthen administrative capacities in policy management, inspection and control.

In the 7<sup>th</sup> SC on Agriculture and Fisheries the EC acknowledged efforts for inventorying fish, in cooperation with the public and scientific sectors, and encouraged Kosova to improve its administrative capacities in this area. In this SC Kosova has undertaken to implement the following key reforms:

- Increase efforts to strengthen administrative capacities to ensure proper legislative alignment and to seize economic opportunities;
- Further align its fisheries and aquaculture control, market policy and data collection with the *acquis*;
- Prepare TAIEX applications for data collection methodology and the advancement of fisheries legislation and policy;
- Complete the process to create an inventory of fish species in a pilot area; and
- Draft a Concept Document on fisheries and aquaculture.

*Legal and institutional framework:* The main law in this chapter is the Law on Fisheries and Aquaculture, which is not aligned with the *acquis*, while four (4) AIs are also in force on fisheries and sports-recreational fishing equipment, licensing activities in aquaculture and defining fishing regions/zones and protection of fish in fishing waters. The key policy document in this chapter is the Agriculture and Rural Development Strategy 2022-2028. The main *institution* responsible in this chapter is MAFRD, namely the Department for Agricultural Policy and Markets, responsible for legislation and policy, in cooperation with the Federation of Sports Fishermen of Kosova (KFRSF). The implementing institution in the area of aquaculture is the Agriculture Inspectorate.

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

- Adoption of the multiannual aquaculture strategy;
- Significant strengthening of administrative capacities for policy management, inspections and control;
- Further alignment of market policy with the *acquis*;
- Inventory of fish species.

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

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

***State of Play***

According to *EC Kosovo 2023 Report*, Kosova is still at an early stage of preparation in this area and made limited progress, notably with the adoption of the Multimodal Transport Strategy. The EU recommends that during 2024 Kosova should focus on:

- Invest in road maintenance and inspections, organise prevention campaigns and establish a systematic monitoring mechanism for the collection of crash data and continue the alignment with the EU rail market *acquis*, and in particular, the Law on safety and interoperability;
- Adopt and roll out the action plan 2023-2025 of the multimodal transport strategy;
- Align Kosova's aviation regulation with the European Common Aviation Area Agreement;
- Adopt the intelligent transport system (ITS) strategy and its AP;
- Ensure sufficient capacity and resources for implementation of this strategy;
- Continue efforts to harmonise with the EU passenger rights *acquis* across all modes of transport;

Furthermore, in the 7<sup>th</sup> SC on Transport, Environment, Energy and Regional Development Kosova has undertaken to implement the following key reforms:

***Connectivity:***

- Adopt and implement the Multimodal Transport Strategy for the period 2023-2025, in line with the EU's Sustainable and Smart Mobility Strategy, the European Green Deal, and the Green Agenda for the Western Balkans;
- Adopt the new Law on Transport, which includes multimodal transport;
- Draft the AI on the framework for installation of intelligent transport systems (ITS);
- Adopt the Law on Roads;
- Adopt the Intelligent Transport Systems Strategy;

*Roads:*

- Implement the EU *acquis* based on the Road Transport Action Plan;
- Fully implement the measures outlined in the regional AP for Road Safety adopted in October 2020;
- Develop a comprehensive national AP for road safety for 2023-2030;
- Establish the institutional structure for road safety management, including the establishment of a leading Road Safety Agency;
- Identify high-risk road sections and fully implement recommendations for improving the quality of the road network;
- Adopt a Concept Document on the road transport of dangerous goods;
- Adopt the revised version of the Law on the road transport of dangerous goods;

*Railways:*

- Transpose the EU *acquis* on the railway market, specifically align the Law on Railways with Directive 2012/34, as amended by Directive 2016/2370;
- Align the Law on Safety and Interoperability with Directives (EU) 2016/797 and (EU) 2016/798;
- Ensure the signing of the financial agreement for 2024-2028, submitted by INFRAKOS in October 2019, between the Infrastructure Manager and competent authorities;

*Aviation:*

- Complete the transposition of the remaining requirements from Phase I of the European Common Aviation Area Agreement (ECAA) (2024);

*Passenger rights*

- Continue efforts to transpose the EU *acquis* on the passenger rights in all types of transport.

*Legislative, Policy and Institutional Framework*

*Legislation:* The main laws in this chapter are: Law No. 04/1-179 on Road Transport, Law No. 03/L-051 on Civil Aviation, as amended, and Law No. 04/1-063 for Kosova Railways. The Law on Road Transport aims to regulate and develop passenger and goods road transport, the provision of services, open and non-discriminatory access to the market and regulate the driving and rest regime. The Law on Civil Aviation aims to regulate the safety and economic aspects of aviation, promote civil aviation, and encourage its development in accordance with international standards. The Law on Railway aims to regulate the development of railway transport, improve safety, ensure open and non-discriminatory access for operators, and provide services in the market. Kosova has also ratified the Transport Community Treaty between the EU and the SEE countries, while there are also in other laws (Law on Roads, Law on Driving License; Law on Vehicles; Law on Road Traffic Provisions; Law on Land Transportation of Dangerous Goods) and a considerable number of bylaws, partially aligned with the *acquis*. *Policy:* The main document in this chapter is the Sectoral Multimodal Transport Strategy 2022-2030.

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

*Medium-term priority objectives:*

- Adoption of the law on multimodal/combined transport;
- Commencement of implementation of the 4<sup>th</sup> Railway Package, which includes specific technical standards and authorisation procedures for rolling stock, specific requirements for the training of the workforce, and additional independence requirements for the infrastructure manager and the full liberalisation of the domestic market for rail transport services of passengers and goods;
- General rehabilitation and modernisation of the Railway Line X (Border with Serbia - Leshak - Fushë Kosovë - Hani i Elezit – Border with North Macedonia);
- Preparation of the draft design for the south-western line (Klina - Prizren);
- Preparation of the draft design for the south-western line Prishtina - Peja;
- Preparation of the feasibility study for the construction of the Kosova - Albania railway line;
- Rehabilitation of Railway Line VII (Fushë Kosovë – Podujevë – Merdarë);
- Progressive implementation of obligations deriving from Phase II of the ECAA Agreement;
- Implementation of the State Security Programme and the State Aviation Security Plan associated thereof, in accordance with Regulation (EU) No. 300/2008.

### 3.15. Chapter 15: Energy

Competitiveness, security of supply, and sustainability are the key objectives of EU policy in this chapter. They include rules related to competition and state aid, conditions for equal access to resources for exploration and hydrocarbon production, and the internal energy market, as well as the promotion of renewable resources (RES), energy efficiency, and protection from nuclear radiation and safety.

#### *State of Play*

The EC Kosovo 2023 Report estimates that Kosova made some progress, notably with the adoption of an ambitious new Energy Strategy in March 2023, the launch of the first solar auction of 100 MW in May 2023, and with further investments in the energy efficiency of public and residential buildings in line with the Energy Support Package action plan. However, there have been some advancements in supply security, but regarding the domestic energy market, there is no progress in further market opening. The EU recommends that during 2024 Kosova should focus on:

- Continue the environmental upgrade of the Kosova B thermal power plant and the works for decommissioning of the non-working parts of *Kosova A* TPP.
- Continue the rollout of the energy efficiency fund and implement support to residential buildings and small and medium-sized enterprises; and
- Adopt the Law on Renewable Energy Sources and sign a direct agreement with the service provider to use the national electronic register for the issuance, cancellation, and trade of guarantees of origin.

Furthermore, in the 7<sup>th</sup> SC on Transport, Environment, Energy and Regional Development Kosova has assumed to implement the following key reforms:

#### *Supply security:*

- Address the issue of unintentional deviations so that they remain at an acceptable level and ensure that financial agreements between KOSTT and other TSOs from the Continental Europe Synchronous Area are made in a timely manner according to the Agreement for the Continental Europe Synchronous Area;
- In line with the sustainable green transition in Europe, finalise the third phase of the comprehensive study on sustainable alternative energy sources;
- Approve the Law on Mandatory Oil Stocks as well as administrative instruction on bio-liquids and biofuels, and implement sustainability criteria for biofuels and bio-liquids;
- Prepare the decommissioning of non-functional parts of Kosova A, finalise the decision on financing the disposal of hazardous waste, and prepare an environmental and social impact assessment with proper public consultation for a final decision; and
- To complete additional work in support of the EU-funded project for the Kosova B Thermal Power Plant so that Emission Reduction Works funded by the EU can start in April 2024 in both B1 and

B2 units.

*Internal energy market:*

- Urgently address the issue of the lack of allocation of cross-border capacities between KOSTT and EMS to facilitate commercial exchanges in the Western Balkans region;
- Identify the main constraints that need to be addressed in maximising the values of Net Transfer Capacities across all borders with the aim of achieving the 70% objective;
- Approve mitigating measures for vulnerable consumers and the implementation of market liberalisation, as the release of the obligation service volume from the bulk supply agreement between KEK and KESCO, the conclusion of the bulk supply agreement between KEK and KESCO is also important to ensure liquidity once ALPEX becomes operational; and
- Ensure the implementation of the agreement between KEDS and Elektrosever for the service in the northern municipalities.

*Renewable energy:*

- Launch the first RES tender and to adopt the Law on Renewable Energy Sources in accordance with the Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources;
- Properly assess the proposed hydropower projects, including conducting the necessary Environmental Impact Assessments (ongoing); and
- To become a member without delay in the regional register of guarantees of origin.

*Energy efficiency:*

- Implement the Energy Efficiency measures as part of the PV of the Energy Support Package;
- Take measures to plan the replenishment of the Energy Efficiency Fund on an annual basis and its extension to residential buildings and small and medium-sized enterprises (SMEs); and
- Adopt energy efficiency incentives for the private sector and households focusing on social aspects and low-income households (state incentives) and leveraging existing EU programmes in Kosovo.

*Legislative, Policy and Institutional Framework*

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

*Policy:* the main document in this chapter is the Energy Strategy of the Republic of Kosovo 2022-2031, and the Energy Strategy Implementation Programme 2022-2025.

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

*Medium-term priority objectives:*

- Revision of implementing legislation;
- Drafting and adoption of the new cross-border balancing rules;
- Decommissioning of the gasification, nitrogen, heating and other ancillary objects that do not impede the normal operation of the active units of *Kosova A* ;
- Full membership of KOSTT in ENTSO-E (European Network of Transmission System Operators);
- Membership of ERO in ACER (Agency for the Cooperation of Energy);
- Adoption of incentive policies and implementation of energy efficiency measures in households and businesses;

- Implementation of the capital investment plan for strengthening and expanding the network and medium voltage projects to reduce technical and commercial losses;
- Finalisation of national plans to increase the nearly zero-energy buildings (NZEB);
- Carrying out activities for the installation of electro-filters and the reduction of nitrogen oxides (NOx) in *Kosova B TPP*;
- Carrying out activities for the construction of the solar park;
- Undertaking activities for the construction of the battery system for energy storage with a capacity of 170 MW;
- Necessary preparations for the “*Prishtina Solar District Heating*” Project;
- Necessary preparations for implementation of the “*Doubling the cogeneration capacity for Termokos from 140 to 280 MW*” Project ;
- Supporting individual household consumers, including vulnerable consumers, increasing the energy efficiency of housing units and buildings;
- Supporting household consumers, including vulnerable consumers in the investment of energy-efficient household appliances and renewable energy systems; and
- Incentivising energy saving by SMEs.

### 3.16. Chapter 16: Taxation

*Acquis* in this chapter consists of the legislation on value-added tax (VAT), excise duties and corporate tax, including cooperation between tax administrations, exchange of information to prevent fiscal evasion, with the aim of the equal tax treatment of domestic and foreign transactions (from import). Excise duty legislation is aligned for energy products including petroleum products and electrical products, tobacco products and alcohol. EU legislation establishes the structure of applicable excise duties and the system of minimum tariffs for each group of products. However, excise duty is payable only in the Member State in which the product is released into circulation according to the applicable standards in that EU Member State. EU legislation also contains provisions for the production, holding, movement and monitoring of goods subject to excise duty, as well as provisions for permits for travellers.

In the area of direct taxation, the *acquis* covers certain aspects of income tax and avoidance of double taxation. The focus in this area is on eliminating disruptions in cross-border economic activities within the EU. There is also *acquis* regulating digitalisation and operational capacity, including systems information exchange systems (for VAT, excise duties, reimbursement, etc.) among Member States, such as the Value Added Tax Information Exchange System, the Excise Movement and Control System (EMCS), etc.

#### *State of Play*

The *EC Kosovo 2023 Report* estimates Kosovo has some level of preparation in the area of taxation. It made some progress with implementation of risk-based tax inspections on some high-risk sectors and service digitalisation. Increased compliance and formalisation measures have led to increased tax revenues. The EU recommends that during 2024 Kosovo should focus on:

- Pursue further alignment of tax legislation including the personal income tax (PIT), and value-added tax (VAT) with the EU *acquis*;
- Ensure more systematic implementation of risk-based tax audits and finalise the new strategy for combating the informal economy, money laundering, financing of terrorism and financial crime (2023-2026);
- Increase cooperation with law enforcement and judicial institutions to ensure timely adjudication of tax evasion and fraud cases, with emphasis on high-risk sectors.

Furthermore, in the conclusions of the *SC on Trade, Industry, Customs and Taxation* Kosovo has undertaken to implement the following key reforms:

- Take steps towards a comprehensive review of tax policies, especially regarding the digitalisation of tax services;

- Implement measures against corruption outlined in the TAK Integrity Plan and publish the implementation report;
- Adopt the Law on the TAK and Procedures, Law on Tax, Law on Corporate Income Tax, and Law on Personal Income Tax in line with European best practices;
- Expedite actions to improve the taxpayer registry by comparing data with other registries to enhance efficient administration and compliance management of taxpayers;
- Further strengthen the functions of Risk-Based Compliance Management and continuous tax controls in risk-based sectors, regularly publishing reports on the implementation of this methodology and the Audit Improvement Strategy 2020-2022;
- Continue and enhance alignment of the tax system/jurisdictions with OECD standards on base erosion and profit shifting (BEPS), and automatic exchange of information during the drafting and review of relevant legislation;
- Develop and adopt the AI on determining which agricultural land parcels are cultivated and link the registry of cultivated parcels to the tax system.

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

The main laws in this chapter are: Law on Personal Income Tax, Law on Corporate Income Tax, Law on VAT, Customs and Excise Code, Law on Excise on Tobacco Products, Law on Special Excise Tariffs for Primary Production and Production of Alcoholic Products Produced in Kosova, Law on Public Debt Forgiveness and Law on Pension Funds of Kosova. These laws have partially transposed the relevant *acquis*. There are also applicable bylaws, which have partially transposed the relevant *acquis*. *Policy*: The main documents in this chapter are: TAK Strategic Plan 2021-2025 and Compliance Strategy 2021-2025 (which aims to continuously improve the quality of services provided to taxpayers who voluntarily fulfil their legal obligations).

The main institutions in this chapter are the two MFLT executive agencies, namely the Tax Administration (TAK) and the Customs Administration (CA). TAK is the primary agency for tax collection in the Republic of Kosova. It is mandated to enforce tax laws, administer taxes and international tariffs, with a specific mission to assist taxpayers in fulfilling their tax liabilities in accordance with the law. Its goal is to ensure that tax revenues go to the state budget accounts and establish an effective payment system. The Kosova Customs is responsible for collecting border VAT for all imports and collecting revenues from excise duties.

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

- Development and implementation of the legislation on VAT, corporate tax and personal income tax, in line with the *acquis*, including the Code of Conduct for Business Taxation and relevant directives;
- Drafting and adoption of laws and bylaws on VAT, CIT and PIT and their alignment with *acquis*, in particular with the Code of Conduct for Business Taxation and relevant directives;
- Implementation of collection of tax debts;
- Implementation of information technology modernisation in TAK;
- Continuing implementation of tax compliance improvement based on the risk assessment;
- Implementation of the 2022-2026 TAK Strategy;
- Improvement of the tax control function in line with international good practices;
- Modernisation of the Large Taxpayers Department;
- Combating tax evasion, tax avoidance and expansion of tax basis;
- Increasing timely declaration compliance;
- Increasing collection of tax debts.

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

This chapter establishes specific rules requiring the independence of central banks, by prohibiting direct financing of the public sector by the central banks and by prohibiting privileged access for the public sector in financial institutions. Member states are expected to coordinate their economic policy and comply with

the Stability and Growth Pact for fiscal supervision. Until they meet the conditions for adopting the Euro, they participate in the Economic and Monetary Union as Member States with an exemption from the use of the Euro and will treat their exchange rates as a matter of common interest. *Acquis* in this chapter derives from Title VIII (Articles 119-144) of the TFEU and the respective implementing legislation.

### *State of Play*

The *EC Kosovo 2023 Report* estimates that Kosovo is moderately the area of monetary policy. It noted that some progress was made with data collection and transmission to Eurostat; however, further efforts are needed to address the methodological inconsistencies on national accounts. It is also emphasised that the Central Bank has faced challenges in performing its tasks and responsibilities. The EU recommends that during 2024 Kosovo should focus on:

- Strengthen the Central Bank's governance by completing the procedure for the selection of its Deputy Governors;
- Increase reporting capacities for governmental financial statistics according to the ESA 2010 and ensure regular monitoring of standards;
- Improve the quality of macroeconomic forecasting in the budgetary process.

In the latest conclusions of the *SC on Economic and Financial Issues and Statistics*, Kosovo has committed to implementing measures similar to the above-mentioned aspects.

### *Legislative, Policy and Institutional Framework*

The main act in the area of *monetary policy* is the Law on CBK, which is partially in accordance with the *acquis*. Some other laws are partially relevant to this area and are presented in chapters 9 and 4 respectively. In 2002, Kosovo unilaterally adopted the Euro as its official currency, making it the *de facto* currency in Kosovo. As a result, Kosovo's monetary policy is quite limited. The only traditional monetary policy instrument available to the CBK is the bank reserve requirement. Given these limitations, the Government and CBK have established the Emergency Liquidity Assistance (ELA) as an emergency fund to be activated in case of a liquidity shortage in the banking sector. CBK, transformed from the Kosovo Central Banking Authority, is a public legal entity based on Articles 11 and 140 of the Constitution and the provisions of the law, enjoying administrative, financial and management autonomy. According to Article 6 (independence and autonomy) of the Law on the CBK, the members of the decision-making bodies or the personnel of the CBK do not receive instructions from any other person or entity, i.e. not even from the government entities. *Economic policy* are governed by the following laws: Law No. 03/L-048 on Public Finance Management and Accountability, Law No. 03/L-175 on Public Debt, Laws on Annual Budget Appropriation of the Republic of Kosovo and Law No. 04/L-008 for the Social Economic Council. Additionally, Regulation No. 01/2015 on the Work of the National Council for Economic Development of Kosovo is in force.

Policies in this chapter are guided by national strategic documents, sectoral policies and the Government Programme (as one of the key documents guiding the Government's medium-term policies). In general, there is consensus on the core of national economic policy, with a particular focus on creating conditions for sustainable economic growth and generating sustainable employment. Legal mechanisms have been established and contribute to the maintenance of overall macroeconomic stability, including fiscal rules and the public debt ceiling. Furthermore, the Medium-Term Expenditure Framework (MTEF) has been developed to support the planning and implementation of priorities and reforms. MTEF is the mechanism used by the Government to determine its fiscal policy and serves as a key policy planning document in the country. The fiscal framework includes planning of revenues and expenditures for the next three years, setting expenditure limits for all budgetary organisations based on the Government's priorities, as well as funding the deficit and the level of the bank balance.

The Government is the decision-making body regarding policy at the national level, including the strategic framework and financing. Concerning sectoral policies, ministries responsible for specific aspects of economic policies are as follows: MFLT, responsible for the public finance management framework, MoE, responsible for policy related to public enterprises, MIET, responsible for economic policy regarding the

development and strategic investments and other institutions according to their legal mandate.

For *short-term priority objectives*, refer to Bloc 2 and Chapters 4 and 9 of this document.

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

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

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

The *EC Kosovo 2023 Report* estimates that Kosova has reached some level of preparation in this chapter. The report highlights that progress has been made in improving the methodology of data collection and transmission to Eurostat, as well as in implementing the recommendations from the 2017 peer-review. Progress has been made in inter-institutional interaction and communication; however, there are technical challenges, particularly in accessing and using the available administrative data. Kosova has also improved the frequency of its statistical outputs, i.e. statistics on energy, social statistics and short-term statistics in the services sector are now being sent to Eurostat on a monthly basis, whereas they used to be sent on a quarterly basis. The EU recommends that during 2024 Kosova should focus on:

- Finalise preparations for the population and housing census and its implementation by ensuring operational details of the population census and full coverage of the territory;
- Increasing the number of statistical products and sending them to Eurostat more frequently;
- Fill existing vacancies and increase the capacities of the Kosova Agency of Statistics.

Furthermore, conclusions of the *SC on Economic and Financial Issues and Statistics* require to continue strengthening professional independence of the Kosova Agency of Statistics (KAS) to ensure implementation of the Law on Official Statistics. It is also recommended to continue the development of sectoral statistics, to implement the AP for the implementation of Eurostat's recommendations, and to increase the coordinating role of KAS in the national statistical system, ensuring that KAS plays an active role in the creation and modification of administrative data used for official statistics.

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

The basic law in this chapter is the amended Law No. 04/1-036 on Official Statistics of the Republic of Kosova, effective since 2011, Law No. 06/1-058 (January 2019) amending the Law No. 04/1-036 on Official Statistics of the Republic of Kosova. On 26 April 2023, the Government approved the Law on the Protection of Statistical Data and Access to Micro Data, as well as the Law on the Sale of Statistical Data. Additionally, the following laws and bylaws acts are also applied: Law No. 03/1-209 on the Central Bank of Kosova, Law No. 03/1-048 on Public Finance Management and Accountability, amended and amended by Law No. 03/L-221, Law No. 04/1-116, and Law No. 04/1-194, Law No. 05/L-020 on Gender Equality (which requires the collection, maintenance, and processing of all official data disaggregated by gender); Regulation on Balance of Payments and International Investment Position Statistics, Regulation on Monetary-Financial Statistics and Financial Accounts, and Regulation MoF-No. 01/2017 on Annual Financial Statements of Budgetary Organizations. For the implementation of the Law on Official Statistics, AI on Protection of Statistical Material and Special Statistical Processing, Regulation No. 11/2013 on Implementation of Standards for Classification of Economic Activities in the NACE-Rev. 2 Version (in accordance with the EC Regulation No. 1893/2006) and the classification of statistical regions in Kosova according to NUTS (approved by the relevant institutions of Kosova and Eurostat) are also applicable.



The Official Statistics Programme 2023-2027 is a medium-term planning document containing the priority areas and aspects of statistical production. Following publication of the EC evaluation report on Kosovo's statistical system, KAS has drafted and a plan to implement its recommendations and is implementing it.

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

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

- Strengthening human resources and cost-effectiveness in KAS;
- Strengthening quality management and methodology, including, among others:
  - Modernisation of the whole system for data collection through the implementation of the CAPI, CAWI and CATI methods;
  - Further development and advancement of the Single Integrated Metadata Structure Metadata System as well as raising the quality of metadata description for all statistical and other research submitted by production statistics;
  - The IT system architecture based on common and documented processes;
- Enhancement and improvement of official statistics, including:
  - Further alignment with the European System of National and Regional Accounts (ESA) 2010;
  - Publication of regional accounts in 2025 as regular, while a comprehensive report will be produced at the end of 2023 as an experiment.
  - Preparation of GDP according to the income approach will be experimental at the end of 2023, while the publication of "Official Statistics Programme" is planned for 2025;
  - Increasing the number of DGP tables for the transmission programme, which will be submitted to Eurostat;
  - Further improvement of National Accounts and Government Finance Statistics, in line with ESA 2010, IMF Manual, and GFSM 2014;
  - Preparation and publication of supply-use tables (SUT), using all available data sources to balance SUT with current and constant prices (using all deflators);
  - Integration of informal economy data into GDP will be done in 2025 when the GDP revision will take place;
  - Calculation of GDP according to Purchasing Power Parity (PPP);
  - Continuous improvement of government accounts data under COFOG;
- Implementation of the International Classification of Crime for statistical purposes (ICCS);
- Implementation of the International Standard Classification of Education ISCED 2011;
- Implementation of ESSPROS in social protection statistics, including;

- Development and improvement of transport, tourism, construction, investment and business ICT usage statistics;
- Calculations of air pollution, environmental taxes;
- Expansion of livestock and livestock production statistics with new indicators (meat, milk, eggs, etc.) as separate surveys;
- Creation of a data warehouse;
- Development of the WebGIS platform;
- Implementation of a monitoring system using Geographic Information System (GIS) technology;
- Preparation of CAPI infrastructure for the registration of agricultural data. Adaptation of data collection methods, setting relevant parameters and integration of agricultural data into a wider registration framework.

The CBK will enrich statistical and research activities related to the economy in general and the financial system in particular through the following strategic actions:

- Preparation and publication of Financial Accounts statistics for Kosovo, in accordance with the ESA 2010 methodology;
- Further advancement of comprehensive monetary and financial statistics;
- Preparation of balance of payments statistics on a monthly basis for reporting to Eurostat;
- Development of an online platform for reporting by non-financial corporations.

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

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

#### *State of Play*

The *EC Kosovo 2023 Report* assesses that Kosovo is at an early stage of preparation in this chapter, while some progress has been made in preparing the Youth Employment Guarantee Plan and securing funds for social services. Additionally, it is assessed that Kosovo has aligned its legislation on occupational safety and health with the *acquis* and its implementation capacity building of the Labour Inspectorate (LI) are required. Furthermore, according to the EU, it is underlined that Kosovo continues to face labour market structural challenges, as a result of the rapid growth of the working-age population mismatching sustainable job creation, and the persistently low participation of women in the labour market and generally precarious employment opportunities. The EU recommends that during 2024 Kosovo should focus on:

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

Furthermore, the conclusions of the 6<sup>th</sup> SC on *Innovation, Information Society and Social Policy* require the following:

- Adoption and implementation of the Law on Labour and the occupational safety and health;
- Raising the capacities of the LI and the Employment Agency;
- Amending the Law on Local Finance and finding a more adequate financing formula.

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

Framework *legislation* in this chapter consists of the following key acts: Law on Labour and Law on Safety and Health at Work. Occupational health and safety legislation have largely been aligned with the *acquis*: 25 directives (individual directives according to Article 16 (1) of the Framework Directive 89/391 and others) have been transposed into 19 national regulations. Regarding *policy*, at the time of preparing this

document, the preparation of the Employment and Labour Market Strategy 2023-2028 was being finalised. The *institutions* in charge in this chapter are: Ministry of Finance, Labour and Transfers (MFLT), Ministry of Economy (MoE), Ministry of Industry, Entrepreneurship and Trade (MIET), and Ministry of Education, Science, Technology and Innovation (MESTI). MFLT drafts and implements horizontal employment legislation and policy, including active measures to reduce unemployment through employment promotion and passive measures to meet the needs of social assistance for people in need. It also sets standards for the safety and protection of employees in the workplace, monitors their implementation, leads and supervises public administrative institutions for employment and social care, cooperates with municipalities and other relevant institutions in implementing employment and social welfare policies, promotes and encourages dialogue among social partners (workers' organisations, unions, employers' organisations, and the Government), and administers and supports the social security system, including the pension system and unemployment benefits. LI and EARK are also part of MFLT.

*Medium-term priority objectives:*

- Implementation of guaranteed employment, and related to this, strengthening the capacities of employment centres and the reform of education and professional training (VET);
- Adoption of the new law on treatment of persons with disabilities;
- Adoption of the new law on safety and health at work and of implementing legislation;
- Reforming of social assistance schemes, including:
  - Adoption of the new law on the social assistance scheme;
  - Adoption of the new law on social security and state-funded pensions.

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

The EU industrial policy aims to promote strategies that enhance competitiveness by accelerating structural adaptation, encouraging a favourable business environment, and increasing internal and external investments across the entire EU. This chapter primarily includes principles and instruments such as the Council's communications, recommendations and conclusions, which are largely implemented through the Competitiveness and Innovation Programme for the entire EU, as well as through sectoral industrial and SME support policy. These policy principles, through which the EU seeks to promote and enhance competitiveness and industrial strategy, derive from the spirit of Article 173 of TFEU, with a view to speeding up structural changes, encouraging an environment favourable to businesses, SMEs and incoming and outgoing investment, as well as to encouraging and supporting innovation and entrepreneurship.

*State of Play*

The *EC Kosovo 2023 Report* estimates that Kosovo is moderately the area of enterprise and industrial policy. It made good progress, as the Government approved the Strategy for Industrial Development and Business Support 2030, the first of its kind. The report underlines that the Assembly approved the Law on sustainable investments and the Law on technological and industrial parks. The laws provide for the establishment of two new agencies dedicated to investment and export promotion and business support and entrepreneurship. In 2022, KIESA significantly improved its performance by increasing Foreign Direct Investments (FDI) by 43.6% during the January-September 2022 period. Additionally, it enhanced the participation of Kosovar companies in international trade fairs. The EU recommends that during 2024 Kosovo should focus on:

- Implement the strategy for industrial development and business, and the sustainable economic growth pillar of the national development strategy 2021-2030;
- Improve the capacities of the Ministry of Industry, Entrepreneurship and Trade;
- Complete the restructuring of KIESA into separate investment promotion and SME support agencies, as well as ensure both are sufficiently resourced.

*Legislative, Policy and Institutional Framework*

The main *laws* in this chapter are: Law No. 04/1-220 on Foreign Investments, Law No. 06/L-016 on Business Organizations, Law on Industrial and Technological Parks, Law No. 08/L-074 on Tourism, Law No. 04/L-034 on Privatization Agency of Kosovo, amended by the Law No. 06/L-023. The main documents in this chapter is the Government Programme 2021-2025, which contains the key Government priorities in these areas; the Economic Reform Programme, which is a mid-term document reviewed on an annual basis and contains priorities and measures for the following year and the following two years the Strategy for Industrial Development and Business Support 2030 and the National Innovation and Entrepreneurship Strategy 2019-2023.

