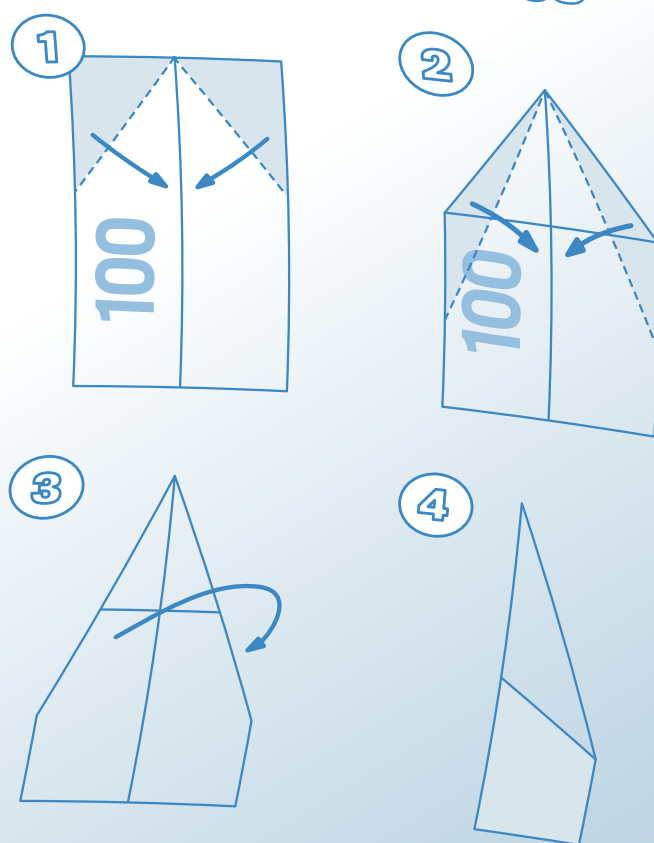


The “fight” over per diems: contrasting government policies on official travels



Per diem policies



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December 2019

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Executive summary

A large number of civil servants and political appointees in the public sector in Kosovo perform official travels for which they receive per diem compensation. The role of per diems as an instrument is to facilitate public sector employees' participation in seminars, workshops, trainings and important state meetings. In 2018, Kosovo institutions' expenses for official travel in the country and abroad amounted to around 14.7 million euros. As part of the increased transparency on public finance management, enhanced transparency on official travel allocations and expenses is of great significance. This report compares practices of different ministries in terms of per diem allocations, and ascertains the perception of civil servants on the legal basis and practices and merits of per diem allocation.

Official travels are regulated with a bylaw of 2004. Although the legal framework changed after the declaration of independence and entry into force of the Kosovo Constitution, Kosovo institutions continue to maintain in force Administrative Instruction No. 2004/07, which is legally founded in an UNMIK Regulation. To assess the application of current per diem policies in Kosovo, GAP Institute has conducted a survey with general secretaries of 11 ministries, and another survey with 596 civil servants. Findings reveal that there are differences in procedures followed by ministries both in terms of proof to be presented by civil servants upon conclusion of official travel and the manner in which locations of trainings (in Kosovo or abroad) are determined. Also, there are no mechanisms inside ministries to prohibit getting per diems from two sources for the same official travel. Despite the impression of many civil servants that per diems are often misused, internal auditors have not managed to document such cases in the last three years. However, the Auditor General has found several deviations in the practices of managing per diems and published his concerns related to the quality of the legal framework.

The civil servant survey reveals dissatisfactions within institutions regarding the current per diem policies, specifically on how official travel requests are not approved on objective grounds and are not merit-based, and how the misuse of per diems is a common occurrence. Also, there is no reliable address for civil servants to feel safe and disclose cases of per diem misuse or fraud. In certain cases, surveyed civil servants explained how per diem amounts often comprised 50% of their monthly income, which represents a significant amount of income apart from basic salary.

GAP Institute recommends amending Administrative Instruction No. 2004/07 on Official Travel, with the aim of adjusting it to the country's legal reality, and to avoid problems identified by the Auditor General in terms of per diem fees and restricting reasons for obtaining per diems. Also, there needs to be a reliable system which enables civil servants to submit their complaints related to potential misuse of per diems; to avoid cases when the level of per diems exceeds that of the annual salary; to publish more detailed data on per diems and to publish the register of travels abroad and justifications for such travel.

Introduction

Official travel per diem allowances, both within the country and abroad, comprise 0.62% of the total expenses in 2018. However, there are cases when on individual basis, annual income from per diems and petty cash (20%) exceeds the double of the annual salary.¹ Per diem fees, according to the administrative instruction in force, comprise the amount allocated for an official travel, which covers lodging, food and incidental expenses. In cases of in-country official travel, the precondition is for such travel to be longer than 24 hours and outside of the workstation.² Types of per diems obtained most often by the largest number of public sector employees in Kosovo are petty cash (20%), whereas the rest is covered by the receiving party or organizers. Although the Anti-Corruption Agency forwards the asset declaration form for completion to 4,819 public officials, asking them to declare any movable assets valued at least at three thousand euros, very seldom do public officials declare per diem income.

Every year, National Audit Office reports identify numerous occasions of per diem misuse³, to the extent that the Auditor General requested from the Prime Minister and Minister of Finance to amend the legal framework regulating official travels and decision on allowance fees.

With the aim of identifying and comparing per diem practices in various ministries, and with the objective of obtaining the stances of civil servants on the legal basis, practices and merits of per diem allocations, GAP Institute conducted a wider research with secretary generals of ministries and civil servants at the level of ministries, municipalities, independent agencies and the Kosovo Assembly. Results of this research are presented in this report.

1 In 2014, an advisor of the Ministry of Economic Development reported 9,249 euro of annual income from per diems, with the net annual salary amounting to 4,800 euro. Source: <https://bit.ly/2pzzu7k> and <https://bit.ly/2JFE4YK>.

2 Government of Kosovo. Administrative Instruction of MPS 2004/07 on Official Travel. Source: <https://bit.ly/2WmQKZI>.

3 Findings of the NAO reveal offences in terms of use of funds for official travel in contradiction to the legal basis, payment of per diems in violation of the Ministry of Finance decision, failure to clear and return travel advances, and more. See issue A2 in the 2018 NAO Report on MESP, page 16 (<https://bit.ly/31RHw8J>). Also, see issue 9 of the 2017 NAO Report on MPA, page 17 (<https://bit.ly/2PtvRuc>) or issue 14 of the 2017 NAO Report on MCYS, page 22 (<https://bit.ly/2Nk8qB7>).

Methodology

To analyze the current per diem policies in Kosovo, GAP Institute has used primary and secondary data sources. Concretely, surveys were conducted with ministry secretaries and public sector civil servants. The secondary source of data includes financial reports of the Ministry of Finance, which reveal the overall amount spent on official travel throughout the years. Also, National Audit Office (NAO) documents on per diem allocations were used.

The first survey was conducted with 11 of 21 secretary generals of ministries. The survey included: Ministry of Local Government Administration (MLGA), Ministry of Innovation and Entrepreneurship (MIE), Ministry of Environment and Spatial Planning (MESP), Ministry of Education, Science and Technology (MEST), Ministry of Agriculture, Forestry and Rural Development (MAFRD), Ministry of Internal Affairs (MIA), Ministry of Labor and Social Welfare (MLSW), Ministry of Trade and Industry (MTI), Ministry of Rural Development (MRD) and Ministry of European Integrations (MEI). Secretaries of other ministries have not completed the survey.

Also, GAP Institute conducted a survey with 596 civil servants, where the questionnaire was disseminated by the Ministry of Public Administration (MPA) but only GAP Institute had access to the results. Around 45% of the respondents work in ministries, 45% in municipalities, 9% in independent agencies and 1% in the Kosovo Assembly. As regards the position of respondents, most of them belong to the professional level which comprises of experts of different fields. The average net salary of the respondents is 503 euro.

Figure 1. In what sort of institution do you work?

