

February - March 2011

gap

monitor

of decisions made by Kosovo Government

- Through the Draft Law on the 2011 Budget, the Government seeks the right to privatise the public companies as well;
- The Legislative Strategy 2011 is approved with 148 draft laws;
- The EPAP 2011 is approved;
- The budget extensions for the month of March are approved;

The third mandate of the Government of the Republic of Kosovo initiated its work in January 2008 and concluded in January 2011. The Thaçi government held 151 regular meetings during this period and took 948 decisions (not including here decisions to approve the minutes).

The Kosovo Assembly mandated the new government and the Thaçi Government 2 commenced its work on the 23rd of February 2011. This government structure has a record number of ministerial profiles. The governing coalition is comprised of ministers from the PDK, AKR and minorities. The new government is comprised of the Principal Deputy Prime Minister, 19 Ministers and 6 Deputy Prime Ministers. The increase in ministerial profiles is in direct conflict with many executive decisions taken by the Kosovo Government during 2008-2009, which were aimed at reforming the public administration and decreasing the number of ministries.

During the months of February – March 2011, the Government of Kosovo has held seven meetings; one in February and five in March, during which a total of 32 decisions were taken. A number of important decisions were made during these two months. The Draft Budget of the Republic of Kosovo was approved for 2011, the Budget Report 2010, Legislative Strategy 2011, European Partnership Action Plan 2011, Government Work Plan for 2011, etc. All of these decisions are important ones, but due to delays in the establishment of the Government, they are delayed decisions.

Similar to January 2008 when the mandate of the government commenced, the counting of the Thaçi Government 2 meetings has not continued from where it stopped from the previous mandate, but rather has started from number one.

In this summary of decisions for GAP Monitor for the months of February and March, one will find reports on meetings from 1 up to 6.

Summary:

1. Through the Draft Law on the 2011 Budget, the Government seeks the right to privatise the public companies as well;
2. The Legislative Strategy 2011 is approved with 148 draft laws;
3. The EPAP 2011 is approved;
4. The budget extensions for the month of March are approved;
5. For three years consecutively the Government approves the Annual Work Plan;
6. The Government approved the Annual Financial Report for 2010;
7. The composition of the Commission on the Privatisation of Distribution and Supply is changed;
8. The Regulation on the Departments of European Integration and Policy Coordination within the Ministries is approved;
9. The Government approved the Action Plan for 10 key priorities of the Kosovo Government in the field of European integration;
10. The PTK allocates another 40 million for the budget;
11. The composition of the PTK privatisation government commission is changed;
12. The MFA is expected to have a lobbying agenda for increasing recognitions and the Strategy for Foreign Policy 2011-2015;
13. The Report on the Assessment of Compatibility of the Financing System for Municipalities for 2010 is approved;
14. The International Law Enforcement Cooperation Unit is established;
15. Kosovo with 14 official border crossings;
16. The KLA Epopée is organised;
17. The Finance Minister is authorised to make transfers of up to 20-thousand euro;
18. The Administrative Instruction on Determining Procedures after the Transfer of Responsibilities for Social and Family Services to municipal level is approved;
19. The Government approves a Regulation, in the absence of a Law on Government;
20. The Law on Accreditation is Revised and Amended;
21. The Draft Law on Civil Status and the Draft Law on Private Security Services are re-approved;
22. The Law on Domestic Trade is revised and amended;
23. The Law on the Notary is Revised and Amended;
24. The Law on Trade Associations is revised and amended.



Through the Draft-law on the 2011 Budget, the Government seeks the right to privatise the public companies as well

The Government of Kosovo, through the Draft-law for the 2011 Budget, in addition to seeking the budget allocations, requests that the Draft-law on the Budget of 2011 gives it the right to proceed with the privatisation of public enterprises, without being required to seek the approval of the Kosovo Assembly on this

In the 4th meeting of the Kosovo Government held on the 11th of March 2011, the Draft-law on the Budget of the Republic of Kosovo for 2011 was approved. The political crisis that started with the resignation of former President Sejdiu, followed by the election process which lasted for more than three months, left Kosovo without a budget for the new fiscal year even though the Law on the Management of Public Finances and Responsibilities, specifically Article 24 allows the institutions in charge to allocate and spend money of the previous budget. According to this law and article, the deadline for financing budget spending of any kind for the new fiscal year is the 1st of April. After this date no payment of any kind can be executed. The processing of the Draft-law on the Budget by the Government to the Assembly is expected to be reviewed by the latter on the 25th of March. Hence, there is an optimal time period for the

approval of this very important document until the 1st of April.

The decision of the Outgoing Prime Minister for the increase of salaries for all the employees of the public sector by 50%, 40% and 30%, overwhelmed the budget of 2011. Additionally, this decision was in conflict with the agreement signed with the IMF, when on the 21st of July 2010 the request of the Kosovo Government for a soft loan as part of the "Stand by" programme was approved by the IMF. The value of this loan was €108.9 million. As part of the agreement between the IMF and the Government, a consensus was reached that the Government of Kosovo would need to fulfil some preconditions, and that during the 18 month process which is the foreseen duration of this programme, it should fulfil some other conditions. Part of these conditions includes the macro fiscal stability. This entails that the Government needs to

strengthen the mechanisms for increasing the tax collection rate – which means strengthening the fight against the non-formal economy, and at the same time, not increasing the salaries of staff paid by the Kosovo Budget by more than 7-8%. Even though recently the Government has intensified efforts in tax collection, the increase of salaries as foreseen by the agreement has not been respected.

In the Draft Budget for 2011 the salaries and per diems heading foresees the spending of €383 million, or 72 million more than in the previous year. This increase of 72 million euro does not even include the decisions of the Government for the increase of salaries (decision 01/151 and decision 02/151 of the 6th of January 2011), as for such an increase 140 million are necessary. Just as a reminder, based on the Mid-term Expenditure Framework 2011-2013, the spending on salaries and per diems for 2011 should be €316 million or €17 million more than in the previous year. Therefore the Draft-law on the Budget of 2011 is in conflict with the MEF 2011-2013.

On the other hand, this Draft-law has foreseen the total income to be €1.264 billion or €138 million more than in the previous year. While the total expenditure for this year is expected to be €1.434 billion or €232 million more than the previous year. Hence, a budget deficit of 170 million euro is foreseen. For Capital Outlays the allocation of €572 million or €117 million more than in the previous year is expected. The large dissatisfaction voiced by the civil society, political parties, IMF and other institutions related to the preparation of this document so important to the state, were not taken into consideration by the Government. The IMF has expressed its opposition to the Draft Budget of 2011 in the form in which it was approved by the Government, and if also the Assembly approves this budget, then the “Stand by”

agreement will be annulled between Kosovo and the IMF. In this case Kosovo would lose 290 million euro: the remaining 80 million from the agreement with the IMF, 60 million euro promised by the WB and 150 million euro of the European Commission. These finances were foreseen as income at the sum of 167 million euro in the Draft Budget of 2011, which means that if these organisations withdraw their promises on these finances, then the budget deficit will be 337 million euro.

The Kosovo Government, through the Draft-law on the Budget of 2011, in addition to seeking budget allocations, requires that the Draft-law for the Budget of 2011 gives it the right to proceed with the privatisation of the public enterprises, without having the need to seek the approval of the Kosovo Assembly on this. Article 4 of the Draft-law for the Budget of 2011 specifies that the Strategy for the Privatisation of PTK s.h.c., at the instance of this law being approved, will also be approved automatically. Therefore, at the moment this law is approved and is subsequently decreed by the President, the Government has the right to immediately proceed with the sale of the shares of this company in accordance with the obligation derived from Article 9 on the Law on Public Enterprises. Furthermore, this article leaves open the possibility of privatising other public enterprises in this manner, like the energy distribution or production capacities, only with government decisions.

The Legislative Strategy 2011 is approved with 148 draft laws

If we look at the level of accomplishment of legislation strategies since 2008, we can ascertain that the Kosovo Government was never able to approve draft-laws as foreseen by the Legislative Strategies. The Legislative Strategy of 2008 was implemented up to 76%, the one of 2009 was implemented at 44.8%; while the Legislative Strategy of 2010 was implemented at only 41.9%.

This year the Government has only nine months to proceed with these draft laws in the Assembly, as until the end of March 2011 only one draft law was forwarded to the Assembly: The Draft-law on the Budget of 2011.

