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UNIVERSITY OF ATHENS
DEPARTMENT OF POLITICAL SCIENCE
AND PUBLIC ADMINISTRATION**

MA IN SOUTHEAST EUROPEAN STUDIES

Course: European Union Enlargement in SEE and
beyond

KOSOVO 2015 REPORT

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SUMMARY OF COMMISSION'S 2015 REPORT ON KOSOVO*

1. INTRODUCTION

The most important issue on this year's report is that the EU signed a Stabilisation and Association Agreement with Kosovo on 27 October 2015 that it still has to be ratified. This agreement as it stated in the report "*is a milestone on Kosovo's path towards a European future*". Also important is the fact that it completes the map of SAAs with all Western Balkan countries.

Kosovo made a significant progress in normalizing it's relationships with Serbia and stayed committed to this end.

Although some progress has been made for Kosovo to meet Copenhagen criteria and Helsinki requirements, its institutions are in an early stage of preparation.

2. POLITICAL CRITERIA

2.1. DEMOCRACY

- A new Assembly was formed after the June 2014 elections & a new government took office in December 2014. EU's Special Rep. in Kosovo & EU Rule of Law Mission (EULEX) continues implementing mandates.
- Progress made integrating police & justice structures in the north Kosovo Serbs inhabited part.
- The Assembly adopted establishment of Specialist Chambers & a Specialist Prosecution Office to investigate allegations of international crimes during & after the 1999 conflict.
- **Concerning elections** there is a need for electoral reforms yet to be undertaken by the Assembly with the help of Venice Commission & independent auditing of political party financing
Well-managed municipal elections were held in the Serb-majority municipality of Gracanica in January 2015
- **Regarding Parliament issues** Kosovo's reform process slowed down due to delay in establishing new Assembly and violent obstructions of plenary session by the opposition. The Assembly should become more efficient and appoint urgently competent administration members on the basis of merit with transparent non-political selection processes.
- Governing coalition formed by the Democratic Party of Kosovo PDK, the Democratic League of Kosovo LDK, Serb Citizen's Initiative "Srpska" & non-Serb minority group "6+". Opposition core is the self-determination radical movement "Vetevendosje".
- Matter of concert is the important rules on judiciary & human rights adopted under fast-track procedure.
- Specialist Chambers and dialogue with Serbia cause of polarization between the ruling coalition and opposition
- The Assembly should improve regulatory framework, oversight of the executive & legislative process, implement standards for consultation with

civil society, improve parliamentary checks & balances over budgetary control, ensure follow-up on reports by the Office of Auditor General & the Ombudsperson.

- EU integration committee needs to be strengthened to advance European reform agenda & ensure legislation alignment with the acquis.
- **Regarding Governance issues** Prime Minister's Isa Mustafa (LDK) new government of 23 members took office in December 2014, with small participation of women and members of minorities. Government committed on implementation of EU-related priorities and EU-facilitated dialogue with Serbia.

The key international commitments of the Specialist Chambers and Association/Community of Serb majority municipalities delivered in August 2015

Significant challenges posed by irregular migration of Kosovo citizens, violent protests & attacks by the opposition in September & October 2015, boycott of the institutions by Serb "Srpska" until replacement of the Minister for Communities & Return.

Need for better cooperation between PDK & LDK-led ministries to avoid hindered progress in key areas of governance.

First National Programme for Adoption of the EU acquis

Some improvement efforts in capacity of local government and compliance with self-government law, although transparency in decision-making & municipal assemblies' oversight should be strengthened.

Overall south Serb-majority municipalities submitted budgets in line with other municipalities

Adopted constitutional amendments (3 August 2015) led to establishment of Specialist Chambers & Specialist Prosecution Office. Still constitutional changes need to be forwarded in line with Venice Commission (June 2014) regarding the election mechanism. Appointments of Constitution Court judges are pending

New Ombudsperson (July 2015) & Law on the Ombudsperson (May 2015) significant step as to legal framework, independence & impartiality. Lack of suitable premises. Committee on human rights & Office for Good Governance should ensure that central & local authorities follow-up on Ombudsperson's recommendations.