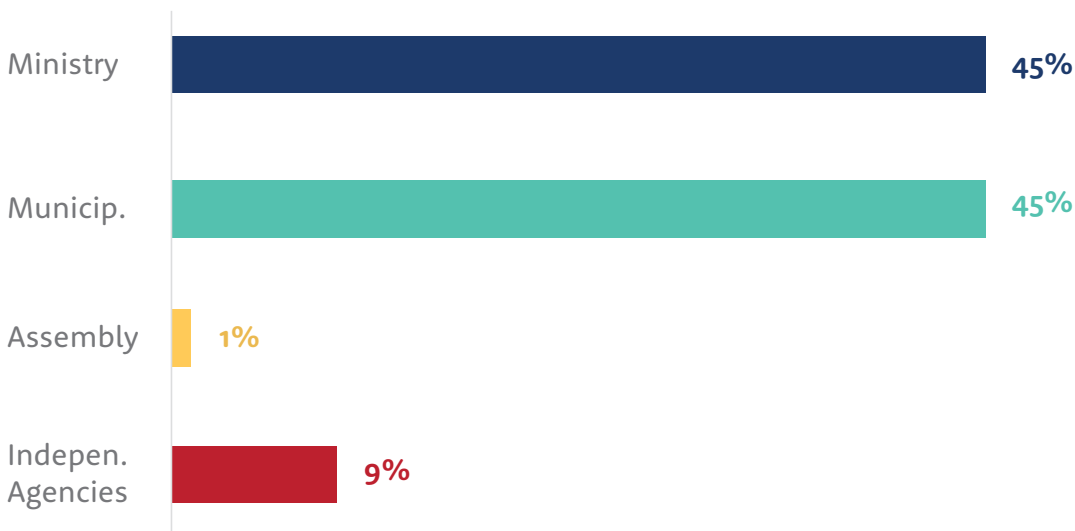
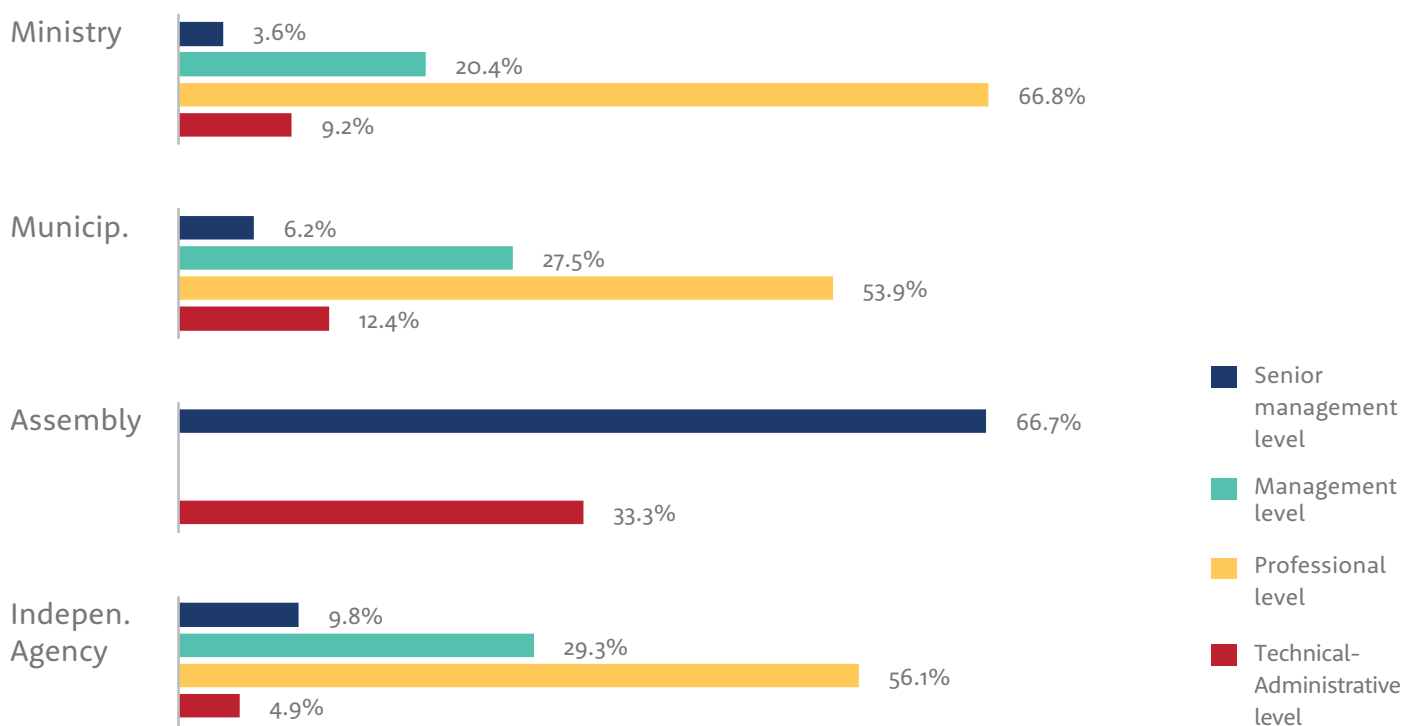


Figure 2. Position of civil servants, by institution



Of the participating respondents, 65% were men and 35% were women. Age distribution of the respondents is similar to normal age distribution, with a higher participation of respondents between 25 and 40 years old.

Figure 3. Respondents by gender

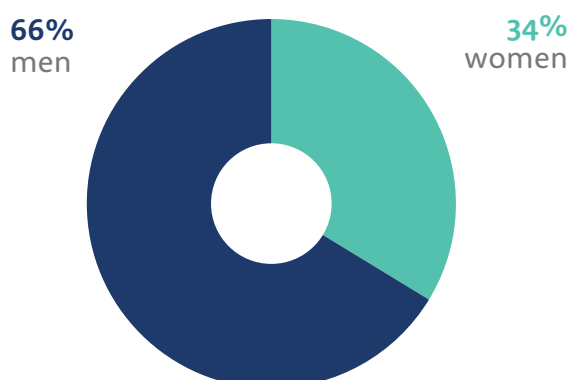
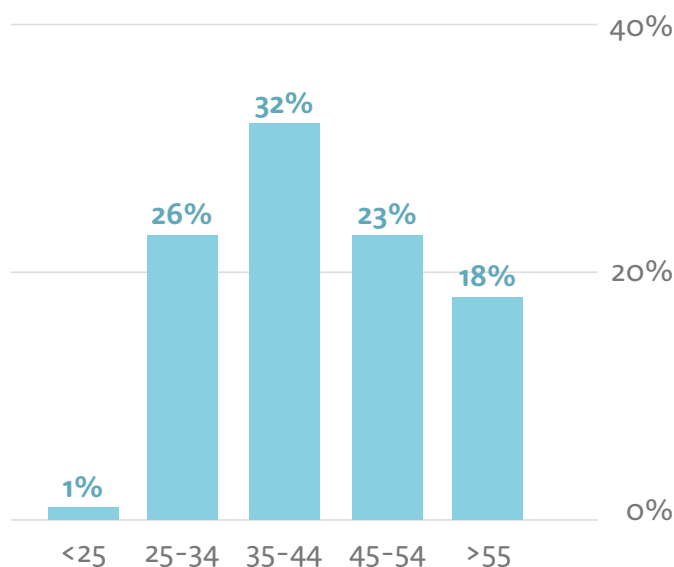


Figure 4. Respondents by age



Legal framework on official travel allowance fees and differences with European Commission practices

Per diems for official travel abroad are still based on a bylaw issued 15 years ago. Administrative Instruction MSP 2004/07 on Official Travel was issued by the Ministry of Public Services and is based on UNMIK Regulation NO. 2001/19 on the Executive Branch of the Provisional Institutions of Self-Government in Kosovo.⁴

Although the Ministry of Public Services doesn't exist under this name since 2008, Kosovo has declared its independence and approved its Constitution and no executive institution functions under said UNMIK Regulation, no new administrative instruction was issued in the meantime. In June 2018, the Government of Kosovo issued a new decision on rates for travels abroad, but this decision is also based on the 2004 administrative instruction.