The Kosovo Government, in its 5th meeting held on March 16th 2011, approved the Legislative Strategy for 2011. Due to the election process, this strategy was approved in March, in comparison with the two previous strategies (those of 2009 and 2010) which were approved in December. Even with the Regulation on the Work of the Kosovo Government, Article 24.1, states that in December of each calendar year the Government will approve the legislative strategy that includes draft laws which are expected to be considered in the following year. The Legislative Strategy of the Government is one of the most important documents of the government and as such serves to plan the work of the executive and legislative branches. The Legislative Strategy 2011 includes a total of 148 draft laws. This is the largest strategy ever approved. A large number of draft laws in the Legislative Strategy 2011 have been transferred from the strategy of the previous year. Due to the dissolving of the Kosovo Assembly at the begging of November 2010, the

Government did not achieve to have the planned draft laws for November and December approved. While according to the Regulation on the Work of the Kosovo Assembly, the draft laws which were in processing for consideration during the third legislation term, and have not been approved, should be returned to the Government.

If we consider the level of implementation of legislative strategies since 2008, we can ascertain that the Government of Kosovo was never able to approve draft laws as foreseen by the Legislative Strategy. The Legislative Strategy of 2008 was implemented up to 76%, the one of 2009 was implemented at 44.8%; while the Legislative Strategy of 2010 was implemented at only 41.9%. It is difficult to believe that the Legislative Strategy 2011 will be able to be implemented above the 50% mark. The last three years have shown that Kosovo Assembly cannot process more than 30-40 draft laws a year, while the Kosovo Government cannot process more that 57 draft laws (if we exclude 2008

here, when the laws foreseen by the Ahtisaari Plan were approved with a two day fast-track procedure). This year the Government has only nine months to forward these draft laws to the Assembly, as up until the end of March 2011 only one draft law was forwarded to the Assembly: The Draft-law on the Budget 2011. Considering the legislative strategy to be an important public document, and seeing that this document has many deficiencies in its preparation and implementation, in 2010 GAP

published an analysis titled “Facts on the Legislative Strategy – implementation and effects in the work of the Assembly and the Government”, through which we have required that the Government prepares a strategy with less draft laws, the Assembly to put pressure on the Government that draft laws of a higher priority to be forwarded in time to the Assembly, and a better cooperation to exist between the Government and the Assembly on the prioritisation of legislative strategies.

The EPAP 2011 is approved

The EPAP for this year has a total of 400 separate actions in the areas of political and economic criteria and European standards

The Government of the Republic of Kosovo this year also, in its 5th meeting, approved the European Integration Action Plan 2011. Considering that European Integration is the main priority of the Kosovo Government, this European Integration Action Plan is aimed at addressing the key short-term and mid-term challenges and priorities identified by the European Partnership 2008.

This plan foresees the continued progress of the country, which will be measured based on the implementation of key priorities, short-term and mid-term, within the European Partnership through the Annual Progress Report of the European Commission. Therefore, the EPAP will play an important role in the planning of overall actions of the Government in relation to the political agenda and its priorities, the legislation agenda of the Government and the Assembly, the employment needs, institutional establishment and training of personnel, and other necessary investments.

This plan will follow the structure of the European Partnership for Kosovo 2008 and is in accordance with the Copenhagen and Madrid criteria and contain three main chapters: Political Criteria, Economic Criteria and European Standards.

In this year also, the number of EPAP objectives has been reduced in comparison to the previous years. The EPAP 2008 identified 1502 actions, the EPAP 2009 identified 1598 actions, and the EPAP 2010 identified 1000 actions, while the EPAP 2011 has a total of 400 actions, of which 60 actions are foreseen in the area of political criteria, 50 actions in the area of economic criteria and 290 for European

standards.

In order for the EPAP to be a more assessable and practical document, this year the assessment indicators for actions have been included, which determine only the contribution/input indicators (actions and budget) and the product/output indicators, something which will continue in the future in order to determine indicators for priorities, specifically the result (outcome) indicators and the effect (impact) indicators.

Lastly, the total cost of EPAP 2011 has been valued at around 1 billion and 285 million euro, where 920 million euro are expected to be covered by KCB, 83 million euro are expected from the donors, while 282 million is considered to be the missing part (gap).

The European Partnership is an instrument of the EU which supports the reforms in Western Balkans countries. This is the fifth year (after the 2006, 2008, 2009 and 2010), that the Government approves the European Partnership Action Plan 2011. The European Partnership is published once every two years, while the EU has so far published only three reports on European Partnership for Kosovo. The last report is that of 2008. In June of 2009, the GAP Institute, through a conference and analysis “The Copenhagen Economic Criteria – what does Kosovo need to do”, had required that the EPAP contain less objectives, which are meaningful and implementable.



The budget extension for the month of March are approved

There was no example in the past that the Kosovo Budget was not approved in the Assembly before the 15th of February. The Budget of 2011 is expected to be approved in March. Until then, the Government has found an interim solution by approving and forwarding to the Assembly an extended budget only for the month of March.

The political and institutional crisis which resulted after the resignation of President Sejdiu and followed by the prolonged election process during the last months of the previous year and the initial months of this year, left Kosovo without a budget. It was not possible to forward this draft law from the Government to the Assembly on the new fiscal year as the Assembly was dissolved and the CEC did not yet certify the election results.

However, even though being in such circumstances, the Law on the Management of Public Finances foresees that in such cases of not being able to approve the new fiscal year budget, specifically Article 24 which deals with budget allocations in absence of a Law on Budget Allocations, that if general elections for the members of the Assembly have been held

within less than four months from the beginning of the given fiscal year, this automatically guarantees for the two first months of the new fiscal year, the coverage of expenditure by budgetary organisations which is equal to 16.67% of the budget allocations provided for this budgetary organisation by the law on budget allocations.

Therefore, due to two months of the new fiscal year having past, and Kosovo entered the third month without a budget, considering that the Assembly voted in the new Government only on the 22nd of February, the latter was required to prepare the budget of March urgently and forward it immediately to the Assembly. Hence, immediately on the following day after the voting of the Assembly and the establishment of the new government cabinet, the latter held its first meeting

on the 23rd of February 2011, in which it approved the extension of budget allocations for March of 2011 determined by Law no. 03/L-218, "On the Revision and Amendment of Law No. 03/L-177 on the Budget of the Republic of Kosovo for 2010".

This proposal of the Government was approved by the Assembly on March 3rd, based on Article 24.2 of

the Law on the Management of Public Finances and Responsibilities which states that only the Assembly, through a decision, can authorise the extension of the Law on Budget Allocations of the previous fiscal year. The Law on Budget Allocations of the previous fiscal year cannot be extended in any situation for more than three months into the following fiscal year.

For three years consecutively the Government approves the Annual Work Plan

This is the third consecutive year that the Kosovo Government approves an annual work plan.

The Kosovo Government has never made an assessment on how much the Work Plan is implemented, even though the 2009 Work Plan foresaw such an assessment to be done quarterly.

This plan contains key points that the Government of Kosovo plans to materialise with actions during this year.

In the 5th meeting of the Kosovo Government, held on the 16th of March 2011, The Work Plan for the Kosovo Government for 2011 was approved. This plan includes key points which the Kosovo Government plans to materialise with actions throughout this year. In addition, this document includes also activities, deadlines, financial effects,

the linkage of these actions with the European Partnership Action Plan, etc.

The key points are categorised in the line ministries, including also the Office of the Prime Minister, which have the authority and mandate to implement them. The following, represents activities for achieving the Government's strategic priorities:

1. Economic Development

- 1.1. Development of infrastructure in the area of transportation
- 1.2. Sustainable supply of electricity
- 1.3. Comprehensive quality education and in line with market needs
- 1.4. Fight against Informal Economy
- 1.5. Economic cooperation agreement with countries of the region and international institutions
- 1.6. Support to key sectors that influence the economic development of the country

2. Good Governance

- 2.1. Rule of law and order
- 2.2. Reform of the Public Administration
- 2.3. Fight against Corruption

3. Social Cohesion

- 3.1. Support for special categories of society
 - 3.2. Quality healthcare and access to it for all
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1. Office of the Prime Minister

- 1.1. Coordination and monitoring of policy implementation and decision-making in the Government
 - 1.2. Strategic planning
 - 1.3. Regional cooperation
 - 1.4. Amendment of legal infrastructure from the OPM area of responsibility
 - 1.5. Preparation, implementation, promotion and monitoring of strategic documents on human rights
 - 1.6. Implementation of legislation for the protection and promotion of community rights and the improvement of living conditions for all communities equally
 - 1.7. Consideration of the issue on resolving the missing persons situation through cooperation with national and international partners
 - 1.8. Transparency and communication with citizens
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2. Ministry of Education, Science and Technology

