

THE BUDGET OF KOSOVO POLICE

Needs for additional funds
and better financial planning

The budget of Kosovo Police– needs for additional funds and better financial planning

Forum for Civic Initiatives (FIQ) and Institute for Advanced Studies (GAP)

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Introduction

Efforts for establishment and consolidation of the security sector in Kosovo began with the installation of the international civil administration in Kosovo. According to the UN Resolution 1244, preserving security and order was a responsibility of NATO peacekeeping mission, KFOR. But in the meantime, a lot of work was done in establishing and consolidating the Kosovo Police Service.

The process of building capacities of the local police officially began on September 6, 1999, under the management of the OSCE. The increase of administrative and operational capacities resulted with exclusive competencies of the UNMIK police, gradually being transferred to the local authorities. Upon the declaration of independence, on February 17, 2008, and entry to force of the Law on Police¹ on June 2008², the remaining reserved competencies in this sector were officially transferred to the local authorities. Also, the general director of the police was appointed for the first time.

Throughout these years, significant progress was marked in the process of consolidation of the Kosovo Police. Capacity building resulted with additional competencies and responsibilities for the police in preserving law and order. Today, the Kosovo Police employs 8.546 staff, and has an annual budget of 79 million euros.

Further consolidation as well as technical and human capacity development in the Kosovo Police, is at large depended from the overall budget allocated for this institution, which plays an essential role within the security sector. As part of this study, GAP institute provides an analysis of the current overall budget of the Kosovo Police, as well as budget allocations since 2009. An analysis of the budget is important for the Kosovo Police, in order to face the challenges ahead, in particular those revealed in the EU Commission Progress Report for 2011.

Overall budget of the Kosovo Police

Allocation of necessary financial resources for the Kosovo Police is of imperative importance, in order to ensure efficient functioning of the security sector and satisfactory level of public order. Out of a total of 1.508.921.003 Euros of the state budget, an overall budget of 78.712.708 euros has been allocated for the Kosovo Police.

¹ Law on Police, was part of the package of Ahtisari's laws, related to transfer of competencies to state institutions, after the declaration of the independence

² Law nr.03/L-035 on Kosovo Police, published in the official gazette on June 4, 2008

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The table below describes the structure of the budget allocated for the Kosovo Police in 2012:

Budgetary Lines	Employees for 2012	Wages and Salaries	Goods and Services	Utilities	Subsidies and transfers	Capital Investments	Overall budget
KP Budget in Euros	8,546	€50,097,264	€10,673,444	€1,567,000	€470,000	€15,905,000	€78,712,708
KP Budget in %	/	63.7%	13.5%	2.0%	0.6%	20.2%	100%

This table shows that more than half of the overall budget of the Kosovo Police is spent in wages and salaries, respectively 63.7% of overall expenditures. The second biggest budgetary line is the capital investments, with approximately 20.2% of the overall budget.

Comparing with the previous years, the budget allocated to the Kosovo Police in 2012, is the largest ever. While in 2009 the overall budget allocated to the Kosovo Police was 55 million euros, there is a significant increase in 2012, with 79 million euros allocated. The table below shows variables of each budgetary line over the past few years.

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This table provides comparative data on the increase of the budget of Kosovo Police over the past years

	Budgetary Lines	Employees for 2012	Wages and Salaries	Goods and Services	Utilities	Subsidies and transfers	Capital Investments
Budget 2009 ³	9.077	€28.529.154	€11.050.000	€1.600.000	€100.000	€13.500.000	€54.779.154
Budget 2010 ⁴	9,077* (↔)	€39.698.697 (28.1% ↑)	€10.989.821 (0.55% ↓)	€1.600,000 (↔)	€100.000 (↔)	€10.646.300 (26.8% ↓)	€63.034.818 (13.1% ↑)
Budget 2011 ⁵	8,547 (↓)	€50.302.229 (21.1% ↑)	€10.639.569 (3.3% ↓)	€1.567.000 (2.1% ↓)	€100.000 (↔)	€12.173.274 (12.5% ↑)	€74.782.072 (15.7% ↑)
Budget 2012 ⁶	8,546 (↓)	€50.097.264 (0.4% ↓)	€10.673.444 (0.3% ↑)	€1.567.000 (↔)	€470.000 (470% ↑)	€15.905.000 (23.5% ↑)	€78.712.708 (5.0% ↑)

The table shows that the overall budget allocated to the Kosovo Police, was increased from year to year. Changes in the budgetary lines over the years are evident, as in the case of Wages and Salaries, which in 2011, comparing to 2012, where higher for 204.965 euro, or 0.4%. The average increase of the overall budget, from year to year, was 11.3%.