Administrative Instruction 2004/07 on Official Travel defines what is implied with official travel, approval procedure and payments. Pursuant to this instruction, in 2004, the Ministry of Economy and Finance (current Ministry of Finance) issued a decision on official travel fees. The second item of this decision obliges the Treasury Department to review the official travel rates on quarterly basis, or as required. However, no such reviews were conducted until June 2018 when the Government issued a new decision on said rates. There is also a 2008 Prime Minister's decision obliging the institutions to organize all events covered under the Kosovo budget inside the country.⁵ However, this decision is not being implemented.⁶

The new decision on official travel allowance rates came as a result of a request issued by the Auditor General in May 2018, in a letter directed to the Prime Minister, to request the review of the legal framework regulating official travel. The letter claims that the "Administrative Instruction in force doesn't cover modern requirements and as such doesn't contribute to regular, healthy and adequate management of public funds... therefore, said framework [Administrative Instruction and Decision on Rates] is not appropriate and practical for current circumstances, considering the new legal and institutional framework of the Republic of Kosovo".⁷

Auditor General lists the main deficiencies of the existing legal framework:

1. Lack of clarity regarding per diem taxation, as per the applicable fiscal legislation;
2. Informal clarifications of the Instruction and calculation of per diem and food allowances are not in line with relevant articles of the Instruction;
3. Travel rates are not in line with the cost of living, as they were not reviewed since 2004;
4. The Administrative Instruction fails to define types of official travel and is consequently also used in case of education and professional advancement compensations.

4 Government of Kosovo. Administrative Instruction MSP 2004/07 on Official Travel. Source: <https://bit.ly/2WmQKZl>.

5 Government of Kosovo. Decision NO. 11/12. Source: <https://bit.ly/34ghkX6>.

6 The most recent case is that of MEST allocating 25 thousand euros from its budget to organize a training in Durres, Albania (<https://bit.ly/2NqTMrQ>). This training was cancelled upon media reports (<https://bit.ly/2PxGv3n>).

7 National Audit Office. Recommendation on review of the legal framework on official travel, received via email.

The Government Decision of June 2018 reviews rates but fails to touch upon the content of the Administrative Instruction.⁸ Consequently the problems noted by the Auditor General in terms of per diem taxation and allocation of per diems for the education of public officials were not addressed by the Government.

Various ministries issued administrative instructions on official travel for their needs. One such example is the Ministry of Kosovo Security Force, which issued its own administrative instruction on official travel procedures⁹, as well as the Ministry of Local Government Administration which issued Administrative Instruction No. 2009/04 on official travel of the members of Municipal Preparatory Teams¹⁰. Ministries have also issued special administrative instructions to implement MPA's administrative instruction (formerly Ministry of Public Services), which also comprises a legal anomaly in the framework of official travel regulation.

No legal act, including Administrative Instruction 2004/07 on official travels, specifies if individuals not under contract with public institutions are entitled to per diems. There are cases when external advisors, whose salaries are paid by foreign donors, also receive per diems¹¹.

The state of Kosovo has defined the maximum amount for official travel rates abroad, based on European Union (EU) practices, specifically on the limitations set by the European Commission (EC)¹² for official travels. According to the revised decision on official travel rates issued by the Ministry of Finance (MF), the maximum amounts for daily allowances abroad are lower than the maximum amounts set by the EC. Main differences of this decision with the prior rule consist in the decrease of rates for some of the countries of the region, including Albania, Northern Macedonia, Bosnia and Herzegovina and Croatia. Also, the decision increases certain rates for countries like Canada, Switzerland and Germany.¹³

As regards countries in Europe, the difference in official travel rates is stressed for countries like Bulgaria, Portugal, Greece, Hungary, Slovakia, Austria and Switzerland, for which EC limits for official travel allowances are higher than Kosovo's. Contrary to that, Kosovo's limits for neighboring countries like Albania, Serbia, Macedonia and Montenegro are higher than those of the EC.

Greater similarities in official travel rates accorded by EC and Kosovo are notable for countries like Luxembourg, Germany, Belgium, Turkey, United States of America and France, for which EC grants slightly higher per diem allowances than Kosovo.

8 Ministry of Finance. Decision No. 30/2018 on Official Travel Abroad. Source: <https://bit.ly/2PwoZt3>.

9 Ministry of Kosovo Security Force. Administrative Instruction No. 01/2011 on official travel procedures. Source: <https://bit.ly/2JbXDn>.

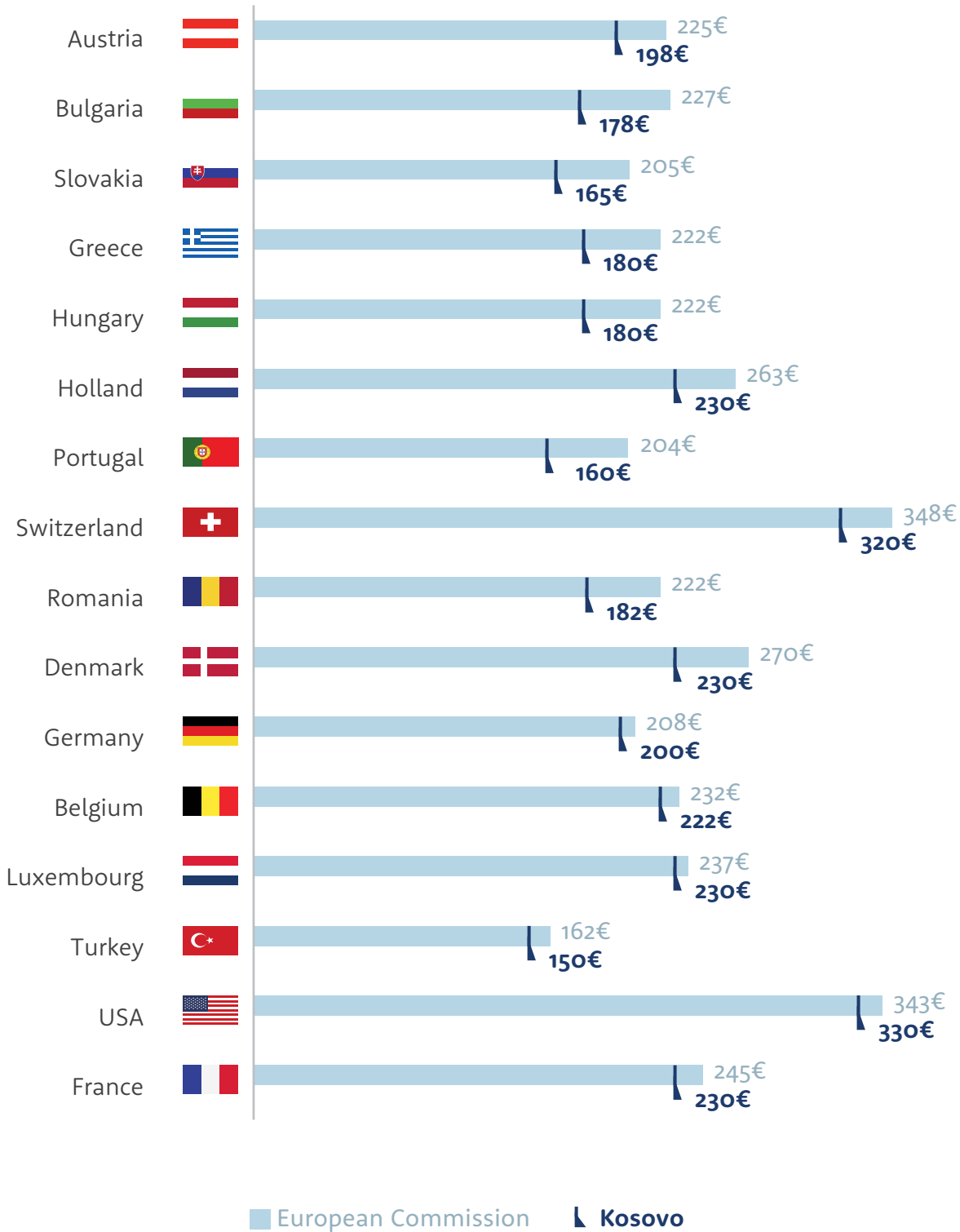
10 Ministry of Local Government Administration (MLGA). Administrative Instruction No. 2009/4 on official travel of members of the Municipal Preparatory Teams. Source: <https://bit.ly/2qvUoG5>.