- 2.1. Ensure a comprehensive and equal approach to the inclusion of all children in quality and non-discriminatory education for those that have reached the age of 6
 - 2.2. Ensure a comprehensive and equal access for all pupils to mandatory education and encouragement of life-long learning
 - 2.3. To improve access to, quality and relevance of the VET (Vocational Education and Training) and improvement of its coordination
 - 2.4. To establish an effective and sustainable system for teacher development
 - 2.5. Preparation and implementation of policy and legislation for the establishment of an efficient and effective system of higher education management and improving capacity for scientific research
 - 2.6. Support and advancement of the learning process for all, by effective integration of CIT (Communication and Information Technology)
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3. Ministry of European Integration

- 3.1. Management of the European agenda as part of the Stabilisation and Association Process Dialogue (SAPD)
 - 3.2. Coordination of governmental structures for European Integration
 - 3.3. Improvement of administrative capacities in European issues, including the process of communication and information
 - 3.4. Coordination of financial assistance
 - 3.5. Approximation of legislation / coordination of translation
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4. Ministry of Justice

- 4.1. Establishment of legal infrastructure for the purpose of the rule of law and order in harmony with EU standards
 - 4.2. Advancement of international legal assistance and cooperation in accordance with European best-practices
 - 4.3. Efficient supervision and administration of the system for executing criminal punishment (Correctional Service and Probation Service)
 - 4.4. Development of an efficient system for the protection of victims of domestic violence, trafficking, and finding and indentifying missing persons from the war
 - 4.5. Development of professional capacities for efficient functioning of the Ministry of Justice in its area of responsibility
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5. Ministry of Economic Development

- 5.1. Development of new generating capacities and further development of the transfer and distribution system
 - 5.2. Conclusion of reforms in the energy sector in accordance with ECT (Energy Charter Treaty) obligations
 - 5.3. Development of renewable energy sources and improvement of energy efficiency
 - 5.4. Restructuring of the mining sector and resolving the environmental and social issues
 - 5.5. Preparations in raising investments
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6. Ministry of Finance

- 6.1. Preparation of the Draft Budget for the Republic of Kosovo for 2012/2013, and initiation of expenditure for the 2011 financial year
 - 6.2. Increasing the level of cooperation with international finance institutions especially with IMF, WB, European Commission and rejuvenating relations that result from the area of European Integration.
 - 6.3. Preparation of economic projections and analysis for the purpose of designing sustainable macro-fiscal policies. Fulfilment of the fiscal plan on revenue
 - 6.4. Efficient, transparent and proper management of public finances in Kosovo
 - 6.5. Completion of the legal infrastructure in the economic and financial areas in harmony with the *acquis communautaire*
 - 6.6. Supervision and monitoring of internal auditing activities in the Public Sector
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7. Ministry of the Security Force

- 7.1. To continue with the development of KSF as a professional security force and reach full operational capacities
 - 7.2. To develop and provide personnel strategies for the MKSF and the KSF in order to reach full capacities and develop its FOC-s
 - 7.3. To fulfil capital investments based on priorities of infrastructure and of Programmes for equipment in order to achieve full capacities
 - 7.4. Establishment and development of inter-institutional, bilateral and regional cooperation and coordination
 - 7.5. Preparation and approval of the KSF Strategy and legal documents, and their implementation
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8. Ministry of Environment and Spatial Planning

- 8.1. Improving the environmental conditions
 - 8.2. Management of water resources
 - 8.3. Strengthening spatial planning, housing and construction
 - 8.4. Improvement and strengthening of the Inspectorate
 - 8.5. Land administration and development of the cadastre in Kosovo
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9. Ministry of Local Government Administration

- 9.1. Acquiring of necessary legal staff in the area of local government
 - 9.2. Monitoring and supervision of municipalities
 - 9.3. Local Government Reform
 - 9.4. Promotion of Economic Development, local and regional
 - 9.5. Development of capacities in the municipal administration
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10. Ministry of Internal Affairs

- 10.1. Fulfilment of the legislative strategy
 - 10.2. Promotion of legal migration and repatriation policies
 - 10.3. Improvement of civil status data security
 - 10.4. Integrated border management
 - 10.5. Improvement of Capacities
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11. Ministry of Foreign Affairs

- 11.1. Intensification and acceleration of the recognition process for Kosovo
 - 11.2. Membership of Kosovo in international political and financial organisations and participation in regional and international initiatives and forums
 - 11.3. Strengthening of bilateral relations and intensification in reaching of international agreements
 - 11.4. Further consolidation of the Ministry of Foreign Affairs and the diplomatic missions and consulates
 - 11.5. Promotion of economic interest of the Republic of Kosovo in the world and attraction of foreign investment to the country
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12. Ministry of Labour and Social Welfare

- 12.1. Increasing the employment level and improving professional abilities of employment seekers
 - 12.2. Implementation of existing legislation in the area of services and social assistance for vulnerable families
 - 12.3. Creation of a tri-pillar, appropriate, functional pension system with sustainable financial resources, which fulfils the requirements of the pension law for all the pension categories
 - 12.4. Creation of primary and secondary legislation in the area of employment and social issues, in accordance with EU legislation
 - 12.5. Supervision of legal provisions that regulate the areas of labour, employment, safety at work, healthcare protection for the employed and implementation of revisions in legislation on the Kosovo Civil Service
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13. Ministry of Communities and Returns

- 13.1. Projects for development of apartments and houses for returnees
 - 13.2. Community development projects
 - 13.3. Establishing the operational framework which corresponds to the needs and requirements of IDPs and migrants
 - 13.4. Proactive monitoring of returns, reintegration, inter-ethnic dialog, community stabilisation and development projects and programmes
 - 13.5. Implementation of the Community Integration and Reintegration Strategy
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14. Ministry of Health

- 14.1. Decrease of general morbidity and mortality of the population
 - 14.2. Reorganising of functions and completion of existing infrastructure
 - 14.3. Improving the management of existing resources and quality of services
 - 14.4. Development and implementation of the Healthcare Information System
 - 14.5. Development of a sustainable financial system for the healthcare sector
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15. Ministry of Public Administration

- 15.1. Electronic governance
 - 15.2. Provision of engineering and management policies for government buildings
 - 15.3. Official statistics
 - 15.4. Improvement of skills and knowledge of civil service employees in order to efficiently fulfil their duties and those of the institutions
 - 15.5. Legislation in the field of public administration
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16. Ministry of Culture, Youth and Sport

- 16.1. Support for the cultural institutions and promotion of their efforts
 - 16.2. Preservation and promotion of cultural heritage values
 - 16.3. Infrastructure and the internationalisation of sport
 - 16.4. Provision of institutional mechanism for youth participation in the decision-making processes
 - 16.5. Implementation of the EPAP
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17. Ministry of Infrastructure

- 17.1. Improvement, development and maintenance of transport infrastructure and the infrastructure for broadband electronic communication which is integrated in the Pan-European corridors and in accordance with international standards
 - 17.2. Establishment of a favourable and secure regulative environment for maximising and improving the quality of services in the area of transport, electronic communication and postal services
 - 17.3. A functional structure with sufficient human resources, which are motivated and competent for the sectors of Transport and Information Society
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18. Ministry of Agriculture, Forestry and Rural Development

- 18.1. Design of favourable development policies for agriculture and rural development
 - 18.2. Further institutional development
 - 18.3. Provision of efficient and professional services for farmers
 - 18.4. Completion of legal infrastructure in harmony with that of the EU
 - 18.5. Protection of agricultural land and its sustainable utilisation
 - 18.6. Sustainable Management of Forests
 - 18.7. Advancement of sector policies for the sustainable management of forestry resource and wild life
 - 18.8. Security of food, preservation of people and animals, and the protection of the living habitat
 - 18.9. Promotion of achievements in the sectors of agriculture and farming
 - 18.10. Completion of the legal foundations with Administrative Instructions
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19. Ministry of Trade and Industry

- 19.1. Registration of businesses and the functioning of the mortgage office
 - 19.2. Implementation of trade policies
 - 19.3. Implementation of the Kosovo Industry Strategy 2010 – 2013
 - 19.4. Registration of industrially owned buildings
 - 19.5. Preparation and Development of Tourism Policies
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Including also the last one, so far the Kosovo Government has approved 3 such plans. The first work plan dates back to 2009. The Kosovo Government has made it a practice since that year to process this document at the beginning of each year in parallel to those like the: Legislative Strategy, European Integration Action Plan, etc. Additionally, as part of this, the Government has indicated that an assessment will be made every 3 months on the level of implementation of this plan. However, such an assessment was not done for the Work Plan of 2009 and that of 2010. It remains to be seen if the opposite will happen this year.