The chart below, graphically describes the increase/decrease of expenditures in the overall budget, as well as expenditures in the two largest budgetary lines.

³ Budget of Kosovo 2009.

⁴ Budget of Kosovo 2010.

⁵ Budget of Kosovo 2011.

⁶ Budget of Kosovo 2012.

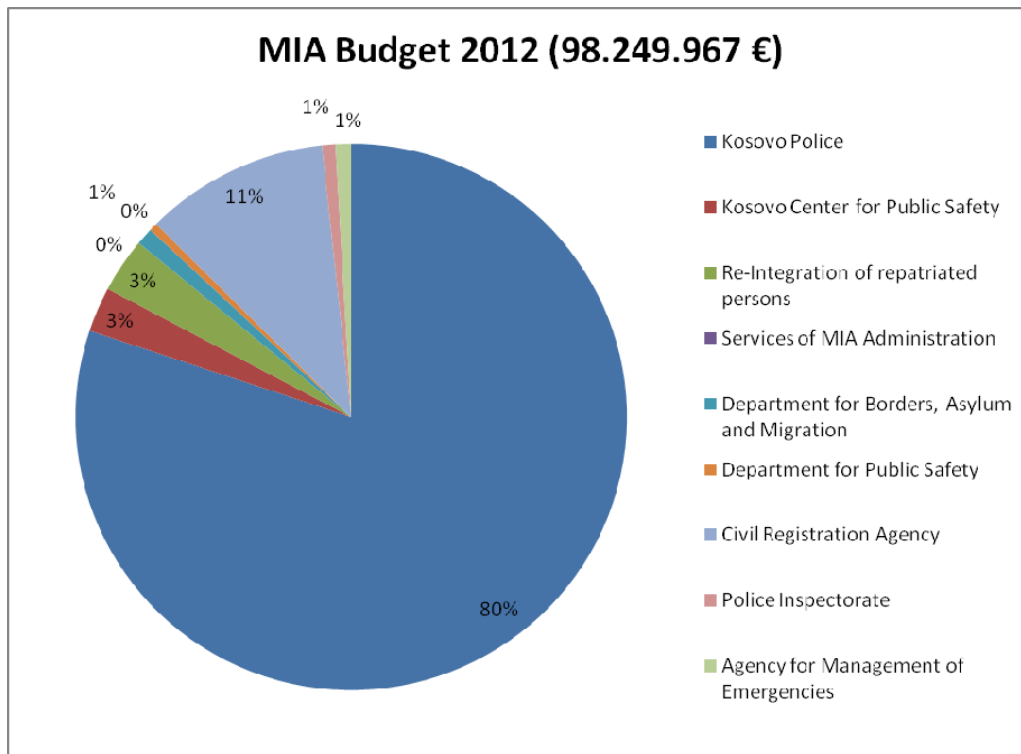
* Note: As shown in table no2, according to the budget for 2009 and 2010, the number of employees in the Kosovo Police was 9.077, while in the following years, the implementation of reforms for structuring and reorganizing the Police Service, led by senior management, resulted with a decrease of the total number of employees to 8.547.

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The overall budget of the Ministry for Internal Affairs (MIA), for 2012 is over 99 million euros, of which 79% is allocated for the Kosovo Police, while the remaining budget is allocated for MIA administration, Police Inspectorate, Kosovo Center for Public Safety, Education and Development etc.



The budget plays an essential role for the Police to efficiently carry out its duties.

In accordance to the law, the Police shall protect the life, safety and property of all individuals, prevent dangers to the public and maintain the public order and safety, detect and prevent criminal acts, provide surveillance and control for traffic safety as well as other duties envisaged by the law. In order to accomplish these tasks, the Kosovo Police needs personal motivation as well as logistical means.