11 In 2018, an Advisor of the Minister of Economic Development, (<https://bit.ly/33Pfqwm>) received more per diem allowances than any other official of this ministry, although he was not reported as a public official in the Anti-Corruption Agency.

12 European Commission. Current per diem rates 2019. Source: <https://bit.ly/2MKTIT8>.

13 Ministry of Finance. Rates for official travel abroad. Decision No. 30/2018. Source: <http://bit.ly/2oPEcQ>.

Figure 5. EC and Kosovo official travel rates



Source: GAP Institute, based on EC and MF data

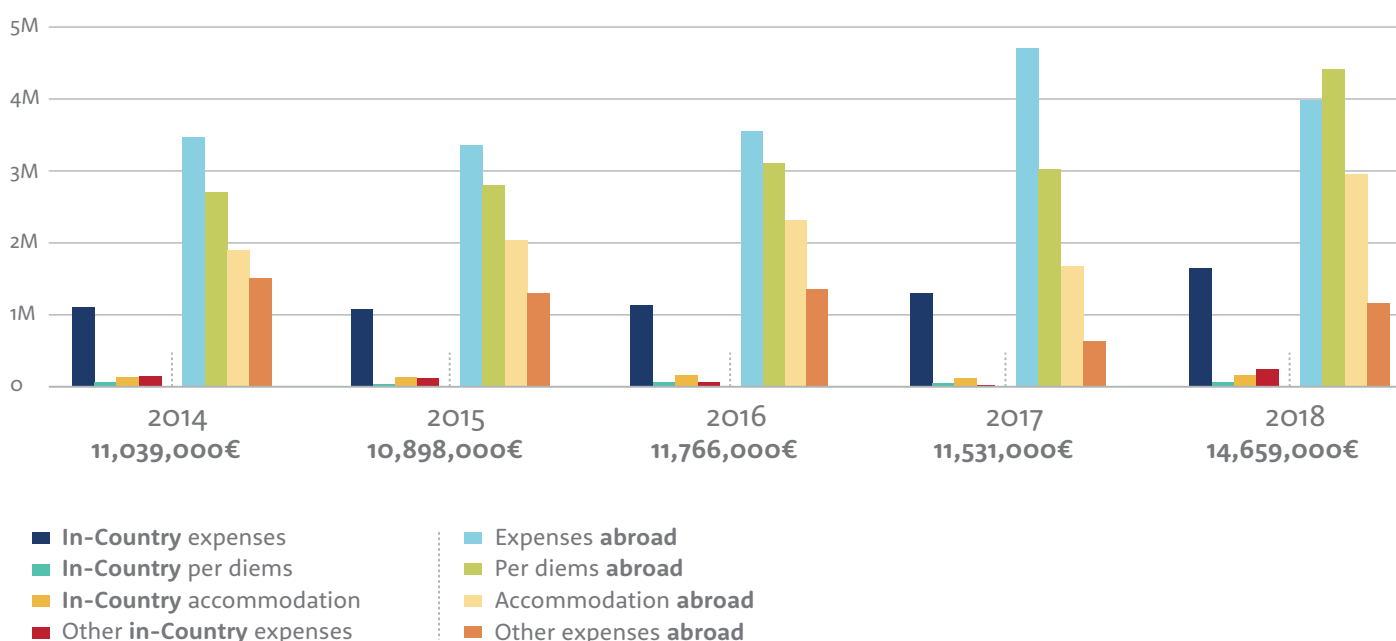
Increase of official travel expenses

Expenses of Kosovo institutions for official travels in the country and abroad in 2018 reached around 14.7 million euros, which represents the highest amount spent on this category since 2014. In 2018, per diem expenses increased by 27% (or 3.1 million euros) in comparison to the previous year. In the period 2014-2017, official travel expenses fluctuated between 10.9 and 11.8 million euros.¹⁴

Also, in 2018, the structure of official travel expenditures changed compared to previous years, with a more significant increase in per diems and accommodation for official travels abroad. In 2018, the category of per diems increased by some 46% in comparison to 2017 (from 3 to 4.4 million euros) and expenses for accommodation for official travel abroad increased by 76.4% (from 1.7 to 3 million euros). Potential sources of the significant increase in these categories in 2018 could be the increase of per diem rates under the new MF decision, the increase of the number of days spent by a single beneficiary abroad or the increase of number of visits to countries with higher per diem rates.

A 15% decrease is noted in the same period (from 4.7 to around 4 million euros) in the category of official travels abroad in cases when the public institution covers all accommodation, food and incidental expenses.¹⁵ As shown in Figure 6, the category of official travels abroad was always higher than the other categories in the period 2014-2017.

Figure 6. Expenses of institutions for official travels in the country and abroad, 2014-2018



Source: GAP Institute, based on data from the MF financial reports 2014-2018

¹⁴ Ministry of Finance, Annual financial reports 2014-2018. Source: <http://bit.ly/2mRfcVR>

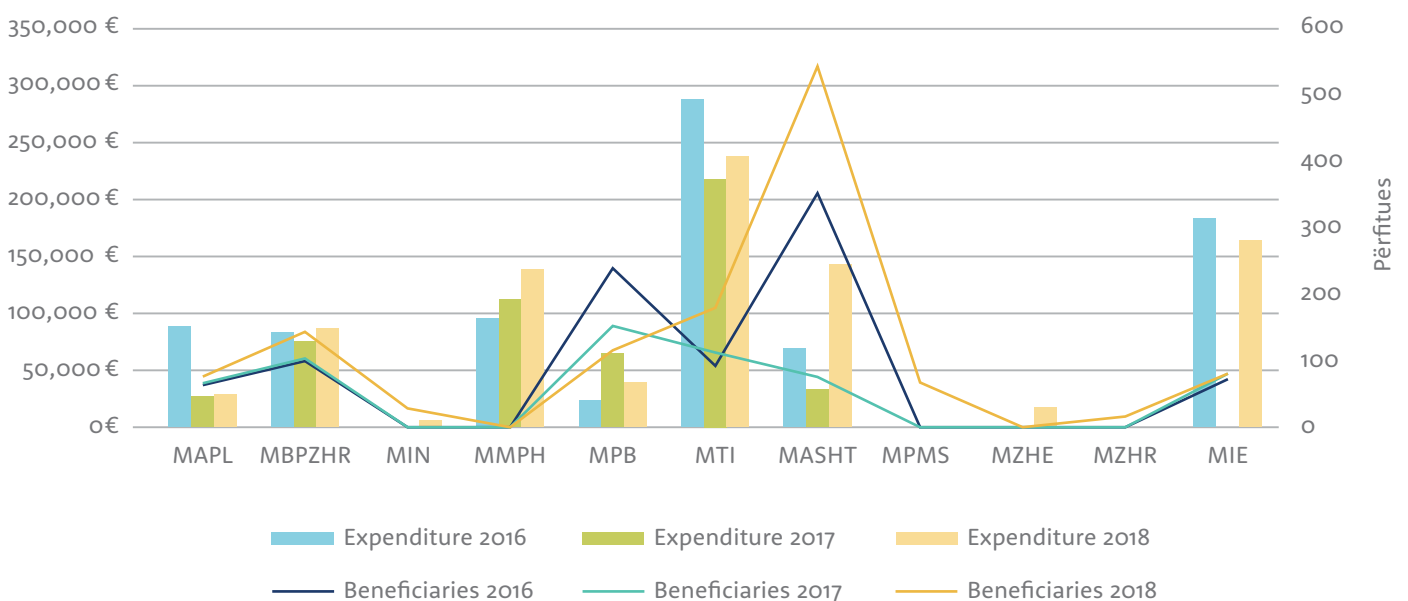
¹⁵ Other expenses for official travel abroad include tickets, taxis, etc. and other small expenses not exceeding 100 euro.