- **Regarding Civil Society's** issues some progress in cooperation of government & civil society. However, civil society input should be systematically included in public consultations, be sought & followed-up. Government strategy is monitored by the Council on the Implementation of the Government Strategy for Cooperation with Civil Society. Lack of appropriate ministries' participation & absence of political will to genuinely engage with civil society. Implementation of existing legal framework should be ensured.

There is limited Civilian Oversight of the security forces because of lack of the committee on internal affairs, security & supervision of the Kosovo security forces to exercise parliamentary control & expenditure oversight. Ties between parliamentarians & former Kosovo Liberation Army members & Kosovo Protection Corps.

Vetting process improved by security clearance & classified information law amendments

2.2. PUBLIC ADMINISTRATION REFORM

- Some level of preparation in public administration reform. Good progress improving legislation & developing relevant strategic framework (PAR)- which should be effectively implemented in the coming year. Accountability should be improved by thorough review & comprehensive public financial management reform programme adopted.
- **Regarding public service & human resource management** there is merit-based recruitment & promotion of civil servants at central & municipal levels - particularly senior positions & appointments to boards of public entities - not systematically implemented, although enshrined in law.

Non-majority communities still not represented in public administration. Law criteria for dismissals are not followed.

Professional human resources management lacking due to politicisation & limited capacity. Not updated relevant information system. Not an ensured equal pay for equal work remuneration system.

Lack of resources & suitable facilities hamperes professional development for public servants. Adopted Code of Ethics (March 2015) promoting integrity in the public service needs to be applied.

- **Regarding Policy development & coordination** although policy making system exists, policy planning fragmented & not properly prioritized. As of June 2015 strategies & policies should be fiscally analyzed.

Legal & drafting capacities, including for alignment with the acquis are insufficient.

Effective public consultation should be implemented by the government to allow effective civil society input.

- In **Public scrutiny of government work** focus is on achievement of outputs instead of impact of government policies & implementation reporting of sector strategies.
- **Lines of accountability of administration** not overall ensured. Weak legal framework with more than 70 overlapping government agencies. Large number of non-constitutional institutions reporting directly to the Assembly which is unable to effectively supervise their activities.

Citizen's right to good administration protection although set up, recommendations by Auditor General & Ombutsperson are not very attended by the state administration

No progress on right to administrative justice due to law on general administrative procedures not yet adopted.

Right to seek compensation not yet effectively ensured

- **In public and financial management** no comprehensive public financial management reform programme so far. New comprehensive strategy & action plan by early 2016, taking into account the new public internal financial control strategy & new public procurement strategy.

Budget transparency insufficient, accountability should be strengthened.

- Regarding **Service delivery to citizens & businesses** lack of responsible ministries coordination undermines a coherent policy to a user-oriented administration. Simplification of administrative procedures should be ensured when the relevant pending law is adopted.
- On **Strategic framework for public administration reform** new public administration reform strategy framework is included in the 2015-2020 development strategy. Political support, commitment & monitoring significantly increased by the Ministerial Council & the PM. 2016 budget should provide for financial sustainability especially for the Ministry of Public Administration.

2.3. RULE OF LAW

- **In functioning of the judiciary** a well-functioning justice system still at an early stage despite the adoptions of the relevant laws for the modernization of justice.

Judicial structures still prone to political interference & accountability of judicial officials is insufficient.

In 2016 a justice package including secondary legislation should be adopted, financial & human resources should be stepped up, lawful & timely appointments in critical institutions & backlog be reduced in order to ensure functioning of the judicial system.

- **Regarding strategic documents** substantial shortcomings in the judiciary are addressed by the implementation of the 2014-2019 Kosovo's judiciary strategic plan, communication strategy & national strategy for reducing the backlog of cases.
- **On Management bodies issues** Kosovo Judicial Council (KJC) & Kosovo Prosecutorial Council (KPC) constitutionally responsible for ensuring the independence & impartiality of the judiciary. In both Councils composition is mixed by judiciary elected members & appointed by the Assembly members. In KJC this results in political interference. Applications for Kosovo Serbs judges & prosecutors both for courts in south & north of Kosovo have been received according to the Belgrade & Pristina agreement.

Lack of capacity with KJC & KPC to monitor implementation of decisions, delays of approving strategic documents, no efficient drafting of regulations.