The last year's decision of the Government to increase the salaries for 40% could have had an impact on the motivation of police officers. Basically, the majority of the budget allocated to the police (63.7% of the overall budget), is spent in wages and salaries. Around 51 million euros are allocated for wages and salaries, of 8.546 employees, in the Kosovo Police. It is worth mentioning that this number (8.546) represents the total number of staff allowed according to 2012 Budget. Actually, the Kosovo Police has 8.458 employees and plans to employ another 88 people in order to fulfill the allowed quota. Of the current staff, 7.333 are police with uniforms and 1.125 are civil staff.

Although more than 63.7% of Kosovo Police budget is allocated for wages, the Police have no health and life insurance yet. Taking into consideration the nature of this job, health and life insurance should be provided for the Police as soon as possible.

Professional training and certain logistics means are needed in order to preserve law and order and combat the organized crime in Kosovo. The above mentioned goals carry a high budgetary cost. Considerable financial means are needed for combating organized crime, in particular for supporting operations such as simulation of prostitution, simulation of drug buying, undercover agents, paying the informants, witness protection programs etc. Currently, the Kosovo Police has around 1.350 vehicles, of which only one water cannon. Since the majority of vehicles, have been provided as donations from different international organizations, there is a variety of around 90 different types of vehicles.⁷

Though, Kosovo Police did not buy any new car since 2009, the cost of maintenance and repairing is very high, particularly due to variety of vehicles types. Beside the financial means for buying new cars, the cost is also high for replacement of vehicles due to deconspiration and maintenance of vehicles with no police signs used for surveillance purpose. Police stations and police cars make up the largest capital investment for the Kosovo Police. Therefore, vehicles shall be maintained efficiently and economically.

⁷ Interview with Mr.Hamdi Hyseni, Director of Directorate for Budget and Finances in the Kosovo Police. March 6, 2012.

Police vehicles should be equipped with broad range of operational equipment and documentation. According to the Police Inspectorate, a police vehicle should have a radio, fire extinguisher, first aid kit, and reserve tire, equipment for changing tires, warning triangle reflector, tire chains and winter tires. The vehicle should also have car registration documents such as insurance, form for servicing, form in case of car damage, traveling form and accident reporting form. The inspectorate found out that in 26 police stations, none of the inspected vehicles had all the abovementioned equipment and documentation.⁸

Due to the large number of accidents involving police vehicles, the report of the Inspectorate emphasizes the dissatisfaction with regard to the performance of the police officers, and recommends a review of the training curricula and periodic evaluation of police officers driving skills. During 2008, 193 accidents occurred, whereas in 2009 the number of accidents involving police vehicles, regardless, who caused them, increased to 230. This means that the number of accidents has been increased for 19.2%. Although all vehicles have insurance and in case of accidents the insurance company covers the expenses, nevertheless the large number of accidents carries additional cost for the Kosovo Police.⁹ In general, the budget allocated for goods and services is not sufficient, considering the current needs of the police. Only 10.7 million euros have been allocated to this budgetary line for 2012. The increase of fuel prices resulted with an increase of cost in this budgetary line, too. In 2011, a total of 4.704.120 euros were spent on fuel, which is quite high comparing with 3.619.971 euro spent in 2010.¹⁰

An increase of cost has also been evidenced, due to the lobbying activities of the senior state officials, from the Office of the President and the Government. Expenditures of the police officers that accompany the senior state officials during the official visits abroad are covered by the police budget. These expenditures present a high cost for the police budget. Also, since the end of 2011, the Kosovo Police has taken over the responsibility of controlling the border with Montenegro, along with the borders with Albania and Macedonia, which are already controlled by the Kosovo Police. This new responsibility is an additional burden for the budget of Kosovo Police. Under the budgetary lines for goods and services, 10.7 million are envisaged for the following:

⁸ Raport of extraordinary inspection No. 2/2010, General Evaluation of Managerial Performance of Police Stations, Police Inspectorate of Kosovo

⁹ The Kosovo Police has enforced a regulation whereby the police officer involved in the accident has to pay 20% of the damage cost, if the special commission that evaluates the case decides that the accident occurred due to officer's fault.

