

April 2011

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# monitor

of decisions made by Kosovo Government



- **Three month Budget Report for 2011 is been approved**
- **The highway track is been changed in contrary with the Law on Spatial Planning**
- **Personal documents can bee provided aslo at the Kosovo consulates**
- **Approval of the draft law on Witness Protection**

## Introduction

Activities of the Kosovo Government during the month of April 2011, have been more intensive since October last year. Due to the institutional crisis, the activities of the Government were minimized. During the month of April 2011, the Government of Kosovo has held five meetings, where totally 32 decisions were brought.

During this month, numerous important draft laws were adopted as well as periodic reports. The entire 9th meeting of the Kosovo Government is used for approval of draft laws, while in all held meetings during the month of April, 12 draft laws were approved. Some of the approved draft laws during this month were only re-procured in the Assembly the once that were left from the previous mandate.

On 18th of April, the Government has approved the most discussed document recently – the Vision of the Economic Development 2012-2014. However, the content of this program is nothing more than a short paper presented at the “PowerPoint.” Moreover, this program does not comply with either the Medium Term Expenditure Framework 2012-2014, which was approved also this month

For these and other Governments decisions during the month of April 2011, read the full report of the GAP Monitor for April 2011. Also, all Governments decisions and GAP’s reports for these decisions have been published in continuance after each Governments session in the GAP Monitors portal on the Internet - [www.gapmonitor.org](http://www.gapmonitor.org).

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## The Government approves the presentation in “Power-Point” of Vision of the Economic Development 2011-2014

• *Priorities of the Government foresees an increase of 7-8% per year and decrease of 8-10%, of unemployment but without specifying the way of reaching the goal in question and in which sectors the unemployed will be hired.*

At the 10th held meeting of the Government, which took place on 18th of April 2011, the Government approved the Vision of the Economic Development of Kosovo for the period 2011-2014. Drafting of priorities for economic development of Kosovo is based mainly on private sector development, strengthening the rule of law, human capital development and improving social welfare.

The Economic development plan of Kosovo foresees an economic growth of 7-8%, decrease in unemployment from 8-10%, reducing the barriers to making business (50% of the procedures until 2014), development of favorable fiscal policies, reducing informal economy, etc. For the first time in Kosovo a priority has been given to the development of agriculture sector, which appears as a mechanism for reducing unemployment. The objectives in this sector are raising productivity, increasing exports and reducing imports. In this sector is expected budget increase of 3% in 2012 by 1% as it is actually up to 5% in 2014.

Since the determined priorities though this plan are deviated from the Governmental plan hence, it was requested that the public expenses to be revised in order to identify savings as well as adaptation of expenses with actual priorities outright form of the budget

priorities. One of the main challenges for realization of this plan is budget deficit for fulfillment of the above-mentioned objectives. The plan compilers foresee to find appropriate financing through the bank balance, foreign support, privatization and eventual debts. Due to deteriorating relations with the IMF, which is the result of non-fulfillment of responsibilities by the Government of the Republic of Kosovo, the plan drafters (compilers) for economic development have foreseen the difficulties that can face the external financial support or approval debt by the respective institutions. Hence, the Government considers that as a high priority decision is the privatization of PTK until December 2011; privatization of distribution and supply, the financial closing to be accomplished by December 2011; as the surest way to increase the budget, namely the creation of sufficient funds to meet these objectives. Thus, as the decisions of high priority the Government considers privatization of PTK to the December 2011 privatization of distribution and supply, financial closure to be completed by December 2011; construction of power plant Kosova e Re, transfer of assets to occur in December 2012 Privatization of Brezovica; possible transformation of the mining sector, etc. While in a more distant future is also expected to transmission lines with

Albania (2014), the application of energy alternative (2015), and by the end of 2017 the rehabilitation of Kosovo B and closure of Kosovo A

Construction of the highway is expected to continue, to resume work once the construction of the highway Skopje - Pristina - Mitrovica, as well as continuation of works on roads towards Pec and Mitrovica. Moreover, as a priority the Government considers the construction of the railway line that connects Kosova with Serbia and Macedonia.

The action plan is expected to proceed in the government until May 15, 2011. The plan presented at this meeting is more descriptive, which does not highlight the ways how to achieve these objectives and how realistically applicable. It should be stressed that the drafting of this plan was made possible in cooperation with the U.S. Embassy in Kosovo, USAID, European Commission, World Bank and DFID who funded a 4-day stay in Bansko in Bulgaria for half of the Kosovo government in order the drafting of strategic development plan. How effective were these 4 day stay in Bulgaria, will be seen at the end of 2011 and the 2012, a time that is designated by the drafters of the plan itself to presenting the results in practice.



## The Government changes the track of highway, contrary to the Law on Spatial Planning

*• Areas of special economic interest may be published only with the decision of the Assembly of Kosovo. Disapproval of the decision of the Assembly for the highway track hardens the process of expropriation of properties in the areas that the new highway track will cross.*

The Government of Kosovo, in its 11 held meeting which took place on April 27, 2011 brought the decision on changing the highway route Vërmica - Merdare. This decision of the Kosovo Government interferes with the Government's Decision no.13/10 dated March 7, 2008 by which the Assembly recommended to approve the highway route Vërmica - Merdare as an area of special economic interest. This recommendation of the Government, the Parliament approved in plenary session dated 2nd of June 2008. According to the approved route at the Government and the Assembly in 2008 it was foreseen that the highway track has to cross from Shtime. The overall length of route was 117 miles, where 105 bridges would be built and three tunnels with total length of 5 kilometers. The area required for construction was:  $S = 1062.2786$  ha, of which  $S = 376.2420$  hectares or 35.42% is socially owned property and  $S = 686.0366$  hectares or 64% is private property.

Presently, as per yesterday's decision of the Government, the highway will cross by Malisheva, bypassing "Qafa e Dulës" tunnel. According to the reasoning given by the Prime Minister at the Government's in the meeting, the route change will save 350 million euros and the time of passage through the highway would be extended for only 7 minutes. The new route takes the road for 15 km. To cross 15 km's for 7 minutes it is needed that the driv-

ers has to drive their vehicles 128 km per hour, the speed which is punishable with current laws in force.