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

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

*Enterprise and industrial policy:*

- Implementation of the 2030 Industrial Development and Business Support Strategy;
- Improvement of the business environment and development of tourism;
- Promoting and supporting the investments;
- Supporting businesses in certifying their products according to European and international standards through provision of small grants and subsidies for SMEs for the purchase of manufacturing/processing machinery, ensuring, where possible, equal gender representation;
- Development of industry through strengthening of the policy framework and supporting key sectors in order to increase productivity and export;
- Promotion of exports through preparation of SMEs for export and identification/development of potential markets;
- Further advancement of SME policies through development of new instruments to support SMEs and start-ups (e.g. start-up schemes, crafts schemes);

*Innovation:*

- Development of policies and establishment of appropriate mechanisms for the development of innovation;
- Adoption of laws and implementing legislation on the innovation ecosystem;
- Establishment of the Innovation Fund;
- Full operationalisation of the Innovation and Entrepreneurship Centre and efficient use of the Innovation and Training Park in Prizren.

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

This chapter covers the necessary road, energy and telecommunications networks that connect European states, with the possibility of including third countries as well. Therefore, EU policies in this chapter focus on creating a modern infrastructure that connects regional and national networks to enable the four economic freedoms of the EU. The goal of the policies in this chapter is the integration of an interoperable European infrastructure for transport, energy and telecommunications, identifying common technical standards and priority projects, as well as developing financing instruments for their implementation.

***State of Play***

The *EC Kosovo 2023 Report* estimates that Kosovo has some level of preparation in this chapter. Kosovo made limited progress in developing transport and energy networks, with the implementation of the

Transport Community action plans on the road, road safety, rail, and transport facilitation, and the operationalisation of a common power exchange with Albania. On the other hand, it is necessary to continue with the legislation alignment with the *acquis*. The EU recommends that during 2024 Kosovo should focus on:

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

Within the 7<sup>th</sup> SC on Transport, Environment, Energy and Regional Development further efforts and concrete measures are required from Kosovo to implement the actions foreseen in the APs for Transport Community - rail, road transport, road safety, waterborne and multimodality, as well as the measures and obligations arising from the Community Energy Secretariat.

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

**Transport networks:** The main *laws* in this chapter are: the Law on the Ratification of the Transport Community Treaty, the Law on Railways, the Law on Roads, the Law on Road Transport, the Law on Land Transportation of Dangerous Goods. These laws are largely in accordance with the *acquis* and similar instruments reflecting good international practices and standards. The main *policy* document in this area is the Sectoral Multimodal Transport Strategy 2023-2030 (SMTS). The main *institution* in this area is the Ministry of Environment, Spatial Planning and Infrastructure (MESPI), which is responsible for legislation and policy drafting and implementation, setting mandatory standards, including alignment with the EU *acquis* and other good international standards and practices. Other responsible institutions are: CAA, CIAAI, RRA and Infrakos.

**Energy networks:** Law No. 05/L-085 on Electricity and Law No. 05/L-082 on Natural Gas are the two main *laws* in this area. The main *policy* document is the Energy Strategy 2022-2031. The main *institution* in this chapter is the Ministry of Economy (MoE), which is responsible for policy implementation, including those for THE sustainable development of energy and mining resources. The other responsible institutions in this area are: KFEE, KOSTT, KEDS and ERO.

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

##### *Transport networks:*

- Construction of Highway R7 Morina-Prishtina-Merdarë, Besi-Merdarë segment;
- Completion of the expansion segment of National Road N9, Kieva - Zahaq;
- Construction of National Road N2 Prishtina - Mitrovica;
- Completion of the construction of the Prishtina - Gjilan - Konqul Highway;
- General rehabilitation and modernisation of Railway Line 10 (Border with Serbia - Leshak - Fushë Kosovë - Hani i Elezit - Border with North Macedonia); and
- General rehabilitation and modernisation of the 7<sup>th</sup> Railway Line (Border with Serbia – Podujevo – Prishtina – Fushë Kosovë);

##### *Energy networks:*

- Membership of KOSTT in ENTSO-E;
- Alignment of the Network Code with ENTSO-E Network Code;
- Further development and modernisation of the transmission network to facilitate energy transition (diversification of generation) in line with the objectives of the Energy Strategy 2022-2031;
- Participation of KOSTT in European platforms PICASO for ancillary services (secondary control-aFRR) and MARI (tertiary control-mFRR).

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

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

chapter involves the drafting, approval and implementation of programmes for these funds. Since they are negotiated with the EC and implemented by the respective state after accession, preparation is required during this process. The *acquis* in this chapter mainly consists of a framework and implementing regulations that do not require amendments to national legislation but are directly applied through it for the implementation of EU financial instruments in accordance with the rules set by the EU.

### *State of Play*

According to the EU estimation, Kosova is at an early stage of preparation in this area. According to EC Kosovo 2023 Report, Kosova has not yet aligned the statistical regions with economic ones. This report emphasises that further strengthening of administrative capacities and human resources are needed, in particular for the planning and management of EU funds, including IPA funds. To fulfil the SAA obligations, Kosova must ensure that financial cooperation continues to support democratic, economic and institutional reforms within the stabilisation and association process. More specifically, the EU recommends that in 2024 Kosova needs to focus on improving administrative and technical capacities across all operational structures of the IPA, approve the AP for Regional Development 2023-2025, and further develop activities stemming from the law as a step towards the principles of the EU regional and cohesion policy.

#### *Legislative and Institutional Framework, programming and monitoring*

*Legislation:* *acquis* in this chapter consists mostly of framework and implementing regulations, but the proper implementation of structural and cohesion funds requires the transposition of the *acquis* in related areas, such as state aid, environment and public procurement, which are covered in the relevant chapters of this Programme. Since 2007, Kosova has benefited from EU financial assistance under the Instrument for Pre-Accession Assistance (IPA), in accordance with EU legislation on IPA funds, including recent Regulation (EU) 2021/1529 of the EP and of the Council of 15 September 2021 establishing the Instrument for Pre-Accession Assistance (IPA III) and the EC Implementing Regulation (EU) 2021/2236 on specific rules for the implementation of Regulation (EU) 2021/1529 of the EP and of the Council establishing the Instrument for Pre-Accession Assistance (IPA III).

*Institutions:* This chapter is covered by OPM, namely the Development Cooperation Office serving as the National IPA Coordinator's Office (NIPAC). Meanwhile, the responsibilities for implementing cross-border IPA cooperation programmes have been delegated by NIPAC to the Ministry of Local Government Administration. The Ministry of Regional Development is responsible for balanced regional development, including development regions in terms of grouping for statistical purposes of the current municipalities, without creating a third administrative level.

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

In December 2022, the Operational Board approved three applications: a grant for the project preparation for social housing, worth EUR 2.08 million, as part of the 28<sup>th</sup> round of technical assistance. Additionally, as part of the 7<sup>th</sup> round of investment grants, an investment grant for the solar park at KEK was approved, amounting to EUR 33.07 million, and an investment grant for district heating in the capital city, totalling EUR 22.47 million.

On 24 February 2023, Kosova signed the IPA 2023 Financial Agreement, which came into effect on the signing date, enabling the implementation of the EUR 75 million energy package budgetary support from the EU. By 16 March 2023, the first instalment (90% or EUR 67.5 million) was disbursed to the budget, and concrete measures are being implemented by Kosova institutions.

In June 2023, the negotiation of the agreement enabling Kosovo's access to the "Citizens, Equality, Values, and Rights" Programme was concluded, and its signing is expected soon.

In July 2023, the IPA 2022 Financial Agreement entered into force, which will enable the implementation of the EUR 91.83 million package: EUR 62.25 from the EU, EUR 24.88 from other partners and EUR 4.7 co-funded by Kosovo.

The EC approved the Multiannual Programmes (IPA 2021-2027) for cross-border cooperation with the regional countries: Kosovo - Albania Programme, Kosovo - Montenegro Programme and Kosovo - North Macedonia Programme. In September 2023, the trilateral agreement between Kosovo, Montenegro, and the EU on the cross-border IPA III cooperation programme for the period 2021-2027 came into effect. This agreement enables the provision of EUR 8.4 million for border areas between the two countries.

*Monitoring:* IPA Joint Monitoring Committee conducts the monitoring of the implementation of programmes and projects funded by IPA resources, and meets on an annual basis. The general monitoring of donor assistance, and specifically EU assistance, is carried out in two ways: utilising regular reporting from donors and the participation of officers within the project steering committee meetings.

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

This chapter covers the following areas: judicial system, anticorruption policy and fundamental rights. EU policies in this chapter aim at preserving and developing the EU as an area of freedom, security, and justice. An independent and efficient judiciary is of great importance, and impartiality, integrity and a high standard of judgments from the courts are fundamentally important for maintaining the rule of law. This requires a judiciary free from political influence and with sufficient financial and human capacities, as well as legal guarantees for fair trial proceedings. Member states are also required to effectively combat corruption, as it threatens the stability of democratic institutions and the rule of law. This also urges for a solid legal and institutional framework to support a coherent policy on preventing and combating corruption. Member states must ensure compliance with the fundamental rights, as guaranteed by EU legislation and the Charter of Fundamental Rights.

#### **Judicial system**

##### *State of Play*

*EC Kosovo 2023 Report* estimates Kosovo is at an early stage in developing a well-functioning judicial system. Despite the increase in the number of productive court sessions, limited progress is made, as a faster pace of scheduling court sessions and improving the recruitment process of judges and prosecutors is needed. Human resources and the organisation of the administration throughout the judiciary remain inefficient. A National Centralised, fully digitalised Criminal Records System has been established and Kosovo citizens have been able to access it online since December 2022, enabling them to obtain certificates of criminal records online. The Government decision lowering the salaries of judges and prosecutors and the subsequent Law on Salaries raised concerns with regards to the independence of the judiciary; the decision has been challenged in the basic court and the Law in the Constitutional Court. In March 2023, the Minister of Justice and the heads of the main justice system institutions signed a joint commitment statement on justice reforms, reflecting the most important reform issues that need to be tackled, also strengthening existing mechanisms. Swift follow-up is needed to achieve tangible results. In September 2022, the government handed over the file related to integrity checks of judges and prosecutors to the Assembly, which established an ad hoc committee to finalise the constitutional amendments and the relevant legislation towards integrity checks of senior positions within the justice system, in line with the Venice Commission Opinion of June 2022.

Furthermore, institutions should ensure that the Venice Commission is re-consulted throughout the process of finalising the draft constitutional amendments and relevant legislation related to justice reform. It is essential that the reform in justice focuses on strengthening existing tools to protect integrity,

responsibility, independence, and the efficiency of the justice system, consistent with Venice Commission recommendations and European standards.

Kosova must ensure that this commission's recommendations are incorporated in the amendment of the Law on KPC. Pursuant to Articles 113, paragraph 9, and 144, paragraph 1 of the Constitution, as well as Article 87 of the Rules of Procedure of the Assembly, in February 2023 the Assembly Speaker referred the proposed amendments to the Constitutional Court to examine whether they diminish rights and freedoms guaranteed by Chapter II of the Constitution. It is essential that the justice reform focuses on strengthening existing tools to protect this system's integrity, accountability, independence and efficiency of the justice system, consistent with Venice Commission recommendations and European standards.

Kosova must ensure that the recommendations of the Venice Commission are incorporated during the amendment process of the Law on Kosova Prosecutorial Council. The Assembly Committee on Legislation, Mandates, Immunities, Rules of Procedure of the Assembly and Oversight of the Anticorruption Agency reviewed on 20 July 2023 in principle and recommended to the Assembly adoption in principle of draft-law amending Law No. 06/L-056 on KPC. In July 2023, it was referred to the Venice Commission to ensure its alignment with its recommendations. On 18 December 2023, this committee, at its 137<sup>th</sup> plenary session, adopted the Opinion on the Law on KPC and its amendments.

Efforts should continue to fully utilise the electronic Case Management Information System (CMIS), further promote alternative dispute resolution methods, and ensure reliable statistical data. The recommendations of the Commission from the previous year have been only partially fulfilled, and they therefore remain valid. The EU recommends that during 2024 Kosova should focus on:

- Take immediate action to implement the obligations deriving from the joint commitment statement signed by the heads of justice system institutions, with specific focus on improving the integrity, accountability and efficiency of the judiciary;
- Step up efforts to reduce the backlog of cases, based on a clear action plan with audits and internal control supported by a digitalisation strategy. To this end, Kosova should reform administration of courts and prosecution offices and strengthen management functions to ensure efficient use of resources;
- Improve the capacity of judges and prosecutors to handle cases of gender-based violence in accordance with laws, the 2022-2026 strategy against domestic violence and violence against women and the new State Protocol for the treatment of sexual violence cases.

Furthermore, the 6<sup>th</sup> SC on Justice, Freedom and Security highlights that Kosova has undertaken to implement the following key remaining reforms:

- Continue with the effective and timely implementation of the Strategy and Action Plan for the Rule of Law through a regular and structured process that includes proper inter-institutional coordination;
- Ensure that future appointments to the Constitutional Court and the Anti-Corruption Agency are made in a timely manner

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

*Legislation:* The main laws in the area of the judicial system are: Criminal Code of the Republic of Kosova and Criminal Procedure Code of the Republic of Kosova (revised and adopted in October 2023), Law on Courts, Law on KJC, Law on KPC, Law on the State Prosecutor (revised in April 2023), Law on the Special Prosecution Office (revised in October 2023), Law on the Execution of Criminal Sanctions, Law on Forensic Medicine, and the Law on Court Experts. With a view to further improving free legal professions' services, the Law amending the Law on Notary (revised in November 2022) and the Law on Enforcement Procedure (revised in July 2023) have been adopted. *Policy:* The key strategic document in this area is the Strategy and AP 2021-2026, aimed at strengthening the judiciary and prosecution, criminal justice, access to justice and the fight against corruption. Independent institutions have adopted the following policy documents in this area: Strategic Plan of the Prosecution System 2022-2024, Backlog



Reduction Strategy and AP, AP Crisis Management in the Judiciary and Strategic Plan for Improving Access to Justice 2022-2025. The most important *institutions* in this area are the following: Ministry of Justice (MoJ), responsible for policy drafting; KJC and KPC, with primary responsibilities for the management of courts and prosecution offices, including the procedures for appointing, disciplining and evaluating judges and prosecutors; and the Academy of Justice, responsible for capacity building of judges and prosecutors.

## **Anticorruption policy**

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

The *EC Kosovo 2023 Report* estimates that some progress was made in this area was made with the adoption of the new Criminal Procedure Code, the Law on Agency for Prevention of Corruption (APC), the new Law on Declaration of Asset and the Law on Financing Political Parties. However, continuous efforts are needed for more proactive investigations, final court decisions, and conclusive asset confiscation. Accessory punishments that prohibit the exercise of public functions or other professions, especially for those convicted of corruption-related offences, are not applied sufficiently. Despite the improvement in the performance of APC, preventive measures against corruption specified in legislation have not been fully implemented, particularly the approval of integrity plans in public institutions. Overall, corruption remains a serious and concerning issue. There is a need for a robust criminal justice response to high-level corruption cases. In this regard, the dismissal of the head of the Special Investigation Unit of the Kosovo Police raises concerns, sending a negative signal about Kosovo's commitment to combating corruption. The EU recommends that during 2024 Kosovo should focus on:

- Further strengthen the capacity of the Agency for the Prevention of Corruption in terms of staff and expertise, to ensure it can effectively carry out its mandate; relevant institutions should adopt and implement integrity plans and whistleblower internal procedures (including in the private sector);
- Further strengthen the efficiency of the confiscation regime by promoting systematic use of both extended and 'regular' confiscation by criminal prosecution and police; increase the level of specialisation and expertise in the seizure and confiscation of assets; establish a confiscation fund;
- Further strengthen law enforcement and prosecution as well as multidisciplinary cooperation and a target-based approach to ensure proactive investigations, and effectively combat high-level corruption cases; systematically conduct financial investigations during the criminal investigations; ensure the security of judges and prosecutors;

Furthermore, within the 6<sup>th</sup> SC on Justice, Freedom and Security Kosovo has undertaken to demonstrate a commitment to ongoing progress in targeted cases of high-level corruption and organized crime, especially in the context of visa liberalisation.

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

The anti-corruption *legislation* has been reviewed in 2022, in line with the recommendations of the Venice Commission and European standards. The main laws in this area are: Criminal Code, new of Criminal Procedure Code, Law on APC, amended Law on the Declaration, Origin and Control of Assets and Official Gifts, Law on the Financing of Political Parties, Law on Protection of Whistleblowers, and Law on the Prevention of Conflict of Interest in Discharge of Public Function. The key *policy* documents in this area are: The Anti-Corruption Strategy and Action Plan 2018-2022, the Judicial System Strategy for Resolving Cases of Corruption and Organized Crime 2022-2024, and the Rule of Law Strategy, which includes a section on anticorruption policy. On 22 February 2023, the Government established a working group to draft the Anti-Corruption Strategy. The main *institutions* in this area are: MoJ and OPM, responsible for policy drafting; APC, responsible for initiating and conducting the procedure of detection and preliminary investigation of corruption, as well as forwarding criminal reports for suspected cases of corruption and implementing legislation on asset declaration, prevention of conflict of interest in the discharge of public functions, and protection of whistleblowers; National Anti-Corruption Coordinator within the State Prosecutor's Office.

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

### *State of Play*

The *EC Kosovo 2023 Report* estimates the legal framework ensures the protection of fundamental rights in line with European standards. This framework has advanced with the approval of the Law on the Ombudsperson, the Law on the Prevention and Protection from Domestic Violence, Violence against Women, and Gender-Based Violence, and the Protocol on the treatment of cases of sexual violence. The capacity of authorities to monitor implementation of fundamental rights policies and legislation has improved, and the level of implementation of Ombudsperson's recommendations has increased. Despite these positive developments, additional efforts are needed to effectively enforce legislation protecting and promoting fundamental rights, including those of non-majority communities, in line with legal framework. Issues of fundamental rights should be prioritised higher on the political agenda, and relevant institutions should allocate more human and financial resources to address them. EU recommends that during 2024 Kosovo should focus on:

- Strengthening protection of women's civil and fundamental rights by adopting the civil code, implementation of the law against domestic violence and strengthening implementation of the law on gender equality and the strategy against gender-based violence;
- Strengthening protection of children's rights by adopting all bylaws under the Law on Child Protection as a matter of urgency and reinforcing law enforcement capacities;
- Improving implementation of legislation on the rights of non-majority communities (e.g. quotas for representation in civil service; appointment of the Director of the Office for Community Affairs), and adopting the law on cultural heritage and the law on religious freedoms;
- Protecting and promoting a spirit of tolerance and intercultural dialogue, in line with the SAA preamble, as well as in the spirit and as per Article 6 of the CoE Framework Convention for the Protection of National Minorities, directly applicable under the Constitution of the Republic of Kosovo.

Furthermore, the *6<sup>th</sup> SC on Justice, Freedom and Security* highlights that Kosovo has undertaken to implement the following key remaining reforms:

- Taking concrete steps to strengthen the coordination of existing mechanisms for human rights at both central and local levels and empower the role of anti-discrimination officers in ministries and municipalities;
- Adopting bylaws for the Law on Child Protection, taking more concrete steps to implement the Law on Paraplegic and Tetraplegic Persons and the Law on Blind Persons, and potentially unifying the schemes into a single law; adopting, as a matter of priority, the Civil Code and all relevant specialised legislation, in order to ensure sustainable and harmonised implementation of the new civil legislation;
- In the area of freedom of expression, ensure, without further delay, sustainable financing of the RTK, preserving its independence; amend and adopt the Law on IMC to update its competencies regarding online audiovisual media services regulated by the 2010 Audiovisual Media Services Directive.

### *Legislative, Policy and Institutional Framework*

*Legislation:* The main laws in the area of fundamental rights are: Law on Protection from Discrimination, Law on the Ombudsman and Law on Gender Equality, effective since 2015 as a package of laws in this field, in alignment with European standards. Law on the Prevention and Protection against Domestic Violence, as well as the Law on Child Protection are into force and aligned with the EU Directive on fight against children sexual abuse, sexual exploitation and pornography. The key laws in the area of minority protection and cultural heritage are: the Law on the Protection and Promotion of the Rights of Communities and Their Members in the Republic of Kosovo, the Law on the Use of Languages, the Law on Cultural Heritage, and the Law on Special Protected Zones.

Although the Republic of Kosovo is not yet a member state of the UN, Article 22 of the Constitution explicitly stipulates that the human rights and freedoms guaranteed by international agreements and instruments below, except those guaranteed by this Constitution, are directly applicable in the Republic of Kosovo and prevail in case of conflict over the provisions of laws and other acts of institutions. This framework is in line with the standards of the Convention on the Rights of Persons with Disabilities. The country is not yet a party to the convention; however, on 13 December 2022, the Government made a decision proposing to the Assembly the amendment of the Constitution to include the Convention on the Rights of Persons with Disabilities in Article 22 of the Constitution of the Republic of Kosovo. The Ministry of Health proposed to the Government to approve the bylaw on the types of free assistive devices for paraplegic and tetraplegic persons, serving for mobility, prevention and assistance, based on the Law on the Status and Rights of Paraplegic and Tetraplegic Persons in Kosovo. On 09.11.2022, the Government approved the AI on Definition of the List and Types of Assistive Devices Provided for Free to Paraplegic and Quadriplegic Persons, Serving for Mobility, Prevention and Assistance. Regarding the implementation of the Law on the status and rights of persons with disabilities, OPM/OGG has undertaken the initiation of the process for drafting a concept document on the Law on the Provision of Services in Sign Language to advance the rights of the deaf community in Kosovo.

*Policy:* The key policy documents in this area are: the Programme for the Protection and Promotion of Human rights; National Strategy on the Rights of Persons with Disabilities 2013-2023, Kosovo Programme for Gender Equality, National Strategy on Rights of the Child 2019 - 2023., National Strategy against Domestic Violence (approved in January 2022), and the Strategy for the Advancement of the Rights of the Roma and Ashkali Community in the Republic of Kosovo (approved in July 2022). In the course of policy drafting in the area of the rights of persons with disabilities, given that the Strategy for the Rights of Persons with Disabilities 2013-2023 expires in 2023, OPM/OGG initiated in 2023 the drafting of the Strategy for the Rights of Persons with Disabilities 2024-2029 and the Action Plan for the Rights of Persons with Disabilities 2024-2026. These documents are still in the drafting process and are expected to be finalised in the first six months of 2024, as well as approved by the Government.

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

## **Protection of personal data**

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

The *EC Kosovo 2023 Report* estimates that the Law on Protection of Personal Data is broadly in line with the EU General Data Protection Regulation and the Directive for the Implementation of the Law. The Agency continued to enhance its capacities by advancing the legal framework through the approval of regulations and guidelines for the organisation, structuring and operational procedures for controllers and inspections. Despite limited budgets and human resources, the Agency is processing complaints for access to public documents and the protection of data independently and efficiently.

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

responsible for overseeing the implementation of the Law on Protection of Personal Data, aiming to protect the fundamental rights and freedoms of individuals concerning personal data and ensuring public access to public documents.

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

*Justice system:*

- Reform of the justice system through legislative amendments, ensuring accountability, integrity and efficiency mechanisms for judges and prosecutors as subject to a preliminary review, in line with Venice Commission recommendations and the Rule of Law Strategy 2021-2026 measure;
- Development of the legal framework on vetting in the justice system;
- Advancement of legislation to ensure a unified and codified implementation of civil law;
- Further advancement of capacities of notaries by increasing the number of notaries in accordance with amendments to the new Law on Notary;
- Further advancement of the electronic case management system in courts and prosecution offices, including implementation of CEPEJ performance indicators in the CMIS programme;
- Further advancement of the National Centralised Criminal Records (NCCR) system by ensuring accurate verification of data on criminal cases;
- Strengthening human and infrastructural capacities to ensure an efficient and effective system of disciplinary procedures and performance evaluation of judges and prosecutors;
- Increasing efficiency and effectiveness of the justice system in administrative and labour dispute cases through the establishment of the Administrative and Labour Court;
- Enhancing administrative capacities in courts by increasing the number of support staff to ensure effective administration of justice;
- Ongoing promotion of alternative mechanisms for dispute resolution (mediation) in courts and prosecution offices, aiming to reduce case overload;
- Further advancing alternative dispute resolution mechanisms through mediation, conciliation and bankruptcy;
- Improving the institutional framework to empower the evidence based policy making;
- Adopting the new strategic plan for the prosecutorial system for 2025-2027;

*Anticorruption policy:*

- Advancing the legal framework and oversight bodies with a view to increasing the enforcement rate of cases of sequestration and confiscation of assets, including their administration;
- Further advancement of inter-institutional coordination mechanisms for the efficient and effective handling of corruption, economic crime and organized crime cases;
- Ongoing advancement of law enforcement institutions in the fight against economic and financial crime and strengthening the effectiveness of asset confiscation and the proceeds of crime;
- Further advancement of professional capacities of the Special Prosecution Office (SPRK) to ensure efficient implementation of the organisational structure in this prosecution office;
- Further advancement of capacities of the Agency for the Prevention of Corruption (APC) to ensure effective and efficient implementation of the procedure of control of assets of senior public officials and corruption risk assessments in sensitive and legislative sectors;
- Further advancement of capacities of the Agency for the Prevention of Corruption (APC) to ensure effective and efficient implementation of the administrative whistleblowing procedure.
- Establishment of monitoring mechanisms within APC for implementation of integrity plans;
- Implementation of the 2024-2030 Anti-Corruption Strategy and Action Plan;

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

- Establishment of adequate mechanisms for continuous monitoring of recommendations from the Ombudsperson, with the aim of further increasing the level of implementation;
- Full operationalisation of institutional mechanisms for protection against discrimination and empowerment of gender equality officers in ministries and municipalities;

- Enhancing capacities of institutional mechanisms for gender equality, protection against domestic violence and violence against women through strengthening the role of women and girls in decision-making and economic empowerment, with the aim of eliminating gender-based violence and domestic violence;
- Adopting bylaws on the effective implementation of the Law on the Prevention and Protection against Domestic Violence, Violence against Women, and Gender-Based Violence;
- Establishing and developing relevant policy for Gender Impact Assessment, alongside the current regulatory framework;
- Advancing the sector of property rights, aiming at a clearer definition of property rights by law and providing more efficient, accessible and affordable mechanisms through which citizens will be able to benefit from legal recognition of their rights;
- Advancing the legal framework and policy for the protection of rights of persons with disabilities;
- Financial support for shelters for victims of gender-based violence;
- Improving criminal sanctions execution policy, as well as raise awareness of the courts to increase the number of cases of imposing alternative punishments against prison sentences;
- Improving inter-institutional coordination to ensure effective investigations and timely prosecution of cases of attacks on journalists, sexual violence and domestic violence, as well as cases of crimes and hate speech;
- Ensuring sustainable funding for public broadcasters;
- Advancing the legal framework and policy on heritage protection, including the establishment of mechanisms for conservation and integrated development;
- Establishing legal mechanisms for the export/import and prevention of trafficking of cultural objects, in line with relevant EU directives;
- Advancing mechanisms for systematic monitoring and maintenance of cultural heritage monuments;
- Enhancing the professional capacities of all coordinating bodies in cultural heritage protection and providing financial support to cultural heritage institutions, including the reorganisation of their organisational structure;

*Protection of personal data:*

- Advancing policies;
- Improving inspection mechanisms to oversee the implementation of the Law on Protection of Personal Data;
- Establishing IT infrastructure for electronic management of complaints and inspection cases.

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

This chapter includes the following areas: border management, visa and document security policy, migration, asylum, anti-money laundering and terrorist financing, combating drugs, combating organized crime, and police cooperation, combating terrorism, and judicial cooperation in criminal and civil matters. EU policies in this dynamic chapter aim to preserve and further develop the EU as an area of freedom, security and justice and to ensure security, rights and free movement therein. The *acquis* in this chapter is based on the general principles deriving from the TFEU and the case law of the European Court of Justice. In this chapter, the alignment of private international law, extradition agreements between member states' and policies in all other areas is also required. Kosova must gradually transpose the *acquis*, develop and implement an appropriate policy framework, and establish institutions with capacities to enforce the transposed *acquis*. Member states must also have the necessary administrative capacities of law enforcement agencies and other relevant bodies to meet European standards in these areas. EU policies in this chapter are part of the Schengen *acquis*, including provisions for the removal of internal border controls within the EU; essential parts of this *acquis* are applied after a specific Council decision following accession.

#### **Border management**

##### *State of Play*

The *EC Kosovo 2023 Report* that the infrastructure at the border crossing points has improved and the border management system continues to function satisfactorily. However, some facilities need to be renovated. The lack of direct online access to certain international databases is identified as a hindrance to effective crime prevention efforts. Progress has been made in implementing the revised development plan of the National Border Management Centre 2020-2025. Nevertheless, there is still a need for a better strategic assessment and risk analysis related to the border, as well as enhanced cooperation with other border authorities. The effectiveness of such cooperation is affected by the absence of connections to crucial international networks, such as Interpol's I-24/7 system. The EU recommends that during 2024 Kosovo should focus on:

- Better strategic assessment and analysis of border-related risks, including security;
- Strengthen cooperation with other border authorities.

Furthermore, in the 6<sup>th</sup> *SC on Justice, Freedom and Security* Kosovo has undertaken to implement the following key reforms:

- Ensure the full potential of the NBMC through the full implementation of the AP for this institution;
- Strengthen the defence-sensitive border management system through inter-regional cooperation, including regular exchange of information, as well as with EU agencies that play an important role in the implementation of defence-sensitive border management, such as the EU Asylum Agency (EUAA) and Frontex.