- **Regarding independence and impartiality** both Constitution & laws allow political influence over the judiciary

Amendments to the new laws adopted in May 2015 are in line with most EU recommendations although more are needed.

No functional electronic case management system to enable allocation of cases. Sensitive cases not always being dealt with. Awareness of existing judges' threat protection mechanisms should be raised by KJC.

- **Regarding accountability** there is an existing code of ethics for judges, prosecutors & attorneys. KJC & KPC are responsible for disciplinary proceedings but further provisions need to be adopted since 40 cases were initiated against prosecutors on disciplinary & ethical grounds.
- **Regarding Professionalism and competence** merit-based performance criteria & an evaluation system within the initial term of appointment, including at the end of the initial training, need to be adopted to ensure professionalism.
- **Regarding Quality of Justice** Kosovo Judicial Institute is responsible for initial & continuous training. New laws give KJC & KPC more responsibilities on policy planning & training courses. Total budget allocated to the justice system has increased by 1.7% of the overall Kosovo budget. **E-Justice tools** remain under developed. **Mediation** system is operational since 2008 with number of mediation cases constantly increasing. Both notary & mediation systems need strengthening.
- **Regarding Efficiency** significant number of pending & unsolved cases. **Clearance rate** of cases resolved in one year is now 84% (up from 71%). No figures on the **disposition time** in courts. High level of corruption & intimidation present in rule of law & related public institutions hamper Kosovo's judiciary.
- **Regarding fight against corruption** early stage in the fight against corruption. Some progress in cooperation between Anti-corruption Agency & the prosecution. Overall limited progress. Strong political will & commitment needed along with comprehensive & strategic approach to fight endemic corruption. Track record of successful prosecutions & convictions would mean real progress. Particular attention should be in prioritising handling of high-level corruption cases, strengthening cooperation between police & prosecution, developing an efficient system monitoring track record of cases, revising all related laws & regulations to bring them in line with European standards.
- **Regarding track record** not yet an established track record on **investigations, prosecutions & convictions**. Political influence & limited capacity linked to failure to conduct **financial investigations**. **Political influence** on law enforcement & judicial bodies. No independent Auditors at the Central Election Committee, **Declarations of assets** by senior officials are made public in 2015. Inexplicable wealth should be investigated.
- **Regarding Institutional framework** four major institutions involved in the fight against corruption. Disconnect & lack of investigation between the main

anti-corruption bodies. On **prevention** an anti-corruption campaign is launched. However, civil society consultation needs improvement. On **law enforcement**, over 70% of cases were dropped after preliminary investigations, due to prosecutors not finding sufficient grounds to continue. Quality of reporting & capacity & willingness to pursue cases is needed. Appointment of National Coordinator against Economic Crime is an important move.

- **Regarding legal framework** amendments to laws, in line with the relevant provisions of the criminal code, ensuring that corruption-related offences are criminalised, have aligned Kosovo with the *acquis*. Law on conflicts of interest has yet to be revised in line with European standards. Relevant legislation needs to be harmonised accordingly.
- **Strategic Framework** includes strategy & action plan 2013-2017 anti-corruption & 2014-2018 for preventing & combating informal economy, money laundering, terrorist financing & financing crimes.
- **Early stage in the fight against organised crime.** Some progress in inter-institutional cooperation & information exchange among law enforcement agencies. Efforts to fight terrorism & foreign fighters have been stepped up. Overall need for real results. Low number of final convictions & investigations. Asset confiscation rarely applied.
- **Regarding track record** law rate of convictions against **human trafficking** and **drug trafficking**. Insufficient implementation of applicable laws, secondary legislation & regulations on **money laundering & financial crime**. No results from policy of systematic serious **financial investigations**. Low rate of confiscation & sequestration of criminal assets. Continued existence of **armed groups** in the region, threatening regional inter-ethnic stability. Swift action should be taken to dismantle these networks.
- **Kosovo's police 83% ethnic Albanians/13% ethnic Serbs/other communities.** Specialised units dealing with various aspects of organised crime. However, not enough human resources for further handling EULEX cases & intelligence-led policing. Kosovo is not a member of Europol, having no cooperation agreement, currently participate through UN intermediaries.
- **Regarding legal framework** no assessment yet of the alignment of Kosovo's criminal code with European standards. Existing appropriate legal framework for witness protection. Legislation on the confiscation of proceeds of crime mostly in line with the *acquis*, despite poor implementation. Adopted law on the interception of telecommunications. Adopted law on criminalising the joining of armed conflicts outside Kosovo.
- **Strategies & action plans** largely aligned with Eu best practices. A strategic organised crime threat assessment produced in 2013. In 2015 training is according to the Europol SOCTA methodology. About 80% of the 2012-2017 strategy implemented.
- **Kosovo is affected by the phenomenon of foreign terrorist fighters & radicalisation.** New law on foreign terrorist fighters along with strategy &