However, no justification is given that according to which studies this calculation has been performed. At the Assembly's session of 2nd of June 2008, during the presentation to the Assembly, the former Minister of Transport and Telecommunications, Mr. Fatmir Limaj had said that the price of highway that will cross through the route and approved by the Assembly would be about 659 million Euros. In case that with a new track 350 million euros will be saved, it comes that the price of construction of highway will be 309 million Euros. This amount is the amount that the Kosovo budget has allocated only for the Kosovo Budget of 2010 where, according to this it should not be necessary to allocate additional means for highway funding in 2011 and in coming years.

Upon the Government's decision brought at the 11 meeting dated April 27, 2011 is not required from the Assembly to approve the new track. According to the actual laws in power, the areas of special interest may be published only with the decision of the Kosovo Parliament, after the proposal by the Government. According to the Law on Spatial Planning, Article 12. 6, it is stated that after drafting the spatial plans for areas of special interest, the Ministry consigns them to the

Government for prior approval and the Government shall proceed to the Assembly for final approval. While the Kosovo Parliament does not decide otherwise, the Assembly's Decision dated June 2, 2008 remains in force, decision concerning the highway track and cannot be changed by executive decision of the Government.

With presentation of the proposal for the highway track on June 2, 2008, Minister Limaj has stated that "the executive project is been accomplished, the feasibility studies and the environment impact assessment is been performed, identification of properties is been realized as well as pre-measures and specific and technical pre-calculations has been performed". It is not clear whether these studies were also performed for the new track of the highway.

Non-adoption of the new track by the side of Parliament could hinder also the expropriation of properties at the route where the highway will pass. Due to the fact that until the present date, there was one Decision of the Parliament concerning the highway track had a legal right that as per the executive decisions has the right to expropriate the properties in the Municipality of Prizren and Suhareka. Such a right does not exist for the expropriation of properties in new track without obtaining the Assembly's consent.

# Approved Budget Quarterly Report for the Year 2011

• *Since 2007 until now, none of the MTEF was not respected. Even MTEF has become inapplicable even before entering the first year of its operation. The most serious case is the MTEF 2011-2013*

At the 13 held meeting of the Kosovo Government, which took place on April 29, 2011, was the Mid-Term Expenditure Framework 2012-2014 was approved.

This document contains the Government's fiscal strategy for the next three years. It should be noted that the Mid-Term Expenditure Framework since 2007 serves as the main planning document government policy and as such represents an important component of the overall budget process. However, since 2007 until now, none of the MTEF is not respected. Even the MTEF has become inapplicable even before entering the first year of its operation.

The most serious case is the MTEF 2011-2013.

MTEF 2012-2014 aims to:

- Promote the fiscal discipline and to present realistic estimations on the level of budget revenues;
- To present the fiscal policies in order to implement the Government's priority policies;
- To ensure a stable macroeconomic environment, in function of development of the private sector;

- To determine the expenditure limits in order to ensure the low fiscal deficit.

Once again, the Government presents 4 pillars or priorities along its ruling mandate:

- Supporting the creation of pre-conditions for growth and sustainable economic development;
- Good Governance and strengthening the rule of law;
- Development of human capital;
- Increased social welfare for all citizens of Kosovo.

This paper presents, challenges with which the economy of Kosovo is being faced such as: very low level of export relative to import, significant reduce from the previous years of foreign direct investments, informal economy, high unemployment, lack of drafting the concrete policies that will make possible addressing these matters and solving them etc.

Also, in this document the priority policies of the Government are presented, which are: further investments in transport, improvement of power supply needs that has to realized by performing the necessary reforms, privatization of KEK's distribution as well as construction of new energy sources, development

of education sector to enable young people to take the necessary professional skills to enable their inclusion in the market, raising the functionality of the system of judiciary which is considered as a catalyst for creating a favorable climate for investment and economic growth, fiscal reforms, combating the informal economy through the project started recently by the Government to tax the business, public administration reform, provide further financial assistance by donors and fighting corruption.

However, due to the start of the implementation of the highway construction project Vërmica-Merdare, many of these priorities of the Government is expected to have adverse financial effects on their overall implementation.

Alternatively, in the context of macroeconomic projections, the preparation is done in two scenarios: first scenario is made based on the projections presented in the budget for the year 2011 and the second scenario in preparing MTEF projections 2012-2014, which has become a base on the Economic Development Vision adopted by the Government in April of this year.

If we consider the first scenario, macroeconomic projections, then for the period 2012-2014, economic growth will be 5.5% of GDP, whereas the second scenario would result in a figure of about 7.2% of GDP. In 2011, BPB will be 5.3%, while in 2012 will be raised to 6.6%, 7.8% will be in the coming year and last year, so, in 2014, GDP is expected to be about 7.4% (figures emanating from the second scenario).

On the other macroeconomic indicators, consumption is expected to record an annual average of 4.7% reaching an average participation in GDP to 106.6% during the period 2012-2014, compared to 109.3% as provided for 2011. Also, investment is expected to record growth of € 1.6 billion in 2011 to € 1.8 billion in 2014. Exports are also expected to record growth of € 995 million where it is expected to be in 2011, will reach to € 1.049 in 2014. Meanwhile, the imports are expected to be increased from

€ 2.7 billion in 2012, to € 3.1 billion in 2014.

As for inflation, over the projected period, this figure will be brought to about 1.6% which is considered as stable by the Economy experts. The total revenue budget by the end of 2014 is expected to reach a total of € 1.444 million, or to be around 27% higher than in 2010. The total expenditures during the period 2012-2013 is expected to increase continuously record and reaching a value of € 1.487 million during 2013, or an increase of about 4% compared to 2011. While the foresights suggest that during 2014 the overall expenditure budget is expected to mark a slight decline compared with 2013, to return again in similar level of projected spending in 2011. This decline is expected to occur as a result of the finalization of major capital project, and consequently reducing the category of capital expenditures during that year compared with 2013.