*Legal and institutional framework:* This area is regulated by the Law on State Border Control and Surveillance and the Law on Cooperation among Authorities Involved in Integrated Border Management (according to the IBM concept, implemented in Kosovo and other countries in the EU accession process). The Law on State Border Control is being amended. There are also five (5) bylaws in force that have partially transposed the relevant *acquis*, and 12 agreements on customs cooperation. The *institutions* in this area are the following: KP, KC, FVA.

## **Visa policy**

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

The *EC Kosovo 2023 Report* estimates that Kosovo has yet to align its legislation with the EU visa policy. Kosovo currently requires a visa for citizens of 110 countries, including 22 countries that do not have a visa-free regime with the Schengen area. The visa-issuing authorities have the capacity to digitally collect biometric identifiers from visa applicants, although the equipment needs upgrading. Kosovo has continued to fulfil the criteria under the visa liberalisation roadmap, while on 18 April 2023 the EP adopted Regulation (EU) 2023/850 amending Regulation (EU) 2018/1806 to add Kosovo to the list of countries the citizens which are exempt from visa requirements. Based on this, starting from 1 January 2024, passport holders from Kosovo will be able to travel to the EU without a visa for up to 90 days within any 180-day period.

More specifically, the EU recommends that during 2024, Kosovo should focus on developing an information campaign about the rights and obligations related to visa-free travel status in the Schengen area to prevent possible misuse.

*Legislative and institutional framework:* This area is regulated by the Law on Foreigners and six (6) bylaws which have partially transposed the relevant *acquis*. The responsible *institutions* in this area are: the Ministry of Foreign Affairs and Diaspora, respectively, the Department for Consular Affairs and the Foreign Service Missions; Ministry of Internal Affairs (MIA), namely the Department of Citizenship, Asylum and Migration (DCAM) and Civil Registration Agency (CRA); as well Kosovo Police's Border Department.

## **Migration**

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

The *EC Kosovo 2023 Report* estimates the legal framework is mainly in line with the EU *acquis*, yet steps need to be taken to further align legislation, including the Law on Foreigners, with the *acquis* and international

standards. Despite government efforts, transnational smuggling networks continued to facilitate secondary movements of irregular migrants from entry points along the Western Balkans route. Deficiencies persist in the implementation of laws, primarily due to a lack of coordination among government agencies. The capacities of the police in sensitive migration areas need to be further strengthened. In general, there is a need for better inter-institutional coordination, including with municipalities, as well as for improvement in systematic monitoring and evaluation. Providing proper care and security for the most vulnerable groups of migrants remains a challenge. Measures should be taken to enhance safety for asylum seekers in facilities, especially to prevent gender-based violence. More specifically, the EU recommends that during 2024, Kosova should increase and further strengthen the capacities of authorities to detect irregular migration and provide higher quality protection services. Additionally, Kosova is recommended to align its legislation with Directive 2008/115/EC (Return Directive), include a category for humanitarian protection, and extend the voluntary return period.

Furthermore, the 6<sup>th</sup> SC on *Justice, Freedom and Security* underlines that Kosova has undertaken to implement the following key reforms:

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

*Legislative, Policy and Institutional Framework:* The main laws in this area are: the Law on Citizenship, Law on Foreigners, the Law on Preventing and Combating Trafficking in Human Beings and Protecting Victims of Trafficking, the Law on Asylum, and 23 bilateral readmission agreements. Bylaws deriving from these laws are also in force. The main *policy* documents in this area are: Migration Strategy 2021-2025, Easy Migration Profile (as a comprehensive document with standard data on migration and other areas that potentially affect the phenomenon of migration, such as the economic and social situation, the labour market, human capital, education, trade, etc.) and the Guide to the Best Interest of the Child. The responsible *institutions* in this area are: MIA, namely the Department of Citizenship, Asylum and Migration; Kosova Police, namely the Border Department and Directorate for Investigation of Trafficking, Department for Reintegration of Repatriated Persons; as well as the Governmental Authority for Migration and Municipalities.

## Asylum

### *State of Play*

The *EC Kosovo 2023 Report* estimates the legal and institutional framework in this area is primarily in line with *acquis*. However, there is a need to establish a fully effective entry system with a clear legal basis, including the identification, examination and referral of individuals seeking international protection and those with specific needs. The new Law on Foreigners is an opportunity to provide clear definitions; it should also specify provisions for facilitated integration. Kosova continues to be a transit route for the majority of people arriving through mixed movements. Limited capacity in terms of biometric equipment and the lack of data interoperability affect the efficiency of registration and further processing of asylum applications. To fulfil its mandate, the Border Police needs adequate equipment and more expertise. The current practice of issuing a “Accommodation Certificate in the Temporary Emigrant Reception Centre”, allowing for accommodation rights for 15 days without granting any legal status during this period, is not in line with the EU *acquis* in this area. The EU recommends that during 2024 Kosova should focus on:

- Include refugees in the social protection schemes;
- Establish fully effective entry system;
- Improve the capacities of front-line officers for the identification and referral of persons seeking international protection and persons with specific needs;

- Further capacity building of the Border Police for migration-sensitive protection.

Furthermore, the 6<sup>th</sup> SC on Justice, Freedom and Security underlines that Kosova has undertaken to implement the following key reforms:

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

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

### **Fight against money laundering and financing of terrorism**

#### *State of Play*

The *EC Kosovo 2023 Report* highlights that the Fight against money laundering and financing of terrorism is not producing the expected results. More efforts are needed to achieve a substantial level of proactive investigation, final court decisions and final confiscation of assets. Capacities of the police and prosecution should be strengthened. Money laundering and terrorist financing are often not prosecuted as a standalone crime, but only in connection with other criminal offences, and parallel financial investigations are not systematically conducted for organized crime cases. The report recommends a significant improvement in cooperation and coordination among agencies. The adoption of police standard operating procedure to centralise all aspects of financial investigations in line with Financial Action Task Force (FATF) recommendations is yet to produce concrete results. The Law on Combating Money Laundering and Terrorist Financing should be amended to be aligned with AML and CFT Directive IV and V not to impose unnecessary restrictions on the financial sustainability of low-risk CSOs.

*Legislative, policy and institutional framework:* The main laws in this area are the following: Criminal Code, Law on Combating Money Laundering and Terrorist Financing, Law on Implementation of Targeted International Financial Sanctions, Law on Declaration, Origin and Control of Assets of Senior Public Officials and Official Gifts. Also, a number of bylaws deriving from laws regulating this area are in force. The main *institutions* in charge in this area are: Financial Intelligence Unit; MFLT, KC and TAK; KP; State Prosecutor; and Special Prosecution Office of the Republic of Kosova.

### **Fight against narcotics**

#### *State of Play*

The *EC Kosovo 2023 Report* estimates that Kosova has not yet adopted a new strategy and AP for the fight against narcotics. The necessary steps to ensure the operational capacity of the Drug Observatory and to establish an early warning system have not been taken either. The legislation in this area needs to be reviewed to be more comprehensive and in line with EU legislation. The prosecution continues to lack professional capacities to effectively handle drug-related criminal activities. The EU recommends that during 2024 Kosova should focus on:



- Understanding the drug market by law enforcement institutions and the prosecution, through analytical work. Further improving inter-agency cooperation and the exchange of information in the fight against drug trafficking.
- Improving and prioritising the establishment of cooperation, coordination and information exchange between law enforcement institutions in the Western Balkans region.
- Making fully operational at the National Narcotics Observatory.

Furthermore, the 6<sup>th</sup> SC on Justice, Freedom and Security underlines that Kosova has undertaken to implement the following key reforms:

- Law enforcement agencies continue to increase confiscation of illegal drugs, especially cocaine and heroin, and work with an intelligence-to-detention concept;
- Improve inter-agency cooperation and the exchange of information, at all levels, in the fight against drug trafficking;
- Make operational at the National Narcotics Observatory within MIA.

*Legislative, policy and institutional framework:* The main laws in this area are: Criminal Code; Criminal Procedure Code; Law on Narcotic Medicaments, Psycho-Tropes and Precursors, which is based on the UN Conventions on narcotic drugs, on psychotropic substances, and against illegal trafficking in narcotic drugs and psychotropic substances. The AI on the Administration and Use of Methadone for Maintenance Programmes is also applicable. The responsible institutions in this area are: KP, namely the Directorate for the Investigation of Drug Trafficking (supported by other departments); KIA DKl; MH, namely the Health Inspectorate, Kosova Medicines and Equipment Agency; Kosova Forensic Agency; State Prosecutor; MoJ, namely the Department of Forensic Medicine; and KJC. The National Coordinator and the Secretariat responsible for this area are also operational within MIA.

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

#### *State of Play*

The *EC Kosovo 2023 Report* assesses that Kosova has some level of preparation in this area. Improvements in the legislative framework to combat organized crime have not yet yielded tangible results. A low number of confiscated criminal assets remains a key concern. Sustainable efforts are needed to ensure proactive investigations, final court decisions, and asset confiscation. Operational independence of law enforcement institutions must be guaranteed. The Law on Combating Money Laundering and Terrorist Financing needs to be amended to be fully in line with the EU's Directives 4 and 5 on combating money laundering and terrorist financing, as well as with international evolving standards. Legislation on trafficking in human beings is broadly aligned with the relevant EU *acquis*, but implementation remains limited. The effective implementation of witness protection mechanisms continues to face challenges, as few potential witnesses have sufficient confidence in Kosova's institutions to keep them safe. Despite progress, the involvement of organized and armed groups in weapons smuggling remains a serious concern. Cigarette and tobacco smuggling is a growing concern. Kosova is a key transit country for the smuggling of counterfeit cigarettes and legally produced tobacco products transported illegally through neighbouring countries in the Western Balkans. The EU recommends that during 2024 Kosova should focus on:

- Proactive investigations, final court decisions and the final confiscation of assets;
- Strengthen the capacities of the Special Prosecution Office and investigate and prosecute high-profile organized crime cases;
- Better utilise existing powerful tools provided by the Criminal Code and the Law on Extended Confiscation Competencies. The new Law on Implementation of Targeted International Financial Sanctions is used as an effective tool in combating organized crime.
- Effectively implement the new organisational structure of the police and continue the intelligence-led and community policing approaches as key policing models;
- Proactively and collectively target and assess/scale organized crime groups systematically and conduct financial investigations at all stages of criminal investigations in all cases of organized crime and corruption, and also initiate independent investigations into money laundering;

- Step up efforts to prevent and combat criminal networks involved in migrant smuggling and trafficking in human beings, as well as in identifying and referring victims to support services; ensure financial sustainability for shelters and assistance to trafficking victims.

Furthermore, the 6<sup>th</sup> SC on Justice, Freedom and Security underlines that Kosova has undertaken to implement the following key reforms:

- Strengthen multi-disciplinary cooperation in investigation procedures through communication and information exchange among institutions, joint inspections, and multi-disciplinary investigation teams;
- Implement a common objective-based approach (police-prosecution) to combat serious and organized crime as part of the intelligence-led policing principle;
- Prosecution and law enforcement authorities to establish specific strategic priorities for addressing specific phenomena of high-level organized crime and corruption;
- Systematically conduct financial investigations at all stages of criminal investigations for all serious cases of organized crime and corruption.

*Legislative, policy and institutional framework:* The main laws in this area, wherein a number of *acquis* acts have been transposed are: Criminal Code, Criminal Procedure Code, Law on Witness Protection, Law on Prevention and Fight of Cyber Crime, Law on Cyber Security (adopted in February 2023), Law on Managing Sequestered or Confiscated Assets, Law on Protection of Whistleblowers, Law on Police, Law on Narcotic Medicaments, Psycho-tropes and Precursors, Law on Preventing and Combating Trafficking in Human Beings and Protecting Victims of Trafficking, Law on Crime Victim Compensation, Law on State Border Control and Surveillance, Law on Execution of Criminal Sanctions, Law on Kosova Intelligence Agency, Law on State Prosecutor, Law on Classification of Information and Security Clearances, Law on Courts, Law on the Protection of Personal Data and Law on Interception of Electronic Communications.

The main *policy* documents in this area are: Anti-Corruption Strategy and Action Plan, National Strategy and AP against Narcotics, National Small Arms, Light Weapons and Explosives Control Strategy, National Strategy Against Trafficking in Human Beings adopted in June 2022 and National Cyber Security Strategy 2023–2027 adopted in October 2023.

The responsible *institutions* in this area are: MIA, namely KP; MFLT, MoJ; KIA; KJC; KPC; Prosecution Offices; and Courts.

## **Fight against terrorism**

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

The *EC Kosovo 2023 Report* estimates that despite considerable efforts, the country continues to face challenges in the fight against terrorism and the prevention of violent extremism and radicalisation. The increase in violent incidents of domestic religious extremism and the impact of other forms of extremism is concerning. Kosova authorities must balance efforts to prevent and fight violent extremism in all its forms, with rehabilitation and reintegration measures. The EU recommends that during 2024 Kosova should focus on:

- Establish a National Centre for Countering Terrorism and Violent Extremism, or reinforce the Office of the National Coordinator with adequate financial and human resources and ensure the regular practice of conducting joint threat assessments;
- Kosova authorities need to enhance their capacities to address terrorist content on the Internet, including increasing efforts to refer to terrorist content providers and strengthening initiatives to empower civil society to develop effective counter-narratives.
- Continued review of strategies, action plans, and reintegration and rehabilitation programmes.

Furthermore, the 6<sup>th</sup> SC on Justice, Freedom and Security underlines that Kosova has undertaken to implement the following key reforms:

- Establish the Office of the National Coordinator with adequate financial and human resources;

- Operationalise a structure/mechanism within MIA for the protection of critical infrastructure, with the necessary budget and resources, starting from the training of staff and drafting of bylaws and other necessary documents for this purpose.

*Legislative, policy and institutional framework:* The main laws in this area are: Criminal Code, Criminal Procedure Code, Law on Prevention of Money Laundering and Terrorist Financing, Law on Prohibition of Joining the Armed Conflicts Outside State Territory, Law on Prevention of Money Laundering and Terrorist Financing. The main *policy* documents in this area are: Strategy on Preventing and Combating Terrorism adopted in June 2023. The Rehabilitation and Reintegration Programme for radicalised individuals has also been updated and adopted. The responsible *institutions* in this area are: MIA; KIA; MFLT, respectively KC and TAK; FIU; OPM; and SPRK. The Secretariat responsible for this area is also operational within MIA.

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

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

The *EC Kosovo 2023 Report* estimates that although Kosova is not a party to most multilateral treaties on mutual legal cooperation, it unilaterally applies the standards of recognised international treaties. The cooperation between Kosova and Eurojust has further advanced. Two new bilateral treaties on judicial cooperation in civil matters have entered into force and Kosova has taken steps to conclude additional bilateral treaties. Kosovan authorities have not yet undertaken any action to cooperate with the European Public Prosecutor's Office.

Furthermore, conclusions of 6<sup>th</sup> SC on Justice, Freedom and Security recommend completion of the legal framework in this area and continue efforts to negotiate new bilateral agreements on international legal cooperation in criminal and civil matters.

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

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

##### *Border management:*

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

##### *Visa policy:*

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

##### *Asylum:*

- Establishing a sustainable central and local cooperation system for asylum seekers seeking international protection;
- Constructing a facility for vulnerable groups within the Asylum Centre;

##### *Migration:*

- Advancing international cooperation in combating irregular migration;
- Promoting regular and circular migration;
- Increasing alternative accommodation capacities for migrants, specifically of the detention centre for foreigners;

##### *Fight against money laundering and financing of terrorism:*

- Further improvement of the legal and policy framework in the area of fighting money laundering and terrorist financing, including by amending the Law on Combating Money Laundering and Terrorist Financing in order to align with and implement the EU Directives IV and V in this area;
- Strengthening capacities of the Financial Intelligence Unit (FIU) in combating terrorist financing and money laundering;

- Enhancing inter-institutional cooperation, including cooperation with law enforcement authorities and reporting entities, through the establishment of Joint Multi-Disciplinary Intelligence and Money Laundering Investigation Mechanisms;
- Making efforts to achieve a significant level of proactive investigation, final court decisions, and final asset confiscation;
- Developing advanced guidelines for law enforcement agencies for investigation and prosecution of money laundering as a standalone offence and parallel financial investigations;
- Strengthening risk assessment, risk management, and the strategic framework;
- Reinforcing preventive measures against money laundering and terrorism financing;
- Strengthening the overall supervisory framework structure;
- Strengthening capabilities to identify beneficial ownership and limit abuse of legal entities and legal agreements for AML/CFT purposes;
- Strengthening investigation and criminal prosecution of AML/CFT;
- Strengthen the initiated reforms aimed at decentralising money laundering cases to prosecutors outside the SPRK while retaining high-profile cases and those with a high degree of public interest to be overseen and criminally prosecuted by the SPRK;
- Undertaking systematic measures to promote autonomous investigation and prosecution of money laundering (without the need for criminal prosecution of related criminal offences) based on recent case law;
- Developing mechanisms to address feedback for the purpose of enhancing the quality of reporting, analysis and investigation of money laundering cases.

*Fight against narcotics:*

- Advancing cooperation with EMCDDA;

*Fight against organized crime and police cooperation:*

- Establishing a database of criminal records, including records on convicted individuals;
- Increasing the number of judges and enhancing specialisation of prosecutors and judges against organized crime;
- Increasing technical capacities of laboratories of the Kosova Forensic Agency;
- Increasing the number of asset confiscation orders and generally improve results in the permanent confiscation of illegally acquired assets;
- Strengthening multi-disciplinary teams to proactively target and identify organized criminal groups;

*Fight against terrorism:*

- Strengthening technical, logistical and technological capacities in the area of terrorism and prevention of the spread of extremism through the Internet and social media;
- Enhancing technical, logistical and technological capacities in the area of counter-terrorism;
- Enhancing counter-terrorism cyber capacities;
- Strengthening capacities and access to deradicalisation and reintegration;
- Enhancing the involvement of municipal authorities in the planning and implementation of rehabilitation and reintegration, as well as preventive work, including the establishment of multidisciplinary teams in municipalities;
- Strengthening the role of probation service in monitoring sanctions and community measures and supporting released violent extremist prisoners on parole;
- Strengthening capacities of prosecutors and judges to identify various forms of violent extremism;
- Strengthening capacities for the identification and protection of critical infrastructure;

*International legal cooperation in criminal and civil matters*

- Advancing international legal cooperation in extradition matters and mutual legal assistance in criminal and civil matters;
- Membership (accession) to The Hague Convention on the Recognition and Enforcement of Foreign Judgments in Civil and Commercial Matters;
- Membership in The Hague Conference on Private International Law.

### 3.25. Chapter 25: Science and Research

This chapter requires the capacity to implement the EU *acquis* and policies on research and technological development and to pursue its objectives in these areas. Such capacities are prerequisites for participation in EU programmes for scientific research and innovation, aiming to facilitate integration into the European Research Area.

#### *State of Play*

The *EC Kosovo 2023 Report* highlights that Kosovo is at an early stage of preparation in the area of science and research. Some progress was made during the reporting period, where Kosovo substantially improved its performance in the EU's framework programme on research and innovation. The EU recommends that during 2024 Kosovo should focus on:

- Fully implement the national science programme, including prioritise and promote scientific research and innovation, ensure higher spending on research and innovation, and seek to stimulate investment from the private sector by completing a smart specialisation strategy and trying to stimulate investment from the private sector by developing the strategy of smart specialisation;
- Continue efforts to increase participation in the EU *Horizon Europe* programme.

Furthermore, in the 6<sup>th</sup> *SC on Internal Market* Kosovo has undertaken to implement the following key reforms:

- Prepare statistical data (according to the OECD Frascati Manual) on government expenditures for scientific research and innovation as a percentage of GDP and performance related to the priorities of the European Research Area;
- Provide the necessary statistical indicators for Kosovo to participate in the European Innovation Scoreboard;
- Strengthen and improve participation in the Horizon Europe Programme, aiming to achieve at least the 2019 levels and participate in key initiatives of this programme (ESS, EOSC, EuroHPC), especially in the EuroHPC joint undertaking, and join the XI<sup>th</sup> round of the European Social Survey;
- Complete the entrepreneurship analysis process for the Smart Specialisation Strategy.

#### *Legislative and Institutional Framework*

Research activity is regulated by Law No. 04/L-135 on Scientific-Research Activity, which foresees good European practices in support of the research with a focus on economic and social development, as well as contains provisions that regulate the interrelation of research with the economy and industry. The main institution in this chapter is the Ministry of Education, Science, Technology and Innovation (MESTI), which is responsible for policy development in the area of science and research. MESTI, jointly with MIET, also consist of the main institution responsible for research and innovation, the former mostly covering the scientific framework and the latter covering the industrial side and that of policies as entrepreneurship concepts. Additionally, the National Science Council is the structure responsible for administering national priorities in scientific research. Kosovo is an associated member country, with full rights as an international cooperation partner in the EU *Horizon 2020* Framework Programme for Research and Innovation, reaching a participation rate of 20.01%, with 21 projects funded.

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

- Provide funding for research-scientific activity;
- Integrate Kosovo in the European Research Area (ERA);
- Improve scientific and industrial innovation in view of the economic development of the country.

### 3.26. Chapter 26: Education and Culture

The areas of education and training, youth, sports and culture are primarily the competency of the member states. TFEU foresees that the EU encourages cooperation and support among Member States by supporting their actions and by fully respecting their responsibilities for the content of learning, organisation of the education and vocational training systems, and national and regional cultural diversity.

*Acquis* in this chapter consists primarily of a cooperation framework, through programmes and the open method of coordination, to achieve the convergence of national policies and common objectives.

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

In the *EC Kosova Report 2023*, the EU recommends that during 2024 Kosova should focus on:

- Develop a roadmap for the implementation of key reforms of the education system, including the recommendations under the ETF Rapid Education Diagnosis;
- Finalise the implementation of the new curricular framework for basic education, complete the revision of the existing textbooks and provide sustainable training to teachers; systematically apply quality assurance mechanisms at all education levels;
- Enhance the VET governance and increase the quality of vocational education and training for professions in demand in view of the Youth Guarantee;
- Develop the curriculum for early childhood education;
- Enhance the vocational education and training (VET);
- Build the capacities of the Education Inspectorate;

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

- Enhance the quality of education at all levels through the systematic application of existing quality assurance mechanisms, such as quality coordinators, school inspections in education, including the AAP, and ensuring rigorous monitoring of the conditions by the Kosova Accreditation Agency for the accreditation of higher education programmes;
- Adopt the Law on School Textbooks and Materials,
- Ensure the enforcement of the Law on Education Inspection;
- Continue publishing accurate data regularly in all areas of education and youth (including GDP expenditures on education), which should be clear, traceable and comparable over time. Ensure that the Education Management Information System continues to evolve to meet current and future needs in this area;
- Increase administration, participation and implementation of international assessments;
- Increase the enrolment rate in early childhood at ISCED 2011 level 02;
- Continue efforts to increase enrolment for students with special needs and prevent dropouts
- Increase participation in the Erasmus programme

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

The legal framework in the area of education consists of Law No. 03/L-060 on National Qualifications, Law No. 04/L-037 on Higher Education, Law No. 05/L-018 on the State Matura Exam; Law No. 03/L-068 on Education in the Municipalities of the Republic of Kosova, Law No. 06/L-046 on Education Inspectorate in the Republic of Kosova, Law No. 02/L-52 on Preschool Education, and Law No. 04/L-032 on Pre-University Education. The main laws in the area of vocational education and training are: Law No. 04/L-138 on Vocational Education and Training, Law No. 04/L-143 on Adult Education and Training, and Law No. 03/L-060 on National Qualifications. The legal framework in the area of culture includes Law No. 02/L-57 on Cultural Institutions, Law No. 2003/24 on Sports, Law No. 04/L-056 on the National Ensemble of Songs and “Shota”, Law No. 04/L-59 on the Philharmonic, Opera and Ballet of Kosova, Law No. 2004/22 on Cinematography, Law No. 02/L-88 on Cultural Heritage and Law No. 04/L-106 on Theatres. Furthermore, at the beginning of 2023, the Assembly approved Law No. 08/L-111 on State Archives and Law on Anti-Doping in Kosova, and completed the bylaws for the implementation of the Law on Cultural Heritage. Furthermore, the Government has approved the Draft-law on Cinematography and the Draft-law on Copyright and Related Rights.

The key policy documents in this chapter include: the Education Strategy 2022-2026, the National Strategy for Cultural Heritage 2017-2027, and the Youth Strategy 2019-2023.

The main institution in this chapter is MESTI, which is responsible for policy drafting and implementation at all levels of education, managing the teacher certification and training system, and promoting research policy. The Diploma Recognition Centre is operational within MESTI and is responsible for recognising higher vocational and university qualifications obtained abroad. There are also institutions responsible for curriculum frameworks, licensing, accreditation, and certification at various education levels, including the National Qualifications Authority, the Kosova Accreditation Agency, and the Agency for Vocational Education and Training and Adult Education. Municipalities are responsible for pre-university education, including the construction of school facilities, student enrolment, employment of teachers and other staff, enrolment, licensing and inspection of pre-school institutions, participation fees in pre-school institutions, communication mechanisms with parents, etc.

In the area of culture, the main institution is the Ministry of Culture, Youth and Sports, which is responsible for legislation and policy drafting and implementation. The Cultural Heritage Inspectorate oversees implementation of the Law on Cultural Heritage and other relevant legislation. Additionally, there are other institutions responsible for culture, art, and cinematography. The following institutions are responsible for implementation and monitoring of legislation on special protected areas: MESPI, MLGA and Municipalities.

#### *Medium-term priority objectives*

- The harmonisation of education and vocational training with labour market demands and the implementation of the Curriculum Framework;
- Effective management of the education system at all levels;
- Improving the quality and integrity of higher education, in accordance with international standards;
- Strengthening the capacities of the Education Inspectorate, in accordance with EU legislation and international standards;
- Professional development of teachers;
- Increasing capacities for inclusion in pre-primary education.

### **3.27. Chapter 27: Environment**

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

#### *State of Play*

The *EC Kosovo 2023 Report* estimates that Kosova is at an early stage of preparation in this chapter. However, during this reporting period, there has been limited progress, especially with the approval of the Law on Prevention and Integrated Control of Pollution in March 2023. There have also been some advancements in aligning legislation on waste management, water, industrial pollution and risk management. However, there has been no progress in nature protection, chemicals, regulation, and noise regulation. Furthermore, Kosova needs to increase its political commitment and administrative capacity to address the issues related to environmental degradation and climate change as well as to improve the implementation and enforcement of its legislation in line with the objectives of the Green Agenda for the Western Balkans. EU recommends that during 2024 Kosova should focus on:

- Increase the waste collection coverage, apply widely reduction, separation, recycling and reuse of waste;
- Address effectively the issue of illegal dump sites and introduce circular economy measures to reduce waste, develop and approve inter-municipal integrated waste management plans; and establish the extended producer’s responsibility system;

- Intensify the work for reduction of industrial pollution through the implementation and enforcement of the law on integrated pollution prevention and control;
- Harmonise with and start implementing legal provisions on environmental liability, damage and crime;
- Implement the polluter pays principle and raise public awareness on environmental protection;
- Implement the Strategy and the AP on climate change;
- Prepare a roadmap for alignment with the Green Agenda for the Western Balkans and the *acquis* on climate; adopt the national energy and climate plan, in line with the Energy Community requirements, and finalise the drafting of the long-term decarbonisation strategy;
- Prepare for alignment with the EU Emissions Trading System (ETS).

The conclusions of the 7<sup>th</sup> SC on Transport, Environment, Energy and Regional Development are similar to the EC Kosovo 2023 Report, with several aspects to address, including:

- Adopt the Air Quality AP and the air quality plan for Prishtina;
- Draft the air pollution control measures for Prishtina and other relevant agglomerations and sensitive areas;
- Develop and start the implementation of a comprehensive plan for the development of institutional capacities for the implementation of waste management legislation;
- Amend the national waste management strategy to include recycling targets, measures for hazardous waste management and inter-municipal cooperation;
- Adopt the “Drini i Bardhë” management plan;
- Finalise the drafting of river basin management plans for the remaining water bodies;
- Adopt the Draft-law on Kosova Waters;
- Draft the Biodiversity AP in accordance with the Environmental Strategy;
- Finalise and adopt the Law on Nature Protection;
- Adopt the spatial plan for ‘Sharri’ National Park;
- Issue integrated permits for the reduction of harmful industrial emissions, especially for state-owned companies;
- Actively participate in activities under the Civil Protection Mechanism of the Union; and
- Continue the alignment of laws and the adoption of strategic documents on climate change, noise protection, industrial pollution, and assess needs and recovery, ensuring coherence with the principles and priorities of the Green Deal and the Green Agenda for the Western Balkans.

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

*Legislation:* The main laws on the environment are: Law on Environmental Protection, aiming for the harmonisation of economic development and social well-being with the fundamental principles of environmental protection based on the concept of sustainable development, promoting a healthy environment and gradual alignment with EU environmental standards; Law on Strategic Environmental Assessment, regulating the strategic environmental assessment of plans and programmes to ensure a high level of environmental and human health protection; Law on Environmental Impact Assessment, aiming to prevent and reduce the negative impact of proposed public and private projects, with the goal of preserving and improving the environment, protecting human health, and enhancing the quality of life. Additionally, there are applicable laws regulating specific areas in this chapter: Law on Waste, Law on Noise Protection, Law on Nature Protection, Law on the National Park “Bjeshket e Nemuna”, Law on the National Park “Sharri”, Law on Air Protection from Pollution, Law on Chemicals, Law on Biocide Products, Law on Climate Change, Law on Kosova Forests, Law on Protection against Natural and Other Disasters, Law on Emergency Management Agency, Law on Fire Protection; Law on Fire-fighting and Rescue, Law on Hunting, and Law on Agricultural Land. These laws are largely aligned with the *acquis*, while a large number of applicable bylaws have partially transposed the relevant *acquis* acts.

The key *policy* documents in this chapter include: Environmental Protection Strategy, for Climate Change Strategy 2019-2028 and Climate Change AP, State Water Strategy 2023-2027 and AP 2023-2025.