The Government approves the Annual Financial Report for 2010

The report was not forwarded to the Kosovo Assembly until April 6th 2011, specifically six days after the deadline foreseen by the Law on Public Finance Management. In 2010 spending exceeded revenues by 93 million euro.

In the 7th meeting held on the 30th of March 2011, The Kosovo Government with decision 07/7 approved the Annual Financial Report for 2010. According to article 46 of the Law on Public Finance Management, no later than the 31st of March of each calendar year, the Minister will prepare and submit to the Government for approval and submission to the Assembly, a final summary report of the budget for the previous fiscal year, and the two preceding fiscal years. In order to respect the legal deadline, the Government approved the Annual Financial Report for 2010, even though it was not ready at the time when it was approved. The financial sheets for 2010 have not yet been audited by the General Auditor's Office, as specified by the Law on Public Finance Management.

The Annual Financial Report 2010 has been signed by the Minister of Finance on the 28th of March, and approved by the Government of the 31st of March, while it was filed in the Assembly on the 6th of April. The filing in the Assembly was done 6 days after the legal deadline specified by the Law on Public Finance Management. The report was discussed at the Parliamentary Commission for Budget and Finance on the 4th of May 2011 and is expected to be approved in the next session of the Assembly with the recommendations of the commission.

According to the Annual Financial Report for 2010, the budget revenues were 1 billion and 194 million euro, while the spending exceeded the revenues by 93 million euro (1 billion and 287 million euro). Compared to 2009, the revenues in the Kosovo

Budget were higher for 35 million euro.

As in previous years the largest revenues came from customs (699.3 million euro), after customs comes the Kosovo Tax Administration (194.2 million euro), own-source revenues 100.4 million euro (52 million from municipalities and 48.4 million from central units), grants and assistance (45.3 million) and other revenues (130.6 million).

The larger part of budget finances were invested in capital projects (459.2 million), followed by spending for salaries (316.2 million euro), subsidies and transfers (253.4 million euro), goods and services (167.1 million euro), etc.

If we compare the Annual Financial Report of 2010 with the Draft-law for the Budget of 2011, we can ascertain that the government foresees total revenues for 2011 to reach 1.264 billion euro, or 70 million more than the revenues collected for 2010, while the spending foreseen for 2011 is expected to reach 1.434 billion euro, or 147 million more than that of 2010. 140 million euro out of this additional spending will be the result of the Government decision for the increase of salaries (decision 01/151 and decision 02/151 of the 6th of January 2011).

The Kosovo Government should approve the Report on Budget Spending for the first three months of 2011, as specified by the Law on Public Finance Management.

The composition of the Commission on the privatisation of Distribution and Supply is changed

Four out five member of the commission are new names

In the 4th meeting of the Government held on the 11th of March 2011, with decision 02/4 the new names that comprise the Commission for the privatisation of Distribution and Supply of KEK were approved. The new composition includes:

- Besim Beqaj, Minister of Economic Development, chairperson;
- Mimoza Kusari Lila, Minister of Trade and Industry;
- Bedri Hamza, Minister of Finance;
- Nenad Rasic, Minister of Labour and Social Welfare, and;
- Dardan Gashi, Minister of Environment and Spatial Planning

In the 39th meeting held on the 8th of October 2008, the former Government had taken a decision to privatise the Distribution and Supply unit of KEK s.h.c. In parallel to this, as the first step in proceeding with this process, the Government took a decision at that meeting to establish a government commission for the privatisation of the Distribution and Supply Unit of KEK s.h.c.

The previous commission was comprised of the following members:

- Ahmet Shala, Minister of Economy and Finance, chairperson;
- Lutfi Zharku, Minister of Trade and Industry;
- Justina Pula, Minister of Energy and Mining;
- Nenad Rashiq, Minister of Labour and Social Welfare, and;
- Mahir Jaghillar, Minister of Environment and Spatial Planning.

Therefore, four out of five member of the new commission are new names, and the reason behind this change is a result of the change in ministers from the previous mandate. The process of privatising the Distribution and Supply Unit of KEK is expected to be concluded during this year and is one of the conditions that the Kosovo Government has taken as a responsibility to fulfil as part of the “Stand by” agreement with the IMF, signed in July of 2010.

The Regulation for the Departments of European Integration and Policy Coordination within the Ministries is approved

This department is established within every Ministry and operates under the supervision of the General Secretary of the given Ministry.

The Government at its second meeting, with decision 02/02, approved the Regulation for the Departments of European Integration and Policy Coordination within the Ministries. The objective of this regulation is to determine the functioning, duties and responsibilities, and the status of Departments for European Integration and Policy Coordination within Ministries.

According to article 3 and 4 of this regulation, the functions and responsibilities of this department are many, like: coordination of the European integration process; coordination of the strategic planning process, political development and coordination of external assistance. At the same time this department helps and advises in determining and establishment of priorities, taking into consideration the obligations that arise from the process of European integration; coordinates efforts in the development of primary strategy documents; ensures the compatibility of policies, plans and strategies with EU standards, etc. Two divisions exist within the Departments: the Division for European Integration and the Policy Coordination one, while the department is managed by the Department Director, who cooperates closely with the Prime Ministers Office, the Ministry of European Integration and the Ministry of Finance.

The Government approves the Action Plan for 10 key priorities of the Kosovo Government in the area of European Integration

This is the first time that the Kosovo Government is limited to key priorities. The European Partnership Action Plans (EPAP) which were approved each year by the Government, included as much as 1600 activities which should have been fulfilled, and which were not be implemented even at the rate of 20%.

In the eighth meeting of the Government of the Republic of Kosovo, the Government with decision 03/03 approved the Action Plan for 10 key priorities of the Kosovo Government. Based on the recommendations of the enlargement strategy and the progress report of the European Commission, and having in mind the main priorities of the Government and the Work Plan, the Ministry of European Integration has coordinated the concrete action plan by addressing the main priorities of the Government in the area of European Integration. The Key priorities of the Ministry of European Integration for 2011 are:

1. Strengthening Public Administration Reform (Strategic Priority of the Government for 2011);
2. Strengthening the fight against corruption (Strategic Priority of the Government for 2011);
3. Fight against organised crime and money laundering (Strategic Priority of the Government for 2011);
4. Efficient and effective management of public finances – advancement of the public procurement system, strengthening of revenue collection mechanisms, effective budget spending (Strategic Priority of the Government for 2011);
5. Strengthening the judicial reform (Strategic Priority of the Government for 2011);
6. Implementation of the Visa Liberalisation Strategy (Political priority of the Government);
7. Negotiation of the trade agreement with the EU and the development of legislation and policy on the domestic market and competition in harmony with *acquis* (Political priority of the Government and Strategic priority for 2011);
8. Maintaining good neighbourly relations and constructive participation in regional meetings (Strategic Priority of the Government for 2011);
9. Infrastructure – energy, transport and agriculture (Strategic Priority of the Government for 2011);
10. Healthcare and Environment (Strategic Priority of the Government for 2011).

Contrary to previous years the Ministry of European Integration in cooperation with institutions responsible, has foreseen and ensured the budget cost for every action.



The PTK allocates another 40 million euro for the budget

In the 3rd meeting of the Kosovo Government held on the 9th of March 2011, a decision was taken to allocate another 40 million euro from the PTK dividend.

As part of the efforts of the Government to cover the large budget spending which resulted from the decision of the latter to increase the salaries of the civil service and other categories, in consultation with the PTK Board of Director it was agreed that by not avoiding the problems that could arise in the implementation of the business plan of the PTK, the Government as a shareholder in accordance to the Law of Public Enterprises, required the PTK to declare a dividend of 40 million euro. This is the third time that this enterprise declares a dividend. We should remember that the Thaqi Government 1 had previously taken two decisions of the same nature, specifically on the 14th of July 2009 when

the decision was made to declare the dividend of 200 million euro and the 13th of May of the following year for another 80 million euro. By adding the sum of all the dividends declared by the PTK so far, including the last decision, a total of 320 million euro has been allocated to the budget of Kosovo. With the entering into force of the Law on Public Enterprises, the Government of the Republic of Kosovo became a legal bearer of shareholder rights in the Public Enterprise "PTK" s.h.c, and since that time enjoys the right to require from this enterprise the declaration and payment of the dividend for the shareholder.