Such a situation will affect the sharp decrease of the total projected deficit budget during that year, which is expected to decrease from € 127 million during 2013 to € 32 million during 2014. So, with the increased expenditures over income, Kosovo is expected to carry budget deficits from 2011 to 2014. The budget deficit for 2011 is expected to be around € 227 million then in 2012 the deficit is expected to rise to € 159 million, then in 2013 a decrease is expected of € 127 million and in 2014 it is expected to be € 32 million.

The Law on Public Financial Management and Accountability, respectively article 19, which comprises the preparation of the Mid-Term Expenditure Framework, obliges the Government that by April 30 of each calendar year to submit to the Parliament this document for the next fiscal year and evaluations for next two fiscal years.



## Approved Budget Quarterly Report for the Year 2011

- *Since the admissions during the first quarter of 2011 are greater than the costs hence, there is budget surplus of 67.86 million Euros, from which budget the salaries of month of March has to be deducted.*

At the 12 meeting of the Government of Kosovo, held on 27 April 2011, the Quarterly Budget Report for 2011 was approved, according to the section 45 of the Law on Public Financial Management and Accountability, which requires that the Minister of Finance to present the Quarterly budget report at the end of each quarter. Budget allocation in this report has been performed as per the Law no. 04/L-001 and according FSSDGK - B (financial system specifically designed for the Government of Kosovo). The budget allocation for the first quarter of 2011 differs for 126 million Euros, as it can be seen in the table below:

During the first quarter, admissions were in amount of 243.91 million Euros, 19.3% of the annual plan, or 22.1% higher than in the same period of 2010. The higher revenues were generated from border taxes that comprise 61% of total admissions and are 23% higher than in the first quarter of 2010.

Total payments during this period were 175.28 million Euros or 13% of annual breakdown and are 30% lower than the payments of the same period of the previous year. However, it should be noted that the March sala-

**Salary increases has been presented for month of March and not for January and February. It is not known in which reporting period the allowances for the employees of the public sector that did not receive their salaries for first two (2) months of 2011, will be included.**

ries are not included in these payments, since they have been paid in April due to delay of adoption of the budget Law. In case the wages March would be included in this quarter, then there is an increase of 3.796 million Euros increase in the payment of salaries compared to the same period of 2010, and no salary increases approved by the Government. Payments for capital investments during this period were 188% higher than in the same period of 2010 from which the largest increase was recorded from the investment in road construction that is 443% higher than in the first quarter of 2010.

Therefore, since the admissions during the first quarter of 2011 are greater than the costs, there is a budget surplus of 67.86 million, from which the salaries of month of March has to be deducted.

	Law No. 04/L- 001	SIMFK
Central Government Budget- June 2011	1,063	963
General Government Grant for Municipalities 2011	300	274
Municipal own Revenues 2011		
Municipal own revenues carried over from 2010	0	0
The central source revenues collected in 2011	0	3
The central source revenues carried from 2010	0	1
Total Appropriations 2011	56	56
Total budget splits of 2011	1,471	1,345

## Approval of Regulation of Donors Coordination

*• Approval of this paper is been extremely necessary given the fact that a large part of the donations are not intended as per plans and foresights, where these observations were often performed by the donors.*

At the 11 meeting of the Government of Kosovo, held on April 20, 2011, the Regulation for Donors Coordination was approved.

The purpose of this regulation is to raise the role of Republic of Kosovo in the coordination with the foreign assistance, creating a system that ensures the effectiveness and transparency between the activities of the Government and the donor's community.

Also, with this regulation, with an aim of coordinating, reviewing and oversight, process of assistance for projects in development related to the Sectoral strategies the following bodies were established: the High Level Forum (HLF) Sectoral Working Groups (SWG) and, Sub-Sector Working Groups (SSWG).

High Level Forum set out main priorities for strategies regarding assis-

tance on development of sectors. This forum also approves the annual and perennial priorities for donor assistance in all sectors which should be in full compliance with the key strategic documents of the Government, such as: MTEF, EPAP, the annual Plan of Government, etc. This forum is chaired by the Prime Minister. Members of this forum are: ministers, independent institutions, ambassadors or heads of agencies representing bilateral and multilateral donor organizations.

The Sectoral Working Groups are groups for coordination of donor support led the government that deals with sectoral strategies and operational decisions concerning priorities for assistance to a particular sector. Ministry that represents the sector is led by the SWG supported by the Ministry of European Integration (MEI).

Meanwhile, the same function is being played by the sub-sectoral Working Groups, but with specific sub-sectors. SSWG are reporting to the respective SWG's. Ministries are responsible for selecting their structure and performances.

Approval of this document has been extremely necessary, having in mind the fact that a large part of the donations are not being designated according the plans and foresights. Remark: these observations are often made by the donors. Coordination of assistances in each country, not only in Kosovo, is a difficult task and should always be accompanied by accountability and transparency. Lack of accountability and transparency directly affects the termination of giving donations for which our country still has many needs.



## The government proposed to the Assembly the former Chief- Prosecutor z. Osman Kryeziu for member in the Procurement Review Body

At the 12 meeting held on April 27, 2011, as per the decision 13/12, the Government proposed to Parliament the former chief Prosecutor Mr Osman Kryeziu for member in the Procurement Review Body.

The Procurement Review Body (PRB) is an independent administrative Body of the Public Administration of the Republic of Kosovo. This Body is responsible for performing certain functions under the Law on the Public Procure-

ment in Kosovo and the Law on Procedure for granting concessions (Law No.02/L-44) regarding the treatment of complaints in relation to these laws.

PRB has the structure as follows: Chairman of the PRB and PRB body of 5 members. Under Article 2 of the Rules of Procedure of the Procurement Review Body, the Assembly of the Republic of Kosovo under the Law, upon the written request by the Chairman of the PRB, may appoint one or more

additional persons as temporary members of the review panels and only when it relates dealing with increased workload-increasing number of cases in the PRB.