Additionally, a number of specific documents are implemented in various areas: Integrated Waste Management Strategy 2021-2030 and Action Plan 2021-2023, Biodiversity Strategy and Action Plan, National Emission Reduction Plan (NERP) 2018-2027, Forest Strategy, National Strategy on Non-Wood Forest Products Sector, National Response Plan, State Strategy and Action Plan for Disaster and Other Natural Risk Reduction 2023-2028. These policy documents are largely aligned with the EU goals.

The main institution in this chapter is the Ministry of Environment, Spatial Planning and Infrastructure (MESPI), which is responsible for legislation and policy drafting and implementation, including alignment with the EU *acquis* and standards, as well as international conventions, and setting mandatory standards.

In this chapter, other institutions involved in policy-making and implementation are MAFDR, ME, M (including NIPHK), MIET, MLGA, MIAD, WSRA.

**Medium-term priority objectives:**

- Adopting the AI on transposition of the National Emission Ceilings Directive;
- Transposing the EU Directives into Kosovo's legislation on waste management;
- Drafting the AI on full transposition of the Nitrates Directive;
- Alignment with the EU Emissions Trading System (ETS);
- Adopting and starting implementation of the climate change adaptation strategy;
- Transposing the Directive No. 2004/35/EC on Environmental Responsibilities, Directive No. 2003/04/EC on Access to Information, Directive No. 66/2010/EC on Eco-label;
- Establishing a Deposit Recovery System (DRS) for glass bottles, plastic and cans;
- Transposition of the EU Urban Waste Water Treatment Directive (UWWTD) and EU Floods Directive;
- Commencement of implementation of the Drini i Bardhë River Management Plan;
- Adoption of the Sharri National Park Spatial Plan;
- Close monitoring of integrated permits to reduce harmful industrial emissions, especially for state-owned companies;
- Drafting of the surface and underground water monitoring programme;
- Rehabilitate the sanitary landfill in Peja, construct the new cell and the closure of the illegal landfill in Istog;
- Further advancement of the national biodiversity legislation, in line with the EU Birds and Habitat Directives and NATURA 2000 Network;
- Increasing institutional capacities for the determination of NATURA 2000 sites;
- Adoption of the Regulation on Energy and Climate;
- Make the national inventory of forests III;
- Make operational the forest cadastre - the Kosovo forest fund register;
- Develop web-application for Kosovo environmental metadata;
- Enhance capacities for environmental inspections.

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

Consumer and Health protection are very important, extending across all sectors and impacting all economic operators whose products are consumed and used by the public. The *acquis* acts in this chapter safeguards the economic interests of consumers regarding the safety of products, dangerous imitations, and liability for defective products. In the EU, high common standards are also ensured for the control of tobacco, blood, tissues, cells, and organs, as well as medicines for human and veterinary use. Additionally, high common standards are established for the protection of patients' rights in cross-border healthcare and the handling of serious cross-border health threats, including communicable diseases.

**State of Play**

The *EC Kosovo 2023 Report* estimates that Kosovo is at an early stage of preparation in this area. There was limited progress overall via the adoption of the Law on general product safety. However, the law on

consumer protection has not yet been adopted. Kosova achieved compliance with the EU Digital COVID Certificate. The EU recommends that during 2024 Kosova should focus on:

- Adopt the law on consumer protection;
- Increase human and financial resources and systems necessary to implement health sector reforms, especially by implementing the electronic public health information system, and improve access and health outcomes for those in the most vulnerable situations;
- Ensure rigorous implementation of tobacco control, in line with the relevant EU acquis and international obligations.

Furthermore, in the conclusions of the 6<sup>th</sup> SC on Internal Market and Competition the following aspects have been identified to be addressed:

- Amend the Law on Consumer Protection to remove controversial elements (especially Article 16.8 on flags and 81 on guarantees), and technical defects;
- Adoption of implementing legislation under the Law on Product Safety;
- Continue and improve, in cooperation with other stakeholders, the awareness-raising activities regarding consumer rights and the obligations of traders, especially concerning online purchases;
- Enhance the human capacities of the Ministry of Trade and Industry, particularly regarding inspectors, to better protect consumers.
- Adoption of the basic laws on public health: Law on Health, Law on Health Insurance and Law on Health Promotion and Education;
- Adoption of legislation and the National Tobacco Control Programme;
- Implementation of measures to provide adequate primary healthcare services and mandatory health insurance, and the enforce further measures to improve quality standards in healthcare, including investments in health promotion activities and training;
- Work on the preparation of the basic package and conduct consultations and awareness campaigns before the commencement of premium collection for the Health Insurance Fund;
- Adopt and implement the AP on contagious diseases;
- Align legislation with the EU Cosmetics Regulation, to enable Kosova businesses to export to the EU market.

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

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

*Health protection:* The legal framework in this area consists of the Law on Health, Law on Health Insurance, Law on the Prevention and Control of Infectious Diseases, Law on Blood Transfusion, Law on Medical Products and Devices, Law on Chambers of Health Professionals, Law on Tissue Transplantation and Cells, Law on the Red Cross of Kosova, Law on the Protection of Breastfeeding, Law on Reproductive Health, Law on Medical Emergency Services, and Law on the Health Inspectorate

The key policy document in this area is the Sectoral Health Strategy, while the Strategic Plan has been adopted in order to continue improving the health of the mother, child, adolescent and reproductive health, as a comprehensive framework of goals for reducing the morbidity and mortality of mothers and children in Kosova. The main *institution* in this chapter is the Ministry of Health, which is responsible for drafting

and implementing the policy legislation and setting mandatory standards in this area. The provision of healthcare services is organised into three levels of the public system: primary, secondary and tertiary/specialised care. The main institution responsible for controlling tobacco consumption is the Health Inspectorate of the Ministry of Health, while central inspectorates and other line ministry bodies – such as the Sanitary Inspectorate (FVA), Market Inspectorate (MIET), Labour Inspectorate (MFLT), Education Inspectorate (MESTI), Transport Inspectorate (MESPI), Kosova Police (MIA), and municipal inspectorates – serve as secondary institutions for this purpose.

**Medium-term priority objectives:**

*Consumer protection:*

- Implement the 2021-2025 Consumer Protection Programme;
- Strengthen and further develop the administrative capacities of the Consumer Protection Department;
- Continuous implementation of awareness-raising activities for consumer protection;
- A continuous increase in the level of involvement and support for consumer associations and other stakeholders in the area of consumer protection.
- Implement the new Law on Consumer Protection.
- Develop policies in the area of digital services.
- Updating the integrated electronic platform, 'konsumatori.rks-gov.net'.

*Health protection:*

- Continue aligning the legislation with the *acquis* on patients' rights in cross-border healthcare, mental health, organ transplantation, injury prevention, protection from tobacco, nutrition, physical and mental activity;
- Make operational the state authority, specifically the Biomedicine Division, based on the Law on Organ and Tissue Transplantation;
- Develop a new healthcare strategy and implement existing strategies, including the strategic framework for cancer control; health promotion and education; primary healthcare; mental health; antimicrobial resistance; immunisation programme; maternal, child, adolescent and reproductive health; vaccination and HIV-AIDS;
- Prepare for the operationalisation of the health insurance fund by completing the legal framework on the commencement of contributions for the mandatory health insurance scheme.

### **3.29. Chapter 29: Customs Union**

The *acquis* in this chapter consists almost exclusively of directly binding legislation for the member states. It includes the EU Customs Code and its implementing provisions, the combined nomenclature, the common customs fee, as well as provisions for fee classification, duty-free treatment, customs suspensions, and specific fee quota. Other provisions are also parts of this legislation, such as those on customs control of counterfeit goods, drugs precursors, export of cultural goods, as well as on mutual administrative assistance in customs matters and transit. Member States must ensure that the necessary implementing and enforcement capacities, including links to the relevant EU computerised customs systems are in place, and to implement special rules laid down in related areas of the *acquis*, such as external trade.

*State of Play*

The *EC Kosovo 2023 Report* estimates that Kosovo is moderately prepared in the area of customs. On customs legislation, the Report highlights that the recently drafted Customs and Excise Code, which is in line with the Union Customs Code, remains pending approval by the Government. During the reporting period, Kosovo opened customs offices at the Durrës and Porto Romano ports (Albania), increased the number of authorised economic operators and enforced intellectual property rights (IPRs) protection customs measures. Kosovo Customs has continued the fight against narcotics and other smuggling activities. Due to the recognition issue, no progress has been made in Kosovo's application to become an observer to the Common Transit Convention. Regarding rules of origin, Kosovo continues to implement the Pan-European Mediterranean Convention (PEM). Kosovo Customs continues to systematically exchange data on the

cross-border movement of goods among the economies of the Western Balkans. Kosova is participating in the EU programme for cooperation in the area of customs. Kosova Customs has been actively combating illegal cross-border activities, and during the reporting period, along with the Kosova Police, they detected and confiscated significant amounts of narcotics worth several million Euro. Kosova Customs, other law enforcement authorities, and relevant institutions cooperate effectively to combat informal economy and customs fraud. The EU recommends that during 2024 Kosova should focus on:

- Continue to align with the Union Customs Code and the excise *acquis*, including approving a new Customs and Excise Code;
- Customs should strengthen its administrative and professional capacity, and ensure merit-based and transparent selection processes, transfers and promotions.
- Abolish all fees charged to exporters/importers at both public and private inland customs terminals.

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

The main law in this chapter is the Customs and Excise Code of Kosova No. 03/L-109, largely in line with the *acquis* and the EU customs framework. Additionally, there are 24 applicable bylaws that complement the legal framework on customs operations. Policies in this chapter are partly set by Kosova's international trade agreements and relations such as the Stabilisation and Association Agreement (SAA) and other multilateral and bilateral trade agreements, as well as the public finance management strategic framework. The Customs operates based on the Operational Strategy, which outlines the goals and objectives set by the Government in this chapter. In the fourth quarter of 2023, the review of the Strategic Plan 2024-2028 and AP has commenced. Since 2020, Kosova has participated in the EU Customs Programme, supporting the development and operation of IT customs systems and cooperation between customs services.

The key institution in this chapter is the Kosova Customs (KC), which is an executive agency within the Ministry of Finance and Transfers, responsible for implementing policies and decisions. MFLT, on behalf of the Government, is the responsible institution for legislation and policy drafting. In addition to the collection of customs revenues, KC is the key institution for collecting VAT from imports, excise taxes and protecting society from fiscal evasion and smuggling of prohibited goods with a detrimental effect in the form of economic crime. KC uses the latest version of the ASYCUDA World 4.3.2 customs system, which allows the addition of several features that were missing in the previous version. Other institutions with which KC cooperates in this chapter are: MIET, MIA (mainly KP), and MAFRD (mainly FVA).

#### *Short and medium-term priority objectives:*

- Drafting implementing legislation under the Customs and Excise Code;
- Recruit new customs officers;
- Continue modernisation of KC according to the EU Customs Roadmap standards;
- Further strengthening of coordination between Customs, law enforcement agencies and other relevant institutions to combat informal economy and customs fraud;
- Finalisation of information exchange at the regional level, among CEFTA countries, through the SEED+ system;
- Applying for informal observer status in the EU Common Transit Convention.

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

The *acquis* in this area is mainly composed of directly applicable legal acts from the member states resulting from the EU multilateral and bilateral commitments in the area of trade, as well as a number of autonomous trade measures. Some directives regarding export credits and dual-use goods require amendments in national legislation. Candidate countries are required to progressively align their trade policy with third countries and within international organisations (e.g. WTO, OECD) with policies and positions adopted by the EU and its member states. In the area of humanitarian and development policy, member states must adhere to EU legislation and international commitments of the EU and ensure the necessary capacities to participate in EU development and humanitarian policy.

### *State of Play*

The *EC Kosovo 2023 Report* estimates that Kosovo is at an early stage of preparation in this chapter and made limited progress during the reporting period. Kosovo has made progress in implementation of Common Regional Market action plan, notably by ratifying the three “Berlin process agreements” on free movement and mutual recognition of qualifications. Kosovo should abstain from taking further unilateral trade measures without justification and prior consultation with the Commission, in line with its SAA commitments. Disagreements relating to the representation of Kosovo have led the government to block decision-making mechanisms in CEFTA. Kosovo has yet to establish a humanitarian and development policy. The EU recommends that during 2024 Kosovo should focus on:

- Implement commitments under the Common Regional Market Action Plan 2021-2024;
- Ratify and implement CEFTA Additional Protocol 5 on trade facilitation and Additional Protocol 6 on trade in services; and finalise the negotiations on, and adopt, the Additional Protocol 7 on dispute settlement;
- Approve the Regulation on the Establishment of the Trade Facilitation Enquiry Point;
- Start the process to establish a development and humanitarian aid policy.

### **Bilateral agreements with third countries**

Kosovo has a number of Free Trade Agreements with third countries. Kosovo has reached an agreement on commercial partnership and cooperation with the United Kingdom and the first meeting of the Partnership Council was held in December 2022.

In June 2022, the EFTA countries and Kosovo officially launched free trade negotiations. Between August and December 2022, there were two rounds of negotiations, with good progress in all areas.

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

The Common Foreign and Security Policy (CFSP) and the Common Security and Defence Policy (CSDP) are based on legal acts, including legally binding international agreements, and political documents. *Acquis* consists of political declarations, decisions and agreements. Member States must be able to conduct political dialogue in the framework CFSP, align with EU statements, take part in EU actions and apply agreed sanctions and restrictive measures. The acceding countries should progressively align their foreign policy with EU declarations and impose sanctions and restrictive measures, as appropriate.

### *State of Play*

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

### *Dialogue with Serbia*

The Republic of Kosovo remains committed to the EU-facilitated dialogue for the normalisation of relations with Serbia, with the aim of reaching a comprehensive legally binding final and mutual recognition-centred agreement for the normalisation of relations. Kosovo pays serious attention to the Brussels dialogue, not only on improving the well-being of citizens and the bilateral relations between the two states, but also because this dialogue is currently the most important contributor for peace and stability in the region. The *EC Kosovo 2023 Report* estimates that despite regular monthly meetings at the level of chief negotiators and a high-level meeting (in August 2022), no progress has been made towards a final agreement. The parties have reached an agreement on the roadmap for the implementation of the Energy Agreements in June 2022, and for the travel of citizens between the two countries only with identity cards, in August 2022.

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

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

- Continuous alignment of the Foreign Policy of the Republic of Kosova with the EU Common Foreign and Security Policy (CFSP);
- Training of civilian personnel in the area of foreign policy and security;
- Implementation by the MFAD of the AP on the efficient conduct of political dialogue between the Republic of Kosova and the EU;
- Intensification of lobbying for membership in regional and global multilateral organisations, especially in the EU, NATO, OSCE and the UN.

### **3.32. Chapter 32: Financial Control**

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

***State of Play***

The *EC Kosovo 2023 Report* estimates that Kosova has achieved some level of preparation in this area. It highlights that Kosova made limited progress during this period by approving the new Public Finance Management Reform Strategy 2022-2026 and AP. However, the implementation of both needs to speed up. On the other hand, it is emphasised that Kosova should further harmonise its public internal financial control (PIFC) legislation with EU best practices. The Report further prioritises the implementation of managerial accountability, including a delegation of decision-making responsibilities; (ii) addressing effective internal control measures; and (iii) systematic follow-up of internal and external audit recommendations. It is also emphasised that the parliamentary oversight of management of public funds is not efficient. EU recommends that during 2024 Kosova should focus on:

- Implement efficiently the new 2022-2026 Public Finance Management Reform Strategy, and its actions relevant to PIFC and external audit;
- Develop and adopt the new Law on Public Financial Management and Accountability based on best EU practices and harmonise this new Law with PIFC law;
- Improve the managerial accountability of budget users at both central and local level;
- Improve cooperation between the Kosova NAO and Parliament by: (i) improving parliamentary scrutiny of budget implementation; and (ii) continuously and efficiently implementing and following-up on the KNAO audit recommendations.

Furthermore, the conclusions of *SC on Economic and Financial Issues and Statistics* have identified several aspects to be addressed, including improving managerial accountability and the extent of implementation of recommendations, strengthening the performance capacities of internal audit units, quality assurance, continuing the expansion of audit committees (including at the level local) and conducting a detailed analysis to identify organisations dealing with high-risk PFM (which may need mandatory risk management as a function in the budget organisation). In the course of external auditing, there is a need to

amend the Law on the General Auditor and the National Audit Office, removing the obligation to conduct annual regularity audits in all budgetary organisations, and initiate the implementation of a risk-based audit approach. The report also emphasises the need for budgetary organisations to continue monitoring and reporting on the implementation of the EA recommendations and ensuring the necessary resources for this. It encourages an increase in the number of performance audits conducted by the NAO, with a focus on topics of public interest. In the area of protecting the EU financial interests, further alignment of criminal legislation to combat fraud is recommended, and steps are advised to be taken to establish a coordinating service against fraud.

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

Kosovo has a comprehensive *legislative* framework applicable in the area of public internal financial control, including laws, instructions, and regulations. This area is regulated by Law No. 06/L-021 on Public Internal Financial Control and bylaws for its implementation. This law regulates the public internal financial control, including financial management and control, internal audit, as well as their harmonisation with international internal control and internal audit standards. The applicable legislation for public internal financial control contains the general principles and refers to the INTOSAI standards, the COSO Framework and the Standards of the Institute of Internal Auditors. The following laws also apply to this chapter: Law on Public Financial Management and Accountability, Law on Local Government Finance, Law on Budget Appropriations of the State, Law on Public Procurement, Law on Public-Owned Enterprises; Law on the Organisation and Functioning of the State Administration and Independent Agencies, Law on the Auditor General and NAO, Law on Access to Public Documents. Regarding the protection of the Euro from counterfeit, the CBK AI on Retaining Counterfeit Euro Banknotes and Coins from Circulation, an instruction applies to all financial institutions operating in Kosovo and licensed by the CBK. CBK has also released the document “Valuable Advice for Cash Operators”, providing guidelines for handling suspected counterfeit money.

The basic *policy* document is the Public Financial Management Reform Strategy 2022-2026 and the Action Plan for its implementation. NAO developed the new Strategic Plan 2023-2026, drafting the annual operational plans and annual audit plans, as well as annual training and professional development plans for its implementation. The *institutions* in charge in this chapter are: MFLT, which is responsible for internal control; and NAO, which is responsible for external audit. Budget organisations also have responsibilities in this area, through internal audit units, audit committees and management accountability structures.

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

##### *Public internal financial control:*

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

##### *External audit:*

- Review the Law on the Auditor General and NAO, to establish the risk-based audit approach instead of periodic regularity audits;
- Further professional development to gradually increase performance audits, with a focus on topics of public interest;
- Monitor more systematically the timely implementation of external audit recommendations;
- Continue with the drafting of the Annual Audit Report on time, with improved quality and effective recommendations, with an impact on enhancing the management of public funds;
- Further conduct the IT audits;
- Enhance the quality of mandatory regularity audits and non-statutory performance audits through increased quality control for the planning, execution and reporting phases;
- Fulfil the constitutional and legal mission through audits in accordance with the INTOSAI Framework for Professional Audit Declarations;

- Develop and strengthen institutional capacities in support of auditing and corporate governance;
- Develop and maintain relationships with external parties, promoting auditing, increasing influence and integrating into global and regional organisations for international auditing standards.

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

This chapter covers rules regarding the EU's own financial resources, which are mainly composed of contributions from the member states, based on their own traditional sources from the customs and agricultural and sugar taxes; sources based on VAT and sources based on the level of national gross income. Member States must have the administrative capacity to adequately coordinate and ensure the correct calculation, collection, payment and control of their own resources. *Acquis* in this chapter is directly binding and does not require transposition into national legislation.

#### *Legislative and Institutional Framework*

*Legislation:* The main *laws* in this chapter are: Law No. 03/L-048 on Public Financial Management and Accountability, Law on Budget Appropriations for 2022, Law No. 05/ L-037 on VAT and AI MoF-No. 03/2015 implementing the Customs and Excise Code and AI MoF-No. 05/2014 amending AI No. 11/2009 implementing the Customs and Excise Code, amended by AI No. 05/2010 and AI No. 06/2013. VAT is charged at the standard rate of eighteen percent (18%), while a reduced rate of 8% is calculated and paid for some basic goods and services, as well as their import. Collection and control procedures for customs duties and import taxes are carried out by Kosova Customs. The Customs and Excise Code is partially in line with the EU Customs Code, namely with Council Regulation (EEC) 2913/92 on the Establishment of the Community Customs Code.

*Institution:* The main institution in this chapter is the Ministry of Finance, Labour and Transfers and Kosova Customs and Task Administration of Kosova as contributing structures.

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

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

### **3.34. Chapter 34: Institutions**

This Chapter is not covered by this programme at this phase of EU accession.

### **3.35. Chapter 35: Other Issues**

This Chapter is not covered by this programme at this phase of EU accession.



*Annex: Ongoing Supporting Projects Relevant for Implementation of NPEI 2024-2028<sup>17</sup>*

Title	Scope	Key beneficiary institutions	Funding source/s and amount/s	Applied until:
<b>0. Horizontal projects</b>				
<i>Governance Programme – European integration component (EU integration reform processes)</i>	SAA implementation	OPM, LI	Source: Government of Germany   Amount: EUR 5,000,000	2024
<b>I. BLOC I: POLITICAL CRITERIA</b>				
<b>1.1. DEMOCRACY AND RULE OF LAW</b>				
<b>1.1.2. Public Administration</b>				
<i>Decentralisation and municipal support project</i>	Local self-government	MLGA	Source: Government of Kosova, EU, Government of Sweden, Government of Switzerland, Government of Norway   Amount: EUR 25,950,000	2025
<b>III. BLOC III: EUROPEAN STANDARDS – APPROXIMATION OF KOSOVA’S LEGISLATION WITH THE EU ACQUIS</b>				
<b>3.10. Chapter 10: Information Society and Media</b>				
<i>Enhancing the competitiveness of the ICT sector (IPA 2017)</i>	Information society	ME	Source: EU   Amount: EUR 3,000,000	2024
<i>Project: Kosova CED Operational Grant</i>	Media	MCYS	Source: EU and Kosova Government   Amount: EUR 205,280 (BE – EUR 128,300, Government of Kosova – EUR 76,980)	2024
<b>3.11. Chapter 11: Agriculture and Rural Development</b>				
<i>Support for improvement and rehabilitation of irrigation systems</i>	Agriculture	MAFRD	Source: EU   Amount: EUR 10,000,000	2025
<i>Technical assistance to develop institutional and operational capacities related to vineyards and wineries</i>	Agriculture	MAFRD	Source: EU   Amount: EUR 800,000	2025
<i>Support for improving the implementation arrangements and performance of Kosova’s agri-rural policy</i>	Agriculture	MAFRD	Source: EU   Amount: EUR 7,000,000	2025
<i>Support for achieving a sustainable phytosanitary sector gradually aligned with EU organisational, institutional and regulatory standards</i>	Agriculture	MAFRD	Source: EU   Amount: EUR 2,200,000	2025
<b>3.14. Chapter 14: Transport Policy</b>				
<i>General rehabilitation of Railway Line X (Border with Serbia - Leshak - Fusha Kosova - Hani i Elezit - Border with North Macedonia)</i>	Transport	Kosova Railways / Infrakos J.S.C.	Source: WBIF, EBRD and EIB   Amount: EUR 134,086,076	2024
<b>3.15. Chapter 15: Energy</b>				
<i>Kosova A TPP decommissioning</i>	Energy and environment	KEK	Source: EU/WBIF   Amount: EUR 50,000,000	Ongoing
<i>Development of the energy sector VII – Improvement of the transmission network</i>	Energy	KOSTT	Source: KfW   Amount: EUR 25,000,000 (loan)	2027
<i>Solar Central Heating</i>	Energy	Termokos	Source: KfW, EBRD, EU/WBIF   Amount: EUR 80,500,000	2030
<i>Efficiency in public buildings in Prishtina</i>	Energy	Municipality of Prishtina	Source: EBRD   Amount: EUR 5,350,000	2026
<i>Efficiency in public buildings in Prizren</i>	Energy	Municipality of Prizren	Source: EBRD   Amount: EUR 5,350,000	2026
<i>Rehabilitation and expansion of the central heating network in the city of Prishtina</i>	Energy	DH Termokos	Source: Government of Germany, Government of Luxembourg, KfW, POS Termokos, J.S.C.   Amount: EUR 20,600,000	2024
<i>The project for the installation of individual energy meters - saving energy for heating in Prishtina</i>	Energy	DH Termokos	Source: US Government (MCC), Municipality of Prishtina and DH Termokos J.S.C.   Amount: EUR 9,900,000	2024
<i>Project for doubling the thermal energy generation capacity from 140 MW to 280 MW</i>	Energy	DH Termokos	Source: EU, Municipality of Prishtina and DH Termokos J.S.C.   Amount: EUR 50,000,000	2028
<i>Government-to-government cooperation with the Danish Energy Agency</i>	Energy	ME	Source: Swedish Government   Amount: EUR 2,500,000	2027
<i>Germany’s economic team in Kosova</i>	Energy	ME	Source: Government of Germany   Amount: EUR 112,348	2024

<sup>17</sup> This list of current relevant projects, funded by the EU and other development partners, has been compiled based on the contributions of line institutions and may not include all current projects relevant to the areas of public policy within this program.

<i>Compact Programme</i>	Energy	ME	Source: US Government/MCC   Amount: \$236,000,000	2029
<i>Improving environment at the Kosova B TPP (installation of electro-filters and deNox reduction equipment) (IPA 2019)</i>	Energy	KEK	Source: EU   Amount: EUR 77,000,000	Ongoing
<i>Solar4 Kosova – Photovoltaic Plant in KEK</i>	Energy	KEK	Source: EU/WBIF   Amount: EUR 100,000,000	Ongoing
<i>Kosova Energy Project (KEP 2)</i>	Energy	MESPI	Source: Government of Germany   Amount: EUR 150,000	2026
<b>3.19. Chapter 19: Social Policy and Employment</b>				
<i>Project: EYE - Increasing youth employment (Phase 3)</i>	Employment; vocational education and training	MESTI, EARK	Source: Government of Switzerland and Government of Kosova   Amount: EUR 4,776,980 (EUR 4,700,000 + EUR 76,980)	2024
<i>Project: ALLED2- Harmonisation of education and training with the needs of the labour market</i>	Employment; education	MESTI, MFLT, EARK, KCA, KAA, public universities	Source: EU and Austria Government   Amount: EUR 4,500,000 (EUR 3,800,000 + EUR 700,000)	2024
<i>Labour development activity through the private sector</i>	Employment; vocational education and training	MESTI, MIET, MoE, MAFRD	Source: US Government   Amount: \$10,000,000	2027
<i>Job training</i>	Employment; vocational education and training	MESTI, MFLT, EARK	Source: Government of Germany   Amount: EUR 7,200,000	2024
<i>Economic development for the labour market stabilisation</i>	Employment, rural and agricultural development	MIET, MAFRD	Source: Government of Germany   Amount: EUR 6,000,000	2024
<i>Fostering employment growth projects</i>	Employment	MFLT, MFLT/EARK	Source: Government of Switzerland and the Medicor Foundation   Amount: EUR 2,000,000	2024
<i>Kosova Challenges Fund Project – Vocational Education and Training</i>	Employment; vocational education and training	MESTI	Source: KfW   Amount: EUR 7,000,000	2025
<i>Workforce development activity through the private sector</i>	Employment; vocational education and training	MESTI, MIET, MoE, MAFRD	Source: US Government/USAID   Amount: EUR 10,000	2027
<b>3.20. Chapter 20: Enterprise and Industrial Policy</b>				
<i>Project Promoting Private Sector Employment (PPSE)</i>	SMEs, tourism	MIET	Source: Swiss Government   Amount: CHF 55,00,000	2025
<i>Project Innovation and Entrepreneurship Fund C.V.- ENIF</i>	SMEs	MIET	Source: EU (ENIF, EIF), EBRD, KfW   Amount: EUR 40,000,000	2025
<i>Supporting business digitalisation through ICT (IPA 2019)</i>	SMEs	ME	Source: EU   Amount: EUR 4,000,000	2024
<b>3.23. Chapter 23: Judiciary and Fundamental Rights</b>				
<i>Equal access to justice</i>	Justice system	AFLA	Source: Government of Germany   Amount: EUR 49,014	Ongoing
<i>Protection of vulnerable children in Kosova 2022-2024</i>	Fundamental rights	OPM, MoJ/KPS	Source: UNICEF   Amount: EUR 2,500,000	2024
<i>Revitalisation of Marin Barleti Street and Lumbardhi Cinema in Prizren (IPA II)</i>	Cultural heritage	MCYS	Source: EU and Kosova Government   Amount: EUR 3,400,000 (EUR 2,000,000 + EUR 1,400,000)	Ongoing
<i>Cultural heritage as a driver of inter-community dialogue and cohesion</i>	Cultural heritage	MCYS	Source: EU and Kosova Government   Amount: EUR 2,369,654 (EUR 2,000,000 + EUR 369,654)	Ongoing
<i>Cultural heritage as a driver of the economic revival of Janjeva (IPA II)</i>	Cultural heritage	MCYS	EU source   EU and Kosova Government   Amount: EUR 3,400,000 (EUR 2,000,000 + EUR 1,400,000)	Ongoing
<i>Inclusive development programme</i>	Cultural heritage	MCYS	Source: UNHABITAT and Kosova Government   EUR 638,662 (EUR 172,890 + EUR 465,772)	Ongoing
<b>3.24. Chapter 24: Justice, Freedom and Security</b>				
<i>Support to internal affairs</i>	Internal affairs	MIA	Source: EU   Amount: EUR 6,500,000	2026
<b>3.26. Chapter 26: Education and Culture</b>				
<i>Education, employment and social policy (IPA 2017)</i>	Education	Pre-university education institutions, Municipalities, MESTI	Source: EU   Amount: EUR 7,000,000	2024