Official travel expenses and practices of ministries

To analyze procedures that ministries apply for their official travels and differences between ministries in this sense, GAP Institute has conducted a survey with secretary generals of ministries. According to the data collected from 11 ministries that responded to the GAP Institute survey, MTI has spent more than the other ten ministries. In 2018, this ministry spent around 236.8 thousand euros for official travel, followed by MEI with 163.4 thousand, MEST with 142.3 thousand and MESP with 137.4 thousand.

In terms of official travel beneficiaries from the ministries, as noted in Figure 7, the largest number comes from MEST, with 967 persons benefitting between 2016-2018. Only in 2018 the number of beneficiaries from MEST reached 541. Noteworthy, all these beneficiaries were awarded per diems or incidental allowances (20%) for official travels abroad. On the other hand, in MTI, in 2018 per diems were awarded to 179 persons, or 67 persons more than the previous year. Contrary to other ministries, in 2018 there was a decrease in the number of beneficiaries in the Ministry of Internal Affairs (MIA), with the number reaching 115 (37 less than in 2017). Meanwhile, although MESP allocates a considerable amount for official travels throughout the year, it failed to report on the number of beneficiaries. Similarly, information on the number of beneficiaries throughout the years was not provided either by MED, MLSW, MRD, despite being among the ministries that completed the survey. Therefore, there is a higher concentration of per diem distribution among a smaller number of beneficiaries in MTI and MEI, and a wider distribution among beneficiaries in MEST, MIE and MIA.

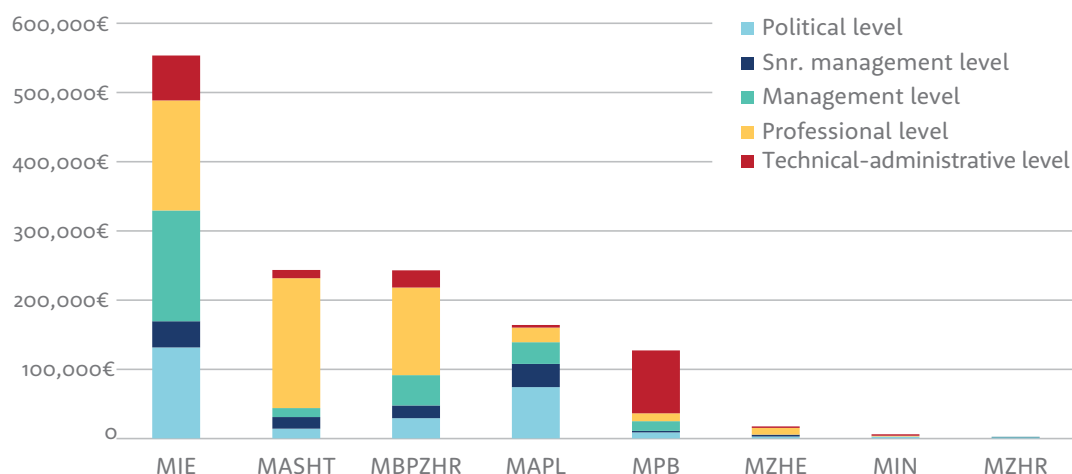
Figure 7. Expenditure of ministries for official travels in the country and abroad, and the number of beneficiaries in 2016-2018



As regards beneficiaries classified by position, based on the catalogue of civil servant positions, between 2016-2018 MIE, MEST and MAFRD spent more funds on per diems for the professional level. Specifically, MIE allocated 159

thousand euros, MEST over 188 thousand and MAFRD around 126 thousand. A considerable amount for official travels in ministries is also awarded to political and management positions. For the political level, MEI allocated 132 thousand euros, MLGA around 74 thousand and MAFRD 29 thousand. For the management level, MIE allocated over 160 thousand euro, MAFRD around 44 thousand and MLGA 31 thousand. In MIA, on the other hand, a notable amount was allocated to the technical-administrative level which benefitted 91 thousand euro.

Figure 8. Ministry expenditure for official travel in the country and abroad, by post level, 2016-2018



Most of the responding ministries, except MAFRD, explain that the current legislation does not restrict the number of per diems that a civil servant may receive within any given period. On the other hand, according to MAFRD, the upper limit for days of official travel is 15. Differences between ministries are also noted in terms of who approves official travel requests. In some, the approval is two-tiered, with the approval made by the department head and the secretary general. In other ministries, confirmation is also required by the head of personnel, chief financial officer or head of human resources.

Pursuant to a 2008 decision of the Prime Minister, institutions can't organize events abroad if such events are paid for by the Kosovo Budget.¹⁶ Most of the surveyed ministries have not responded on the manner of reaching the decision on whether a given training or event is to be organized in Kosovo or abroad. According to the responses obtained by MLGA and MAFRD, there are no specific rules on this point, however, MLGA's approach is not to approve events abroad if they are covered by the public budget. Similar arrangement is also implemented by MLSW, whereas for MAFRD the decision is taken by the management level.

In relation to requirements and evidence to be presented by per diem beneficiaries upon return from official travel, there are different arrangements among ministries, with some requiring more documents, such as boarding passes, hotel invoices and evidence of participation. Moreover, MED and MRD require also the meeting or training agenda and the official invitation for the event. MRD also requires a copy of the passport page showing entry and exit stamps, the request for official travel and a detailed report on meetings conducted. Similarly, MEST and MTI require a report of the beneficiary regarding the official travel, while MLGA requires the meeting/training agenda, as well as certificates if they are issued by the organizer.

¹⁶ Government of the Republic of Kosovo. Decision No. 11/12. Source: <https://bit.ly/34ghkX6>.

In relation to procedures for ensuring that a civil servant does not receive per diems from two sources (e.g. the ministry and donor), ministry responses varied greatly. According to MAFRD, MTI and MEST such procedures are in place, as the request or agenda define if the organizer is covering any expense or not. According to MLGA the only control mechanism on this point is related to funds coming from one donor (concretely IPA/CBC funds) whereas for the rest there are no special rules to follow. None of the 11 ministries reported any identified case of employees not following or misusing per diems in the last three years. Also, there seem to be no assessments conducted to date whether seminars and trips abroad are necessary for improving work performance.

Civil servant perceptions on the award of per diems

Around 19% of the civil servants surveyed claim to have been on official travel in the last six months. Of note, a portion of the beneficiaries have been awarded a large number of per diems during this period, on occasions reaching as much as 35 days. For this group, all of which compose the professional level, per diems obtained are as high as 36-50% of their monthly income. 13 civil servants have had 10-19 per diems, 40 have had 5-9 per diems, and 53 others have had less than 5 per diems in the last six months. Of the per diem beneficiaries that have revealed their position, most fall under the professional level (53), whereas the rest come from the management level (35), administrative-technical level (7) and senior management level (4).

Table 1. Number of surveyed civil servants benefitting from per diems in the last six months

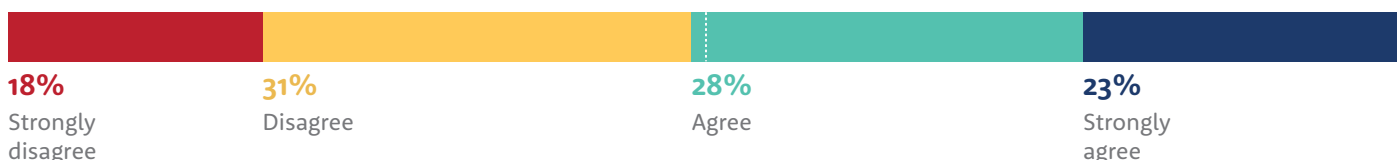
Days	Number of beneficiaries
25 or more	3
20 to 24	4
10 to 19	13
5 to 9	40
<5	54

Regarding the implementation of per diem policies in their institutions, 65% of the respondents believe that per diems are not approved on reasonable and merit-based grounds. Also, over half of the civil servants surveyed consider that there are often per diem misuses, and that in cases when per diem allowances are not approved there are no written justifications to substantiate the decision. The perception on misuse of per diems is more emphasized among civil servants working in ministries, which anyhow utilize a greater portion of per diems for official travel. Specifically, of all respondents benefitting from per diems in the last six months, over half were ministry employees.