Composition change of the government Commission for the PTK privatisation

Four out of 5 members of the Inter-Ministerial Commission for the privatisation of the PTK will be new names. With this decision also the Government has confirmed that it plans to privatise 75% of the PTK shares.

In March of 2008 (Decision no. 07/02), as part of the privatisation process of the PTK, the Government of that time took a decision to establish the Inter-Ministerial Commission for the privatisation of this enterprise. The commission was comprised of:

- Ahmet Shala, Minister of Economy and Finance, chairperson;
- Lutfi Zharku, Minister of Trade and Industry;
- Fatmir Limaj, Minister of Transport and Mail and Telecommunication;
- Nenad Rashiq, Minister of Labour and Social Welfare;
- Sadri Ferati, Minister of Local Government Administration

After the general parliamentary elections, the configuration of political parties represented in parliament and the government cabinet changed, where the LDK ministers represented in this commission were no longer part in the second mandate of the Thaqi government, and due to this the commission needed to change its composition. Additionally, in the second mandate of the Thaqi Government, it was decided to change the names of ministries.

As a consequence, the Kosovo Government in its 2nd meeting held on the 2nd of March 2011, took a decision to change the composition of this inter-ministerial commission by appointing other ministers to replace those that were not part of the current mandate. The inter-ministerial commission for the privatisation of the PTK will have this composition:

- Besim Beqaj, Minister of Economic Development, chairperson;
- Mimoza Kusari, Minister of Trade and Industry;
- Fehmi Mujota, Minister of Infrastructure;
- Nenad Rashedi, Minister of Labour and Social Welfare;
- Bedri Hamza, Minister of Finance.

The PTK Privatisation Strategy served as the cause for the final breakup of the PDK-LDK coalition which resulted in the premature elections. This Strategy was reviewed twice in the Assembly during 2010. Because of the problems that followed its approval, the Constitutional Court is reviewing the case of whether the approval of this Strategy in the Kosovo Assembly was procedurally correct.

The MFA is expected to have a lobbying agenda for increasing recognitions and the Foreign Policy Strategy 2011-2015

The MFA will coordinate activities with line ministries, civil society and all other influential actors to contribute in the preparation of these documents and their subsequent implementation.

The request of different interest groups and especially the sector of civil society are finally being answered by the governmental institutions. In this regard, due to the low rate in the process of international recognition of Kosovo, civil society and other actors have requested a number of times that institutions in charge, in this case the Kosovo Government to prepare a strategy for the increase of recognitions, a request which for various reasons was not taken into consideration by the latter until the 2nd of March 2011, when it was decided to initiate the preparation of the lobbying agenda for increasing the number of recognitions for the Republic of Kosovo from countries which have

not yet taken such action. With this decision, the role of preparing this agenda will be taken by the MFA, which in coordination with line ministries, civil society and all other influential actors will contribute in the preparation of this agenda and its subsequent implementation.

Additionally, the Kosovo Government at the same meeting took into consideration the second proposal of the MFA for initiating the preparation of the Foreign Policy Strategy of the Republic of Kosovo for the period of 2011-2015. Kosovo, in the field of foreign policy is still in the initial phases of consolidating its foreign policy and the preparation of such a document will greatly serve to protect the interests of the state in the political and economic plane in relation to global geostrategic trends.

The Report on the Assessment of Compatibility of the Financing System for Municipalities for 2010 is approved

In 2010 the municipalities have generated around 52.1 million euro, an increase of about 7.2% in comparison to 2009.

The proper regulation of municipal financing through grants cannot be a finalised process, before the civil census is completed.

In the 7th meeting held on the 30th of March 2011, the Kosovo Government approved the Report on the Assessment of the Compatibility of Municipal Financing in 2010. The objective of this report is to assess the system of municipal financing through general grants or the specific ones, like the grant for Education and the one for Healthcare. Additionally, this report gives recommendations of how to proceed in the future.

According to this report, the general grant with the closed system constitutes 10% of the projected revenues in the central budget. This grant was previously allocated on a per capita basis, while now additional allocation parameters have been added which mainly reflect the ethnic and territorial diversity of the municipalities. The implementation of these new principles has resulted in the increase of the total sum of the general grant in 2010, where as an addition the nominal population growth was added.

The specific pre-university education grant for municipalities has increased by 10%, however, weaknesses have been constantly noticed on the side of the MEST in the reliable implementation of financing through this grant, irregularities which have mainly resulted from the lack of objective, accurate and reliable statistics of education. While the specific grant for healthcare which should take into consideration factors like age, population gender balance, the average of registered visits and the average cost of services in every municipality, concentrated only on the allocation based on a per capita basis, due to the lack of demographic statistics.

Own source revenues of the municipalities were generated through the collection of municipal taxes, tariffs for construction permits, fees for a broad range of activities and civil documents, and through municipal real-estate. In 2010 the municipalities generated about 52.1 million euro, an increase of about 7.2% in comparison to 2009. The highest revenue was collected through property tax, 13.4 million euro, and construction taxes, 12.1 million euro.

Irregularities identified in the municipal financing were considered to be the result of missing quality information systems for the management of necessary information.

The International Law Enforcement Cooperation Unit is established

This unit will have the primary objective of coordinating the activities between the agencies for law enforcement as part of the fight against organised crime and terrorism.

As part of the efforts to enlarge the cooperation with other countries of the region and elsewhere, it is crucial to have increasingly fruitful cooperation and coordination for the purpose of law enforcement, between the different countries and especially between those of the Balkans region, where individual countries are encountering great difficulty with regard to rule of law. Organised crime and corruption continue to be amongst the largest worries of these countries, including here Kosovo as well, and as a consequent in order to fight these occurrences, it is necessary to coordinate actions of law enforcement agencies of all countries in order to have greater success in this regard.

As a result of this process, on the proposal of the Ministry of Internal Affairs, the Government of Kosovo in its second meeting held on the 2nd of March 2011, approved the decision to establish the International Law Enforcement Cooperation Unit Enforcement (ILECU) which will function as part of the Kosovo Police. The following will be incorporated within this unit: Office of INTERPOL, EUROPOL< EUROJUST and FRONTEX. This unit has a primary objective of coordinating the activities between law enforcement agencies as part of the fight against organised crime and terrorism. Additionally, with the objective of coordinating the international cooperation within this unit, a cooperation agreement is expected to be signed between the MIA, MJ, MF and State Prosecution



Kosovo with 14 regular border crossings points

The border crossing point at Stanciq – Belanovc village is opened, at the border with Macedonia

The Government of the Republic of Kosovo, in the second meeting of the new government composition, with decision 09/02 re-categorised the local border crossing point “Stanciq” at the border with Macedonia as a regional border crossing point or a Category A border crossing. The initiative for this re-categorisation came from the Government of the Republic of Macedonia.

Kosovo so far has had only two border crossing points for road traffic with Macedonia, the Hani i Elezit and Gllloboqica, while a border crossing point for railway traffic between the Republic of Kosovo and the Republic of Macedonia was only that Hani i Elezit.

For the moment the border crossing in the villages

Stanciq – Bellanovc from the side of Macedonia is only of a local character, while the internationalisation of this border crossing would hugely facilitate the flow of citizens and goods of this region covered by this border crossing.

According to the National Strategy of the Republic of Kosovo for the Integrated Border Management, approved in April 2008, the Republic of Kosovo has 13 regular border crossings and two provisional ones – in Krushqeve and Orqushe. Additionally, in May of 2009 the Government had temporarily opened another two provisional border crossing points with Albania, Gllloboqice – Borje and Gorozhub – Pogaj. With the addition of this border crossing, Kosovo will now have 14 regular border crossings.

This project will be financed by IPA, a financial instrument of the European Commission.



The Epopée of KLA was organised

Even though this event is now regular one and is held under the patronage of the Prime Minister's Office, the financing for organising the Epopée of KLA is not included in the regular budget allocation, but are always taken from the contingency expenses.

The Government of the Republic of Kosovo since the end of the war has allocated funds for the three-day event of the Epopée of KLA, marking the heroic fall of the legendary commander of the KLA, Adem Jashari and his family. With decision 08/02, the Government allocated 40 thousand euro for organising this event, which was held on the 5th, 6th and 7th of March of this year. The main even with the motto "Creating History – Creating the Future" took place in the military barracks Adem Jashari in Prishtina, while with the lighting of fires in Prekaz this traditional event of the Epopée of KLA was

concluded. This is the 13th anniversary from the fall of the martyr Adem Jashari and his family.