<i>Education, employment and social policy - pre-university education (IPA 2018)</i>	Education	Pre-university education institutions, Municipalities, MESTI	Source: EU   Amount: EUR 5,400,000	2024
<i>Support for education in Kosova (IPA II 2018)</i>	Education	MESTI, Municipalities	Source: EU   Amount: EUR 3,000,000	2025
<i>Feasibility and needs assessment for public institutions of higher education in Kosova</i>	Education	MESTI	Source: EIB   Amount: EUR 1,500,000	2024
<i>Support for education in Kosova (IPA 2016)</i>	Education	MESTI, Municipalities, preschool institutions	Source: EU and Kosova Government   Amount: EUR 7,000,000 (EUR 5,000,000 + EUR 2,000,000)	2024
<i>Expanding community-based integrated early childhood care and development services in Kosova</i>	Education	MESTI	Source: Save the Children Italy   Amount: EUR 418,000	2024
<i>Improving inclusive education and employment for children and young people with disabilities in targeted municipalities in Kosova</i>	Education	MESTI, Municipalities	Source: UNICEF   Amount: EUR 519,265	2024
<i>Support for continuous access and school attendance in 15 municipalities in Kosova</i>	Education	Municipalities	Source: UNICEF   Amount: EUR 145,826	2024
<i>Strengthening university autonomy and increasing accountability and transparency of Western Balkans Universities (STAND)</i>	Education	MESTI	Source: EU (ERASMUS+ Programme)   Amount: EUR 999,371	2024
<i>Operational grant for the Creative Europe Programme</i>	Cultural diplomacy	MCYS		
<b>3.27. Chapter 27: Environment</b>				
<i>EU4Green: Support for the implementation of the Western Balkans Green Agenda (IPA II)</i>	Environment	MESPI, MAFDR, ME	Source: EU, Austrian Government   Amount: EUR 11,000,000 (EUR 10,000,000 + EUR 1,000,000)	2025
<i>Project of developing the wastewater treatment plant in Mitrovica</i>	Environment	Municipality of Mitrovica	Source: EBRD, EIB   Amount: EUR 48,800,000	2025
<i>Construction of wastewater treatment plants in Kosova B TPP (IPA 2021)</i>	Environment	KEK	Source: EU   Amount: EUR 8,000,000	Ongoing
<i>EU support for clean air (design for reducing sulfur dioxide) (SO2) (IPA 2021)</i>	Environment	KEK	Source: BE   Amount: EUR 2,000,000	Ongoing
<i>Integrated water resources management in Kosova</i>	Water protection	MESPI	Source: Swiss Government   Amount: EUR 24,000,000	2031
<i>Integrated water resources management in Kosova - Phase 1</i>	Water protection	MESPI	Source: Swiss Government   Amount: CHF 7700000	2027
<i>Developing the waste water treatment system in Prishtina</i>	Water protection	RWC Prishtina	Source: KfW, EU   Amount: EUR 48,800,000	2035
<i>Wastewater plant developing in Gjilan</i>	Water protection	Municipality of Gjilan	Source: EBRD, EIB, EU/WBIF   Amount: EUR 23,500,000	2027
<i>Promoting and enhancing opportunities for water safety</i>	Water protection	MESPI, ME, RWC Hidromorava	Source: World Bank   Amount: EUR 25,100,000 (loan)	2025
<i>Sewage and rainwater system in Prishtina (IPA 2021)</i>	Water protection	RWC Prishtina	Source: EU   Amount: EUR 20,000,000	Ongoing
<i>Construction of the waste water treatment plant in Gjakova</i>	Water protection	RWC Gjakova	Source: KfW, Government of Kosova, Government of Switzerland, Municipality of Gjakova   Amount: EUR 16,800,000	Ongoing
<i>Improvement of the water supply and sewerage system as well as the protection of water resources of RWC Gjakova</i>	Water protection	RWC Gjakova	Source: EU /WBIF   Amount: EUR 904,500	Ongoing
<i>Project for wastewater treatment in Prishtina</i>	Water protection	RWC Prishtina	Source: Government of France   Amount: EUR 66,000,000 (loan)	Ongoing
<i>Waste water treatment plant in Gjilan</i>	Water protection	RWS Hidro-Morava J.S.C	Source: EBRD, EIB   Amount: EUR 23,558,965 (loan)	2025
<i>Firaja Dam</i>	Water protection	MESPI, ME, RWS Ibër Lepenc, RWS Prishtina, RWS Hidromorava, RWS Bifurkationi	Source: EU/WBIF   Amount: EUR 1,800,000	2024
<i>Capacity building for air pollution control in the Republic of Kosova - Phase II</i>	Air protection	MESPI, Municipalities	Source: Government of Japan   Amount: EUR 2,800,000	2026
<i>Solid waste management programme II- IV</i>	Waste management	Kosova Landfill Management Company	Source: KfW and EU   Amount: EUR 20,000,000	2035
<i>Sustainable use of natural resources for the environment and economic development</i>	Forestry	MAFRD	Source: Swedish Government   Amount: EUR 3,359,995	2026
<i>ADAPTATION – Nature-based solutions for sustainable communities in the Western Balkans</i>	Civil defence	MESPI, MIA/EMA, MAFRD	Source: Swedish Government   Amount: EUR 2,480,202	2026
<b>3.28. Chapter 28: Consumer and Health Protection</b>				
<i>Project KSV/017: Health Support Programme in Kosova (Phase II)''</i>	Health	Ministry of Health, associations of health professionals	Source: Government of Luxembourg   Amount: EUR 17,350,000	2025

MATRIX OF SHORT-TERM MEASURES

LEGISLATIVE MEASURES

No.	SAA provisions	National acts to be aligned	EU acquis acts to be transposed	Responsible institution	Supporting institutions	Time-frame	Level of alignment	Budget (in EUR)		
								BRK	Donors	Total
<b>1. BLOC I: POLITICAL CRITERIA</b>										
<b>1.1. Democracy and Rule of Law</b>										
<b>1.1.1. Constitution, Assembly and Election System</b>										
1.1.1.	<u>Framework legislation</u>									
1.1.1.	This section does not contain any measures.									
1.1.1.	<u>Bylaws and other regulatory acts</u>									
1.1.1.	This section does not contain any measures.									
<b>1.1.2. Public Administration</b>										
1.1.2.	<u>Framework legislation</u>									
1.1.2.1.	Article 120	Draft-law amending the laws containing special administrative procedures and their alignment with the Law on General Administrative Procedure, third phase, approved		MIA		Q4 2024		500	0	500
1.1.2.2.	Article 120	Draft-law amending the Law on Organisation and Functioning of the State Administration and Independent Agencies approved		MIA		Q4 2024		5,000	0	5,000
1.1.2.	<u>Bylaws and other regulatory acts</u>									
1.1.2.3.	Article 120	Regulation on admission to the civil service adopted		MIA		Q4 2024		5,000	0	5,000
1.1.2.4.	Article 120	Regulation on classification of jobs in the civil service adopted		MIA		Q4 2024		5,000	0	5,000
1.1.2.5.	Article 120	Regulation on the transfer of civil servants adopted		MIA		Q4 2024		5,000	0	5,000
1.1.2.6.	Article 120	AI on implementation of the Law on the Lease and Exchange of Municipal immovable property adopted		MLGA		Q4 2024		10,440	3,500	13,940
1.1.2.7.	Article 120	AI on implementation of the Law on Administrative Review of Acts adopted		MLGA		Q4 2024		10,440	3,500	13,940
<b>1.1.3. Ombudsperson</b>										
1.1.3.	<u>Framework legislation</u>									
1.1.3.	This section does not contain any measures.									
1.1.3.	<u>Bylaws and other regulatory acts</u>									
1.1.3.	This section does not contain any measures.									
<b>1.1.4. Civilian Oversight of Security Forces</b>										
1.1.4.	<u>Framework legislation</u>									
1.1.4.	This section does not contain any measures.									
1.1.4.	<u>Bylaws and other regulatory acts</u>									
1.1.4.	This section does not contain any measures.									
<b>1.2. Regional Cooperation and International Obligations</b>										
1.2.	<u>Framework legislation</u>									

1.2.	This section does not contain any measures.									
1.2.	<u>Bylaws and other regulatory acts</u>									
1.2.	This section does not contain any measures.									
<b>2. BLOC II: ECONOMIC CRITERIA</b>										
<b>2.1. Existence of a Functional Market Economy</b>										
2.1.	<u>Framework legislation</u>									
2.1.	This section does not contain any measures.									
2.1.	<u>Bylaws and other regulatory acts</u>									
2.1.	This section does not contain any measures.									
<b>2.2. Capacity to Cope with Competitive Pressure and Market Forces within the Union</b>										
2.2.	<u>Framework legislation</u>									
2.2.	This section does not contain any measures.									
2.2.	<u>Bylaws and other regulatory acts</u>									
2.2.	This section does not contain any measures.									
<b>3. BLOC III: EUROPEAN STANDARDS – APPROXIMATION OF KOSOVA’S LEGISLATION WITH THE EU ACQUIS</b>										
<b>3.0. Legal Framework on the Alignment of Kosova’s Legislation with the EU Acquis</b>										
3.0.	<u>Framework legislation</u>									
3.0.	This section does not contain any measures.									
3.0.	<u>Bylaws and other regulatory acts</u>									
3.0.	This section does not contain any measures.									
<b>3.1. Chapter 1: Free Movement of Goods</b>										
3.1.	<u>Framework legislation</u>									
3.1.1.	Articles 20, 80 and 74, point 3	Draft-law on general product conformity approved	Regulation (EU) 2019/1020	MIET		Q4 2024	P	4,000	0	4,000
3.1.	<u>Bylaws and other regulatory acts</u>									
3.1.2.	Articles 20, 80 and 74, point 3	AI on obligations of producers and distributors to notify adopted		MIET		Q4 2024		1,000	0	1,000
3.1.3.	Articles 20, 80 and 74, point 3	AI on exchange of information on dangerous products in the Republic of Kosova adopted		MIET		Q3 2024		1,000	0	1,000
3.1.4.	Article 20	AI determining the rules on free movement on the market of detergents and tension-active substances (surfactants) adopted	Regulation (EC) No. 1272/2008, CLP, concerning classification, labelling and packaging of chemical substances and mixtures placed on the EU market. As of 1 June 2015, chemical products must be labelled in accordance with the requirements of the CLP Regulation Regulation (EC) No. 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No. 793/93 and	MESPI	OPM MIET FVA MoH	Q4 2024	P	18,900	0	18,900

Commission Regulation (EC) No.  
2000/21/EC

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

3.2. Framework legislation

3.2. This section does not contain any measures.

3.2. Bylaws and other regulatory acts

3.2. This section does not contain any measures.

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

3.3. Framework legislation

3.3. This section does not contain any measures.

3.3. Bylaws and other regulatory acts

3.3. This section does not contain any measures.

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

3.4. Framework legislation

3.4. This section does not contain any measures.

3.4. Bylaws and other regulatory acts

3.4.1.	Article 89	AI on targeted sanctions (guideline on enforcement of sanctions by reporting entities and persons with direct reporting obligations) adopted	Council Regulation (EC) No. 2580/2001 of 27 December 2001 on specific restrictive measures directed against certain persons and entities with a view to combating terrorism; European Union Directive 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No. 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC	MFLT	MFAD CBK	Q3 2024	P	13,485	16,000	<b>29,485</b>
3.4.2.	Article 89	AI on targeted sanctions (guideline on enforcement of sanctions for state authorities) adopted	Council Regulation (EC) No. 2580/2001 of 27 December 2001 on specific restrictive measures directed against certain persons and entities with a view to combating terrorism; European Union Directive 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No. 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC	MFLT	MIA MIET OPM	Q3 2024	P	19,885	16,000	<b>35,885</b>

<b>3.5. Chapter 5: Public Procurement</b>										
3.5.	<u>Framework legislation</u>									
3.5.1.	Article 79	Draft-law on public procurement (amendment) adopted	Directive 2014/24/EU on procurement in the classical sector Directive 2014/25/EU for services/utilities Directive 2009/81/EC Council Directive 89/665/EEC Council Directive 92/13/EEC	MFLT	PPRC PRB MFLT/CPA	Q2 2024	P	2,685	0	2,685
3.5.2.	Article 79	Draft on public-private partnership (amendment) adopted	Directive 2014/23/EU	MFLT		Q2 2024	P	2,300	0	2,300
3.5.	<u>Bylaws and other regulatory acts</u>									
3.5.	This section does not contain any measures.									
<b>3.6. Chapter 6: Company Law</b>										
3.6.	<u>Framework legislation</u>									
3.6.1.	Article 51	Draft-law on accounting, financial reporting and auditing (amendment) adopted	International Financial Reporting Standards (IFRS) of the International Financial Reporting Interpretations Committee (IFRIC), as well as the interpretations issued and adopted by the International Accounting Standards Board (IASB) International Auditing Standards and the relevant guidance from the International Auditing and Assurance Standards Board (IAASB)	MFLT	KCFR	Q4 2024	P	3,500	0	3,500
3.6.2.	Article 51	Draft-law on business organisations adopted	Directive (EU) 2017/1132 Directive (EU) 2017/828 Directive (EU) 2019/1151 Directive 2019/2121 Directive (EC) 2004/109 Directive (EU) 2013/50	MIET		Q4 2024	P	6,000	0	6,000
3.6.	<u>Bylaws and other regulatory acts</u>									
3.6.	This section does not contain any measures.									
<b>3.7. Chapter 7: Intellectual Property Law</b>										
3.7.	<u>Framework legislation</u>									
3.7.	This section does not contain any measures.									
3.7.	<u>Bylaws and other regulatory acts</u>									
3.7.1.	Articles 77 - 78	Regulation on procedures, licensing criteria of collective management associations and their operation adopted	Directive on collective management of copyright and related rights and multi-territorial licensing of rights in musical works for online use in the internal market (Directive 2014/26/EU)	MCYS		Q1 2024	P	2,000	3,000	5,000
<b>3.8. Chapter 8: Competition Policy</b>										
3.8.	<u>Framework legislation</u>									
3.8.	<b>Competition</b>									
3.8.	This section does not contain any measures.									
3.8.	<b>State aid</b>									

3.8.1.	Article 74	Draft-law on state aid (amendment) adopted	Council Regulation (EU) 2015/1589 of 13 July 2015 laying down detailed rules for the application of Article 108 of the Treaty on the Functioning of the European Union Regulation (EU) 2015/1588 of 13 July 2015 implementing Articles 107 and 108 of the TFEU	MFLT	OPM	Q2 2024	P	18,700	0	18,700
3.8.	<u>Bylaws and other regulatory acts</u>									
3.8.	<b>Competition</b>									
3.8.	This section does not contain any measures.									
3.8.	<b>State aid</b>									
3.8.2.	Article 74	Regulation on conditions for granting horizontal aid adopted	EC Regulation No. 1588/2015 EC Regulation No. 651/2014	MFLT		Q4 2024	P	33,800	0	33,800
3.8.3.	Article 74	Regulation on notification procedures and forms (amendment) adopted	Council Regulation (EU) 2015/1589 of 13 July 2015 laying down detailed rules for the application of Article 108 of the Treaty on the Functioning of the European Union Commission Regulation (EU) No. 794/2004 of 21 April 2004 implementing Council Regulation (EC) No. 659/1999 laying down detailed rules for the application of Article 93 of the Treaty establishing the European Community	MFLT		Q4 2024	P	33,600	0	33,600
3.8.4.	Article 74	Regulation on conditions for granting sectorial aid adopted	EC Regulation No. 1588/2015 EC Regulation No. 651/2014 Regulation (EU) 2021/1237 of 23 July 2021 Regulation (EU) 2023/1315 of 23 July 2023 Communication from the Commission's Guidelines for state aid for broadband networks 2023/C 36/01 as well as other regulations in the area of sectorial aid	MFLT		Q4 2024	P	77,400	0	77,400
<b>3.9. Chapter 9: Financial Services</b>										
3.9.	<u>Framework legislation</u>									
3.9.1.	Article 96	Draft-law on banks adopted	N/A	MFLT	CBK	Q4 2024		10,400	0	10,400
3.9.	<u>Bylaws and other regulatory acts</u>									
3.9.2.	Articles 50, 96, Annex 6	Regulation on internal liquidity adequacy assessment process (ILAAP) adopted	EU Directive 2013/36 EU	CBK		Q4 2024	P	3,750	0	3,750
3.9.3.	Articles 50, 96, Annex 6	Revised regulation on large exposures of banks adopted	Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and	CBK		Q4 2024	P	3,750	0	3,750



			repealing Directives 2006/48/EC and 2006/49/EC Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No. 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No. 648/2012 Regulation (EU) 648/2012, Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012							
3.9.4.	Articles 50, 96, Annex 6	Regulation on liquidity risk management of insurers adopted	European Directive 2002/92/EC Insurance Core Principle (ICP)	CBK		Q4 2024	P	2,750	0	2,750
3.9.5.	Articles 50, 96, Annex 6	Regulation on operational risk management of insurers adopted	European Directive 2002/92/EC Insurance Core Principle (ICP)	CBK		Q4 2024	P	3,200	0	3,200
3.9.6.	Articles 50, 96, Annex 6	Regulation on persons related to insurers adopted	European Directive 2002/92/EC Insurance Core Principle (ICP)	CBK		Q4 2024	P	3,230	0	3,230
3.9.7.	Articles 50, 96, Annex 6	Regulation on risk retention and coverage requirements through reinsurance adopted	European Directive 2002/92/EC Insurance Core Principle (ICP)	CBK		Q4 2024	P	3,370	0	3,370
3.9.8.	Articles 50, 96, Annex 6	Regulation on corporate governance of insurers (revised) adopted	European Directive 2002/92/EC Insurance Core Principle (ICP)	CBK		Q4 2024	P	2,750	0	2,750
3.9.9.	Articles 50, 96, Annex 7	Regulation on information systems for insurers adopted	European Directive 2002/92/EC Insurance Core Principle (ICP)	CBK		Q4 2024	P	3,820	0	3,820
<b>3.10. Chapter 10: Information Society and Media</b>										
3.10.	<u>Framework legislation</u>									
3.10.1.	Articles 110 and 111	Draft-law on electronic communications adopted	Directive (EU) 2018/1972 establishing the European Electronic Communications Code	MoE	Assembly RAEPC IMC OPM	Q4 2024	F	17,730	8,000	25,730
3.10.	<u>Bylaws and other regulatory acts</u>									
3.10.	This section does not contain any measures.									
<b>3.11. Chapter 11: Agriculture and Rural Development</b>										

3.11.	<u>Framework legislation</u>									
3.11.1.	Article 102	Draft-law on agri-tourism adopted	Regulation (EU) No. 1305/2013 of the European Parliament	MAFRD	MIET OPM MFLT MESPI MCYS	Q4 2024	P	14,067	0	<b>14,067</b>
3.11.2.	Article 102	Draft-law on agricultural land adopted	European Spatial Planning Charter, adopted at the 6 <sup>th</sup> Conference of European Ministers responsible for Regional Planning held in Torremolinos in May 1983 and endorsed by the Council of Europe and the European Spatial Planning Perspective (1999)	MAFRD	MESPI	Q2 2024	P	9,378	0	<b>9,378</b>
3.11.	<u>Bylaws and other regulatory acts</u>									
3.11.3.	Article 102	AI on the market price information system adopted	Regulation (EU) No. 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No. 1698/2005; Regulation (EU) No. 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing the Council Regulations (EEC) No. 352/78, (EC) No. 165/94, (EC) No. 2799/98, (EC) No. 814/2000, (EC) No. 1290/2005 and (EC) No. 485/2008; Regulation (EU) No. 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing the Council Regulation (EC) No. 637/2008 and Council Regulation (EC) No. 73/2009; Regulation (EU) No. 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No. 922/72, (EEC) No. 234/79,	MAFRD	KAS	Q1 2024	P	3,126	0	<b>3,126</b>

			<p>(EC) No. 1037/2001 and (EC) No. 1234/2007;</p> <p>Commission Implementing Regulation (EE) No. 447/2014 of 2 May 2014 on the specific rules implementing Regulation (EU) No. 231/2014 of the European Parliament and of the Council establishing an Instrument for Pre-accession Assistance (IPA II);</p> <p>Council Regulation (EC) No. 21/2004 of 17 December 2003 establishing a system for the identification and registration of bovine and caprine animals and amending Regulation (EC) No. 1782/2003 and Directives 92/102/EEC and 64/432/EEC;</p> <p>Regulation (EU) No. 1144/2014 of the European Parliament and of the Council of 22 October 2014 on information provision and promotion measures concerning agricultural products implemented in the internal market and in third countries and repealing Council Regulation (EC) No. 3/2008; Council Regulation (EC) No. 834/2007 of 28 June 2007 on organic production and labelling of organic products and repealing Regulation (EEC) No. 2092/91;</p> <p>Regulation (EU) No. 1151/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs;</p> <p>Council Regulation (EC) No. 1217/2009 of 30 November 2009 setting up a network for the collection of accountancy data on the incomes and business operation of agricultural holdings in the European Community</p>							
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3.11.4.	Article 102	AI on farm accountancy adopted	<p>Regulation (EU) No. 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No. 1698/2005;</p> <p>Regulation (EU) No. 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing the Council Regulations (EEC) No. 352/78, (EC) No. 165/94, (KE) No. 2799/98, (EC) No. 814/2000, (EC) No. 1290/2005 and (EC) No. 485/2008;</p> <p>Regulation (EU) No. 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No. 637 2008 and Council Regulation (EC) No. 73/2009;</p> <p>Regulation (EU) No. 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No. 922/72, (EEC) No. 234/79, (EC) No. 1037/2001 and (KE) No. 1234/2007;</p> <p>Commission Implementing Regulation (EE) No. 447/2014 of 2 May 2014 on the specific rules implementing Regulation (EU) No. 231/2014 of the European establishing an Instrument for Pre-accession Assistance (IPA II);</p> <p>Council Regulation (EC) No. 21/2004 of 17 December 2003 establishing a system for the identification and registration of bovine and caprine animals and amending Regulation (EC) No. 1782/2003 and Directives 92/102/EEC and 64/432/EEC</p>	MAFRD	KAS	Q1 2024	P	3,126	0	<b>3,126</b>
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			Regulation (EU) No. 1144/2014 of the European Parliament and of the Council of 22 October 2014 on information provision and promotion measures concerning agricultural products implemented in the internal market and in third countries and repealing Council Regulation (KE) No. 3/2008; Council Regulation (EC) No. 834/2007 of 28 June 2007 on organic production and labelling of organic products and repealing Regulation (EEC) No. 2092/91; Regulation (EU) No. 1151/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs; Council Regulation (KE) No. 1217 2009 of 30 November 2009 setting up a network for the collection of accountancy data on the incomes and business operation of agricultural holdings in the European Community							
3.11.5.	Article 102	AI on criteria and implementation procedures for rural development programme measures adopted	Regulation (EU) No. 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing the Council Regulation (EC) No. 1698/2005	MAFRD		Q4 2024	P	9,378	0	9,378
<b>3.12. Chapter 12: Food Safety, Veterinary and Phytosanitary policy</b>										
3.12.	<u>Framework legislation</u>									
3.12.1.	Article 102	Draft-law on veterinary adopted	Regulation (EU) No. 2016/429 on transmissible animal diseases (Law on animal health)	MAFRD	FVA	Q2 2024	P	6,252	0	6,252
3.12.	<u>Bylaws and other regulatory acts</u>									
3.12.2.	Article 102	AI on combating zoonotic infectious disease-rabies adopted	Regulation (EU) No. 2016/429 on transmissible animal diseases (Animal Health Law)	FVA	MAFRD	Q4 2024	P	10,000	0	10,000
3.12.3.	Article 102	AI on combating zoonotic disease of birds - bird flu (avian influenza) adopted	Regulation (EU) No. 2016/429 on transmissible animal diseases (Animal Health Law)	FVA	MAFRD	Q4 2024	P	10,000	0	10,000
3.12.4.	Article 102	AI on identification and registration of animals adopted	Regulation (EU) No. 2016/429 on transmissible animal diseases (Animal Health Law)	FVA	MAFRD	Q4 2024	P	10,000	0	10,000
3.12.5.	Article 102	AI on veterinary control of import, transit of food and non-food products of animal origin, live	Regulation (EU) No. 2016/429 on transmissible animal diseases (Animal Health Law)	FVA	MAFRD	Q4 2024	P	10,000	0	10,000

		animals and animal breeding material adopted								
<b>3.13. Chapter 13: Fisheries</b>										
3.13.	<u>Framework legislation</u>									
3.13.1.	Article 102	Draft-law on fisheries and aquaculture adopted	Regulation on the Common Fisheries Policy (Regulation of the European Parliament and of the Council (EU) No. 1380/2013). CFP provides rules for the biological conservation of water resources, the limitation of the environmental impact of fishing and the conditions of access to water and resources. Regulation 1005/2008No. 1005/2008 of 29 September 2008 establishing a Community system to prevent, deter and eliminate illegal, unreported and unregulated fishing, amending Regulations (EEC) No. 2847/93, (EC) No. 1936/2001 and (EC) No. 601/2004 and repealing Regulations (EC) No. 1093/94 and (EC) No. 1447/1999 [OJ L 286, 29.10.2008]; Council Regulation (EC) No. 423/2004 of 26 February 2004; Council Regulation (EC) No. 1342/2008 of 18 December 2008; Council Regulation (EU) No. 1243/2012 of 19 December 2012 amending Regulation (EC) No. 1342/2008 for the creation of the long-term plan for fishing stocks; Regulation (EU) 2016/2094 of the European Parliament and of the Council of 23 November 2016 amending Council Regulation (EC) No. 1342/2008 establishing a long-term plan for cod stocks and the fisheries exploiting those stocks	MAFRD	FVA OPM MFLT	Q4 2024	P	18,756	0	<b>18,756</b>
3.13.	<u>Bylaws and other regulatory acts</u>									
3.13.	This section does not contain any measures.									
<b>3.14. Chapter 14: Transport Policy</b>										
3.14.	<u>Framework legislation</u>									
3.14.1.	Article 113	Draft-law on vehicles adopted	Directive No. 2007/46/EC establishing a framework for the approval of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles, Directive No. 2014/45/EU on periodic roadworthiness tests for motor vehicles and their trailers;	MESPI		Q4 2024	P	18,900	0	<b>18,900</b>

			Directive No. 2014/46/EC amending Council Directive 1999/37/EC on the registration documents for vehicles; Directive No. 1999/37/EU on the registration documents for vehicles; Directive No. 2014/47/EU on the technical roadside inspection of the roadworthiness of commercial vehicles Directive No. 20/18/858 /EU for approval and surveillance							
3.14.2.	Article 113	Draft-law on driving licence adopted	Directive 2006/126/EC of the European Parliament and the Council of 20 December 2006, on driving licenses; Directive 2003/59/EC of the European Parliament and of the Council of 15 July 2003 on the initial qualification and periodic training of drivers of certain road vehicles for the carriage of goods or passengers, amending Council Regulation (EEC). No. 3820/85 and Council Directive 91/439/EEC and repealing Council Directive 76/914/EEC; Commission Directive 2013/47/EU of 2 October 2013 amending Directive 2006/126/EC of the European Parliament and of the Council on driving licences; Commission Directive 2012/36/EU of 19 November 2012 amending Directive 2006/126/EC of the European Parliament and of the Council on driving licences; Directive 2002/24/EC of the European Parliament and of the Council of 18 March 2002 relating to the type-approval of two- or three-wheel motor vehicles and repealing Council Directive 92/61/EEC	MESPI		Q4 2024	P	18,900	0	<b>18,900</b>
3.14.3.	Article 113	Draft-law on railways adopted	Directive (EU) 2016/2370 amending Directive 2012/34/EU on the establishment of a unique European railway zone aimed at increasing the quality and efficiency of railway transport services by removing various barriers and thus promoting the performance and competitiveness of the railway sector; Directive 2007/59/EC of the European	MESPI	INFRAKOS OPM MFLT	Q4 2024	P	18,900	0	<b>18,900</b>

			Parliament and of the Council of 23 October 2007 on the certification of train drivers operating locomotives and trains on the railway system in the Community, OJ EU L 315, 3.12.2007; Regulation (EU) 2021/782 of the European Parliament and of the Council of 29 April 2021 on rail passengers' rights and obligations							
3.14.4.	Article 113	Draft-law on road transport adopted	Regulation No. 1071/2009/EC establishing common rules concerning the conditions to be complied with to pursue the occupation of road transport operator; Regulation No. 1072/2009/EC on common rules for access to the international road haulage market; Regulation No. 1073/2009/EC on common rules for access to the international market for coach and bus services Regulation 2016/68 on common procedures and specifications necessary for the interconnection of electronic registers of driver cards EU Regulation 165/2014 which regulates driving and rest time	MESPI	OPM MIA	Q1 2024	P	4,725	0	4,725
3.14.5.	Article 113	Draft-law on transportation of dangerous goods adopted	Directive 2008/68/ EC on inland transport of dangerous goods; Directive 95/50/EC on uniform procedures for checks on the transport of dangerous goods by road; EC Directive 2022/1999 amending the Directive 95/50/EC on uniform procedures for checks on the transport of dangerous goods by road; European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR);	MESPI	OPM MFLT MIET	Q4 2024	P	4,725	0	4,725
3.14.6.	Article 113	Draft-law on railway safety adopted	Directive (EU) 2016/2370/EU amending Directive 2012/34/EU establishing a single European railway area aimed at enhancing the quality and efficiency of railway transport services by removing various barriers, thereby promoting the performance and competition within the railway sector; Directive (EU) 2016/797 on the interoperability of the railway system within the European Union (Revision	MESPI	INFRAKOS OPM MFLT	Q4 2024	P	18,900	0	18,900



			of Directive 2008/57/EC) Directive (EU) 2016/798 on railway safety (Recast of Directive 2004/49/EC)							
3.14.	<u>Bylaws and other regulatory acts</u>									
3.14.7.	Article 113	Regulation on technical specifications for interoperability relating to “Safety in Railway Tunnels” - TSI SRT adopted	Commission Regulation (EU) No. 1303/2014 of 18 November 2014	RRA	MESPI	Q4 2024	F	8,000	0	8,000
3.14.8.	Article 113	Regulation on authorisation of structural subsystems adopted	Directive (EU) 2016/797 on Interoperability Directive (EU) 2016/798 on railway safety	RRA	MESPI	Q4 2024	F	8,000	0	8,000
3.14.9.	Article 113	Amending the regulation on infrastructure registration (amendment) adopted	Commission Implementing Regulation (EU) 2019/777.	RRA	MESPI	Q3 2024	F	8,000	0	8,000
<b>3.15. Chapter 15: Energy</b>										
3.15.	<u>Framework legislation</u>									
3.15.1.	Article 114	Draft-law on energy adopted	Directive (EU) 2019/944 on common rules for the internal market for electricity; Regulation (EU) 2019/943 on internal market for electricity; Regulation (EU) 2019/941 on risk- preparedness in the electricity sector; Regulation (EU) 2018/1999 on the Governance of the Energy Union and Climate Action	MoE	MFLT MESPI MIET MAFRD ERO KEK KOSTT	Q1 2024	P	13,500	0	13,500
3.15.2.	Article 114	Draft-law on electricity adopted	Directive 2019/944 on common rules for the internal market for electricity; Regulation 2019/943 on internal market for electricity; Regulation 2019/941 on risk- preparedness in the electricity sector; Commission Regulation (EU) 2015/1222 establishing a guideline on capacity allocation and congestion management; Commission Regulation (EU) 543/2013 on submission and publication of data in electricity markets; Commission Regulation (EU) 838/2010 on laying down guidelines relating to the inter-transmission system operator compensation mechanism and a common regulatory approach to transmission charging; Directive 2012/27 on energy efficiency	MoE	MFLT MESPI MIET MAFRD ERO KEK KOSTT	Q1 2024	P	13,500	0	13,500

3.15.3.	Article 114	Draft-law on energy regulator adopted	Directive (EU) 2019/944 on common rules for the internal market for electricity; Regulation (EU) 2019/943 on internal market for electricity; Regulation (EU) No. 1227/2011 on Wholesale Energy Market Integrity and Transparency (REMIT); Regulation (EU) 2019/941 establishing a European Union Agency for the Cooperation of Energy Regulators	MoE	MFLT MESPI MIET MAFRD ERO KEK KOSTT	Q1 2024	P	13,500	0	13,500
3.15.4.	Article 114	Draft-law on energy efficiency approved	Directive 2018/2002/EU on Energy Efficiency	MoE	MFLT MESPI MIET MAFRD ERO KEK KOSTT	Q1 2024	P	13,500	0	13,500
3.15.	<u>Bylaws and other regulatory acts</u>									
3.15.5.	Article 114	AI on national targets and trajectory of electricity from renewable sources adopted	Directive (EU) 2018/2001 on Renewable Energy	MoE	MFLT MIET KOSTT ERO	Q4 2024	P	10,800	0	10,800
3.15.6.	Article 114	AI on designing and defining the procedure of the competitive bidding process adopted	Directive (EU) 2018/2001 on Renewable Energy	MoE	MFLT MIET KOSTT ERO	Q4 2024	P	10,800	0	10,800
<b>3.16. Chapter 16: Taxation</b>										
3.16.	<u>Framework legislation</u>									
3.16.	This section does not contain any measures.									
3.16.	<u>Bylaws and other regulatory acts</u>									
3.16.	This section does not contain any measures.									
<b>3.17. Chapter 17: Economic and Monetary Policy</b>										
3.17.	<u>Framework legislation</u>									
3.17.	This section does not contain any measures.									
3.17.	<u>Bylaws and other regulatory acts</u>									
3.17.	This section does not contain any measures.									
<b>3.18. Chapter 18: Statistics</b>										
3.18.	<u>Framework legislation</u>									
3.18.	This section does not contain any measures.									
3.18.	<u>Bylaws and other regulatory acts</u>									
3.18.	This section does not contain any measures.									
<b>3.19. Chapter 19: Social Policy and Employment</b>										
3.19.	<u>Framework legislation</u>									
3.19.	This section does not contain any measures.									
3.19.	<u>Bylaws and other regulatory acts</u>									
3.19.	This section does not contain any measures.									
<b>3.20. Chapter 20: Enterprise and Industrial Policy</b>										
3.20.	<u>Framework legislation</u>									
3.20.	This section does not contain any measures.									