action plan on prevention of violent extremism & radicalisation leading to terrorism are adopted

2.4. HUMAN RIGHTS & THE PROTECTION OF MINORITIES

- **Protection of human & fundamental rights** broadly protected by existing legal framework, in line with European standards. Some progress is made in incorporating international standards. Implementation is hindered by lack of resources & political commitment. Shortcomings affect gender-based violence, women's limited access to property ownership, rights of person with disabilities, verbal & physical assaults against LGBTI persons, minorities' rights, protection of cultural heritage & illegal construction. Constitution provides for direct applicability of many **international human rights instruments**. However, further alignment is needed.
- Some progress is made with the new laws on **promotion & enforcement of human rights**. Proper implementation of relevant laws & political & financial commitment are required. No violations of international standards are currently identified regarding prevention of torture & ill treatment. Overall good compliance with the UN relevant Rules regarding prison system. Housing of minor offence prisoners together with long-term ones remains a concern along with corruption in detention centres & inadequate staffing at the high security prison.
- Development of **protection of personal data** is at an early stage.
- Legal provisions regarding **freedom of thought, conscience & religion**, are in place. Particular disputes stemming from issues regarding religious sites need to be tackled. Although there is some level of preparation on **the right of freedom of expression**, no legislative developments on regulation of media ownership & transparency & no solution on sustainable funding of the public broadcaster have resulted in political pressure & influence.
- In the coming year Kosovo should investigate cases of forms of pressure & physical attacks against journalists & provide for transparent info on media ownership & sustainable financial solution for the public broadcaster
- **Regarding intimidation of journalists** cases of attacks, threats & obstruction of journalists are under investigation, although on a slow pace. Public denouncement, prompt investigation & timely adjudication would strengthen the protection of journalists
- **Regarding legislative environment** although the relevant legislation is in line with the European Court of Human Rights case law, effective implementation is still a major challenge.
- **Regarding of Implementation of legislation/institutions** targets for 2014 were undermined by the fail of the Independent Media Commission (IMC) for timely decisions. Secondary legislation should be completed in line with EU Directives
- **Regarding Public service broadcaster legislation** to monitor funding of the Radio Television of Kosovo (RTK) is still pending. Accusations of RTK of

mismanagement, nepotism & corruption were made by the protesting Public Broadcaster's union. New members to RTK Board are appointed.

- **Economic sustainability** of the media not ensured. Unclear media ownership structures, lack of strong private advertising industry, dependence on international donors & political support.
- **Regarding organizations/professional conditions** unregulated professional standards in journalism. Association of Journalists of Kosovo is very active in condemning pressures & advocating rights.
- **Freedom of assembly & association** is exercised freely by citizens and enshrined by the Constitution.
- No progress on **property rights** is made but a relevant strategy is being developed. Implementation of the Law on Treatment of Construction without a Permit is problematic as to ownership & process of legalization. Rights of internally displaced persons are affected. Conflict -related property claims need to be solved.
- Law on the Protection from Discrimination is a major step to **non-discrimination**. Processing & investigating hate speech cases targeting LGBTI members is insufficient.
- Adoption of the Law on **Gender Equality** improved relevant legal framework. Implementation of the action plan on UN Security Council Resolution 1325 is limited. Agency for Gender Equality should be enhanced. Women are under-represented in decision-making positions. No progress on combating domestic & gender-based violence. National Council's mandate for war sexual violence survivors is extended to comprehensive support for surviving victims.
- Implementation of existing framework is also weak on **the rights of the child**. The legal framework needs to be revised to accommodate the UN Committee on the rights of the child recommendations.
- As regards the **integration of persons with disabilities**, the 2013-2023 strategy & 2013-2015 action plan should be implemented. The National Disability Council needs stronger support from the government's Office for Good Governance in order to accomplish their implementation.
- Legislation on protection of **rights of LGBTI persons** has gaps & authorities rarely address adequately verbal & physical assaults. Awareness & tolerance need to be raised & promoted.
- The General Collective Agreement (March 2014) on **labour & trade union rights** still not implemented due to lack of budget.
- The **procedural rights** of suspected, accused persons & victims of crime are solidly protected by the existing legal framework
- Implementation of legal framework for safeguarding & protecting **minorities** although comprehensive, remains a challenge. Further actions should be taken for return of displaced persons and a more effective minority policy.
- Not much is done by central & local authorities in facilitating the **return & reintegration of refugees & internally displaced persons (IDPs)**.