Let us remember that since 2008 and up to now the Government has allocated a total of 110,000 Euro for organising of events, for the purposes of marking this all-popular event "Epopée of KLA". Even though this event is now regular one and is held under the patronage of the Prime Minister's Office, the financing for organising the Epopée of KLA is not included in the regular budget allocation, but are always taken from the contingency expenses.



Minister of Finance is authorised to make transfers of up to 20 thousand euro

In the same meeting, with decision 05/03, the Government allocated funds at the sum of 5,000 euro for the family of the killed child, Leutrim Musliu from Uglar village, Municipality of Gjilan

Based on Article 29.3 of the Law on Public Finance Management, the Government can authorise the Minister of Finance to approve transfers from the contingency expenditure programme to the other programme in sheets 3.1 and 4.1 of the budget, for individual sums requested up to the value of 20 thousand euro.

Therefore, with decision 04/03 the Government authorised the Minister of Finance to approve the transfer from the contingency expenditure programme for individual sums requested up to the

value of 20,000 euro. The total sum of this issued authorisation to the Minister cannot exceed 20% of the annual allocation for contingency expenditure programme.

Based on Article 29 of the Law on Public Finance Management and Responsibilities, budgetary organisations can apply to the Ministry of Finances for additional funds if they are found in circumstances in which they need to incur urgent or unforeseen spending, by explaining the circumstances which have caused the need for additional funds.



The Administrative Instruction on Determining Procedures after the Transfer of Responsibilities for Social and Family Services at municipal level is approved

All the Municipalities in the territory of the Republic of Kosovo according to their self-government authority are responsible for providing social and family services.

In the third meeting of the Government, with decision 02/03, the Administrative Instruction was approved for Determining the Procedures after the Transfer of Responsibility for Social and Family Services at the municipal level. The main objective of this Administrative Instruction is to define and determine procedures for the implementation of legislation on social and family services at the local level, in all the municipalities of the Republic of Kosovo, after the transfer of responsibilities from the central level to the local level, in accordance to the Memorandum of Understanding signed by the Ministry of Labour and Social Welfare (MLSW), the Ministry of Local

Government Administration (MLGA), the Ministry of Economy and Finance (MEF) and the municipalities of Kosovo.

According to Article 2 of this AI, the Ministry of Labour and Social Welfare (MLSW) is the responsible state authority appointed to provide social and family services in cooperation with units of local governments, and to conduct supervision on the provision of social and family services throughout the territory of the Republic of Kosovo. While the Ministry of Local Government Administration and the Ministry of Economy and Finance are responsible for

coordination of the general process of transferring powers in the area of social and family services to the municipalities, and will make sure that this process is in full compliance with Kosovo legislation.

While all the municipalities in the territory of the Republic of Kosovo according to the self-government powers are responsible for providing social and family services, though their Centres for Social Work, and other governmental and non-governmental institutions, under the supervision of the MLSW. With the transfer of responsibilities from the MLSW to the municipalities, the municipality is a public professional institution of the municipal level, in charge of protecting citizens in social need, and responsible for the establishment of at least one

Centre for Social Work which will provide social and family services, in accordance to Article 7, item 7.1 of the Law on Social and Family Services no 02/L-17. In order to provide these Social and Family Services the municipality should appoint personnel comprised of professionals with appropriate qualification and training and in sufficient numbers, in conformity to minimal standards set by the MLSW. The MEF is obliged to allocate municipalities budgetary funds in accordance to the specific grant for social services, grants which cannot be used for other purposes other than financing social and family services, while the MLSW will determine the distribution criteria according to the designed formula, and is responsible for the interpretation of this administrative instruction.

The Government approves a Regulation, in absence of a Law on Government

The Regulation for the areas of administrative responsibility for the Office of the Prime Minister and the ministries is approved

This regulation determines the areas of responsibility and the number of the high authorities of the state administration, and the areas of responsibility and the number of high bodies of the state administration

With decision 04/05, the Kosovo Government approved the Regulations for the areas of administrative responsibility for the Office of the Prime Minister and the ministries. With this regulation the areas of responsibility are determined and the number of high authorities of the state administration, and the areas of responsibility and the number of high bodies of the state administration. According to Article 3 of the regulation, the high authorities of the state administration are the Government as a whole, the Prime Minister, deputy prime ministers and ministers, who govern and supervise the state administration in their respective fields. In Articles 4, 5, 6, 7, 8 the powers of the Government and the members of the Government, Prime Minister, deputy prime ministers and ministers are specified. According to Article 4, the Government exercises its

executive power in accordance with the Constitution and applicable legislation related to the Government, by taking decision based on the proposals of the high authorities of the state administration, and by issuing legal acts or necessary regulations for the enforcement of laws. While the Members of the Government support the work of the Government, and have the right to take initiatives to prepare draft laws and propose policies that are related to given ministries, etc.

While Article 6 specifies the powers of the Prime Minister, who in addition to exercising the executive powers in accordance to the Constitution and the applicable legislation, he also represents and governs the Government, by conceptualising, proposing and implementing the main objectives of the state policy and by being responsible for

them. He is also responsible to control the work of the members of Government. In Article 16 of this regulation, the functions for the Office of the Prime Minister are specified, which supports the efforts of the Prime Minister, the Government, of deputy prime ministers and ministers and other responsibilities. Article 7 deals with the functions of the Deputy Prime Ministers, who in addition to assisting the Prime Minister in determining priorities, in the development and implementation of Governmental policies, with authorisation from the Prime Minister they take part on the preparation of decisions and other acts, and supervise the activities of operational bodies of the Government. While, Article 8 specifies the functions of the ministers who govern and represent the ministries by responding to the Prime Minister and

the Assembly on issues related to his/her ministry. They also propose draft laws and issue decisions and bylaws. This regulation contains an annex which specifies the areas and responsibilities for a total of 18 ministries which the Government of the Republic of Kosovo has.

Finally, the implementation of this regulation is ensured by the Prime Minister, with the support of the Principal Deputy Prime Minister and the Deputy Prime Ministers.

Kosovo has not yet got a law on the Government. Instead of this regulation, the government should have forwarded the Assembly the Draft Law on the Government. This draft law was foreseen by the Legislation Strategy 2011 and is expected to be approved in June 2011.

The Law on Accreditation is Revised and Amended

This Draft Law opens the way for the implementation of European accreditation directives which will enable easier access in the areas of accreditation

In the seventh meeting of the Government, with decision 02/07, the Government approved the Draft Law for the Revision and Amendment of the Law on Accreditation. The Law on Accreditation was approved in November of 2008. This Law enabled the regulation, establishment and functioning of the authority which conducts the service of accreditation in Kosovo, and determines the areas of responsibility and role of accreditation in the conformity assessment procedure, in accordance with appropriate international standards. Accreditation is done voluntarily and is based on the following principles: impartiality, transparency, professional competence, preservation of confidentiality and compliance with rules and procedures of accreditation in Europe and the international level. While in accordance to Article 6 of the Law on Accreditation the areas of responsibility and action of accreditation are:

1. Accreditation of testing and calibrating laboratories;
2. Accreditation of the certification authority of management systems;
3. Accreditation of the certification authority of personnel;
4. Accreditation of the certification authority of products;
5. Accreditation of the certification authority of environmental protection;
6. Accreditation of the inspection authority.

As part of this Law the Kosovo Accreditation Directorate has been established, that operates within the Ministry of Trade and Industry. This directorate is a member of the European Co-operation for Accreditation, and full rights member in the International Forum of Accreditation and the International Organisation of Laboratory Accreditation. During the report of the Accreditation Directorate before the European Commission, it was suggested that the Law on Accreditation be harmonised with regulation

765/2008 which entered into force on the 1st of January 2010.

Revisions and amendments to this law were mainly made to Article 7, Article 9 and Article 14. After paragraph 1 of Article 7, which describes the duties of the Kosovo Accreditation Directorate (KAD), a number of additional paragraphs were added which added on the responsibilities of this department, where in addition to offering expertise on issues related to accreditation and other assessments of technical competence, etc., additional new duties from now on will be the establishment of a quality management system, preparation of procedures for a more efficient management, verification of assessments and preparation of annual reports, publication of annual budget spending, and accreditation. Another duty of the KAD is the submission to sister-organisations assessment (peer evaluation) which is determined by the European Co-operation for Accreditation, etc.

Article 9 also, which describes the procedures of Accreditation, after paragraph 8 another three paragraphs have been added, which state that the KAD will not provide services which are provided by the Conformity Assessment Organisation, at the same time the KAD is allowed to operate in the territory of another state, etc.