3.20.	<u>Bylaws and other regulatory acts</u>									
3.20.	This section does not contain any measures.									
<b>3.21. Chapter 21: Trans-European Networks</b>										
3.21.	<u>Framework legislation</u>									
3.21.	This section does not contain any measures.									
3.21.	<u>Bylaws and other regulatory acts</u>									
3.21.	This section does not contain any measures.									
<b>3.22. Chapter 22: Regional Policy and Coordination of Structural Instruments</b>										
3.22.	<u>Framework legislation</u>									
3.22.	This section does not contain any measures.									
3.22.	<u>Bylaws and other regulatory acts</u>									
3.22.	This section does not contain any measures.									
<b>3.23. Chapter 23: Judiciary and Fundamental Rights</b>										
3.23.	<u>Framework legislation</u>									
3.23.	<b>Justice system</b>									
3.23.1.	Articles 83 and 91	Draft-law on the right to trial within a reasonable time adopted		Moj	KJC KPC MFLT	Q2 2024		2,500	2,500	5,000
3.23.2.	Articles 83 and 91	Draft-law on the Administrative Court adopted		Moj	KJC KPC MFLT	Q1 2024		2,500	2,500	5,000
3.23.3.	Articles 83 and 91	Draft-law amending the Law on Disciplinary Liability of Judges and Prosecutors adopted		Moj	KJC KPC MFLT	Q2 2024		5,000	3,000	8,000
3.23.	<b>Anticorruption policy</b>									
3.23.	This section does not contain any measures.									
3.23.	<b>Fundamental rights</b>									
3.23.	This section does not contain any measures.									
3.23.	<b>Protection of minorities and cultural heritage</b>									
3.23.	This section does not contain any measures.									
3.23.	<b>Protection of personal data</b>									
3.23.	This section does not contain any measures.									
3.23.	<u>Bylaws and other regulatory acts</u>									
3.23.	<b>Justice system</b>									
3.23.4.	Articles 83 and 91	Regulation on Selection of the Chief State Prosecutor and the Chief Prosecutors of the Prosecution Offices of the Republic of Kosova adopted		KPC		Q4 2024		4,382	0	4,382
3.23.5.	Articles 83 and 91	AI on the way of access by Moj to the central criminal records adopted		Moj	KJC MIA KPC	Q4 2024		3,000	2,000	5,000
3.23.6.	Articles 83 and 91	Regulation on recruitment procedures for admission to the prosecutorial system of administrative staff adopted		KPC		Q4 2024		4,382	0	4,382
3.23.7.	Articles 83 and 91	Regulation on classification of jobs adopted		KPC		Q4 2024		4,382	0	4,382

3.23.8.	Articles 83 and 91	Regulation on disciplinary procedure of administrative staff adopted		KPC		Q4 2024		4,382	0	4,382
3.23.9.	Articles 83 and 91	Regulation on the content, administration and use of the personnel file and the human resource management information system adopted		KJC		Q3 2024		6,300	0	6,300
3.23.10.	Articles 83 and 91	Regulation on the procedure of performance appraisal of civil servants and public service employees adopted		KJC		Q3 2024		7,200	0	7,200
3.23.11.	Articles 83 and 91	Regulation on the transfer of civil servants adopted		KJC		Q3 2024		6,300	0	6,300
3.23.12.	Articles 83 and 91	Regulation on working hours and leave of public officials		KJC		Q3 2024		2,250	0	2,250
3.23.13.	Articles 83 and 91	Regulation on replacement or temporary absence from the work of a civil servant adopted		KJC		Q3 2024		2,250	0	2,250
3.23.14.	Articles 83 and 91	Regulation on discipline and complaints of public officials adopted		KJC		Q3 2024		5,900	0	5,900
3.23.15.	Articles 83 and 91	Regulation on dismissal and early retirement from civil service adopted		KJC		Q3 2024		2,800	0	2,800
<b>3.23.</b>	<b>Anticorruption policy</b>									
3.23.16.	Articles 83 and 91	Regulation on the procedure of administrative investigations adopted		APC		Q1 2024		1,000	1,500	2,500
<b>3.23.</b>	<b>Fundamental rights</b>									
3.23.17.	Articles 3 and 4	AI on organisation and scope of child protection homes adopted		Moj	MFLT OPM KJC KPC	Q2 2024		3,000	2,000	5,000
3.23.18.	Articles 3 and 4	Regulation setting work procedures in multidisciplinary roundtables for assistance in case management adopted		Moj	MFLT OPM KJC KPC	Q2 2024		3,000	2,000	5,000
3.23.19.	Articles 3 and 4	AI on prevention and prohibition of dangerous forms of child labour in Kosova adopted		Moj	MFLT OPM KJC KPC	Q2 2024		3,000	2,000	5,000
3.23.20.	Articles 3 and 4	AI setting effective procedures for identification, reporting, referral, exploitation, neglect and abuse of the child as well as for the protection of the child in street situations adopted		Moj	MFLT OPM KJC KPC	Q2 2024		3,000	2,000	5,000
3.23.21.	Articles 3 and 4	AI setting the rules and procedures for covering expenses for the		Moj	MFLT OPM	Q2 2024		3,000	2,000	5,000

		provision of educational, health or rehabilitation services for children with disabilities in a municipality other than the one where they live adopted			KJC KPC					
3.23.22.	Articles 3 and 4	Normative act on gender-responsive budgeting adopted		OPM	MFLT	Q4 2024		5,000	5,000	10,000
3.23.23.	Articles 3 and 4	AI (affirmative measure) on increasing the number of women in decision-making positions - executive level adopted		OPM		Q2 2024		8,000	4,000	12,000
3.23.24.	Articles 3 and 4	AI (affirmative measure) on registration of the joint immovable property in the name of both spouses adopted		OPM	KCA	Q2 2024		2,000	0	2,000
<b>3.23.</b>	<b>Protection of minorities and cultural heritage</b>									
3.23.	This section does not contain any measures.									
<b>3.23</b>	<b>Protection of personal data</b>									
3.23.	This section does not contain any measures.									
<b>3.24.</b>	<b>Chapter 24: Justice, Freedom and Security</b>									
3.24.	<u>Framework legislation</u>									
<b>3.24.</b>	<b>Border management</b>									
3.24.	This section does not contain any measures.									
<b>3.24.</b>	<b>Visas</b>									
3.24.	This section does not contain any measures.									
<b>3.24.</b>	<b>Document security</b>									
3.24.	This section does not contain any measures.									
<b>3.24.</b>	<b>Asylum</b>									
3.24.	This section does not contain any measures.									
<b>3.24.</b>	<b>Migration</b>									
3.24.1.	Article 85	Draft-law amending the Law on Foreigners adopted	Council Directive 2003/86/EC of 22 September 2003 on the right to family reunification Council Directive 2003/109/EC of 25 November 2003 concerning the status of third-country nationals who are long-term residents; Council Directive 2009/50/EC of 25 May 2009 on the conditions of entry and residence of third-country nationals for the purposes of highly qualified employment (EU Blue Card Directive) Directive 2011/98/EU of the European Parliament and of the Council of 13 December 2011 on a single application procedure for a single permit for third-country nationals to reside and work in the territory of a Member State and on a common set of rights for third-country	MIA		Q2 2024	P	500	0	500

			workers legally residing in a Member State Directive 2014/36/EU of the European Parliament and of the Council of 26 February 2014 on the conditions of entry and stay of third-country nationals for the purpose of employment as seasonal workers; Directive 2014/66/EU of the European Parliament and of the Council of 15 May 2014 on the conditions of entry and residence of third-country nationals in the framework of an intra-corporate transfer Directive (EU) 2016/801 of the European Parliament and of the Council of 11 May 2016 on the conditions of entry and residence of third-country nationals for the purposes of research, studies, training, voluntary service, pupil exchange schemes or educational projects and au pairing Draft Regulation (EC) No. 862/2007 of the European Parliament and of the Council on Community statistics on migration and international protection Directive 2008/115/EC of the European Parliament and of the Council of 16 December 2008 on common standards and procedures in Member States for returning illegally staying third-country nationals							
<b>3.24.</b>	<b>Fight against money laundering and financing of terrorism</b>									
3.24.	This section does not contain any measures.									
<b>3.24.</b>	<b>Fight against narcotics</b>									
3.24.	This section does not contain any measures.									
<b>3.24.</b>	<b>Fight against organized crime and police cooperation</b>									
3.24.2.	Article 91	Draft-law amending the Law on Weapons adopted	Directive (EU) 2021/555 of the European Parliament and of the Council of 24 March 2021 on control of the acquisition and possession of weapons	MIA		Q4 2024	P	500	0	500
<b>3.24.</b>	<b>Fight against terrorism</b>									
3.24.3.	Article 92	Draft-law amending the Law on Protection of Critical infrastructure adopted	The new Directive (EU) 2022/2557 of the European Parliament and of the Council of 14 December 2022 on the resilience of critical entities	MIA		Q4 2024	P	2,500	0	2,500
<b>3.24.</b>	<b>International legal cooperation in criminal and civil matters</b>									

3.24.4.	Article 85	Agreement on judicial cooperation with France signed		Moj	MFAD	Q3 2024		5,000	5,000	10,000
3.24.5.	Article 85	Agreement on judicial cooperation with Sweden signed		Moj	MFAD	Q3 2024		5,000	5,000	10,000
3.24.6.	Article 85	Agreement on judicial cooperation with Italy (amendment) signed		Moj	MFAD	Q4 2024		5,000	5,000	10,000
3.24.	<u>Bylaws and other regulatory acts</u>									
3.24.	<b>Border management</b>									
3.24.	This section does not contain any measures.									
3.24.	<b>Visas</b>									
3.24.	This section does not contain any measures.									
3.24.	<b>Document security</b>									
3.24.	This section does not contain any measures.									
3.24.	<b>Asylum</b>									
3.24.7.	Article 85	Regulation amending the Regulation on Integration of Foreigners adopted		MIA		Q3 2024		1,000	0	1,000
3.24.	<b>Migration</b>									
3.24.	This section does not contain any measures.									
3.24.	<b>Fight against money laundering and financing of terrorism</b>									
3.24.	This section does not contain any measures.									
3.24.	<b>Fight against narcotics</b>									
3.24.	This section does not contain any measures.									
3.24.	<b>Fight against organized crime and police cooperation</b>									
3.24.	This section does not contain any measures.									
3.24.	<b>Fight against terrorism</b>									
3.24.	This section does not contain any measures.									
3.24.	<b>International legal cooperation in criminal and civil matters</b>									
3.24.	This section does not contain any measures.									
<b>3.25. Chapter 25: Science and Research</b>										
3.25.	<u>Framework legislation</u>									
3.25.1.	Article 118	The draft-law on scientific research activity, innovation and transfer of knowledge and technology adopted		MESTI		Q4 2024		16,800	0	16,800
3.25.	<u>Bylaws and other regulatory acts</u>									
3.25.2.	Article 118	AI on performance-based funding of public higher education institutions adopted		MESTI		Q4 2024		10,000	0	10,000
<b>3.26. Chapter 26: Education and Culture</b>										
3.26.	<u>Framework legislation</u>									
3.26.	This section does not contain any measures.									
3.26.	<u>Bylaws and other regulatory acts</u>									
3.26.1.	Article 107	AI on funding formula for pre-university education and vocational education and training (amendment) adopted		MESTI		Q4 2024		48,000	0	48,000
3.26.2.	Article 107	AI on forms of organisation, criteria for establishment, licensing, termination of activity and own-		MESTI		Q4 2024		0	7,000	7,000

		source revenues of early education in preschool institutions adopted								
3.26.3.	Article 107	AI on cross-sectoral coordination for conducting early childhood education adopted		MESTI		Q4 2024		0	7,000	7,000
<b>3.27. Chapter 27: Environment</b>										
3.27.	<u>Framework legislation</u>									
3.27.1.	Article 115, 116 and 117	Draft-law on environmental protection adopted	Directive No. 2003/4/EC of the European Parliament and of the Council of 28.01.2003 on public access to environmental information and repealing Council Directive 90/313/EEC; Directive No. 2004/35/CE of the European Parliament and of the Council of 21 April 2004 on environmental liability with regard to the prevention and remedying of environmental damage, amended by Directive 2006/21/EC, 2009/31. and 2013/30/EU Directive 2008/99/EC of the European Parliament and of the Council of 19 November 2008 on the protection of the environment through criminal law Directive 2003/35/EC of the European Parliament and of the Council of 26.05. 2003 providing for public participation in respect of the drawing up of certain plans and programmes relating to the environment and amending with regard to public participation and access to justice Council Directives 85/337/EEC and 96/61/EC on public participation and access to justice	MESPI	OPM MFLT MoE MAFRD	Q4 2024	P	18,900	0	18,900



3.27.2.	Article 115, 116 and 117	Draft-law on water resource management adopted	Water Framework Directive 2000/60/EC; Council Directive 91/271/EEC concerning urban wastewater treatment; Directive 2006/7/EC concerning the management of bathing water quality; Directive (2006/118/EC) on groundwater; Directive 2007/60/EC on the assessment and management of flood risks; Council Directive 91/676/EEC concerning the protection of waters against pollution caused by nitrates from agricultural sources; Directive (2008/105/EC) on environmental quality standards; Council Directive 98/83/EC - Drinking Water Directive (DWD); Directive 86/278/EEC on Sewage Sludge	MESPI	OPM MFLT MAFRD MoE	Q1 2024	P	4,725	0	4,725
3.27.3.	Article 115, 116 and 117	Draft-law on nature protection adopted	Directive 2009/147/EC on the conservation of wild birds; Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora; Council Directive 1999/22/EC of 29 March 1999 relating to the keeping of wild animals in zoos	MESPI	OPM MFLT MAFRD	Q4 2024	P	18,900	0	18,900
3.27.4.	Article 115, 116 and 117	Draft-law on inspection in the area of environment, water, nature, spatial planning, construction and housing adopted	Recommendation EU (2001/331/EC) of 4 April 2001 of the European Parliament and of the Council establishing minimum criteria for environmental inspections in the Member States	MESPI	OPM MFLT MAFRD MIA	Q1 2024	P	4,725	0	4,725
3.27.	<u>Bylaws and other regulatory acts</u>									
3.27.5.	Article 115, 116 and 117	AI amending the AI on the Greenhouse Gas Emissions Tracking Mechanism adopted	Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action	MESPI	OPM MoE MFLT MAFRD	Q3 2024	P	14,175	0	14,175
<b>3.28. Chapter 28: Consumer and Health Protection</b>										
3.28.	<u>Framework legislation</u>									
3.28.	<b>Consumer Protection</b>									
3.28.	This section does not contain any measures.									
3.28.	<b>Health protection</b>									
3.28.1.	Article 106	Draft-law on medicinal products and medical devices adopted	Directive 2001/83/EC Directive 2002/98/EC of the European Parliament and of the Council of 27	MoH	OPM MFLT	Q3 2024	P	13,845	0	13,845

			<p>January 2003 amending the Directive 2001/83</p> <p>Commission Directive 2003/63/EC of 25 June 2003 amending the Directive 2001/83</p> <p>Commission Directive 2003/94/EC of 16 October 2003 laying down the principles and guidelines of good manufacturing practice in respect of medicinal products for human use and investigational medicinal products for human use</p> <p>Directive 2004/27/EC of the European Parliament and of the Council of 31 March 2004 amending the Directive 2001/83/EC</p> <p>Directive 2008/29/EC of the European Parliament and of the Council of 11 March 2008, amending the Directive 2001/83 of the European Parliament; Directive 2009/53/EC of the European Parliament and of the Council of 18 June 2009, amending the Directive 2001/83</p> <p>Commission Directive 2009/120/EC of 14 October 2009 amending the Directive 2001/83</p> <p>Directive 2010/84/EU of the European Parliament and of the Council of 15 December 2010, amending the Directive 2001/83</p> <p>Directive 2011/62/EU of the European Parliament and of the Council of 8 June 2011 amending the Directive 2001/83</p> <p>Directive 2012/26/EU of the European Parliament and of the Council of 25 October 2012, amending the Directive 2001/83/EC regarding pharmacovigilance</p> <p>EU Regulation 2017/745 on medical devices</p> <p>EU Regulation 2017/746 on in vitro diagnostic medical devices</p>							
3.28.2.	Article 106	Draft-law on tobacco control approved	Directive 2014/40/EU on Tobacco Products	MoH	OPM MFLT	Q3 2024	P	13,845	0	13,845
<b>3.28.</b>	<b><u>Bylaws and other regulatory acts</u></b>									
<b>3.28.</b>	<b>Consumer Protection</b>									
3.28.3.	Article 81	AI on the requirements defined in relation to commercial	Directive 2006/114/EC of the European Parliament and of the Council of 12 December 2006	MIET		Q2 2024	P	10,000	0	10,000

		communication, including advertising or marketing adopted	concerning misleading and comparative advertising							
<b>3.28.</b>	<b>Health protection</b>									
3.28.4.	Article 106	AI on the criteria, procedures, biosecurity and biosecurity measures for the transport of samples for diagnostic purposes of infectious diseases adopted	Commission Implementing Decision (EU) 2018/945 of 22 June 2018 on the communicable diseases and related special health issues to be covered by epidemiological surveillance as well as relevant case definitions. Decision No. 1082/2013/EU of the European Parliament and of the Council of 22 October 2013 on serious cross-border threats to health and repealing Decision No. 2119/98/EC. Commission Decision of 30 April 2009 amending Decision 2002/253/EC laying down case definitions for reporting communicable diseases to the Community network under Decision No. 2119/98/EC of the European Parliament and of the Council	MoH	OPM MFLT	Q3 2024	P	7,440	0	<b>7,440</b>
3.28.5.	Article 106	AI on storage and protection of personal data for possible, suspected and confirmed cases of infectious diseases and special health issues adopted	Commission Implementing Decision (EU) 2018/945 of 22 June 2018 on the communicable diseases and related special health issues to be covered by epidemiological surveillance as well as relevant case definitions. Decision No. 1082/2013/EU of the European Parliament and of the Council of 22 October 2013 on serious cross-border threats to health and repealing Decision No. 2119/98/EC. Commission Decision of 30 April 2009 amending Decision 2002/253/EC laying down case definitions for reporting communicable diseases to the Community network under Decision No. 2119/98/EC of the European Parliament and of the Council	MoH	OPM MFLT	Q3 2024	P	7,440	0	<b>7,440</b>
<b>3.29. Chapter 29: Customs Union</b>										
3.29.	<u>Framework legislation</u>									
3.29.	This section does not contain any measures.									
3.29.	<u>Bylaws and other regulatory acts</u>									
3.29.	This section does not contain any measures.									
<b>3.30. Chapter 30: External Relations</b>										
3.30.	<u>Framework legislation</u>									
3.30.	This section does not contain any measures.									
3.30.	<u>Bylaws and other regulatory acts</u>									
3.30.	This section does not contain any measures.									

<b>3.31. Chapter 31: Foreign, Security and Defence Policy</b>										
3.31.	<u>Framework legislation</u>									
3.31.	This section does not contain any measures.									
3.31.	<u>Bylaws and other regulatory acts</u>									
3.31.	This section does not contain any measures.									
<b>3.32. Chapter 32: Financial Control</b>										
3.32.	<u>Framework legislation</u>									
3.32.1.	Article 97	Draft-law on the Auditor General and the National Audit Office of Kosova (amendment) adopted	International standards of supreme auditing institutions and in accordance with the Lima and Mexico declaration	MFLT	NAO	Q2 2024	P	3,500	0	3,500
3.31.	<u>Bylaws and other regulatory acts</u>									
3.31.	This section does not contain any measures.									
<b>3.33. Chapter 33: Financial and Budgetary Provisions</b>										
3.33.	<u>Framework legislation</u>									
3.33.	This section does not contain any measures.									
3.33.	<u>Bylaws and other regulatory acts</u>									
3.33.	This section does not contain any measures.									
<b>3.34. Chapter 34: Institutions</b>										
3.34.	The programme does not cover this chapter at this stage of EU accession.									
<b>3.35. Chapter 35: Other Issues</b>										
3.35.	The programme does not cover this chapter at this stage of EU accession.									
<b>IMPLEMENTING MEASURES</b>										
No.	SAA provisions	Objectives	Indicators	Responsible institution	Supporting institutions	Time-frame	Reference documents	Budget (in EUR)		
								BRK	Donors	Total
<b>1. BLOC I: POLITICAL CRITERIA</b>										
<b>1.1. Democracy and Rule of Law</b>										
<b>1.1.1. Constitution, Assembly and Election System</b>										
1.1.1.	<u>Policy framework</u>									
1.1.1.	This section does not contain any measures.									
1.1.1.	<u>Institutional reforms and institutional capacity-building</u>									
1.1.1.	This section does not contain any measures.									
1.1.1.	<u>Enforcement</u>									
1.1.1.	This section does not contain any measures.									
<b>1.1.2. Public Administration</b>										
1.1.2.	<u>Policy framework</u>									
1.1.2.8.	Article 120	Advancement of policies in the area of PA, aiming at implementation of EU standards and principles	Revised action plan for rationalisation of agencies (second phase) adopted	MIA		Q4 2024	National Development Plan 2024-2026 Public Administration Reform Strategy 2024-2027	5,000	0	5,000
1.1.2.	<u>Institutional reforms and institutional capacity-building</u>									
1.1.2.9.	Article 120	Capacity building in reporting on implementation of the PAR Strategic Framework Action Plans	At least 5 training sessions on access, use and reporting through the Digital Platform, for at least 50 employees who are platform users and administrators of action plans held	MIA		Q4 2024	Public Administration Reform Strategy 2024-2027	3,000	0	3,000

1.1.2.10.	Article 122	Increasing citizens' participation in local policy development	Local coordination committees for the implementation of the national action plan 2023-2025 for Open Government partnership established	MLGA		Q2 2024		10,440	0	10,440
1.1.2.	<u>Enforcement</u>									
1.1.2.11.	Article 120	Advancement of local government policies and legislation	Ex-post evaluation of the Law on the Capital City of the Republic of Kosovo, Prishtina, drafted and published	MLGA		Q4 2024		10,500	3,440	13,940
1.1.2.12.	Article 121	Increasing citizens' participation in the local policy development	Overseeing the implementation of the operation of the services of the E-MUNICIPALITY platform 2024-2025	MLGA		Q4 2024		44,722	0	44,722
1.1.2.13.	Article 120	Increasing and providing as many electronic services as possible for citizens, businesses and public employees through the eKosova platform, as a single window for the provision of electronic services	At least 50 new services on the eKosova platform, operational	MIA		Q4 2024	Public Administration Reform Strategy 2024-2027	0	0	0
1.1.2.14.	Article 120	Advancement of the classification of jobs in the civil service	Catalogue of jobs in the civil service adopted	MIA		Q3 2024		20,000	0	20,000
1.1.2.15.	Article 120	Monitoring implementation of the PAR Strategic Framework action plans	Generation of semi-annual and annual reports on implementation of the PAR Strategy (PARS 2022-2027) and semi-annual and annual reports on implementation of PFMS 2022-2027	MIA		Q4 2024	Public Administration Reform Strategy 2024-2027 Public Finance Management Reform Strategy 2022-2027	10,000	0	10,000
<b>1.1.3. Ombudsperson</b>										
1.1.3.	<u>Policy framework</u>									
1.1.3.	This section does not contain any measures.									
1.1.3.	<u>Institutional reforms and institutional capacity-building</u>									
1.1.3.	This section does not contain any measures.									
1.1.3.	<u>Enforcement</u>									
1.1.3.1.	Articles 3 and 4	Monitoring implementation of Ombudsperson's recommendations	Number of recommendations implemented	OPM	Assembly	Q4 2024		20,000	0	20,000
1.1.3.2.	Articles 3 and 4	Monitoring implementation of Ombudsperson's recommendations	Number of responses received on recommendations addressed to responsible institutions	OPM	Assembly	Q4 2024		5,000	0	5,000
<b>1.1.4. Civilian Oversight of Security Forces</b>										
1.1.4.	<u>Policy framework</u>									
1.1.4.	This section does not contain any measures.									
1.1.4.	<u>Institutional reforms and institutional capacity-building</u>									
1.1.4.	This section does not contain any measures.									
1.1.4.	<u>Enforcement</u>									
1.1.4.	This section does not contain any measures.									
<b>1.2. Regional Cooperation and International Obligations</b>										
1.2.	<u>Policy framework</u>									
1.2.	This section does not contain any measures.									
1.2.	<u>Institutional reforms and institutional capacity-building</u>									
1.2.1.	Articles 11 and 16	Capacity building of officials covering the SEE region	Three (3) training sessions or seminars, organized	MFAD		Q4 2024		3,000	0	3,000