While, a member of the PRB Body, takes a responsibility for being present at the Review Panels, and other work assigned to him/her by the Chairman of the PRB and PRB may represent in certain cases if the activities he / she is scheduled to do so, by the Chairman of the PRB.

Organi kompetent që lëshon pasaportën  
 Надлежни орган који издаје пасош  
 Passport-issuing authority

*Signature*



Nënshkrimi i personit zyrtar / Подпис службеног лица / Signature

## Personal documents can be obtained in Consulates of Kosovo

• *The request of the Ministry of Foreign Affairs (MFA) to engage officers for obtaining personal documents through the consular missions of the Republic of Kosovo is been approved.*

By decision 12/12, dated April 27, 2011, the Government approved the request of the Ministry of Foreign Affairs (MFA) for the appointment of officials of the Ministry of Internal Affairs Consular Missions of the Republic of Kosovo by engaging officials for equipping with the personal documents through the consular missions of the Republic of Kosovo.

Timeframe, tasks and responsibilities, salary determination as well financial and budgetary issues of personnel assigned by the Ministry of Internal Affairs with official duties in the Consular Missions, are being arranged with agreement between the Ministry of Foreign Affairs and the Ministry of Internal Affairs.

Pursuant to Article 10.1, Law on the Ministry of Foreign Affairs

and Diplomatic Service of the Republic of Kosovo, personnel from the ministries, agencies or other Government Bodies may be assigned to official duties in the Embassies and other Kosovo missions, with the consent Ministry of Foreign Affairs of Kosovo. While, the duties and financial

**So far, very few citizens have managed to obtain personal documents in the consulates of Kosovo.**

responsibilities of the assigned personnel with official duties at missions abroad, are being arranged by the agreements of the Service Level between the Ministry of Foreign Affairs and the Body that appoints the official.

While, the personnel appointed on official duty in the mission is considered equal to other members of the mission of the same range and is placed under the

authority of the Head of Mission regarding the fulfillment of duties and their general behavior.

As of 15 June 2010, all diplomatic / consular missions of the Republic of Kosovo accredited abroad, offers the consular services. All consular clients that are living within the respective jurisdiction of Diplomatic / Consular Missions of the Republic of Kosovo, can provide consular demands for these consular services: travel sheets with return facilities, application for passport of the Republic of Kosovo (for the category of citizens that are equipped with proper identification document of Kosovo); application for registration of civil status facts (birth, marriage, death certificates); application for Kosovo citizenship; application for a waiver of the citizenship of Kosovo with release; certificates of any kind; other services in emergent cases.

## Establishment of the Consultative Council for Justice and the Institute for Research of Crimes of War in Kosovo since 1990-1999

• *This council aims to promote the justice system and rule of law in implementation of strategy and other judicial and prosecutorial Bodies.*

At the 13 meeting held on 29 April 2011, the Government of Kosovo has approved the proposal of the Minister of Justice for the establishment of the Consultative Council of Justice. This council aims to promote the justice system and rule of law in implementing the strategy and other judicial and prosecutorial authorities/Bodies. Also, through this Council, conditions for concrete measures to reform the judiciary, correctional services will be ensured and other issues in the field of justice in the Republic of Kosovo.

Based on this proposal, the Ministry of Justice, Procurement Council, the Judicial Council will be obliged and others to propose legal acts in the legal field and to consign them to the council for decision. This council will have 15 members, each appointee from the special base, including from

them from the Government, the Kosovo Parliament, Civilian Representative, EULEX, OSCE, judicial and prosecutorial authorities, the University and Civil Society. The Council will also have a President, elected by the members of the council by a simple majority of votes, but with the initial proposal by the civil society. The Council works and takes decisions by simple majority of votes, which will be public, and with the local and foreign experts' advice. The proposed decision is expected of begin applied as of 1st of June 2011. While, the cost that will be charged to the Kosovo budget on establishment of this council, is not presented at the meeting of the Government when this decision is being adopted.

Also, in 13 Governments' meeting, the establishment of Research Institute for War Crimes in Kosovo since 1990 up to 1999 within

the Ministry of Justice is being approved. This institute will be a public research institute with aim to coordinate, monitor and investigate the war crimes, crimes against peace, genocide and other serious violations of human rights.

Some of the main tasks of this institute will be: gathering, processing, classification and archiving of cases for the war crimes, crimes against humanity etc. Also, the institute will analyze these crimes, their verification for eventual prosecution and the results will be made publicly.

Assurance of the financial means for the establishment of this Institute will make the Ministry of Justice (the provided amount is not known) in a way so, when Kosovo intends to press charges for the war crimes, to be well prepared, based on scientific researches.



## Approved the decision on the application of rate of the Excise Tax on Games of Chance

- *One more decision that contributes to the collection of revenues for the Kosovo Budget.*

At the 13 meeting of the Government of Kosovo, held on 29 April 2011, the proposal of the Ministry of Finance for the application of rate of the Excise Tax on Games of Chance has been approved.

The Ministry of Finance, in order to come to this decision, was consulting with the Budget and Finance Committee, based on the article 3, paragraph 2 of the Law on the Excise Tax Rates, Law no. 03 / L - 220. Budget and Finance Commission, the Chamber of Commerce, American

Chamber of Commerce and Business Agency of Kosovo have fully supported setting this tax rate. Previously, the chance games have been taxed with VAT, while with harmonization of the VAT law as per the European Council Directives 2006/112/EC on the common system of VAT; the games of chance are exempt from value added tax added since July 2010.