¹⁰ Interview with Mr. Hamdi Hyseni, Director of Directorate for Budget and Finances in the Kosovo Police. March 6, 2012.

- Administrative services (176.264 euro),
- Operations (264.249 euro) dhe operacione speciale (186.893 euro),
- investigations (169.841 euro),
- Support services (8.827.185 euro),
- Trainings (339.494 euro),
- Border Police (248.446 euro),
- Directorate for protection of witnesses (240.000),
- Menagement (221.072 euro).¹¹

The lack of helicopters and armored vehicles

After the police operation for taking over the control of two border points in Janine and Bernjak, the media reported that the Prime Minister is planning to request permission from the Assembly to buy sophisticated equipment for the police, including two helicopters and 10 armoured vehicles.

The plan for strengthening the logistics and operations of the Police, was supposed to be submitted in the Assembly, during the autumn session. "According to a study conducted by the Police and MIA, two helicopters and 10 armored vehicles would be sufficient for now". But, since the purchasing cost might exceed 25% of the overall budget of the MIA, in accordance with the applicable laws, the final decision should be made by the Assembly of Kosovo. The cost for purchasing these vehicles is expected to be around 20 million euros"¹².

Therefore, due to the lack of sufficient budget, there will not be many capital investments this year either. Though it was envisaged that the Kosovo Police will purchase two helicopters this year, this is not going to happen due to insufficient budget. Kosovo needs helicopters, not only for police work, but also for emergencies. Senior government officials argue that helicopters will be used for managing emergency situations as the last one with Kosovo Police in the northern part of the country.

However, helicopters might also be very useful in cases of earthquakes, avalanches, fire management, rescue missions, border control, crowd management, traffic management, chasings in cases of kidnapping, transportation of special units etc. "Kosovo needs six helicopters, though for the moment three would be sufficient" said a government official, adding that a light helicopter might cost between 800.000 and 1.6 million euros, while an average helicopter might cost from 8 to 14 million euros"¹³.

¹¹ Kosovo Budget for 2012.

¹² Koha Ditore. The Government wants the Police to have helicopters and armoured vehicles. August, 20 2011.

¹³ Newspaper Zëri. September 22, 2011.

When commenting the needs for special equipment in managing operations of high risk scale, the General Director of the Kosovo Police admitted that existing equipments are not sufficient comparing to the requests and needs of the Police, therefore purchasing of special vehicles, weapons, ammunition, and other technological equipment has been planned within the budget for 2012.¹⁴ But, implementing this in 2002 is difficult. Also, due to the high cost, it is going to be difficult to implement the plan for redesigning and purchasing new uniforms.

It is important to note, that the draft budget for the Kosovo Police is prepared by the General Director, who submits it to the Ministry of Internal Affairs, for further proceeding in the Assembly. This chain of competencies, results with Police not getting the requested budget, which is needed to increase human and logistical capacities of the police service.

Despite budgetary constrains, there are tough international regulations and complicated procedures that discourage Kosovo Police from buying helicopters.¹⁵ If the Kosovo Police nevertheless decides to buy helicopters, two helicopters of the same type should be bought, one for operation and the other as a substitute in case of break downs.¹⁶ Helicopters and armored vehicles not only carry a huge cost for purchasing, their maintenance and the training of staff is costly too.

Budgetary restrains and challenges for accomplishing the goals

Beside the tasks and responsibilities outlined in the Law on Police, the Kosovo Police aims at accomplishing a range of other objectives. According to the Kosovo Police Strategic Development 2011-2015¹⁷, approved by the Ministry of Internal Affairs, the Kosovo Police aims at accomplishing the following seven key objectives:

- Crime prevention
- Combat against organized crime
- Control, surveillance, prevention and combat of border crimes, though Integrated Border Management
- Development of the organization through performance management
- Modernization and standardization of the organization

¹⁴ Monthly bulleting of the Kosovo Police "The Protector". Volume VII. No3.

¹⁵ According to the deputy Minister of MIA Mr. Izmi Zeka, who participated at a roundtable organized by FIQ and GAP for discussing this policy brief. 29 March 2012

¹⁶ According to Agim Musliu, who participated at a roundtable organized by FIQ and GAP for discussing this policy brief. 29 March 2012

¹⁷ The Strategic Development Plan approved by the Minsitry of Internal Affairs, remains confidential for the public, due to sensitive content.