1.2.	<b>Enforcement</b>									
1.2.2.	Articles 11 and 16	Lobbying for the leadership of one or several organisations, regional initiatives, as well as for taking over the headquarters of one of the organisations, regional initiatives	One (1) communication or meeting with each of the Southeast European countries held	MFAD		Q4 2024		12,000	0	12,000
<b>2. BLOC II: ECONOMIC CRITERIA</b>										
<b>2.1. Existence of a Functional Market Economy</b>										
2.1.	<u>Policy framework</u>									
2.1.1.	Articles 25, 43, 75, 93, 94, 96, 98, 106, 107, 121, 123	Improving policies for identification of fiscal risks	A document related to fiscal risks drafted	MFLT		Q2 2024	Economic Reform Programme 2022-2024 Medium-Term Expenditure Framework 2024-2026 Law No. 08/L-260 on Budget Allocations for the Budget of the Republic of Kosova for 2024	2,200	0	2,200
2.1.	<u>Institutional reforms and institutional capacity-building</u>									
2.1.	This section does not contain any measures.									
2.1.	<b>Enforcement</b>									
2.1.2.	Articles 25, 43, 75, 93, 94, 96, 98, 106, 107, 121, 123	Implementation of the PFM Strategy 2022-2026	Regular semi-annual reporting on implementation of the PFMS Action Plan 2022-2024	MFLT	OPM NAO PPRC MIA KAS	Q3 2024	Public Finance Management Reform Strategy 2022-2026 and AP 2022-2024	6,000	6,000	12,000
2.1.3.	Articles 25, 43, 75, 93, 94, 96, 98, 106, 107, 121, 123	Implementation of the PFM Strategy 2022-2026	Regular annual reporting on implementation of the PFMS Action Plan 2022-2024	MFLT	OPM NAO PPRC MIA KAS	Q2 2024	Public Finance Management Reform Strategy 2022-2026 and AP 2022-2024	6,000	6,000	12,000
2.1.4.	Articles 39, 40, 70, 105	Combating informal economy, tax evasion and tax avoidance	Number of activities within tax compliance improvement projects increased	MFLT		Q4 2024	TAK Strategic Plan of 2022-2026 TAK Strategy AP 2022-2024 Compliance Strategy 2021-2025	2,730,000	0	2,730,000
2.1.5.	Articles 39, 48, 104 and Prot. IV	Combating informal economy and customs fraud	Number of anti-smuggling activities (inspections, stop&search and patrol) based on risk analysis, compared to the previous period, increased	MFLT		Q4 2024		666,000	0	666,000
<b>2.2. Capacity to Cope with Competitive Pressure and Market Forces within the Union</b>										
2.2.	<u>Policy framework</u>									
2.2.	This section does not contain any measures.									
2.2.	<u>Institutional reforms and institutional capacity-building</u>									
2.2.	This section does not contain any measures.									
2.2.	<b>Enforcement</b>									

2.2.	This section does not contain any measures.									
<b>3. BLOC III: EUROPEAN STANDARDS – APPROXIMATION OF KOSOVA’S LEGISLATION WITH THE EU ACQUIS</b>										
<b>3.0. Legal Framework on Alignment of Kosova’s Legislation with the EU Acquis</b>										
3.0.	<u>Policy framework</u>									
3.0.	This section does not contain any measures.									
3.0.	<u>Institutional reforms and institutional capacity-building</u>									
3.0.	This section does not contain any measures.									
3.0.	<u>Enforcement</u>									
3.0.	This section does not contain any measures.									
<b>3.1. Chapter 1: Free Movement of Goods</b>										
3.1.	<u>Policy framework</u>									
3.1.5.	Articles 20, 80 and 74, point 3	Policy development in the area of accreditation	Concept paper in the area of accreditation adopted	MIET		Q3 2024		9,000	9,650	18,650
3.1.6.	Articles 20, 80 and 74, point 4	Policy development in the area of metrology	Concept paper in the area of metrology adopted	MIET		Q4 2024		5,000	0	5,000
3.1.	<u>Institutional reforms and institutional capacity-building</u>									
3.1.7.	Articles 20, 80 and 74, point 5	Capacity building of KAD, in charge of establishing the accreditation scheme for certifying bodies	Accreditation Scheme for certification bodies (EN ISO/IEC 17065), established and functional	MIET		Q4 2024		4,500	4,050	8,550
3.1.8.	Articles 20, 80 and 74, point 4	Administrative capacity building on market surveillance	At least ten (10) officers in the area of product safety trained	MIET		Q4 2024		1,000	0	1,000
3.1.9.	Articles 20, 80 and 74, point 3	Administrative capacity building of the Kosova Metrology Agency	At least five (5) new KMA officers recruited	MIET	MIA	Q3 2024		50,000	0	50,000
3.1.	<u>Enforcement</u>									
3.1.10.	Articles 20, 80 and 74, point 3	Digitalisation of sales of adopted standards	Online system for the sale of standards operationalised	MIET	MIA	Q4 2024		50,000	0	50,000
3.1.11.	Articles 20, 80 and 74, point 3	Enhancing the quality of metrology services in the KMA as well as international recognition of calibration certificates for KMA calibration laboratories	Strength and thermometry laboratory, accredited	MIET		Q4 2024		20,000	0	20,000
<b>3.2. Chapter 2: Freedom of Movement for Workers</b>										
3.2.	<u>Policy framework</u>									
3.2.1.	Article 79, paragraph 9	Initiation and negotiation of agreements on social security with regional and EU countries	Number of bilateral agreements with the regional and EU initiated	MFLT	OPM MFAD	Q4 2024		20,000	0	20,000
3.2.	<u>Institutional reforms and institutional capacity-building</u>									
3.2.	This section does not contain any measures.									
3.2.	<u>Enforcement</u>									
3.2.	This section does not contain any measures.									
<b>3.3. Chapter 3: Right of Establishment and Freedom to Provide Services</b>										
3.3.	<u>Policy framework</u>									
3.3.	This section does not contain any measures.									
3.3.	<u>Institutional reforms and institutional capacity-building</u>									

3.3.2.	Article 51, 56, 57, 58, 59 and 74	Further operationalisation of the single point of contact	At least two (2) new service sectors digitalised	MIET	OPM MIA MESTI MFLT MESPI MoJ	Q4 2024		5,000	0	5,000
3.3.3.	Article 51, 56, 57, 58, 59 and 74	Further operationalisation of the Single Point of Contact for Services	Single Point of Contact webpage launched	MIET		Q3 2024		1,000	0	1,000
3.3.	<b>Enforcement</b>									
3.3.4.	Article 51, 56, 57, 58, 59 and 74	Awareness raising on the use of the Single Point of Contact for Services	At least three (3) events with stakeholders on the Single point of Contact held	MIET		Q4 2024		1,000	0	1,000
<b>3.4. Chapter 4: Free Movement of Capital</b>										
3.4.	<u>Policy framework</u>									
3.4.	This section does not contain any measures.									
3.4.	<u>Institutional reforms and institutional capacity-building</u>									
3.4.	This section does not contain any measures.									
3.4.	<b>Enforcement</b>									
3.4.3.	Article 89	Initiation and carrying out of the national money laundering and terrorist financing risk assessment	National risk assessment initiated	MFLT	CBK KPC APC KJC MoJ	Q4 2024		2,000	0	2,000
3.4.4.	Article 89	Development of money laundering typologies for politically exposed persons (PEPs), with a view to reducing the risk of money laundering due to corruption	Money laundering typologies for PEPs, drafted and published	MFLT	APC	Q2 2024		13,000	3,700	16,700
<b>3.5. Chapter 5: Public Procurement</b>										
3.5.	<u>Policy framework</u>									
3.5.	This section does not contain any measures.									
3.5.	<u>Institutional reforms and institutional capacity-building</u>									
3.5.4.	Article 79	Capacity building within the Public Procurement Review Body	At least five (5) new officials recruited	PRB	Assembly	Q2 2024		50,000	0	50,000
3.5.5.	Article 79	Capacity building within the Public Procurement Review Body	At least three (3) training sessions for PRB staff - on administrative review procedures, administration of office work, as well as on rules for public financial management, asset registers and annual reporting by budget organisations - held	PRB	MIA/KIPA	Q4 2024		2,000	0	2,000
3.5.	<b>Enforcement</b>									
3.5.	This section does not contain any measures.									
<b>3.6. Chapter 6: Company Law</b>										
3.6.	<u>Policy framework</u>									
3.6.3.	Article 51	Capacity building of Public Oversight Board (POB), namely POB inspectors	Methodology for inspecting statutory auditors and statutory audit firms, drafted	MFLT	KCFR	Q3 2024		35,280	0	35,280
3.6.	<u>Institutional reforms and institutional capacity-building</u>									



3.6.4.	Article 51	Improving the KBRA business registration database to meet BRIS requirements	The database allowing connection with the EU BRIS system, advanced	MIET		Q4 2024		50,000	0	50,000
3.6.	<b>Enforcement</b>									
3.6.5.	Article 51	Achieving independence of KCFR and its supervisory structures as a standalone authority	International financial reporting standards of the International Financial Reporting Interpretations Committee (IFRIC), as well as interpretations issued and adopted by the International Accounting Standards Board (IASB), implemented	MFLT	KCFR	Q4 2024		1,000	0	1,000
3.6.6.	Article 51	Achieving independence of KCFR and its supervisory structures as a standalone authority	International Audit Standards and relevant guidelines of the International Auditing and Assurance Standards Board (IAASB), implemented	MFLT	KCFR	Q4 2024		2,500	0	2,500
<b>3.7. Chapter 7: Intellectual Property Law</b>										
3.7.	<b>Policy framework</b>									
3.7.4.	Articles 77 and 78	Policy development in the area of copyright	National Copyright Strategy 2024-2028 adopted	MCYS		Q4 2024		7,000	0	7,000
3.7.	<b>Institutional reforms and institutional capacity-building</b>									
3.7.5.	Articles 77 and 78	Capacity building of the Industrial Property Agency	At least three (3 ) training sessions for officials of the Industrial Property Agency officers, held	MIET		Q4 2024		23,000	0	23,000
3.7.	<b>Enforcement</b>									
3.7.6.	Articles 77 and 78	Awareness raising among businesses and citizens on industrial property	At least 15 activities with citizens and businesses, to raise awareness on the importance of industrial property, held	MIET		Q4 2024		12,810	0	12,810
<b>3.8. Chapter 8: Competition Policy</b>										
3.8.	<b>Policy framework</b>									
3.8.	<b>Competition</b>									
3.8.	This section does not contain any measures.									
3.8.	<b>State aid</b>									
3.8.	This section does not contain any measures.									
3.8.	<b>Institutional reforms and institutional capacity-building</b>									
3.8.	<b>Competition</b>									
3.8.	This section does not contain any measures.									
3.8.	<b>State aid</b>									
3.8.5.	Articles 74 and 76	Awareness-raising for state aid granting institutions on implementation of state aid and de minimis rules	Four (4) training sessions for state aid providers on notification and reporting of state aid and de minimis rules, related to the reporting and calculation of aid, held	MFLT		Q4 2024		58,800	0	58,800
3.8.	<b>Enforcement</b>									
3.8.	<b>Competition</b>									
3.8.	This section does not contain any measures.									
3.8.	<b>State aid</b>									
3.8.	This section does not contain any measures.									
<b>3.9. Chapter 9: Financial Services</b>										

3.9.	<u>Policy framework</u>									
3.9.	This section does not contain any measures.									
3.9.	<u>Institutional reforms and institutional capacity-building</u>									
3.9.	This section does not contain any measures.									
3.9.	<u>Enforcement</u>									
3.9.1.	Article 50	Further implementation of the roadmap for upcoming transposition of the Solvency 2 regime	Solvency 2 transposition roadmap implemented	CBK		Q4 2024		8,900	0	<b>8,900</b>
<b>3.10. Chapter 10: Information Society and Media</b>										
3.10.	<u>Policy framework</u>									
3.10.2	Articles 110 and 111	Enhancing the strategic framework in the area of information society and electronic communications	ICT Strategy adopted	MoE	RAEPC OPM MIA MESTI MoH	Q4 2024	National Development Strategy 2030	168,317	0	<b>168,317</b>
3.10.	<u>Institutional reforms and institutional capacity-building</u>									
3.10.3.	Articles 110 and 111	Building digital infrastructure in schools and their gigabit connection with KREN and GEANT (2023-2026)	Digital infrastructure and connection to KREN and GEANT of at least 100 schools (2023-2026) established	MoE	RAEPC	Q4 2024	Law on Ratification of the Financing Agreement between the Republic of Kosova and the International Development Association on the Kosova Digital Economy Project	0	1,500,000	<b>1,500,000</b>
3.10.4.	Articles 110 and 111	Advancing the electronic system to ensure that electronic interactions are safer, faster and more efficient	The eIDAS system established	MoE	MIA MFLT	Q4 2024		0	2,000,000	<b>2,000,000</b>
3.10.	<u>Enforcement</u>									
3.10.	This section does not contain any measures.									
<b>3.11. Chapter 11: Agriculture and Rural Development</b>										
3.11.	<u>Policy framework</u>									
3.11.6.	Article 102	Improving productivity and sustainability in agriculture	Concept document on organic agriculture adopted	MAFRD	FVA	Q4 2024	Law on Organic Agriculture	9,378	0	<b>9,378</b>
3.11.7.	Article 102	Improving policies for the conservation of agricultural land	AP on protection of agricultural land adopted	MAFRD	MESPI	Q4 2024	Law on Agricultural Land	9,378	0	<b>9,378</b>
3.11.	<u>Institutional reforms and institutional capacity-building</u>									
3.11.	This section does not contain any measures.									
3.11.	<u>Enforcement</u>									
3.11.	This section does not contain any measures.									
<b>3.12. Chapter 12: Food Safety, Veterinary and Phytosanitary Policy</b>										
3.12.	<u>Policy framework</u>									
3.12.6.	Article 102	Improving public health and animal health policies	Concept document on seeds adopted	MAFRD	FVA	Q1 2024	Law on Seeds	9,378	0	<b>9,378</b>
3.12.7.	Article 102	Improving public health and plant health policies	Concept document on plant protection adopted	MAFRD	FVA	Q4 2024	Law on Plant Protection	9,378	0	<b>9,378</b>
3.12.8.	Article 102	Improving public health and plant health policies	Concept document on plant protection products adopted	MAFRD	FVA MFLT/KC	Q1 2024	Law on Plant Protection Products	9,378	0	<b>9,378</b>

3.12.9.	Article 102	Improving public health and animal health policies	Concept document on animal diseases adopted	MAFRD	FVA	Q4 2024	Law on Veterinary	9,378	0	9,378
3.12.10.	Article 102	Improving public health and animal health policies	Plan on upgrading of agri-food enterprises adopted	MAFRD	FVA	Q4 2024	Agriculture and Rural Development Strategy 2022-2028	7,815	0	7,815
3.12.11.	Article 102	Improving public health and animal health policies	Plan on delegation of specific tasks for slaughter control adopted	FVA	MAFRD	Q4 2024	Hygienic Package Regulation 10/2011 Regulation 13/2011	9,378	0	9,378
3.12.	<u>Institutional reforms and institutional capacity-building</u>									
3.12.	This section does not contain any measures.									
3.12.	<u>Enforcement</u>									
3.12.12.	Article 102	Improving public health and animal health policies	Oral rabies vaccination campaign carried out	FVA	MAFRD	Q4 2024	Law on Veterinary	600,000	0	600,000
<b>3.13. Chapter 13: Fisheries</b>										
3.13.	<u>Policy framework</u>									
3.13.2.	Article 102	Improving policies in the area of fisheries	Concept document on fisheries and aquaculture adopted	MAFRD	FVA	Q1 2024	Law on Fisheries and Aquaculture	3,126	0	3,126
3.13.	<u>Institutional reforms and institutional capacity-building</u>									
3.13.	This section does not contain any measures.									
3.13.	<u>Enforcement</u>									
3.13.3.	Article 102	Implementation of policies in the area of fisheries	Fish stock inventory in water basins conducted	MAFRD	FVA	Q4 2024	Law on Fisheries and Aquaculture	4,689	0	4,689
<b>3.14. Chapter 14: Transport Policy</b>										
3.14.	<u>Policy framework</u>									
3.14.10.	Article 113	Improvement and advancement of strategic policies in the transport sector	ITS Strategy action plan adopted	MESPI		Q1 2024		6,750	0	6,750
3.14.	<u>Institutional reforms and institutional capacity-building</u>									
3.14.	This section does not contain any measures.									
3.14.	<u>Enforcement</u>									
3.14.11.	Article 113	Measurement of gases released by vehicles	System for controlling the emission of gases released by vehicles, operationalised	MESPI		Q4 2024		18,900	0	18,900
<b>3.15. Chapter 15: Energy</b>										
3.15.	<u>Policy framework</u>									
3.15.7.	Article 114	Further development of policies in the energy sector, with a view to implementing SAA provisions and the transposed acquis	National Energy and Climate Plan of the Republic of Kosova 2024-2030 adopted	MoE	OPM MESPI MFLT ERO KOSTT MESTI KEK	Q2 2024	Energy Strategy of the Republic of Kosova 2022-2031	14,500	0	14,500
3.15.	<u>Institutional reforms and institutional capacity-building</u>									
3.15.	This section does not contain any measures.									
3.15.	<u>Enforcement</u>									
3.15.8.	Article 114	The study "Assessment of the potential to provide locally dispatchable renewable energy - component III"	Locations for construction of RES power plants defined.	MoE	MESPI MAFRD KOSTT KCA	Q2 2024	Energy Strategy of the Republic of Kosova 2022-2031	4,950	299,680	304,630

					PAK KPA		Energy Strategy Implementation Programme 2022-2025			
3.15.9.	Article 114	Organising RES auction	Auction finalised	MoE	MESPI ERO KOSTT	Q4 2024	Energy Strategy of the Republic of Kosova 2022-2031 Energy Strategy Implementation Programme 2022-2025	3,240	0	<b>3,240</b>
3.15.10.	Article 114	Implementation of energy efficiency measures at the local level	Energy efficiency measures in public buildings at the municipal level in Kosova: 8 school facilities in 4 municipalities (Prishtina; Gjilan, Gjakova; Ferizaj), implemented	MoE		Q4 2024	National Energy Efficiency AP	2,500,000	5,000,000	<b>7,500,000</b>
3.15.11.	Article 114	Implementation of energy efficiency measures at the local level	Energy efficiency measures in 12 municipal public facilities implemented	KEEF	MoE MFLT MESPI	Q4 2024	Law on Energy Efficiency Public sector project operation manual	1,847,000	2,752,000	<b>4,599,000</b>
3.15.12.	Article 114	Implementation of energy efficiency measures and renewable energy at the central level	Energy efficiency measures in 12 public facilities at the central level (in two lots: Lot 1 & Lot 2), implemented	MoE	MIA	Q4 2024	National Energy Efficiency AP	800,000	300,000	<b>1,100,000</b>
3.15.13.	Article 114	Implementation of energy efficiency measures at the private and residential sector	Energy efficiency measures in 2000 individual households implemented	KEEF	MoE MFLT MESPI	Q4 2024	Law on Energy Efficiency Residential sector project operation manual	0	9,536,500	<b>9,536,500</b>
3.15.14.	Article 114	Implementation of energy efficiency measures at the private and residential sector	Energy efficiency measures in 29 social multi-residential buildings and individual houses implemented	KEEF	MoE MFLT MESPI	Q4 2024	Law on Energy Efficiency Residential sector project operation manual	0	6,200,000	<b>6,200,000</b>
3.15.15.	Article 114	Implementation of energy efficiency measures at the private and residential sector	Study on financing models of energy efficiency measures in the private and residential sector carried out	KEEF	MoE MFLT MESPI	Q1 2024	Law on Energy Efficiency	0	200,000	<b>200,000</b>
<b>3.16. Chapter 16: Taxation</b>										
3.16.	<u>Policy framework</u>									
3.16.	This section does not contain any measures.									
3.16.	<u>Institutional reforms and institutional capacity-building</u>									
3.16.	This section does not contain any measures.									
3.16.	<u>Enforcement</u>									
3.16.1.	Articles 39, 40, 70, 105	Increasing tax debts collection	Reduction of the level of tax debt as a percentage of total annual revenues compared to the previous year	MFLT		Q4 2024	Strategic Plan 2022-2026 Compliance Strategy 2021-2025 Conclusions of SC on Trade, Industry, Customs and Taxation	21,000	0	<b>21,000</b>
3.16.2.	Articles 39, 40, 70, 105	Improving coordination of joint TAK-LI-POL-Customs operations and joint work reports	Two (2) analyses on cooperation, coordination and inter-institutional communication regarding the	MFLT		Q4 2024		60,000	0	<b>60,000</b>

			responsibilities for preventing and reducing undeclared work, carried out							
3.16.3.	Articles 39, 40, 70, 105	Improving risk assessment	Risk assessment criteria defined	MFLT		Q4 2024		19,200	0	19,200
<b>3.17. Chapter 17: Economic and Monetary policy (refer to Bloc 2: Economic Criteria)</b>										
3.17.	<u>Policy framework</u>									
3.17.	This section does not contain any measures.									
3.17.	<u>Institutional reforms and institutional capacity-building</u>									
3.17.	This section does not contain any measures.									
3.17.	<u>Enforcement</u>									
3.17.	This section does not contain any measures.									
<b>3.18. Chapter 18: Statistics</b>										
3.18.	<u>Policy framework</u>									
3.18.	This section does not contain any measures.									
3.18.	<u>Institutional reforms and institutional capacity-building</u>									
3.18.	This section does not contain any measures.									
3.18.	<u>Enforcement</u>									
3.18.1.	Article 95	Assessment of informal economy according to international standards for components that are processed for the 2008-2023 period	Analyses for the available data on the informal economy conducted	KAS	MoH MIA MFLT	Q4 2024	Programme of Official Statistics 2023-2027	12,240	0	12,240
3.18.2.	Article 95	Compilation of nonfinancial sectoral accounts	Analyses and data processing, according to Eurostat methodology available, conducted	KAS	MFLT	Q4 2024	Programme of Official Statistics 2023-2027	12,240	7,000	19,240
3.18.3.	Article 95	Development of labour market statistics/ Income Structure Survey (SES)	Data from the area survey collected	KAS		Q4 2024	Programme of Official Statistics 2023-2027	18,360	0	18,360
3.18.4.	Article 95	Extension of statistical products	Up to five (5) new statistical products, created	KAS		Q4 2024	Strategic Plan of Kosova Agency of Statistics 2023-2027	30,000	0	30,000
3.18.5.	Article 95	Continuing the increase of number of data/datasets submitted to Eurostat in compliance with deadlines	Number of tables with data/datasets submitted to Eurostat for agricultural statistics increased by four (4) tables	KAS		Q4 2024	Strategic Plan of Kosova Agency of Statistics 2023-2027	14,400	0	14,400
<b>3.19. Chapter 19: Social Policy and Employment</b>										
3.19.	<u>Policy framework</u>									
3.19.1.	Articles 82 and 106	Development of policies to increase youth employment	Youth Guarantee Scheme Implementation Plan piloted	MFLT	MESTI MCYS MIET KAS KCA	Q4 2024		1,000,000	500,000	1,500,000
3.19.	<u>Institutional reforms and institutional capacity-building</u>									
3.19.2.	Articles 82 and 106	Capacity building in the Labour Inspectorate	Number of labour inspectors increased by 40 inspectors	MFLT		Q4 2024	Performance Plan of the Labour Inspectorate	835,000	0	835,000
3.19.	<u>Enforcement</u>									
3.19.3.	Articles 82 and 106	Improving the services of the Labour Inspectorate	Number of inspections by the Labour Inspectorate increased	MFLT		Q4 2024	Performance Plan of the Labour Inspectorate	354,250	0	354,250

3.19.4.	Articles 82 and 106	Social Assistance Scheme reform to ensure better targeting and impact on poverty for vulnerable groups	Social Assistance Scheme under the new Law Social Assistance Scheme piloted	MFLT	OPM MLGA	Q4 2024	National Development Plan 2022-2024	20,000	230,500	<b>250,500</b>
<b>3.20. Chapter 20: Enterprise and Industrial Policy</b>										
3.20.	<u>Policy framework</u>									
3.20.	This section does not contain any measures.									
3.20.	<u>Institutional reforms and institutional capacity-building</u>									
3.20.1.	Articles 99 and 100	Strengthening capacities and improving services for enterprises	Innovation and Business Support Agency established	MIET		Q3 2024		5,640	0	<b>5,640</b>
3.20.	<u>Enforcement</u>									
3.20.2.	Articles 99 and 101	Establishing the National Product Certification Instrument	At least 30 beneficiary companies (30% of processing metal grants)	MIET		Q2 2024		990,000	0	<b>990,000</b>
<b>3.21. Chapter 21: Trans-European Networks</b>										
3.21.	<u>Policy framework</u>									
3.21.	This section does not contain any measures.									
3.21.	<u>Institutional reforms and institutional capacity-building</u>									
3.21.	This section does not contain any measures.									
3.21.	<u>Enforcement</u>									
3.21.	This section does not contain any measures.									
<b>3.22. Chapter 22: Regional Policy and Coordination of Structural Instruments</b>										
3.22.	<u>Policy framework</u>									
3.22.	This section does not contain any measures.									
3.22.	<u>Institutional reforms and institutional capacity-building</u>									
3.22.	This section does not contain any measures.									
3.22.	<u>Enforcement</u>									
3.22.	This section does not contain any measures.									
<b>3.23. Chapter 23: Judiciary and Fundamental Rights</b>										
3.23.	<u>Policy framework</u>									
3.23.	<u>Judicial system</u>									
3.23.25.	Articles 83 and 91	Advancement of the policy framework with a view to implementing key reforms of rule of law institutions	Rule of Law Strategy and action plan revised	Moj	KJC KPC MFLT OPM MIA	Q3 2024		10,000	10,000	<b>20,000</b>
3.23.26.	Articles 83 and 91	More efficient administration of the prosecutorial system and strengthening of the administration	New strategic plan of the prosecutorial system drafted	KPC		Q4 2024		43,584	0	<b>43,584</b>
3.23.27.	Articles 83 and 91	More efficient administration of the judicial system and strengthening of the administration	Prosecutorial system communication strategy adopted	KPC		Q2 2024		3,956	0	<b>3,956</b>
3.23.	<u>Anticorruption policy</u>									
3.23.28.	Articles 83 and 91	Further advancement of the policy framework on the use of digital technology to fight corruption at the national level and create transparent and accountable governance	Anti-Corruption Strategy and Action Plan 2024-2030 adopted	OPM		Q1 2024		5,000	5,000	<b>10,000</b>
3.23.29.	Articles 83 and 91	Advancement of the anticorruption policy framework with a view to improving public administration,	Integrity plans in central administration, independent agencies, and municipal authorities adopted	APC		Q1 2024		7,200	0	<b>7,200</b>

		including development and adoption of integrity plans at the central and local levels as a means of preventing corruption								
3.23.30.	Articles 83 and 91	Advancement of the anticorruption policy framework through risk assessment in areas or sectors considered particularly exposed to corruption risks	Corruption risk assessment in different areas or sectors conducted	APC		Q4 2024		21,600	0	21,600
<b>3.23.</b>	<b>Fundamental rights</b>									
3.23.31.	Articles 3 and 4	Advancement of the policy framework in order to improve services in free legal aid, contributing to the increased efficiency of the justice system	Concept document on the free legal aid adopted	Moj	KJC KPC MFLT OPM MIA	Q2 2024		5,000	5,000	10,000
3.23.32.	Articles 3 and 4	Advancement of the gender equality agenda through the design and implementation of developmental programmatic frameworks	Action plan of the Kosova Programme for Gender Equality (KPGE) 2024-2026 adopted	OPM		Q3 2024	Kosova Programme for Gender Equality 2020-2024	10,000	15,000	25,000
3.23.33.	Articles 3 and 4	Advancement of the policy framework on the fight against domestic violence, sexual harassment and other forms of gender-based violence as illegal gender-based offences, including sexual, economic and psychological violence	Package of modules for psychosocial treatment programs for perpetrators developed	Moj	KJC KPC MFLT OPM MIA	Q4 2024		10,000	10,000	20,000
3.23.34.	Articles 3 and 4	Improving and advancing the rights of people with disabilities	Concept document on sign language adopted	OPM		Q4 2024		6,000	0	6,000
3.23.35.	Articles 3 and 4	Improvement and advancement of the policy framework to enhance the rights of people with disabilities	Strategy for the Rights of Persons with Disabilities in the Republic of Kosova 2024-2029 adopted	OPM		Q2 2024		6,000	0	6,000
<b>3.23.</b>	<b>Protection of minorities and cultural heritage</b>									
3.23.36.	Articles 3 and 4	Advancement of cultural heritage protection through policy framework development	Concept document on cultural heritage adopted	MCYS	MESPI	Q3 2024	Law on Cultural Heritage National Strategy for Cultural Heritage 2017-2027	15,000	0	15,000
3.23.37.	Articles 3 and 4	Advancement of community rights policies	2025-2026 action plan for implementation of the Strategy for the Advancement of the Rights of the Roma and Ashkali Communities in the Republic of Kosova 2022-2026 adopted	OPM		Q4 2024	Strategy for the Advancement of the Rights of the Roma and Ashkali Communities 2022-2026	3,000	0	3,000
<b>3.23.</b>	<b>Protection of personal data</b>									
3.23.38.	Articles 3 and 4	Advancement of personal data processing policies in the public and private sector	Guidelines by areas drafted	IPA		Q4 2024	Performance Plan of the Information and Privacy Agency 2024	2,000	2,800	4,800
<b>3.23.</b>	<b>Institutional reforms and institutional capacity-building</b>									
<b>3.23.</b>	<b>Judicial system</b>									

3.23.39.	Articles 83 and 91	More efficient administration of the prosecutorial system and strengthening of the administration	Two (2) KPC lay members appointed	Assembly	KPC	Q2 2024		4,158	0	4,158
3.23.40.	Articles 83 and 91	More efficient administration of the prosecutorial system and strengthening of the administration	One (1) KJC member appointed	Assembly	KJC	Q2 2024		2,079	0	2,079
3.23.41.	Articles 83 and 91	Further improvement of the institutional framework with the aim of advancing the integrity, accountability and credibility in the justice system	Online application platform for bar exams and other exams for free professions organised by MoJ established and functional	MoJ	KJC KPC MFLT OPM MIA	Q4 2024		10,000	20,000	30,000
3.23.42.	Articles 83 and 91	More efficient administration of the prosecutorial system and strengthening of the administration	1/3 of prosecutors evaluated	KPC		Q4 2024		5,173	0	5,173
3.23.43.	Articles 83 and 91	More efficient administration of the judicial system and strengthening of the administration	1/3 of judges evaluated	KJC		Q4 2024		23,840	0	23,840
3.23.44.	Articles 83 and 91	More efficient administration of the prosecutorial system and strengthening of the administration with a view to improving free profession services and contributing to increasing justice system efficiency	Seven (7) mediation officers in the basic prosecution offices recruited	KPC		Q4 2024		46,746	0	46,746
3.23.45.	Articles 83 and 91	Further advancement of the infrastructural and technological frameworks with a view to improving the performance of the judicial system in case management	The fourth CMIS (transitional) phase operationalised and consolidated in all courts	KJC		Q4 2024		204,800	0	204,800
3.23.46.	Articles 83 and 91	Further advancement of the infrastructural and technological frameworks with a view to improving the performance of the judicial system in case management	The fourth CMIS (transitional) phase operationalised and consolidated in all prosecution offices	KPC		Q4 2024		57,960	0	57,960
3.23.47.	Articles 83 and 91	Further advancement of the infrastructural and technological framework with a view to improving judicial system's performance	Electronic file system of judges established and operational	KJC		Q4 2024		0	38,135	38,135
3.23.48.	Articles 83 and 91	Further advancement of the infrastructural and technological framework with a view to improving judicial system's performance	Electronic file system of court administration established and operational	KJC		Q4 2024		0	39,500	39,500
3.23.49.	Articles 83 and 91	Further advancement of the infrastructural and technological framework with a view to improving judicial system's performance	The electronic system for budget and finance management established and operational	KJC		Q4 2024		0	39,500	39,500
<b>3.23.</b>	<b>Anticorruption policy</b>									