Excise tax rates that are approved for games of chance are as follows:

- Casinos - 5000 Euros per month, plus slots with slot machines, computer or electronic machines 500 Euros per month for each machine.
- Sports Betting - 600 Euros per month for each point of sale
- Operators of slot-machine games - 500 Euros per month
- Roulette for electronic machines - 300 Euros per month
- Bingo Tombola's in the closed premises- 100 Euros per month
- The Lottery of Kosovo - 16% of the tickets sold for each month

## Approved project for the feasibility study and beginning of the procedures for analyzing Contracting Options for operation and maintenance of Merdare-Morine highway

• *Ministry of Infrastructure has not presented yet, any concrete plan on aims of reaching these goals.*

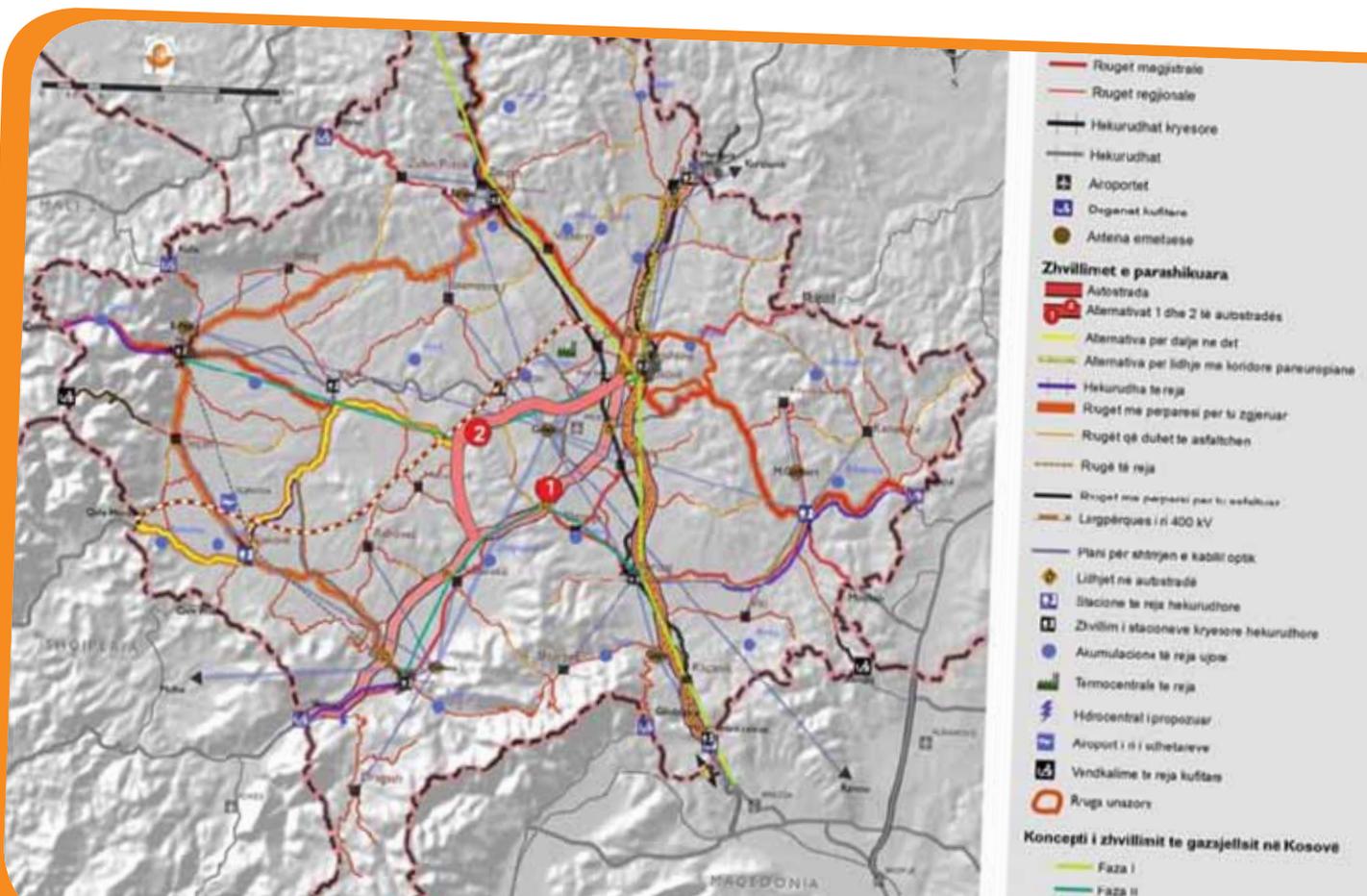
At the 13 meeting held on 29 April 2011, the Kosovo Government has given the green light to the project of the Ministry of Infrastructure for the study of contracting options for operation and maintenance of Merdare-Morine highway. The development of these road projects has primary importance for Kosovo's economy including the main link within the regional network of transportation with neighboring capitals and major cities. Also, preparation of feasibility study of system operation and maintenance of Merdare-Morine highway is important as it ensures the preservation of the value of investments, attracts the private

capital as one of the real possibilities for economic development, protection of the highway quality as well as reduction of maintenance costs.

This decision was approved at the Governments' meeting, although the Ministry of Infrastructure still has not presented any concrete plan on its intentions on the way of achieving these goals. Also, has not yet been decided whether to apply payments for highway and whether there will be fees for open businesses along the highway.

At this meeting, the Government has supported the start of the

process of concession or development of public-private partnership for road Pristina- Hani i Elezit (Genral Janovic), proposed by the Ministry of Infrastructure. The draft decision contains the preparation of feasibility studies and contracting options that will enable the project under the scheme of public-private partnership. The Ministry of Infrastructure with its professional resources will coordinate with free actors, such as the Central Public-Private Partnership within the Ministry of Finance in order this process to be quick, effective and transparent. Meanwhile, the possible contracting options will be presented later.



## Continuation of payment to the former KPC members and salary increase for the Albanology and Institute of History

• *This is the second time that the Government undertakes such a step, after the collapse of the structure of KPC and transfer them to the KSF.*

At the 12 meeting of the Government of Kosovo, which took place on April 27, 2011, the decision was to be extended payments to 797 former members of the KPC, from January to June 2011, in amount of 50% of the basic salary which they have received until May 31, 2010. Also, in the decision it is stated, that payments will be terminated at that moment when any of the members of the KPC will be employed.