While in Article 14, as is pertains to transitional Provisions, after paragraph 1 new paragraphs are added, where KAD as a member of the European Co-operation for Accreditation will sign multilateral agreements with the European Co-operation for Accreditation for the acceptance of Accreditation certificates between member states of the European Co-operation for Accreditation.

This Draft-law opens the way for the implementation of European directives on accreditation which will enable easier access in the areas of accreditation.

The Draft Law for Civil Status and the Draft Law on Private Security Services is re-approved

After the dissolving of the Assembly draft laws were required to be re-approved by the executive and subsequently forwarded once again to the Assembly.

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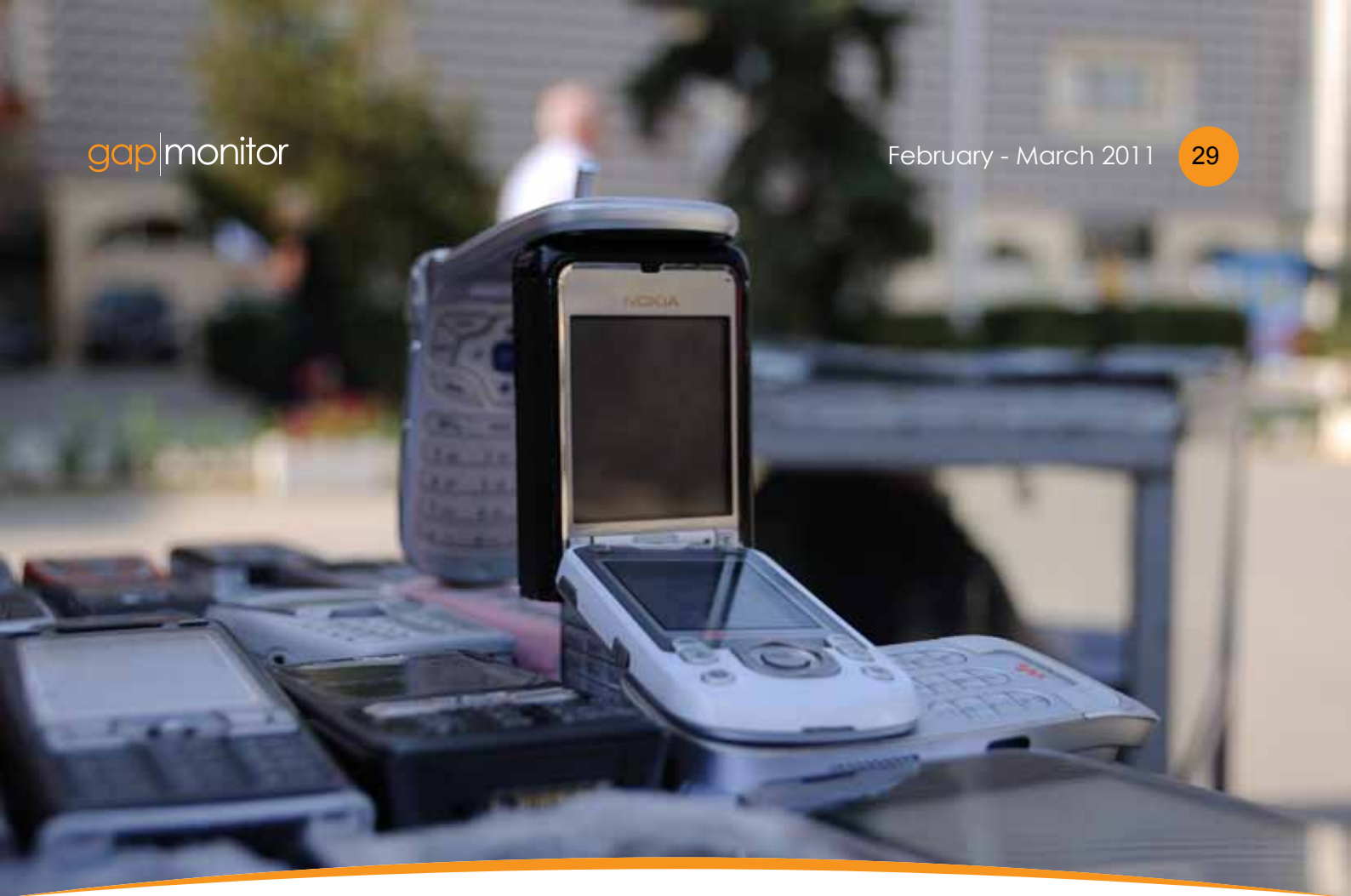
The Kosovo Government, in its 6th meeting held on the 23rd of March 2011 approved once again the Draft Law on Civil Status, which was approved in September of the previous year, specifically in its 145th meeting. However, with the dissolving of the Kosovo Assembly in December of 2010, it went back to the Government for re-approval.

Based on Article 86 of the Regulation of the Assembly, which deals with un-concluded business, states that "at the end of the mandate of this legislative institution, all the business which was entrusted to it (Assembly) will be considered concluded. This is not applicable in the case of laws approved by the Assembly and processed further for promulgation, and petitions and other business that do not require a decision of the Assembly". Therefore, it is required that the new presidency of the Assembly is re-forwarded by the Government with the draft laws which have remained in process during the previous mandate.

Based on the Legislative Strategy 2011, the Draft Law on Civil Status was foreseen to be approved on the 31st of March 2011.

In the same meeting, with decision 05/07, the Government of the Republic of Kosovo approved the Draft Law for the Private Security Services. This Draft-law was approved by the Government on the 12 of August of the previous year and was subsequently forwarded to the Assembly, which has conducted its first reading. However, with the dissolving of the Kosovo Assembly in December of 2010, it went back to the Government for re-approval, based on the Regulation of the Assembly, specifically Article 86, which states that "at the end of the mandate of the Assembly, all the business which entrusted to it will be considered concluded. This is not applicable in the case of laws approved by the Assembly and processed further for promulgation, and petitions and other business that do not require a decision of the Assembly".

This Law has also been foreseen in the Legislative Strategy of 2011 for approval on the 31st of March 2011. The institution responsible for the implementation and application of this draft law is the Ministry of Internal Affairs of Kosovo.



The Law on Domestic Trade is Revised and Amended

With changes done to the new draft law it is expected that vendors that conduct trading activities will be criminally prosecuted or punished, who are in relative huge numbers throughout Kosovo

In the 7th meeting of the Kosovo Government, held on the 30th of March 2011, the Draft Law for the Revision and Amendment of the Law on Domestic Trade was approved.

This draft law underwent general changes in the aspect of adding new terms, reformulation of articles, removal of many old articles, re-setting of the level of fines in cases where certain articles of the law are violated, etc. The changes are constituted by the removal of articles from the law currently in force which deal with consumer rights which are not of a great importance or have no real meaning, then the removal of paragraph 38.3 of Article 28, which specifies the authorisation of the municipal institution to issue a work permit, etc. Additionally, in Article 61 of the law in force, which specifies the level of fines for legal and natural persons for instances of selling goods in open spaces, specifically the adding of new articles with which natural persons are fined in parallel to the legal ones, who violate this article.

Therefore, a fine of 200 euro to 600 euro is issued to a legal person, and a fine of 500 euro to 1,000 euro is issued to a natural person who sells goods in open spaces and is not registered.

In general, revisions and amendments to the Law on Domestic Trade are more of a linguistic nature, but necessary in order to make interpretation possible and the implementation of the law in a more efficient manner. With these changes, it is expected that vendors that conduct trade will be legally prosecuted and punished, who are in relative huge numbers throughout Kosovo.

According to the Legislative Strategy 2010, the draft law in question was foreseen for approval on the 30th of April 2011. The Law on Domestic Trade was approved during the time of UNMIK administration, specifically by the Assembly on the 16th of June, and came into force after its promulgation by the SRSG on the 20th of October 2004.



The Draft Law on the Notary is Revised and Amended

This Draft-law was returned to the Government for processing based on Article 86 of the Regulation of the Assembly of the Republic of Kosovo.

In the 6th meeting of the Government of Kosovo, held on the 23rd of March 2011, the Draft Law on the Revision and Amendment of the Law on the Notary was approved.