3.23.50.	Articles 83 and 91	Advancing the capacities of the Agency for Prevention of Corruption in terms of staff and expertise to ensure that it can effectively discharge its responsibilities.	Thirteen (13) new officials recruited	APC		Q3 2024		140,400	0	140,400
3.23.51.	Articles 83 and 91	Strengthening of IT capacities	Electronic platform for reporting corruption <i>Kosova without Corruption</i> , developed	APC		Q3 2024		0	0	0
3.23.52.	Articles 83 and 91	Strengthening of IT capacities	Two (2) IT officers recruited	APC		Q3 2024		24,000	0	24,000
3.23.53.	Articles 83 and 91	Strengthening of IT capacities	Agency's server room and hardware development, operational	APC		Q4 2024		94,000	0	94,000
<b>3.23.</b>	<b>Fundamental rights</b>									
3.23.	This section does not contain any measures.									
<b>3.23.</b>	<b>Protection of minorities and cultural heritage</b>									
3.23.	This section does not contain any measures.									
<b>3.23.</b>	<b>Protection of personal data</b>									
3.23.	<b>Enforcement</b>									
<b>3.23.</b>	<b>Judicial system</b>									
3.23.54.	Articles 83 and 91	Improvement of free profession services, contributing to enhancing justice system's efficiency	10% of cases to prosecutors through alternative procedures referred	KPC		Q4 2024		9,451	0	9,451
3.23.55.	Articles 83 and 91	Improvement of free profession services, contributing to enhancing justice system's efficiency	10% of cases to the courts through alternative procedures referred	KJC		Q4 2024		96,390	0	96,390
3.23.56.	Articles 83 and 91	Intensification of work on high-level corruption and organized crime cases in courts and prosecution offices	Percentage (%) of indictments filed regarding targeted high-level corruption and organized crime cases	KPC		Q4 2024		95,580	0	95,580
3.23.57.	Articles 83 and 91	Further advancement of infrastructural and technological frameworks with a view to improving judicial system's performance	Verification of data on criminal convictions in the Central Criminal Records System advanced	KJC		Q4 2024		28,000	0	28,000
3.23.58.	Articles 83 and 91	Intensification of work on high-level corruption and organized crime cases in courts and prosecution offices	Percentage (%) of cases closed with final verdicts in relation to cases of organized crime and high-level corruption	KJC		Q4 2024		301,056	0	301,056
<b>3.23.</b>	<b>Anticorruption policy</b>									
3.23.59.	Articles 83 and 91	Enforcement of punitive measures against declaring subjects and other officials	Fines and other measures against declaring subjects and other public officials who fail to comply with legal requirements regarding the declaration of assets, imposed	APC		Q4 2024		48,600	0	48,600
3.23.60.	Articles 83 and 91	Enforcement of punitive measures against asset declaring subjects	Fines and other measures against declaring subjects who fail to comply with legal requirements regarding the declaration of assets, imposed	APC		Q4 2024		48,600	0	48,600

3.23.61.	Articles 83 and 91	Implementation of external whistleblowing mechanism in the public sector	Number of cases identified	APC		Q4 2024		2,160	0	2,160
3.23.62.	Articles 83 and 91	Implementation of external whistleblowing mechanism in the public sector	Number of cases identified	APC		Q4 2024		2,160	0	2,160
3.23.63.	Articles 83 and 91	Implementation of external whistleblowing mechanism in the public sector	Number of cases rejected	APC		Q4 2024		2,160	0	2,160
3.23.64.	Articles 83 and 91	Implementation of external whistleblowing mechanism in the public sector	Number of cases processed	APC		Q4 2024		2,160	0	2,160
3.23.65.	Articles 83 and 91	Implementation of external whistleblowing mechanism in the public sector	Number of cases closed	APC		Q4 2024		2,160	0	2,160
3.23.66.	Articles 83 and 91	Receiving, registering and handling cases of conflict of interest from established legal sources	Number of cases received	APC		Q4 2024		3,600	0	3,600
3.23.67.	Articles 83 and 91	Receiving, registering and handling cases of conflict of interest from established legal sources	Number of cases processed	APC		Q4 2024		3,600	0	3,600
3.23.68.	Articles 83 and 91	Receiving, registering and handling cases of conflict of interest from established legal sources	Number of cases completed	APC		Q4 2024		3,600	0	3,600
3.23.69.	Articles 83 and 91	Receiving, registering and handling cases of conflict of interest from established legal sources	Number of opinions prepared	APC		Q4 2024		3,600	0	3,600
3.23.70.	Articles 83 and 91	Receiving, registering and handling cases of conflict of interest from established legal sources	Number of decisions prepared	APC		Q4 2024		3,600	0	3,600
3.23.71.	Articles 83 and 91	Receiving, registering and handling cases of conflict of interest from established legal sources	Number of responses provided	APC		Q4 2024		3,600	0	3,600
3.23.72.	Articles 83 and 91	Strengthening whistleblowing mechanisms through reporting on the implementation of the law on the protection of whistle-blowers	Reports on implementation of the Law on Protection of Whistleblowers in the public and private sectors drafted	APC		Q3 2024		10,800	0	10,800
3.23.73.	Articles 83 and 91	Monitoring the implementation of the Anti-Corruption Strategy and Action Plan	Implementation of actions from the Anti-Corruption Strategy and Action Plan monitored	APC		Q4 2024		7,200	0	7,200
3.23.74.	Articles 83 and 91	Advancing the anticorruption policy framework through risk assessment and identifying gaps in legislation that potentially could increase corruption	Anti-corruption legislative acts assessed	APC		Q4 2024		21,600	0	21,600
<b>3.23.</b>	<b>Fundamental rights</b>									
3.23.75.	Articles 3 and 4	Advancing access to justice through strengthening institutional capacities and raising awareness to combat violence against women,	Five (5) video clips produced	OPM	MESTI MoJ MIA	Q4 2024	Strategy on Protection against Domestic Violence and Violence	10,000	0	10,000

		gender-based violence and domestic violence					against Women 2022-2026 Kosova Programme for Gender Equality 2020-2024			
3.23.76.	Articles 3 and 4	Advancing access to justice through strengthening institutional capacities and awareness raising to combat violence against women, gender-based violence and domestic violence	Four (4) outreach and awareness-raising campaigns implemented	OPM	MESTI MoJ MIA	Q4 2024	Strategy on Protection against Domestic Violence and Violence against Women 2022-2026 Kosova Programme for Gender Equality 2020-2024	22,000	0	<b>22,000</b>
3.23.77.	Articles 3 and 4	Advancing access to justice through strengthening institutional capacities and awareness raising to combat violence against women, gender-based violence and domestic violence	Ten (10) sessions on standard operating procedures against domestic violence and violence against women, and the Istanbul Convention carried out	OPM		Q4 2024		15,000	0	<b>15,000</b>
3.23.78.	Articles 3 and 4	Supporting women's economic empowerment through subsidising NGO projects aimed at strengthening the role of women in society	At least eight (8) NGOs supported	OPM		Q4 2024	Kosova Programme for Gender Equality 2020-2024	40,000	0	<b>40,000</b>
<b>3.23.</b>	<b>Protection of minorities and cultural heritage</b>									
3.23.79.	Articles 3 and 4	Improving the situation of Roma and Ashkali communities through implementation of the Strategy and Action Plan for the inclusion of Roma and Ashkali communities	Annual monitoring reports on the Strategy for the Advancement of the Rights of the Roma and Ashkali Communities in the Republic of Kosova 2022-2026 and the Action Plan 2022-2024, drafted	OPM		Q4 2024	Strategy for the Advancement of the Rights of the Roma and Ashkali Communities 2022-2026 and AP 2022-2024	3,000	0	<b>3,000</b>
3.23.80.	Articles 3 and 4	Advancement of the legal framework and strategic documents on communities, return and integration	Five (5) regional-level meetings with municipal representatives for the implementation of the Strategy for the protection and promotion of the rights of communities and their members, organized	MCR		Q2 2024	National Development Plan 2024-2026	0	5,000	<b>5,000</b>
3.23.81.	Articles 3 and 4	Supporting the Roma, Ashkali and Egyptian communities	At least five (5) Learning Centres for Roma, Ashkali and Egyptian communities, supported	MESTI		Q4 2024	Education Strategy 2022-2026	200,000	0	<b>200,000</b>
3.23.82.	Articles 3 and 4	Supporting the Roma, Ashkali and Egyptian communities	400 scholarships for high school students and first-year university students for the Roma, Ashkali and Egyptian communities, awarded	MESTI		Q4 2024	Education Strategy 2022-2026	150,000	0	<b>150,000</b>
3.23.83.	Articles 3 and 4	Supporting the Roma, Ashkali and Egyptian communities	Textbooks for the Albanian subject for the Turkish and Bosnian minority communities designed	MESTI		Q4 2024	Education Strategy 2022-2026	10,000	0	<b>10,000</b>
3.23.84.	Articles 3 and 4	Creating opportunities for socialisation among students from different communities in multi-ethnic schools	Learning clubs in the local language, established	MESTI		Q4 2024	Education Strategy 2022-2026	10,000	0	<b>10,000</b>

3.23.85.	Articles 3 and 4	Further community-oriented infrastructure expansion	Up to ten (10) co-funded infrastructure projects in cooperation with municipalities	MCR	MLGA	Q4 2024		200,000	0	200,000
3.23.86.	Articles 3 and 4	Supporting the return of displaced persons and communities in need in the reconstruction and renovation of houses	Up to 80 social housing units were created and houses built for vulnerable returnees and communities as well as beneficiaries of construction material	MCR	MLGA	Q4 2024		3,000,000	2,000,000	5,000,000
3.23.87.	Articles 3 and 4	Supporting communities in need with construction materials	Up to 140 beneficiaries of construction materials for communities in need	MCR		Q4 2024		350,000	0	350,000
3.23.88.	Articles 3 and 4	Supporting communities in Kosova towards economic, cultural and social development	Up to 100 beneficiaries of grants for businesses, natural persons, legal persons and NGOs	MCR	MLGA	Q4 2024		450,000	850,000	1,300,000
3.23.89.	Articles 3 and 4	Continued the provision of sustainable solutions for returnees and socially vulnerable families	Up to 56 displaced and socially vulnerable individuals resettled in permanent housing units in the Municipality of Gracanica	MCR		Q4 2024		4,220	280,000	284,220
<b>3.23.</b>	<b>Protection of personal data</b>									
3.23.90.	Articles 3 and 4	Organising outreach campaigns on protection of personal data, especially in the private sector	Number of outreach activities conducted	IPA		Q4 2024	Performance Plan of the Information and Privacy Agency 2024	2,500	2,800	5,300
3.23.91.	Articles 3 and 4	Overseeing enforcement of the Personal Data Protection Law	Number of inspections according to the inspection plan conducted	IPA		Q1 2024	Performance Plan of the Information and Privacy Agency 2024	33,600	0	33,600
3.23.92.	Articles 3 and 4	Overseeing enforcement of the Personal Data Protection Law	Number of complains submitted	IPA		Q4 2024	Performance Plan of the Information and Privacy Agency 2024	33,600	0	33,600
3.23.93.	Articles 3 and 4	Overseeing enforcement of the Personal Data Protection Law	Number of inspections conducted as per the complaints submitted	IPA		Q4 2024	Performance Plan of the Information and Privacy Agency 2024	33,600	0	33,600
3.23.94.	Articles 3 and 4	Overseeing enforcement of the Personal Data Protection Law	Number of decisions taken regarding the protection of personal data	IPA		Q4 2024	Performance Plan of the Information and Privacy Agency 2024	33,600	0	33,600
3.23.95.	Articles 3 and 4	Overseeing implementation of the Law on Access to Public Documents	Number of complaints received and decisions on access to public documents	IPA		Q4 2024	Performance Plan of the Information and Privacy Agency 2024	33,600	0	33,600
<b>3.24. Chapter 24: Justice, Freedom and Security</b>										
3.24.	<u>Policy framework</u>									
3.24.	<b>Border management</b>									
3.24.	This section does not contain any measures.									
3.24.	<b>Visas</b>									
3.24.	This section does not contain any measures.									
3.24.	<b>Document security</b>									
3.24.	This section does not contain any measures.									
3.24.	<b>Asylum</b>									
3.24.	This section does not contain any measures.									
3.24.	<b>Migration</b>									
3.24.8.	Article 85	Advancement of policies in the area of migration	Migration strategy action plan revised	MIA		Q2 2024	National Development Plan 2024-2026	10,000	0	10,000

3.24.9.	Article 85	Advancement of policies in the area of migration	Emergency response plan revised	MIA		Q2 2024	National Development Plan 2024-2026	10,000	0	10,000
3.24.10.	Article 85	Advancement of policies in the area of migration	At least three (3) policy documents drafted through GMA	MIA		Q4 2024		10,000	0	10,000
<b>3.24.</b>	<b>Fight against money laundering and financing of terrorism</b>									
3.24.	This section does not contain any measures.									
<b>3.24.</b>	<b>Fight against narcotics</b>									
3.24.11.	Article 90	Improvement of policies in the area of narcotics	Strategy against narcotics adopted	MIA		Q2 2024		6,000	0	6,000
3.24.12.	Article 90	Improvement of policies in the area of narcotics	SOP on drugs destruction drafted	MIA		Q4 2024		3,000	0	3,000
<b>3.24.</b>	<b>Fight against organized crime and police cooperation</b>									
3.24.13.	Article 91	Improvement of policies to combat organized crime	Small arms, light weapons and explosives control strategy adopted	MIA		Q2 2024		6,000	0	6,000
<b>3.24.</b>	<b>Fight against terrorism</b>									
3.24.	This section does not contain any measures.									
<b>3.24.</b>	<b>International legal cooperation in criminal and civil matters</b>									
3.24.	This section does not contain any measures.									
<b>3.24.</b>	<b>Institutional reforms and institutional capacity-building</b>									
<b>3.24.</b>	<b>Border management</b>									
3.24.14l.	Article 85	Implementation of the NBMC Development Plan	IT programme, with ClickView option to include Case Management System (CMS) and Border Intelligence Platform (BI), advanced	MIA		Q4 2024		3,500	0	3,500
<b>3.24.</b>	<b>Visas</b>									
3.24.	This section does not contain any measures.									
<b>3.24.</b>	<b>Document security</b>									
3.24.	This section does not contain any measures.									
<b>3.24.</b>	<b>Asylum</b>									
3.24.15.	Article 85	Advancing and strategic framework in the area of asylum	At least one (1) training within the EUAA cooperation guide, for at least three (3) asylum officers for interviewing children, organized	MIA		Q4 2024		0	1,500	1,500
<b>3.24.</b>	<b>Migration</b>									
3.24.16.	Article 85	Capacity building in strengthening the reintegration and sustainable integration system	At least 100 central and local level officials trained	MIA		Q4 2024		50,000	0	50,000
3.24.17.	Article 85	Capacity building in strengthening the foreigner integration system	At least 100 officials at the central and local levels trained on implementation of the foreigner monitoring guideline	MIA		Q4 2024		50,000	0	50,000
<b>3.24.</b>	<b>Fight against money laundering and financing of terrorism</b>									
3.24.	This section does not contain any measures.									
<b>3.24.</b>	<b>Fight against narcotics</b>									
3.24.	This section does not contain any measures.									
<b>3.24.</b>	<b>Fight against organized crime and police cooperation</b>									
3.24.	This section does not contain any measures.									
<b>3.24.</b>	<b>Fight against terrorism</b>									
3.24.	This section does not contain any measures.									
<b>3.24.</b>	<b>International legal cooperation in criminal and civil matters</b>									
3.24.	This section does not contain any measures.									

3.24.	<u>Enforcement</u>									
3.24.	<b>Border management</b>									
3.24.18.	Article 85	Implementation of the NBMC Development Plan	Interconnection of PIU, with at least three (3) operators to receive PNR data, operationalised	MIA		Q4 2024		1,000	0	1,000
3.24.	<b>Visas</b>									
3.24.	This section does not contain any measures.									
3.24.	<b>Document security</b>									
3.24.	This section does not contain any measures.									
3.24.	<b>Asylum</b>									
3.24.	This section does not contain any measures.									
3.24.	<b>Migration</b>									
3.24.19.	Article 85	Promotion of gender equality and empowerment of repatriated and foreign women and girls in socio-economic life	At least 50 women or girls beneficiaries from reintegration and sustainable integration schemes	MIA		Q4 2024		0	170,000	170,000
3.24.	<b>Fight against money laundering and financing of terrorism</b>									
3.24.	This section does not contain any measures.									
3.24.	<b>Fight against narcotics</b>									
3.24.20.	Article 90	Capacity building in monitoring the drug situation countrywide	Drafting standardised reports in tables for EMCDDA	MIA		Q4 2024		2,000	0	2,000
3.24.	<b>Fight against organized crime and police cooperation</b>									
3.24.21.	Article 91	Improvement of policies to combat organized crime	Implementation of the small arms and light weapons roadmap	MIA		Q4 2024		3,000	0	3,000
3.24.22.	Article 91	Enhancing international law enforcement cooperation through participation in EMPACT activities	Participation in at least four (4) EMPACT activities	MIA		Q4 2024		15,000	0	15,000
3.24.	<b>Fight against terrorism</b>									
3.24.23.	Article 92	Improvement of policies to combat violent extremism and terrorism	Annual report on the implementation of the EU - Western Balkans Joint Action Plan against violent extremism and terrorism drafted	MIA		Q4 2024		500	0	500
3.24.	<b>International legal cooperation in criminal and civil matters</b>									
3.24.	This section does not contain any measures.									
<b>3.25. Chapter 25: Science and Research</b>										
3.25.	<u>Policy framework</u>									
3.25.	This section does not contain any measures.									
3.25.	<b>Institutional reforms and institutional capacity-building</b>									
3.25.3.	Article 118	Capacity building for research	Kosova Research Information System (KRIS) operationalised	MESTI		Q4 2024	Education Strategy 2022-2026	38,400	0	38,400
3.25.4.	Article 118	Strengthening participation in Horizon Europe	Number of information and training sessions for stakeholders (to support researchers to participate in Brokerage Events for the second pillar of the <i>Horizon Europe</i> Programme) held	MESTI		Q4 2024	Education Strategy 2022-2026	0	10,000	10,000
3.25.	<u>Enforcement</u>									
3.25.	This section does not contain any measures.									
<b>3.26. Chapter 26: Education and Culture</b>										
3.26.	<u>Policy framework</u>									

3.26.4.	Article 118	Advancement of vocational training policies	Concept document on the law on vocational education adopted	MESTI		Q4 2024		5,000	25,000	<b>30,000</b>
3.26.5.	Article 107	Enhancing vocational education and training (VET)	VET curricular framework adopted	MESTI		Q3 2024	Law on Vocational Education and Training Education Strategy 2022-2026	0	23,350	<b>23,350</b>
3.26.	<b>Institutional reforms and institutional capacity-building</b>									
3.26.6.	Article 107	Capacity building of the Education Inspectorate	At least 20 new inspectors recruited	MESTI		Q4 2024	Education Strategy 2022-2026	174,450	0	<b>174,450</b>
3.26.7.	Article 107	Improving access to education for children with special needs	At least 100 assistants employed	MESTI		Q4 2024	Education Strategy 2022-2026	58,150	0	<b>58,150</b>
3.26.	<b>Enforcement</b>									
3.26.8.	Article 107	Developing early childhood education curriculum	Curriculum for early childhood education, piloted	MESTI		Q4 2024	Economic Reform Programme 2022-2024 Education Strategy 2022-2026	14,600	0	<b>14,600</b>
3.26.9.	Article 107	Implementation of Dual Education in 12 profiles according to labour market requirements	Curricula/qualifications for the following 12 profiles, developed: (1) Heating, plumbing, and sanitation installer; (2) Electrician; (3) Metalworker; (4) Tailor; (5) Woodworker; (6) Bricklayer; (7) Chef; (8) Hospitality assistant; (9) Aesthetician; (10) Hairdresser; (11) Mechanic; and (12) Wholesale and retail trade	MESTI		Q4 2024	Education Strategy 2022-2026	200,000	0	<b>200,000</b>
3.26.10.	Article 107	Increasing the enrolment rate in early childhood at ISCED 2011 level 02 years (including age 3, 4, 5)	Enrolment rate, in percentage, increased	MESTI		Q4 2024		0	14,600	<b>14,600</b>
<b>3.27. Chapter 27: Environment</b>										
3.27.	<b>Policy framework</b>									
3.27.6.	Articles 115, 116 and 117	Improvement of policies for reducing air, water, and biodiversity pollution	Strategy for environmental protection and sustainable development 2025-2034 and action plan adopted	MESPI	OPM MFLT MAFRD MoE	Q3 2024	Law on Environmental Protection	32,400	0	<b>32,400</b>
3.27.7.	Articles 115, 116 and 117	Improvement of climate change policies	Long-term decarbonisation strategy adopted	MESPI	OPM MFLT MAFRD MoE	Q3 2024	Climate Change Strategy 2019-2028 and AP 2019-2021	32,400	0	<b>32,400</b>
3.27.8.	Articles 115, 116 and 117	Improvement of waste management policies	Integrated Waste Management Strategy and Action Plan 2024-2026 adopted	MESPI	OPM MFLT MoE	Q2 2024	Law on Waste	0	139,291	<b>139,291</b>
3.27.9.	Articles 115, 116 and 117	Improvement of water management policies	Drini i Bardhë river basin management plan adopted	MESPI	OPM MAFRD MFLT MoE	Q1 2024	Law on Kosova Waters	4,725	0	<b>4,725</b>
3.27.10.	Articles 115, 116 and 117	Improvement of waste management policies	Concept paper in the area of waste adopted	MESPI	MoE MLGA	Q4 2024	Law on Waste	0	86,000	<b>86,000</b>
3.27.	<b>Institutional reforms and institutional capacity-building</b>									

3.27.11.	Articles 115, 116 and 117	Capacity building for the determination of heavy metals in environmental air particulates	Four (4 ) officials trained	MESPI		Q3 2024	Air Quality Strategy and AP	0	50,000	50,000
3.27.	<b>Enforcement</b>									
3.27.12.	Articles 115, 116 and 117	Risk assessment of water flooding in the territory of Kosova	Flood risk mapping and flood vulnerability mapping finalised	MESPI	MAFRD	Q3 2024	Kosova National Water Strategy 2017-2036 and AP 2023-2031	0	800,000	800,000
3.27.13.	Articles 115, 116 and 117	Identification and marking of protected areas within the territory of Sharr National Park	Eleven (11) kilometres of hiking trails marked	MESPI		Q4 2024	Law on Nature Protection	20,000	0	20,000
3.27.14.	Articles 115, 116 and 117	Improvement and advancement of the Environmental Information System	Online reporting application for pollutant discharge and transfer registry developed	MESPI		Q4 2024	Environmental Information System Management Programme 2023-2027	20,000	20,000	40,000
3.27.15.	Articles 115, 116 and 117	Assessment of sources of greenhouse gas emissions by sector, on an annual basis	Greenhouse gas inventory report prepared and reported to the European Environment Agency	MESPI	MoE	Q3 2024	Climate Change Strategy 2019-2028 and AP 2019-2021	4,050	0	4,050
3.27.16.	Articles 115, 116 and 117	Assessment of the air emissions inventory for the Prishtina region (Municipalities of Prishtina, Fushë Kosova, Obiliq and Gracanica)	Air emissions inventory for the Prishtina region prepared by respective years	MESPI	MoE	Q4 2024	Climate Change Strategy 2019-2028 and AP 2019-2021	0	100,000	100,000
<b>3.28. Chapter 28: Consumer and Health Protection</b>										
3.28.	<b>Policy framework</b>									
3.28.	<b>Consumer Protection</b>									
3.28.6	Article 106	Advancing the policies in the area of public health protection	Concept document on organ transplantation adopted	MoH	OPM MFLT	Q3 2024	Health Sector Strategy 2023-2030	18,600	0	18,600
3.28.7	Article 106	Drafting of policies in the area of public health protection	Cancer control strategic plan adopted	MoH	OPM MFLT	Q3 2024	Health Sector Strategy 2023-2030	18,600	0	18,600
3.28.	<b>Health protection</b>									
3.28.	This section does not contain any measures.									
3.28.	<b>Institutional reforms and institutional capacity-building</b>									
3.28.	<b>Consumer Protection</b>									
3.28.	This section does not contain any measures.									
3.28.	<b>Health protection</b>									
3.28.	This section does not contain any measures.									
3.28.	<b>Enforcement</b>									
3.28.	<b>Consumer Protection</b>									
3.28.	This section does not contain any measures.									
3.28.	<b>Health protection</b>									
3.28.	This section does not contain any measures.									
<b>3.29. Chapter 29: Customs Union</b>										
3.29.	<b>Policy framework</b>									
3.29.1.	Articles 39, 48, 104 and Prot. IV	Development of customs policy	Kosova Customs Strategic Plan 2024-2027 adopted	MFLT		Q1 2024		15,300	0	15,300
3.29.	<b>Institutional reforms and institutional capacity-building</b>									



3.29.2.	Articles 39, 48, 104 and Prot. IV	Recruiting new customs officers	New officers recruited	MFLT		Q3 2024		121,500	0	121,500
3.29.	<b>Enforcement</b>									
3.29.3.	Articles 39, 48, 104 and Prot. IV	Continuing the transfer of terminals from private ownership to public ownership	Relocation to public property and full operationalisation of at least 2 customs terminals	MFLT		Q4 2024		1,100,000	0	1,100,000
<b>3.30. Chapter 30: External Relations</b>										
3.30.	<b>Policy framework</b>									
3.30.1.	Articles 11-16	Advancement of trade policy	Trade policy document adopted	MIET		Q4 2024		3,000	0	3,000
3.30.2.	Articles 11-17	Development of policies in the area of strategic goods trade control	Concept document on the area of strategic goods trade control adopted	MIET		Q4 2024		1,000	0	1,000
3.30.	<b>Institutional reforms and institutional capacity-building</b>									
3.30.	This section does not contain any measures.									
3.30.	<b>Enforcement</b>									
3.30.	This section does not contain any measures.									
<b>3.31. Chapter 31: Foreign, Security and Defence Policy</b>										
3.31.	<b>Policy framework</b>									
3.31.	This section does not contain any measures.									
3.31.	<b>Institutional reforms and institutional capacity-building</b>									
3.31.1.	Article 11	Capacity building in the course of alignment of foreign policy with that of the EU	Training of civil servants in the area of foreign policy and security	MFAD		Q4 2024		3,000	0	3,000
3.31.	<b>Enforcement</b>									
3.31.2.	Article 11	Lobbying for membership in multinational organisations, especially EU, NATO, CoE, etc.	At least one (1) meeting with each of the member countries of multinational organisations	MFAD		Q4 2024		42,000	0	42,000
3.31.3.	Article 11	Implementation of the action plan for political dialogue	Participation in the meeting organised by EEAS with MFAs' Political Directors from the six (6) Western Balkan countries	MFAD		Q4 2024		6,300	0	6,300
3.31.4.	Article 11	Implementation of the action plan for political dialogue	At least two (2) meetings with EEAS and EC representatives	MFAD		Q4 2024		6,300	0	6,300
<b>3.32. Chapter 32: Financial Control</b>										
3.32.	<b>Policy framework</b>									
3.32.	This section does not contain any measures.									
3.32.	<b>Institutional reforms and institutional capacity-building</b>									
3.32.	This section does not contain any measures.									
3.32.	<b>Enforcement</b>									
3.32.1.	Article 97	Increasing the efficiency of audit committees	AI on establishment and functioning of the Audit Committee in Public Sector Entities (PSE), implemented	MFLT		Q4 2024		6,600	0	6,600
3.32.2.	Article 97	Implementation of the Operational Plan of the Strategic Plan 2023-2026	Review of audit reports in Parliamentary Committees monitored	NAO		Q4 2024		7,308	0	7,308
3.32.3.	Article 97	Monitoring implementation of audit recommendations by Budget Organisations	Annual Audit Report completed	NAO		Q4 2024		17,703	0	17,703

<b>3.33. Chapter 33: Financial and Budgetary Provisions</b>				
3.33.	<u>Policy framework</u>			
3.33.	This section does not contain any measures.			
3.33.	<u>Institutional reforms and institutional capacity-building</u>			
3.33.	This section does not contain any measures.			
3.33.	<u>Enforcement</u>			
3.33.	This section does not contain any measures.			
<b>3.34. Chapter 34: Institutions</b>				
3.34.	The programme does not cover this chapter at this stage of EU accession.			
<b>3.35. Chapter 35: Other Issues</b>				
3.35.	The programme does not cover this chapter at this stage of EU accession.			
		<b>Total (budget)</b>	<b>22,593,635</b>	<b>33,432,496</b>
				<b>56,026,131</b>