- On **cultural rights**, the cooperation of authorities with the Serbian Orthodox Church within the Implementation & Monitoring Council along with the Ministry of Culture is becoming less regular. The Religious & Cultural Heritage Unit of police is implementing its relevant mandate to protect Serbian religious & cultural heritage sites, despite incidents of demolition & violation of cultural heritage. Strong government commitment to respect legal provisions & offer assurances of protection of the Serbian Orthodox Church rights, privileges & identity is needed.

2.5. REGIONAL ISSUES & INTERNATIONAL OBLIGATIONS.

- In August 2015 the Specialist Chambers & Specialist Prosecution Office for **grave trans-boundary & international crimes** during & after Kosovo conflict were established, to investigate allegations reported in the 2011 Council of Europe Parliamentary Assembly report. However there is concern over capacity & willingness to investigate cases (suspects being ethnic Serbs & ethnic Albanians)
- A humanitarian concern is posed by the unresolved fate of **missing persons** from the 1990s conflicts. The relevant inter-ministerial working group needs be more active emphasizing on victim groups & transitional justice. No significant progress is made by Pristina's dialogue with Belgrade chaired by International Committee of the Red Cross. High-level political support is needed.
- **Regional cooperation & good neighbourly relations** are essential for Kosovo's progress towards EU. Kosovo is still not represented in all regional organizations, despite the 2012 facilitating agreement with Belgrade. Impetus is given through the "Berlin process" & WB six initiative.
- The March 2015 Tirana agreement on mutual cooperation improved relations with **Albania**. There are official relations with **Bosnia & Herzegovina** other than a reciprocal visa regime. Constructive relations exist with **FYROM**. A public prosecutors cooperation memorandum combating cross-border crime & terrorism was signed late December. Further agreement on reciprocal protection of investments & cooperation protocol on diplomatic education. Kosovo government called for full implementation of the Ohrid Framework agreement. There is a border agreement with **Montenegro** signed by Ministers, pending parliamentary approval by both. No development concerning constitutional recognition of Kosovo's Montenegrin minority. Kosovo has very close relations with **Turkey** with ongoing negotiations on a readmission agreement viewed to be concluded by this year.

3. NORMALISATION OF RELATIONS BETWEEN KOSOVO AND SERBIA

- General elements on the establishment of the Community of Serb majority municipalities in Kosovo through the adoption of its Statute were agreed.
- In the field of energy two Serbian companies were established
- In the field of telecommunication an action plan for the implementation of the previous agreement reached, has been approved.

- Agreement reached to revitalise the conflict Zone of Ibar Bridge (Mitrovica main bridge).
- Progress on implementing previous agreements reached (vehicle insurances, cadaster, function of Liaison Offices, customs, parallel structures).
- Integrated Border Management (IBM) (two more official crossing points were agreed).