Figure 9. Per diems in my institution are allocated on objective and merit-based grounds



Figure 10. Per diem policies in my institution are often misused



Regarding the reporting of per diem misuse cases, 38% of the respondents said that they would report them to their unit head, 22% said they would not report, and the other part did not respond at all. Also, 40% of the respondents think that they are unable to complain anonymously in such cases, and over 40% of others don't know if such a possibility exists. Only 16% believe that they can anonymously complain. In relation to this, 42 of 596 respondents said that they are scared to report per diem misuse in fear of retaliation by, concretely, disallowing further official travel or dismissal from work. Since 2018 there was only one complaint addressed to the Independent Oversight Board of the Kosovo Civil Service (IOB) by a civil servant, in which the beneficiary claimed that per diems were not paid to her although the request for official travel was approved by the institution.¹⁷ In addition, around half of the respondents have no information on whether their institution has undertaken any steps to improve per diem policies, and 36% of others consider that no concrete steps were taken in this respect.

Figure 11. If you were to witness per diem misuse in your institution, who would you report your suspicions to?

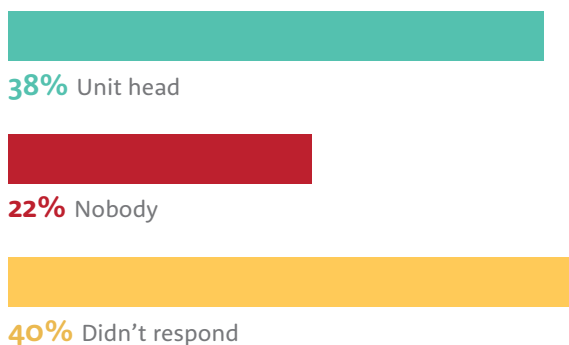
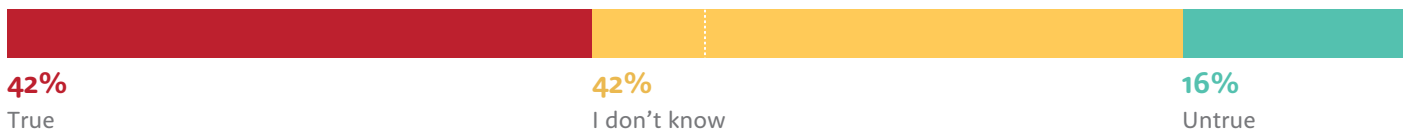


Figure 12. I can't complain anonymously to the government if I consider that there is misuse of per diem policies



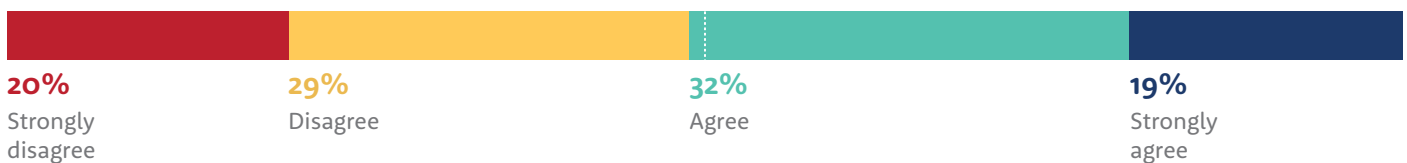
Survey findings show that over two thirds of the civil servants don't agree that the current per diem rates are adequate. Around 56% of the respondents think that per diem rates don't cover travel expenses, while 58% consider that the pocket money allowance is insufficient. These findings are in line with our findings that Kosovo's allowance restrictions for many countries is lower than that of the EC.

On the other hand, in relation to civil servant perceptions over the purpose of per diems as an instrument, findings of the survey show that around 70% of civil servants don't consider that the amount of per diems should be as high as to increase their regular income. However the fact that one third of the responding civil servants are convinced that per diems should serve to increase their income, which constitutes a misuse of per diems, represents a concern for all. Despite their stance that there are misuses of per diems in their institutions, surveyed civil servants don't believe that their colleagues' gains can be saved and used to cover family expenses. Also, findings show that 64% and 73% of the respondents consider that unnecessary prolongation of official travel and respectively travelling on official purpose with no reason comprises misuse of per diems. Similarly, around 60% and 65% of the civil servants said that receiving per diems from two different sources for the same activity and participation in useless events respectively comprises abuse of per diems. However, in this case too the remainder of the respondents, 40% and 35% respectively, don't consider such actions unjust, showing potential for misuse of this budget category.

Figure 13. Amounts awarded for out of pocket expenses (20% of the allowance) are sufficient



Figure 14. Per diems affect use of time in office by employees, as they strive to increase income from per diems by travelling abroad

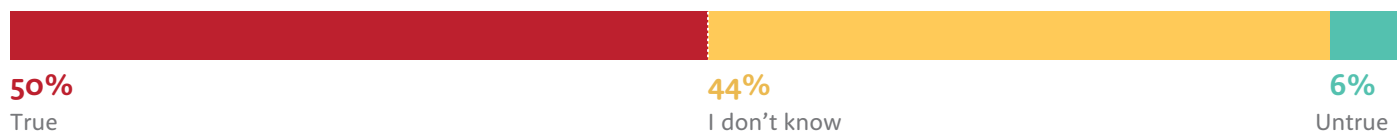


In the section in which civil servants were asked on their knowledge of the legal basis on per diems, 39% think that the staff cannot receive advances prior to travel, 29% consider that advances can be received, and 32% have no knowledge on the matter. Also, only half of the civil servants surveyed say that there is an official procedure to return unspent travel advances. The other part, which could also comprise beneficiaries of per diems and travel advance allowances in the past does not know (44%) or think that no such procedure exists. Over 58% of the respondents don't know if there are limitations in the legal framework related to the maximum number of days for travel within a given month or year. In the question if hotel invoices are part of the procedures to confirm travels abroad, which was a multiple answer question with more than one option potentially selected, 59% responded positively. Similarly, 56% and 36% respectively answered that passport stamps and boarding passes are also to be presented as evidence.

Figure 15. Employees are unable to get advance allowances before the official travel



Figure 16. There is an official procedure to return unspent per diem advance allowances



Conclusions and recommendations

In 2018, Kosovo institutions spent around 14.7 million euros for official travel in the country and abroad, which represents the highest amount spent for this category since 2014. The survey conducted with 11 of 21 ministries reveals that in MIE, MAFRD and MEST, the most of per diems in the 2016-2018 period were spent by the professional level staff. In MTI and MIE there is a greater concentration of per diem dissemination to a smaller number of civil servants, while in MEST, MIE and MIA the situation is contrary, with a wider distribution to a larger number of employees. The civil servant survey shows that 65% of the respondents believe that per diems are not awarded in an objective and merit-based manner. And, over half of the civil servants surveyed consider that often there is misuse of per diems, and that whenever per diems are not awarded and official travel is not allowed there is no adequate written justification to substantiate the decision.

Despite the high level of expenditure for official travels, the legal basis for this category of expenditure is utterly obsolete. On the other hand, institutions implement the legal basis based on their interpretations, whereas some institutions have issued their own bylaws to regulate the award of per diems. NAO has not performed any performance audit to determine whether the process of official travel approval contributes to the results achieved by respective institutions. Based on the findings of this report, misuse can come from different processes that are not regulated with the current legislation. Also, considering the neutral stances of a considerable number of civil servants regarding misuse of funds like receiving per diems from two different sources, participating in unnecessary workshops or prolongation of activities with the aim of benefitting from per diems, shows that there is potential for this budget category to be misused. Identification of per diem misuse becomes even more difficult when considering the perception among a large number of civil servants that there is no need to report such misuse and no means to do so anonymously.