This is the second time that the Government undertakes such a step, after the collapse of the structure of KPC and its transfer to the KSF (Kosovo Security Force). The first decision was brought on 2nd of July of last year where to 836 former members of the KPC was continued the allowance after the completion of the program led by the UNDP,

which was related to disposition of KPC members who failed to be part of the KSF. This program ended on 1st of June 2010.

As part of Ahtisaari's package of laws, the law for the KSF was mentioned as well which, entered into force on June 15, 2008. It is clearly stated in the law that this new structure will have 2500 active members and 800 reserve members. Its mission is of the civil character and calls on emergency situations. Also it is specified in the law, the KSF should be lightly armed and any amendment of these restrictions or its mission will be no earlier than five years from the time of entering into force of this Law and shall be determined by the International Military Presence in coordination with the ICR (International Civilian Representative).

Meanwhile, in the same meeting, the Government approved the request of the Ministry of Education for salary increases in many Albanology Institute in amount of 171,330.39 Euros per year and at the Institute of History in the amount of 93,809 Euros.

In the tables of the Kosovo Budget for the year 2011, all institutions that operate in Kosovo as a category of higher education, where the above-mentioned institutions are included, will have a budget for wages and salaries in total of 372,332 Euros which will be paid 94 workers per year. If the presented supplement (extension) will be added in this decision then, the total budget for salaries and wages for these institutes will be 637,471 Euros for this year.



## The government continues with the re-approval of remaining draft- laws in procedure from the previous mandate

• *After the dissolution of the Assembly, the draft laws had to be approved again in the executive and then to be processed once more in the Assembly.*

• *After the dissolution of the Assembly, the draft laws had to be approved again in the executive and then to be processed again by the Assembly according to the Assemblies Regulation No. 86, "at the end of mandate of the this legislative institution, all entrusted works (to the Assembly) are considered accomplished. This shall not apply to the laws passed by the Assembly proceeded to the advertisement, as well as petitions and those works that do not require a decision by the Assembly. "*

In the last three meetings (10, 11 and 12), the Government of the Republic of Kosovo continued with the re-approval of certain draft laws the ones that after the dissolution of the Assembly were once again returned to the Government for prosecution based on the Assemblies Regulation of the Republic of Kosovo, respectively in Article 86.

The draft laws that were returned to the Government for re - approval are:

- Draft law on Compulsory Insurance by auto-responsibilities toward the third parties (which was adopted on 29 August 2010 in 146th meeting, also foreseen in the Legislative Strategy 2011 for approval on 1st of July 2011);
- Draft Law on Amendments and Supplements to the Law on Wines (adopted on 5 October 2010 in 147th meeting, also foreseen in the Legislative Strategy 2011 for approval by 31st of March 2011);
- Draft law on amending and supplementing the Law on Protection and Promotion of the Rights of Communities and their members in the Republic of Kosovo (adopted on 22 April in the 121st meeting, also foreseen in the Legislative Strategy 2011 for approval by 1st of May 2011);
- Draft law on Electricity Efficiency (adopted on 7th of April 2010 at the 119th meeting, also foreseen in the Legislative Strategy 2011 for approval by 30th of April 2011);
- Draft Law on Accounting, Financial Reporting and Auditing (adopted by September 1, 2010 in 143rd meeting, also foreseen in the Legislative Strategy 2011 for approval by 31st of March, 2011);
- Draft Law on Social and Economic Council (adopted on 25th of August in the 141 meeting, also foreseen in the Legislative Strategy 2011 for approval by 31st of March, 2011).

## The Policy paper for Internal Public Finance Control and the Action Plan

*• This paper was prepared according to the EU project for providing support to improve public management, control and accountability, a project especially important for countries aiming at EU membership, as is the case of Kosovo.*

At its 12 meeting held on 27th of April 2011, the Government of Kosovo approved the Policy Paper for Internal Control of the Public Finance and the Action Plan. This document was prepared according to the EU project for providing support to improve public management, control and accountability, a project, especially important for countries aiming at EU membership, as is the case of Kosovo. In this document the basic principles of ICPF are described, the assessment of the Government's achievements to date, as well as recommendations for actions needed in

the future, by describing also the way how the Government plans to make necessary improvements. This document provides also a plan by which the future progress can be monitored.

The Policy Paper for internal control, originally was published on 25th of January 2005 and updated on 2nd of May 2007. Things that were added to the paper in 2007 are: Setting expected standards of practice of ICPF (Internal Control of the Public Finance); ensuring a coherent analyze, combining principles, estimations and statements

of objectives, addressing the value for money or managerial accountability; insurance of resources for objectives or standards that it is promoted, the inclusion of gaps analysis, that clearly links the statement, objectives, responsibilities and the action plan policy.

Approval of this project enables the internal control objectives of the Government, carried on by centralized and decentralized governmental agencies, stating whether these activities are of administrative, managerial or budget character.

## Approved draft -law on Witness Protection

- *The law on Witness Protection is one of most important laws the law the Kosovo was lacked.*
- *In various international reports, including progress reports of the European Commission, Kosovo has been criticized for lack of this law.*

At the 11 meeting dated April 20, 2011, the Kosovo Government with its decision 02/11, approved the Draft Law on Witness Protection. The purpose of this law is to regulate the special and temporary as well as extraordinary measures, the ways and protection procedures of witnesses and the organization, functioning, competences and relationships between the responsible Bodies for proposal, evaluation, approval, extension and implementation of witness protection program.

Basis for application of safeguard measures, under Article 3 of the draft law, applies during and after the criminal proceedings for the person at risk, related to the criminal investigations and acts and which as follows: criminal proceedings against Kosovo, citizens and its residents as it is foreseen in the relevant Chapter of the Criminal Code of the Republic of Kosovo; a criminal offense against the international law as prescribed in the relevant chapter of the Criminal Code; a criminal offense committed by an organized criminal group; criminal offense for which, according to the law the penalty is provided of five or more years of imprisonment. According to the Article 4, the

protection measures are applied in order to ensure protection of the protected person from serious risk to his/her life, physical or mental health or to close persons that are specified in this Law.