4. ECONOMIC CRITERIA

Key economic figures	2013	2014
Gross domestic product per capita (% of EU28 in PPS)	N/A	N/A
GDP growth (%)	3.4	0.9
Unemployment rate (female; male) (%)	30 (38.8; 26.9)	35.3 (41.6; 33.1)
Economic activity rate for persons aged 20–64; proportion of the population aged 20–64 that is economically active (female; male) (%)	46.4 (23.7; 69.5)	47.7 (24.2; 71.4)
Current account balance (% of GDP)	-6.4	-8
Foreign direct investment (FDI) (% of GDP)	4.5	2.3

Source: Eurostat

4.1. THE EXISTENCE OF A FUNCTIONING MARKET ECONOMY

- Kosovo is at an early stage in developing a functioning economy.
- Some progress was made on facilitating business creation, improving the legal system and on financial sector stability.
- The persistent trade deficit reflects a weak production base and lack of international competitiveness.
- The Kosovo submitted its first Economic Reform Program (ERP) to the Commission in January 2015.
- The macroeconomic situation remained stable but challenging, having been hit by the political uncertainties in 2014.
- Economic growth in 2014 dropped to 0.9% below the ten-year average of 35%.
- External imbalances worsened slightly in 2014.
- Kosovo has the lowest employment and activity rates in Europe.
- The unemployment rate increased to 35.5% in 2014 from 30% in 2013.
- The execution of the 014 budget was characterized by lower-than-expected revenues and ad hoc pre-election spending increases.
- Total public debt continued to increase reaching 10.6% in 2014.
- Very limited progress was achieved in the privatizations and liquidation of publicly owned enterprises.
- Some progress was made in simplifying business registration.
- The judicial system suffers from poor accessibility, inefficiency, delays and a growing backlog of unresolved cases.
- Financial sector stability was maintained and credit growth picked up pace.

4.2. THE CAPACITY TO COPE WITH COMPETITIVE PRESSURE AND MARKET FORCES WITHIN THE UNION.

- Kosovo is at an early stage in achieving the capacity to cope with competitive pressure and market forces within the Union.
- No progress was made on improving the quality education.
- Some progress on improving capital.
- Private sector continues to be fragmented and unable to benefit from efficiency gains.
- No progress on developing institutional capacity to check state aid and subsidies are still being provided without proper strategy and evaluation.
- Export capacity remains limited.

5. EUROPEAN STANDARDS

5.1. INTERNAL MARKET

- Kosovo is at an early stage of preparation in the area of free movement of goods. Some progress was made in the last year.
- The Ministry of Trade and Industry (MTI) has made gradual progress in implementing the strategy on free movement of goods that I adopted in February 2013.
- On horizontal measures, as regards standardization 1064 European standards have been adopted in the reporting period.
- In 2014 Kosovo adopted several regulations and administrative instructions, to put in place a system of conformity assessment.
- As regards accreditation in November 2014 the General Accreditation Directorate was the subject of a full European Cooperation for Accreditation peer evaluation.
- Further efforts are needed in consumer protection.
- Some progress was made, particularly on financial services.
- No new agreements were concluded on the movement of workers and the coordination of social security systems.
- An early stage of alignment with the services directive.
- The Central Bank of Kosovo continued for review existing financial services legislation.
- Some progress on free movement of capital. Capital movements remain largely free, with no restriction on foreign ownership or investment in the financial sector, and the central bank's capacity to supervise the sector remains sufficient.
- Moderately, prepared in the area of customs and an early stage in taxation with some progress made in both areas.
- There was no progress in the field of competition as the Kosovo Competition Authority (KCA) faced substantial challenges to its investigative and decision-making capacity.
- Effective implementation remains a major challenge and procurement particularly vulnerable to corruption. Some progress was achieved especially in enforcement of a centralized public procurement system.
- Kosovo's legal framework is largely in line with the acquis and other public procurement principles but does not cover all areas.
- Kosovo develop a strategy and action plan for years 2015-2020 for the development.

- The public procurement market stood at 8.9% of gross domestic product GDP in 2014, a slight decline over the last three years.
- Some progress was made in the areas of intellectual property rights.
- No progress in employment, social health policies.
- No progress in the area of education over the last year. The quality of education needs to be considerably improved.
- No progress was made in the area of World Trade Organization issues. Kosovo is not a member of WTO and has taken no formal steps to join.