In order to regulate institutions' expenses for travels in the country and abroad, it is important to:

- Update the current administrative instruction on official travel with the following items:
 - » Define a standardized form to be followed for the approval of per diems in the public sector and procedures to be followed in case of their rejection. Concretely, written responses are to be given, containing reasons for rejecting official travel requests;
 - » In order to avoid civil servant demotivation as a consequence of perceptions of injustice in the access to official travel and per diem allowances, a precise stipulation of the legal basis should ensure transparency within the institution, so that civil servants of all levels have access to documents and reasoning of the institution regarding approval or rejection of official travels;
 - » Define cases in which a person that has no contract with public institutions is able to obtain official travel per diem allowances;

- » Determine in which cases per diems are not paid for official travels. For instance, if per diems should be paid in case of longer term education abroad or other events of professional advancement. Shembull, nëse duhet të paguhen mëditje për rastet e shkollimit për një kohë të gjatë jashtë vendit apo çështje tjera të ngritjes profesionale;
 - » Define cases in which tax on per diem is paid. For instance, Bulgaria imposes per diem tax only on occasions when the per diem exceeds expenses made;
 - » Clarify if relevant institutions are eligible to issue legislation or regulations on per diems;
 - » Precisely delineate documents necessary to substantiate official travel allowance received;
 - » Set criteria within the administrative instruction on when official travel outside Kosovo is allowed, including trainings or document reviews;
 - » Elaborate in the administrative instruction that civil servants are eligible to propose participation in trainings or conferences that are related to the scope of their functions;
 - » In order to link travels abroad with the institution's performance, the instruction should also contain a form (template) that clarifies how travels abroad contribute to the achievement of institution's objectives;
 - » Oblige all ministries to conduct assessments that define staff needs in terms of training or specific seminars, which would enhance their operational performance;
 - » Public institutions to publish detailed data on official travels abroad, including the purpose, length, number of persons in official travels, names of participants in such events and budget expenses related with the travel;
 - » Define the percentage of decreased allowance for accommodation and per diems in case of longer stays abroad.
- A reliable system should be built in which the civil servants can report potential per diem misuse. In order to protect the whistleblowers and entice misuse reporting, institutions should create mechanisms to ensure that the applicable law on protection of whistleblowers is implemented in practice in the protection of public money from potential per diem abusers.
 - Considering the low level of information reported by civil servants on reporting options regarding per diem misuse, the Government of Kosovo should organize an information campaign for civil servants in relation to the possibilities offered by the Law on whistleblower protection.
 - NAO should conduct performance audits on sample official travels, in order to measure the reasonability and results in terms of achievement of the objectives set by the relevant institution.

- Ministry of Finance should review per diem rates, as per the terms defined in the legal basis regulating per diems.
- A preferable (non-obligatory) target should be defined related to the maximum number of official travels that a civil servant is able to attend within a year, in order to serve as an indicator to increase opportunities of other civil servants, and not concentrate all per diems on a small number of persons. An exception to this indicator could be positions that include activities, such as frequent meetings with foreign donors and institutions, engagement in different trainings and new projects that can be implemented only by a small number of civil servants.
- Anti-Corruption agency should be more rigorous in cases when public officials don't declare per diems exceeding 3,000 euro annually, and report all such cases as legal violations in the court.

ANNEX.

Civil servant survey results

Figure 17. I am satisfied with per diem policies in my institution



Figure 18. I consider that per diem amounts should enable employees to save money for family expenses or other purchases



Figure 19. Amounts allocated as per diems in my institution allow employees to save money for family expenditure or other purchases



Figure 20. Rejection of official travel in my institution is adequately justified



Figure 21. In the last six months, have you received any per diems or pocket expenses for travel?

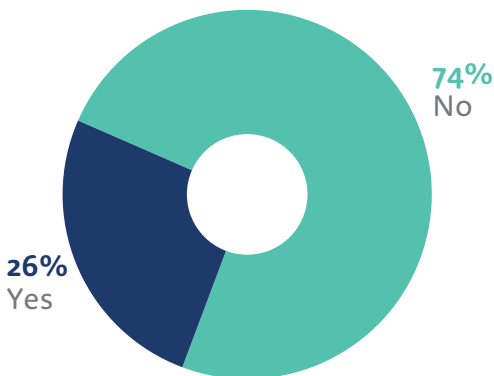


Figure 22. In most cases, the per diem was:

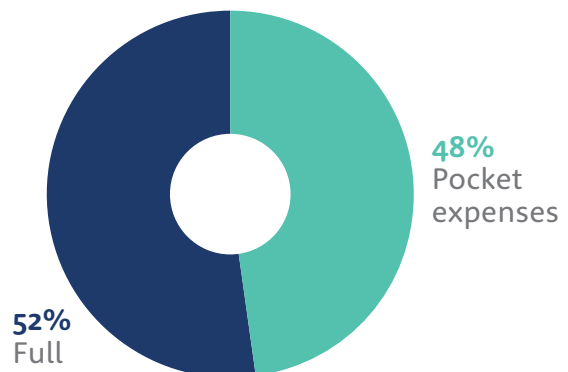


Figure 23. In the last six months, how many days in total did you spend participating in an activity for which you were awarded per diems, in the country or abroad?

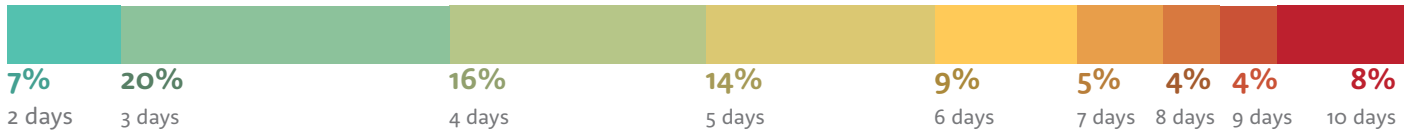


Figure 24. What is the approximate total amount awarded for per diems in such activities in the last six months (Euro)?

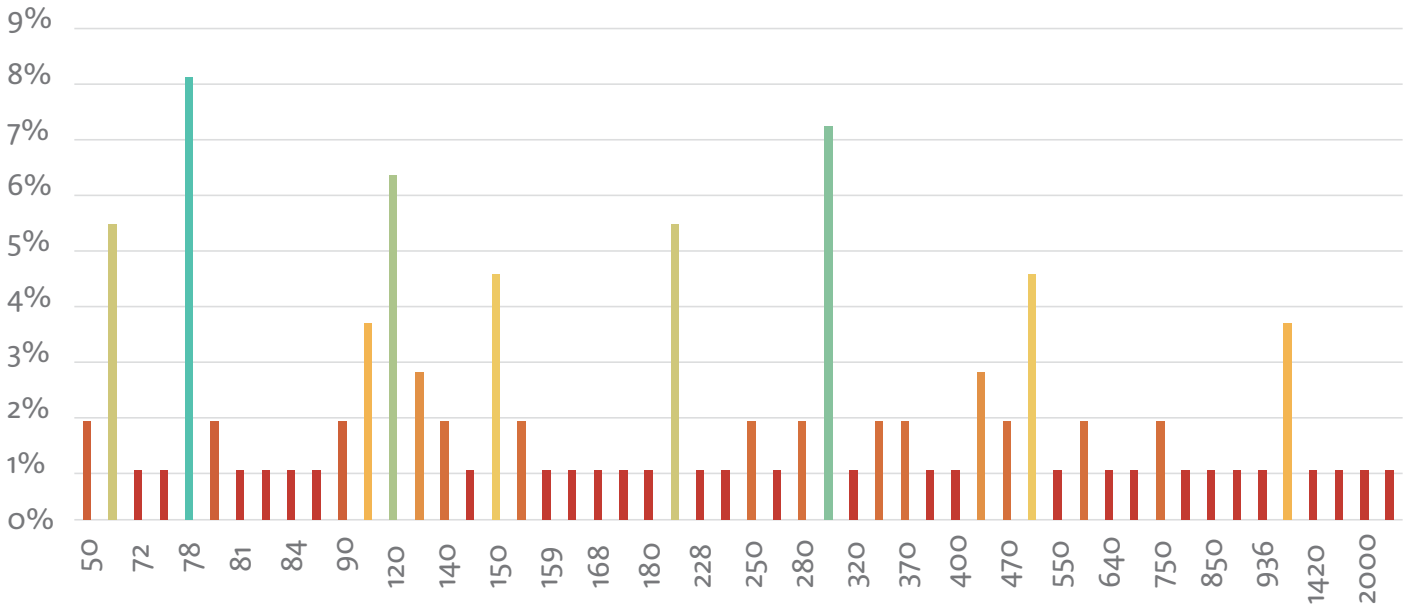


Figure 25. In the last six months, how many days did you spend in official travel abroad (covered by per diems)?