The Preventive measures are as follows: physical protection of the protected person; temporary relocation of the protected person in a safe place; special procedures for access to data and documents concerning protected persons from the offices issuing the documents and database and other formal information; change of residence, work or education of the protected person; change of identity of the protected person; change of physical appearance of the protected person, including plastic surgery, financial support for the protected person; social support, legal and any other support needed for the protected person. This physical protection of the protected person is in the form of open or secret, applied for 24 hours or during certain periods of time and only within the territory of Kosovo.

Also, based on the establishment of this law as well the Commission for the Protection of Witnesses which is responsible for the

inclusion of a vulnerable person in the program can be established for the duration of remaining in the program and for completion of the program, where the work and all documents of the assessment Commission are official secrets. At the same time the Witness Protection Department, has its major role which is a specialized body within the Kosovo Police and is responsible for implementing measures to protect witnesses.

While, as of entry into force of this law until the expiration of mandate of the EULEX Mission in Kosovo, the Commission and the local Department for the protection of witnesses are responsible for the protection of witnesses in accordance with this Law, unless the requirements for inclusion in a program of EULEX to protect witnesses is presented by competent persons.

Funding for implementation of this law provided by the Budget of the Republic of Kosovo, but also from international sources and programs, while responsible for implementation of this Law is the Ministry of Internal Affairs which, within six months after the entry into force of this Law, promulgates legislation for its implementation.

## Approval of additional Fund for stimulation of the Kosovo Special Prosecutor

• *This institution was established on 26 th of February 2010, as per the Governments decision.*

At the 14 meeting of the Government of Kosovo, the allocation of fund of 130 thousand Euros for stimulation of the prosecutors who work in fighting corruption and organized crime prevention is been approved. This institution was established on 26th of February 2010, as per the Government's decision in order to use all necessary

financial incentives for these prosecutors, including their physical protection. The Chairman of this Body, as of January gets paid at the level of the Prime Minister, while, the prosecutors and judges at the level of Ministers.

The proposal to award additional funds to stimulate the work of the

Special Prosecutor's Office that deals with corruption and organized crime was approved with the clarification that this procurement is being faces with high a risk having in mind the delicate nature of the work that they are dealing with. This amount is foreseen to be separated from the reserve of the Governments Budget.

## Approved the request of the MF for the ratification of the World Council of Customs

• *Completion of procedures for membership, will allow the Kosovo Customs that the requirement for membership in the World Customs Organization to be examined in the next session of June 2012.*

At the 13 meeting dated April 29, as per the decision 02/13, the Government approved the request of the Ministry of Finance for ratification of the World Council of Customs. MF in order to apply for membership in the World Customs Organization (WCO) since 2009 has worked closely with senior officials of this organization. Knowing the importance of membership in the WCO, MF along Kosovo Customs have submitted this application in November of 2009, while in January 2010 the WCO's Secretary responded positively, announcing further on the procedures established under the Convention on establishment of the Customs Cooperation Council of 1952. According to this Convention, it is required a prior storage of the instrument of ratification of the Convention on establishment of the Customs Cooperation Council. The Instrument of Ratification shall be deposited in the Ministry of Foreign Affairs of Belgium, which will then

be submitted to the world organization for consideration by decision-making Body.

Membership in the WCO is of relevant importance, especially in multiple benefits to the development of global standards, the simplification and harmonization of customs procedures, trade chain security, international trade facilitation, improvement of customs activities in accordance with other member states, raising initiations against counterfeiting and piracy, integrity promotion as well a sustainable global customs system.

The World Customs Organization is an independent intergovernmental Body that has the mission of enhancing the results and performance of the work of customs administrations around the world. Customs are recognized as a key institution in order to achieve good governance, prosperity and protection for the society. Having in mind this WCO (World Customs

Organization) helps in economic growth and social protection of its members by promoting a customs environment of honest, transparent and predictable. This allows at one side the legal increase of the international trade and on the other side to undertaking measures against the illegal activities.

WCO is recognized internationally as the World Customs Organization (WCO) and represents the only intergovernmental organization that is competent in customs matters worldwide. WCO was established on 26th of January 1952 as the Customs Cooperation Council and today includes 169 Government members..

Completion of procedures for membership, will allow the Kosovo Customs requirements for membership in the World Customs Organization to be discussed in the next session that will take place in June of 2012.



## Even this year, the government supported the Memorial Day events in Kosovo of the Turkish community

*• Even on last year's decision but in this recent decision is not mentioned at all recipient of these funds, but only the Bank account where the means were paid in - account number 21-12-0000131438-78 at the Commercial Bank TEB.*

By decision 05/11, the Government this year for the third time supported events that took place to honor the memorial day of the Turkish community, which divided the 16,500 Euros.

This is the third year that the Government supports this event since it was published in the Law on Official Holidays. So far, 66,776 Euros were allocated, where in 2009 the Government had allocated funds in amount of 35,276 Euros, while in 2010, 15,000 Euros to cover expenses for the memorial feast of the Turkish community in Kosovo.

All of these means for three years consecutively were separated from the Government stocks, as unforeseen expenses. Even at the last year's decision but also in this recent decision it is not mentioned at all the recipient of these means but only where they are paid in and that in the following Bank account number 21-12-0000131438-78 the Commercial Bank TEB.

Also, in the decision nothing is been stated also about the role of the Republican Holidays, which, under the Law on Official Holidays, has a duty to prepare rules

and ways of celebrating the official holidays and memorial days. The Republican Committee of Holidays was established as per the Governments Decision No. 06/31 dated 27 August 2008.

According to the Law on Official Holidays in the Republic of Kosovo, 23rd of April is the Day of the Turks. But it is not an official holiday. It is a Memorial Day. As 28th of November is – Day of Albanians, 12 of June - Day of Peace, 8th of April- Day of Roma, 15th of February - Day of the Ashkalis, 28th of September - Day of Bosnians, and 6th of May - Day of the Goranis.