The Draft-law in question has undergone changes mainly related to terminology, removal of some unnecessary articles and other minor changes. In the aspect of changes in terminology, the names "President of the Court" was replaced by "President of the Court" (in Albanian: from President to Kryetar), from "President of the Bar Association" to "President of the Bar Association" (in Albanian: from President to Kryetar), etc. Additionally, the Law on the Notary has undergone changes mainly in the order of paragraphs and sub-paragraphs, as sub-paragraph 1.4 was removed, belonging to paragraph 1 of Article 30, which deals with the establishment of joint authorities and business

companies, and the establishment and revision of the statute of authorities of such companies, as part of the mandatory notary processing of documents. Furthermore, terms that are related to laws/regulations that have been approved during the time of UNMIK were replaced with those of the Republic of Kosovo. The Draft Law on the Revision and Amendment of the Law on the Notary, based on the Legislation Strategy, was foreseen for approval by the 31st of March, and was approved in fact 8 days before this deadline. The Law on the Notary had gone through the Assembly on the 17th of October 2008 and was promulgated by the President of the Republic on the 6th of November of the same year.

This law is considered by many legal experts as one of the most important laws which will enable the efficient functioning of the general justice system in the country.



The Law on Trade Associations is Revised and Amended

The revised Draft-law contains in general terminology replacements, changes in deadlines, additional powers for the Business Registration Agency, etc.

In the 7th meeting of the Kosovo Government held on the 30th of March 2011, the Draft Law on the Revision and Amendment of the Law on Trade Associations was approved. The revisions and amendments made to this draft law are mainly of a terminology nature and that of deadlines, like the term "Individual Enterprises" is replaced with "Individual Business", then "Collective Associations" with "General Partnerships", etc. In the aspect of revisions related to deadlines that are foreseen by old law, revisions are like the following: the deadline throughout the whole text of the old law of 60 days is replaced with 30 days, and the other deadline of 10 calendar days is replaced with the deadline of 3 working days, etc.

Additionally, revisions and amendments to the new law are notices in its substance, like the prohibition of operating a business by an association which is not

registered in accordance to rules or laws of the country, re-setting of the level of fines for instances of violation of given articles, additional powers for the Business Registration Agency, which with the changes made has got the authority to register even those public enterprises for which the incorporation procedure has finished, the appeal procedures by clients against this agency, etc.

According to the Legislation Strategy 2011, approved by the Government on the 16th of March (Decision 02/05), this draft law is foreseen to go through the Government until the 30th of June. Furthermore, the Law on Trade Associations has undergone revisions twice (including this last one): the first revision has passed through the Government on the 16th of April 2010, hence, close to a year since the approval of the last revision.

Summary

The following lists all the decisions taken by the Government during the months of February and March 2011, as taken in a chronological order (meetings 01 – 07):

1. Decisions from the first meeting of the Kosovo Government, held on the 23rd of February 2011:
 - 1.1 Decision 01/01, the Government of the Republic of Kosovo proposes to the Assembly of the Republic of Kosovo the extension of budget allocations for the month of March 2011, determined by Law no. 03/L-218, "For the Revision and Amendment of Law No. 03/L-177 on the Budget of the Republic of Kosovo for 2010".
2. Decision from the second meeting of the Kosovo Government, held on the 2nd of March 2011:
 - 1.1 Decision 02/02, Approval of the Regulation for the departments of European integration and policy coordination within the ministries;
 - 1.2 Decision 03/02, Approval of the Administrative Instruction for determining the procedure after the transfer of responsibility for social and family services to the municipal level;
 - 1.3 Decision 04/02, Approval of the proposal from the Ministry of Internal Affairs for the establishment of the International Law Enforcement Cooperation Unit (ILECU);
 - 1.4 Decision 05/02, Approval of the request from the Ministry of Foreign Affairs for the preparation of the lobbying agenda for increasing the recognitions of the Republic of Kosovo;
 - 1.5 Decision 06/02, Approval of the request from the Ministry of Foreign Affairs for the preparation of the foreign policy strategy of the Republic of Kosovo;
 - 1.6 Decision 07/02, Revision of Decision 02/41 of the 23.10.2008 for the establishment of the Inter-Ministerial Commission to analyse the options for the participation of the private sector in PTK s.h.c, including the potential privatisation of all or part of the business unit of PTK s.h.c.;
 - 1.7 Decision 08/02, Allocation of finances at the sum of 40,000.00 euro for organising activities for the purpose of marking the all-popular event "Epopee of KLA";
 - 1.8 Decision 09/02, The border crossing point with Macedonia, "Stanciq" is re-categorised from a local border crossing to a regional border crossing for the purpose of international traffic, specifically becomes Category A;
 - 1.9 Decision 10/02, To initiate the procedure for the preparation of policies for instituting a visa regime in the Republic of Kosovo.
3. Decision from the third meeting of the Kosovo Government, held on the 9th of March 2011:
 - 2.1 Decision 01/03, The Government of the Republic of Kosovo in the capacity of the legal bearer of shareholder rights of the Republic of Kosovo, in the Public Enterprise PTK, decides to request from the PTK and its Board of Directors to declare and pay a dividend, "The Dividend", for the shareholder at the sum of 40,000,000.00 (forty million) euro;
 - 2.2 Decision 02/03, To offer for bidding and sale of 75% of shares in the Public Enterprise, S.H.C;
 - 2.3 Decision 03/03, To approve, with changes, the Action Plan for Ten Key Priorities if the Government in the area of European Integration;
 - 2.4 Decision 04/03, The Minister of Finance is authorised to approve the transfer from the contingency expenditure programme of individual sums requested up to the value of 20,000.00 (twenty thousand) euro;

- 2.5 Decision 05/03, Fund are allocated at the value of 5,000.00 (five thousand) euro, for the family of the killed child, Leutrim Musliu from Uglar village, Municipality of Gjilan.
4. Decision from the fourth meeting of the Kosovo Government, held on the 11th of March 2011:
 - 3.1 Decision 01/04, To approve the Draft Law for the Budget of the Republic of Kosovo for 2011;
 - 3.2 Decision 02/04, To Revise and Amend Government Decision No. 08/39 of 08.10.2008 for the establishment of the Government Commission for the privatisation of the Kosovo Company for the Distribution and Supply of Electricity;
5. Decisions from the fifth meeting of the Kosovo Government, held on the 16th of March 2011:
 - 4.1 Decision 01/05, To approve the Annual Work Plan of the Government for 2011;
 - 4.2 Decision 02/05, To approve with changes the Legislation Strategy for 2011;
 - 4.3 Decision 03/05, To approve with changes the European Partnership Action Plan 2011;
 - 4.4 Decision 04/05, To approve with changes the Regulation for the areas of administrative responsibility for the Office of the Prime Minister and ministries.
6. Decision from the sixth meeting of the Kosovo Government, held on the 23rd of March 2011:
 - 5.1 Decision 02/06, To approve the Draft Law for the Revision and Amendment of Law No. 03/L-010 on the Notary of Kosovo;
 - 5.2 Decision 03/06, To approve the Regulation on the Government Service for Communication with the Public;
 - 5.3 Decision 04/06, To approve the Draft Law for Civil Status.
7. Decisions from the seventh meeting of the Kosovo Government, held on the 30th of March 2011:
 - 6.1 Decision 02/07, To approve the Draft Law on the Revision and Amendment of Law No. 03/L-069 on Accreditation;
 - 6.2 Decision 03/07, To approve the Draft Law for the Revision and Amendment of Law No. 02/L-123 on Trade Associations;
 - 6.3 Decision 04/07, To approve the Draft Law for the Revision and Amendment of Law No. 2004/18 on Domestic Trade;
 - 6.4 Decision 05/07, To approve the Draft Law on the Private Security Services;
 - 6.5 Decision 06/07, To approve the Draft Law on Inter-Municipal Cooperation and Partnership;
 - 6.6 Decision 07/07, To approve the Annual Financial Report for 2010;
 - 6.7 Decision 08/07, To establish the Forestry Management Board within the MAFRD Cabinet, for the implementation of policies, strategies and action plans approved by the Kosovo Government;
 - 6.8 Decision 09/07, To approve the Report on the compatibility of the municipal finance system for 2010;
 - 6.9 Decision 10/07, The Government of Kosovo takes a stand that the request of the Ministry of Internal Affairs for the utilisation of the former "Jugobanka" building in Mitrovica, be approved after the completion of necessary procedures in compliance with the applicable Law.

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i vendimeve të Qeverisë së Kosovës

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"GAP Monitor" is one of GAP Institute's main projects that began in January 2009, whose aim is to monitor all Kosovo government decisions. "GAP Monitor" is a monthly publication that aims to offer citizens additional information and more analysis on all government decisions. Now, 'GAP Monitor' project has its own website, which allows more interaction with our readers and gives us the opportunity to publish our news and reports in daily basis.

INSTITUTI PËR STUDIME TË AVANCUARA



GAP's main objectives are to bridge the gap between government and people, and to bridge the gap between problems and solutions, while striving to advance the Kosovo society.

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