- Cooperation and membership in international organizations, in fighting organized crime and terrorism, and
- Strengthening the cooperation with other local and international institutions of the security sector

Beside the more advanced organization, the accomplishment of these objectives requires additional budgetary means. The budget for 2012 is quite limited and does not allow for accomplishment of these goals, particularly in the area of modernization and standardization.

The Strategic Development Plan 2011-2015, does not provide proper and accurate financial planning for each activity needed to accomplish the seven above mentioned objectives. Of 120 activities outlined in the Strategic Development Plan for the period 2011-2015, 64 activities do not envisage budgetary implications at all, for 39 activities it is noted that involve only administrative costs or are already budgeted, one activity is planned to be supported by donors (the amount and source is not specified), while the budgetary implications have been accurately provided only for 16 activities.

The overall expenditures for implementing these 16 activities, for which accurate budgetary implications are provided, are expected to be 31.9 million euros. This shows that Kosovo Police did not calculate the real cost of the expenditures, in its Strategic Development Plan 2011-2015

In order to implement the Strategic Development Plan 2011-2015, KP in cooperation with MIA, should specify the approximate cost of the each activity, envisaged for accomplishment of the strategic goals. Otherwise, the Kosovo Police will not be able to justify their request for additional funds through the MIA and MEF.

According to mid term expenditure framework 2012-2014¹⁸, one of the strategic objectives of the MIA is to increase capacities of the police, in particular for areas of detecting and investigating organized crime activities, combating corruption and integration in regional and international organizations. Increase of capacities in the police service means:

- Surveillance and investigation of serious crimes and access in combating cyber crime;
- Combating economic crimes through increase of institutional capacities for combating economic and financial crime
- Possibilities for using surveillance methods during investigations, in order to gather evidence for prosecution

¹⁸ Mid term expenditure framework 2012-2014. Ministry of Economy and Finance (MEF). Government of Kosovo

- Advancing human capacities, in particular in the area of combating money laundry, narcotics investigation and ability to combat corruption
- Combating organized crime through improvement of bilateral cooperation and integration in relevant regional and international organizations
- Extension of the intelligence services in all levels and increase of capacities for legal interception of telecommunications,
- Under the capital projects of the MIA for period 2012-2014, it is envisaged to build and renovate police stations, purchase armored vehicles and water cannons.

The mid term expenditure framework 2012-2014, does not have a separate budgetary line for the Kosovo Police, but includes the latter within the budget of the MIA.

Moreover, the performance and organization of the Kosovo Police was criticized in the EU Commission Progress Report for 2011. In the section that outlined the progress and challenges of the Kosovo Police, it says that there was undue political interference in senior police appointments and the conduct of sensitive police operations. Further the report emphasizes that limited progress in implementing the community policing methodology, there was no systematic contact between police with municipalities in the local public safety committees, new police stations have not been established in all newly established municipalities as envisaged in the Ahtirari's package, there are serious challenges in terms of managing human resources and the lack of capacities in terms of strategic planning and analytical capabilities. ¹⁹

If we refer to the conclusions of the European Commission and the objectives outlined in the Strategic Development Plan 2011-2015, the current budget allocated to the Kosovo Police, is a serious obstacle. Other five sensitive categories within police budget: investigations, support services, training border police and directorate for protection of witnesses have a very small budget to accomplish the above mentioned objectives. ²⁰

¹⁹ EU Progress Report for Kosovo. 2011. Page 56-57

²⁰ Interview with the Secretary General of the MIA, Mr. Ilhami Gashi.

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The table below described the allocation of the police budget in categories mentioned above.

	Categories	Goods and Services	Utilities	Capital Investments
Budget of the Kosovo Police for 2012	Investigations	€169,841		€2,715,000
	Support services	€8,827,185	€1,567,000	€6,654,000
	Training	€339,494		€150,000
	Border Police	€248,446		€1,126,000
	Directorate for protection of witnesses	€240,000		€240,000

These categories are considered essential in order to accomplish goals of the Police, deriving from the Progress Report 2011 and Development Plan 2011-2015.