## For the second consecutive year the Government supports the International Festival of Poetry “the Poetic Drini”.

• *Last year 6000 Euros were allocated for this festival.*

In the 13th session, with decision 08/13, the Government approved the request of the Writers Alliance for financing of the International Poetry Festival “the Poetic Drini” where 12,590 Euros were allocated. This is the second year that the Government supports this festival and takes place under the patronage of the Prime Minister of Kosovo. Last year 6000 Euros were allocated for this festival.

The International Poetry Festival “the Poetic Drini” will be held each year on 10-11 June, in the city of Prizren. This year the Festival will be attended by Albanian and foreign poets. The festival will contribute more to national

cultural contact and affirmation of Kosovo. The agenda of this event for this year is supposed to be as follows:

### June 10, 2011

- Opening of festival of poetry, on June 10, at 10 the LSHP (The Albanian League of Prizren);
- The time of the League, at 11-13;
- The literary exhibition & awarding the literary works, at 13-14;
- the literature visits at the educational institutions of the municipality.
- The poetry evening with artistic recitals, at 18-20
- The Price metaphor (I, II and III) of the Poetry Festival.

### June 11, 2011

- The literary table, on June 11, at 11-13
  - Topic: How is it treated the Albanian literature today?
- In this context it is planned also, publication of an anthology of contemporary American poetry that will be published in two languages (English and Albanian) including ten authors. Three of these poets are expected to be participants in the Festival.

These funds will be allocated from the reserves of the Government and will be transferred to the account of the Writers Alliance of Kosovo.

## Summary

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All the decisions taken by the Government in April 2011 are listed below, just as they were taken in chronological order (meetings 09-13):

1. Decisions from the 9th meeting of the Government, held on April 8, 2011

1.1 Decision 02/09, approved draft law on Fire Protection;

1.2 Decision 03/09, approved draft law on Accounting, Financial Reporting and Auditing;

1.3 Decision 04/09, approved the draft law on amendment of Law No. 2002 / 5 on the Establishment of the rights of real property;

1.4 Decision 05/09, approved the draft law on Cadastre;

1.5 Decision 06/09, approved the draft law on Trade Union Organization in Kosovo;

1.6 Decision 07/09, approved draft law on the Social and Economic Council.

2. Decisions from the 10th meeting of the Government held on 18 April 2011

2.1 Decision 01/10, approved the Economic Development Priorities

3. Decisions from the collection of 11th meeting of the Government, held on April 20, 2011

3.1 Decision 02/11, approved the draft law on Free Legal Assistance;

3.2 Decision 03/11, approved the draft law on Witness Protection;

3.3 Decision 04/11, approved the draft on Energy Efficiency;

3.4 Decision 05/11, split funding in amount of 16.500 Euros to cover expenses for the Memorial holiday of the Turkish community in Kosovo;

3.5 Decision 06/11, approved the regulation for donors coordination.

4. Decisions from the meeting 12 of the Government, held on April 27, 2011

4.1 Decision 02/12, approved the

Draft Law on Compulsory Insurance of Auto-responsibilities toward the third parties;

4.2 Decision 03/12, Approved the Draft law on Amendment of Law Nr.02/L-8 for wines;

4.3 A decision 04/12, Approved the Draft law on Amendment of Law no. 03/L-047 for the Protection and Promotion of the Rights of Communities and their Members in the Republic of Kosovo;

4.4 Decision 05/12, approved the further consideration of the application for expropriation for public interest, owners of real estate and interest holders of which are located in cadastral areas: Suva Reka, Malisheva, Drenas and being affected by the 5th segment of construction of highway Vërmica - Merdare, according to the tables attached to this to this decision;

4.5 Decision 06/12, approved the additional expropriation for public interest, owners and holders of interest in real estate are affected by the construction of highway segment Vërmica-Merdare no.1, no. 2 and no.3;

4.6 Decision 07/12, approved the additional expropriation for public interest, owners and holders of interest in real estate, which became the segment affected by the construction of highway 4 Vërmica - Merdare;

4.7 Decision 08/12, 797 payment was extended (seven hundred and ninety-seven) former KPC members, according to the list attached to this decision, from January to June 2011, amounting to 50% of basic salary which they have enjoyed until May 31, 2010;

4.8 Decision 09/12, approved the Policy Review Paper of the Internal Control of the Public Finance and the Action Plan;

4.9 Decision 10/12, approved quarterly budget report for 2011;

4:10 Decision 11/12, approved the request of MEST for salary increas-

es in many Albanology Institute of 171,330.29 Euros per year and at the Institute of History in the amount of 93,809.90 Euros per year;

4:11 Decision 12/12, approved the request of the Foreign Ministry for the appointment of officials of the Ministry of Internal Affairs at the Consular Missions of the Republic of Kosovo;

4:12 Decision 13/12, the Government proposes to the Assembly as member on the Procurement Review Body, Mr. Osman Kryeziu.

5. Decisions from the meeting of the 13-Government of Kosovo, held on April 29, 2011

5.1 Decision 01/13, approved the Medium Term Expenditure Framework 2012 - 2014;

5.2 Decision 02/13, approved the request of the Ministry of Finance for ratification of the World Council of Customs;

5.3 Decision 03/13, it's approved the request of the Ministry of Finance to increase the list of Annex A of Law nr.03/L-220 for Excise Tax Rate in Kosovo;

5.4 The decision 04/13, the Government of Kosovo shall establish the Consultative Council of Justice, as an advisory Body of the Government in the field of justice;

5.5 Decision 05/13, Establishes Research Institute for War Crimes in Kosovo;

5.6 Decision 06/13, prepare feasibility study and start procedures for the analysis of contracting options for operation and maintenance of highway Vërmica - Merdare;

5.7 Decision 07/13, prepare feasibility study and start procedures for the analysis of options for building contracting the highway Pristina – Hani i Elezit (General Jankovic);

5.8 Decision 08/13, approval of the request of the Writers Alliance of Kosovo for the allocation of means in amount of 12.590 Euros for financing “ the Poetic Drini” Festival.

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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.

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