5.2 SECTOR POLICIES

5.2.1. Industry and SMEs

- Acceleration of the implementation of EU's "Small Business Act"
- Weak conditions for the SMEs

5.2.2. Agriculture and Fisheries

- Although the Government increased the budget on **agriculture and rural development** there is insufficient staffing for monitoring and payment.
- As regards **food safety and veterinary sector** progress has been made in securing co financing and locations for rendering plants and for disposing animal byproducts, but more have to be made in transferring responsibilities for inspection to Kosovo Food and Veterinary Agency.
- In the **phytosanitary sector** further updates are needed to the list of plants and plant products.

5.2.3. Environment and climate change

- On **air quality** the monitoring system is equipped but not fully operational. (air quality plans for the cities is needed)
- On **waste management** no master plan for waste management and investment exists. (recycling, illegal landfills)
- On **nature protection** there is little progress in implementing the acquis (
- No progress on **civil protection**.
- On **industrial pollution and risk management** no progress in overseeing the operators found to fall under the industrial emissions Directive.
- On **climate change** significant efforts have to been made. Kosovo is an early stage of harmonisation with the acquis.

5.2.4. Transport policy

- Kosovo participated in the South East Transport Observatory
- On **road transport** progress has been made although Kosovo still needs to align its legislation with the acquis.
- On **rail transport** although the Rail Regulatory Authority was established further actions have to be taken in all relevant subfields.
- On **air transport** the incorporation of the first phase requirements for the European Common Aviation Area Agreement is nearly completed. Kosovo Civil Aviation Authority is still not part of the Safety Assessment of Foreign Aircraft Programme. Improving of legislation for air navigation and safety services is required.

5.2.5. Energy

- Progress has been made in power stability and in reducing the frequent power cuts, although major problems are still present in technical losses, opening of the market, operability and independence of Energy Regulatory Office (ERO).
- The law on **energy efficiency** is not aligned with the acquis, and existing **renewable energy** policy has yet to produce results and Kosovo is still not in line with 2009 renewable directives. No monitoring mechanisms exist.
- In **internal energy market** no results reached with the main issues of the two power plants.
- In nuclear safety and radiation protection no policies adopted.

5.2.6. Information society and media

- In **electronic communications and information and communication technologies**, has made progress (4G services, increase of mob. telephony penetration). The Regulatory Authority of Electronic and Postal Communications (RAEPC) has completed the secondary legislation based on the 2012 law on electronic communications
- Kosovo failed to implement the internationally agreed deadline for the digital switchover in **audiovisual policy**.
- Kosovo failed to ensure **RTK's financial independence**.

5.2.7. Financial control

- In **public internal financial control** a public internal financial control **strategy and action plan** (2015-2019) has been adopted. The **Central Harmonisation Unit (CHU)** is carrying its duties as scheduled. The legal framework regulating **financial management and control** is largely in line with the international accepted standards. The law on internal audit is almost complete according to international standards.
- On the constitutional and legal framework, the National Audit's Office (NAO) role is recognized by the Constitution and it satisfactory staffed.
- In the area of the **protection of EU's financial interests** and protection of the euro against counterfeiting alignment of the acquis is weak. Kosovo has not yet an **anti-fraud coordination service (AFCO)**. Policy documents, strategies and action plans should be established for the protection of EU's financial interests. There are no formal cooperations with Commission and the ECB for the protection of Euro. The legislation is widely aligned with the acquis on this term.

5.2.8. Statistics

- On **statistical infrastructure** the legal framework is broadly on line with the European Statistics Code of Practice. The legislation is not implemented on the ground properly. Quality of the data transmitted to Eurostat are not accurate.
- On **macroeconomics statistics** further improvement of short term statistics is required to improve long term statistics.
- On **Structural business statistics (SBS)** industry and construction and tourism statistics are generally in line with the SBS regulation. No statistics on construction are produced. PRODCOM statistics have not been

introduced. Other form of statistics are not produced regularly (development, innovation etc)

- **Agriculture statistics** are the most accurate developed although there is plenty of room for improvement.
- **Some Energy Statistics** are transmitted to Eurostat but further improvements are needed.
- **On environmental statistics** although information are collected no statistics are produced.