Comparing the budget of the Kosovo police with countries in the region

Country	% in the overall budget
Macedonia	6.44%
Serbia	4.47%
Montenegro	4.84%
Albania	3.97%
Kosovo	5.22%

Financial management and the needs for decentralizing the KP budget

The process of drafting and execution of the Kosovo Police budget is very centralized. The budget of the Kosovo Police is managed by the Ministry of Internal Affairs. The last report published by the Auditor General, reveals many irregularities in the execution of the budget by the MIA and KP. Challenges in management of the KP budget are mainly on: use of own source revenue destined for the welfare of police officers, procurement processes,

failure to remove from the list of salaries the employees that no longer work for KP etc.²¹

Improvement of the financial system is one of the sub objectives of the Strategic Development Plan 2011-2015. KP envisages doing this through: decentralizing the KP budget and drafting or reviewing procedures for financial management in the central, regional and local level. This will allow for decentralized decision making and planning in accordance to specifics of regions/stations, but also reduce bureaucratic procedures that might negatively impact the efficiency of operations. However, the Strategic Development Plan does not have a deadline by when the decentralization of the KP budget should be completed.

²¹ Office of the Auditor General. Audit report for annual financial statements of the MIA, for 2010
[http://oag.rks-
gov.net/Raportet%20shqip/2010/Ministrite/RaportiAuditimit_%20MPB_%202010_Shqip.pdf](http://oag.rks.gov.net/Raportet%20shqip/2010/Ministrite/RaportiAuditimit_%20MPB_%202010_Shqip.pdf)

Conclusions and recommendations

Conclusions

- Though limited, the Kosovo Police budget has been increased every year. The average annual increase since 2009 was 11.3%.
- Budgetary lines that “benefit” mostly from the overall budget of the Kosovo Police are: *Wages & Salaries* (63.7%) and *Capital Investments* (20.2%). However, the Kosovo Police still lack health and life insurance.
- The Plan for Strategic Development 2011-2015 specifies seven objectives to be achieved by 2015, but fails to mention the budgetary implication for achieving such objectives. Categories such as: Investigations, support services, training, Border Police and Directorate for Protection of Witnesses remain with a very limited budget.
- The Kosovo Police spends a lot on vehicle maintenance, because it has more than 90 different vehicle brands, most of them are old vehicles, are poorly maintained and consume a lot of fuel (most of them are Asian cars).

Recommendations

- Dealing with challenges such as increase of professional and logistical capacities in combating different types of complicated crimes, requires an increase of the budget for capital investments, during the preparation for mid year budget review
- Accomplishment of goals deriving from the Development Plan 2011-2015, requires an increase of professional and logistical capacities, which means increase of budget for the category of investigations and capital investments.
- Particular attention should be emphasized in increasing the budget for the investigation and forensics department, as well as department for policy drafting and analysis.
- A priority in terms of budgeting should be provided to the Border Police, which plays a key role in combating organized crime. The current budget is not even closely sufficient.
- In general, the Government and the MIA should allocate more budgetary means for the KP, in order to accomplish goals deriving from the Development Plan 2011-2015, but also government priorities for combating organized crime and corruption. The increase of the budget for KP would prove the commitment of political will declared by the Government.
- The Kosovo Police and MIA should work on the Development Plan 2011-2015 by filling the budgetary lines for each objective.
- The MTEF 2013-2015, should not only contain a budgetary plan for the MIA, it should also include an exact budgetary plan for the Kosovo Police.
- The Kosovo Police should create a strategy on how to reform its vehicle fleet, by replacing the old and consuming vehicles with new and more economically affordable ones.



The Institute for Advanced Studies GAP is a Kosovo Think Tank established in 2007. GAP's main purpose is to attract professionals by creating a professional research and development environment commonly found in similar institutions in Western countries. This will include providing Kosovars with an opportunity to research, develop and implement projects that would strengthen Kosovo society. A priority of the Institute is to mobilize professionals to address the country's pressing economic, political and social challenges. GAP's main objectives are to bridge the gap between government and people, and to bridge the gap between problems and solutions.



The Forum for Civic Initiatives (FIQ) is a non-governmental organization, working with the security sector, development of philanthropy and support through grants for projects for active citizens and environmental protection.