5.3 JUSTICE FREEDOM AND SECURITY

5.3.1. Visa Policy, border controls, asylum and migration

- In regards with **Visa Policy** Kosovo managed to decrease the number of issued visas. An improved version of Civil Status Registration System was launched and Kosovo continued to digitalise the registry books returned from Serbia.
- There was little action on the development of the National Centre for Border Management. Improvements are needed especially on clearer communication.
- Since June 2014 Kosovo has been member of the Migration, Asylum, and Refugees Regional Initiative. Common patrols in the borders with FYROM, Montenegro and Albania have been established. All the IBM crossing points with Serbia are functional. The detection rate of offences at the borders has increased.
- Kosovo has not been affected by the Refugee Crisis and the number of Asylum seekers is still low. Kosovo has aligned most of its legislation with the acquis.
- There was a significant increase of Kosovar Asylum seekers to EU through Serbia. Kosovo has undertaken measures but still improvement is needed. A functional readmission process is in place, although improvement is needed.

5.3.2. Money laundering

- Although Kosovo's legal framework is largely in compliance with Vienna and Palermo Conventions and the action plan for combating financial crime was mostly implemented there is a gap on the cooperation of competent authorities.

5.3.3. Drugs

- Kosovo is implementing the strategy and action plan. In particular Kosovo Police has achieved progress in preventing and combating drugs trafficking. New treatment services were established in five hospitals and two prisons.

5.3.4. Police

- Kosovo Police is the most trustworthy law enforcement agency. Generally is progressing in a satisfying way. Cooperation with Europol through EULEX is continuing, and police has contributed to joint investigations supported by Europol. The integration of the former employees of Serbian Ministry of Interior is going on.

5.3.5. Fighting organised crime and terrorism

- Regarding track record, Kosovo has to build one, on fighting organized crime, including confiscation and sequestration of assets final conviction of perpetrators.

- Although Kosovo Police has been training its officers on advanced investigation techniques for combating serious forms of organized crime, it still lacks the expertise needed. Also Kosovo institutions should commit themselves on zero tolerance approach in the fight of organized crime and corruption.
- Kosovo has made progress and established the key components of the necessary legal framework for combating organized crime (law for interception of telecommunications). Further steps have to be taken in improving the legislation on combating foreign terrorism (confiscation of assets and disruption of the flow of foreign terrorist fighters).
- The implementation of the strategic framework 2012-2017 is going on and a new strategy against trafficking in human beings was adopted in May 2015. Also the 2015-2020 strategy and action plan on prevention of violent extremism was adopted.

Fighting organized crime and corruption remains fundamental for Kosovo.

5.3.6. Judicial cooperation in civil and criminal matters

- Kosovo's authorities are handling, albeit professional, only with the civil aspects of child abduction cases. Kosovo needs to enhance its capacity to the context of mutual legal assistance.

ANNEX: RELATIONS BETWEEN EU AND KOSOVO

- On 27/10/2015 the EU signed a Stabilisation and Association Agreement with Kosovo.
- Kosovo has remained committed to the EU facilitated dialogue with Serbia and the normalization of their relationships.
- Kosovo has continued to address the priorities set out in last's years report.
- Kosovo has remained committed in the Stabilisation and Association Process Dialogue, with visa liberalization as one of its top priorities.
- The EU Office in Kosovo continued to work closely with the Ministry of European Integration in the preparation of the 2014 programme under the IPA 2 financial framework. The financing agreement entered into force in 14/09/2015. The EU office continued to coordinate the active donors in Kosovo.
- Commission submitted its proposal to sign and conclude the framework agreement on the participation of Kosovo in EU programmes in April 2013. This proposal is still pending Council approval.
- The mandate of EULEX was extended until June 2016. Kosovo institutions maintained good level of relation with EULEX.
- In August 2015 Kosovo Assembly adopted all required for the establishment of the Specialist Chambers and a Specialist Prosecution Office, for the prosecution of War Crimes committed during and in the aftermath of Kosovo conflict.
- KFOR (NATO) has continued to help ensure a safe and secure environment.

- The UN Secretary General continued to give regular updates about UNMIK. He urged Kosovo Assembly about establishment of the Specialist Chambers and a Specialist Prosecution Office, and full engagement for the implementation of the Association of Serb majority municipalities.