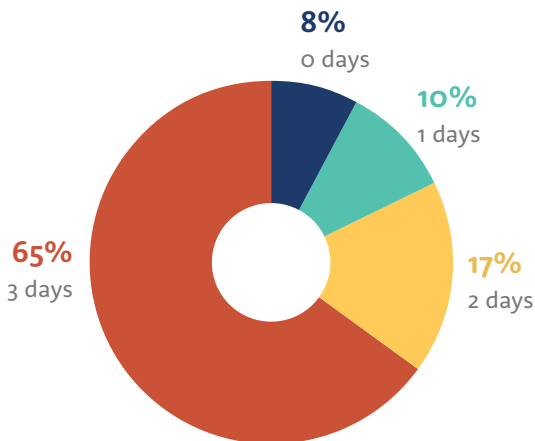


Figure 26. No written justification is required to confirm that a seminar or official travel is necessary to enhance my performance



Figure 27. There are restrictions on the number of days that a given employee may travel within a given year (maximum days of travel in a month or year)

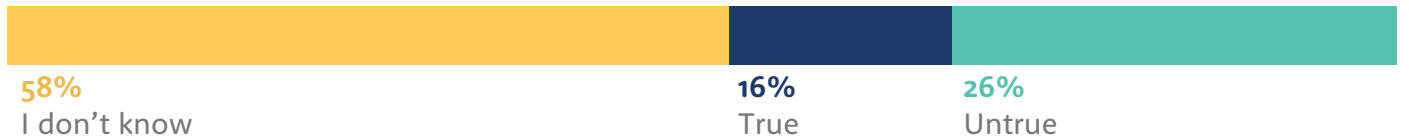


Figure 28. What are the procedures for confirming the travel abroad in order to justify per diems obtained, in your institution? (select all applicable)

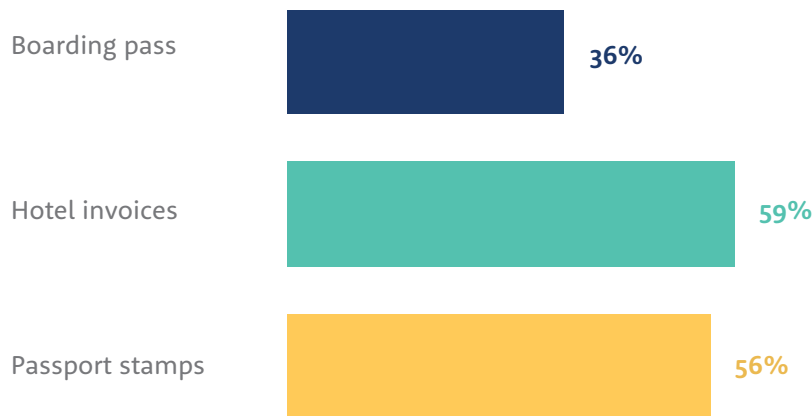


Figure 29. How would you assess your knowledge regarding per diem policies and procedures in your institution?

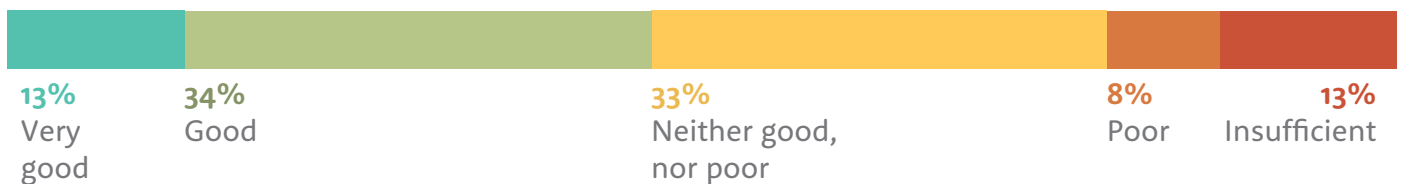


Figure 30. Activities are prolonged to benefit more per diems

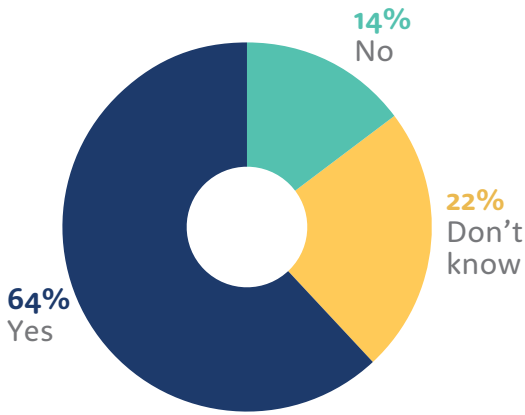


Figure 31. Engagement in unnecessary travels, activities and tasks to benefit more per diems

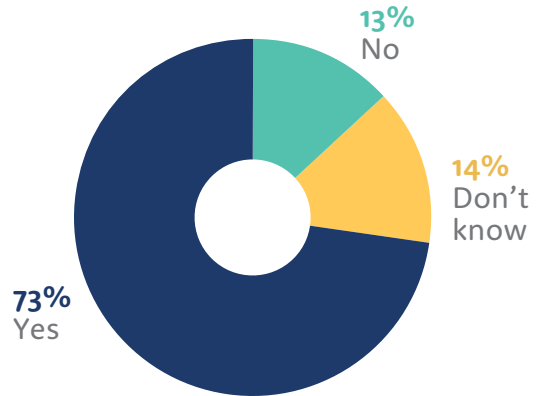


Figure 32. Obtaining per diems from two different sources for the same activity

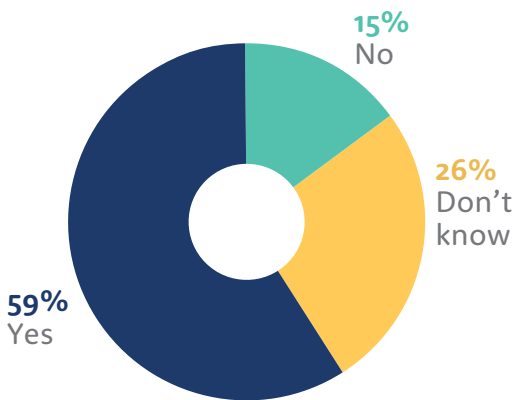


Figure 33. Participation in workshops that are not useful for the post

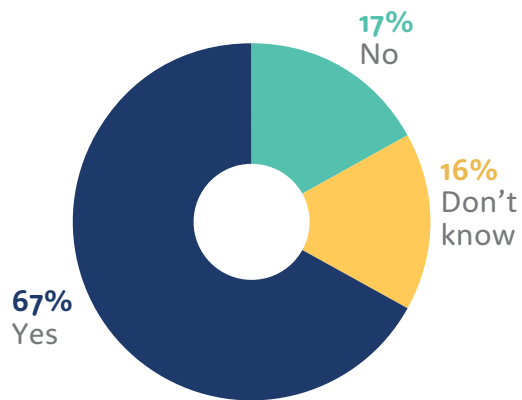


Figure 34. In your institution, were any steps undertaken to improve per diem policies or prevent their abuse?

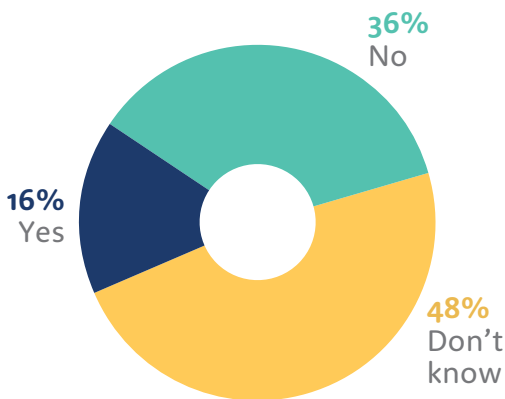


Figure 35. What is your net monthly salary (after tax), excluding additional benefits like accommodation, trainings, transport?

€503
(average)

Figure 36. What is the approximate value of per diems you got within one year?

€207
(average)

Figure 37. Per diem policies in my institution are often abused (by institution)

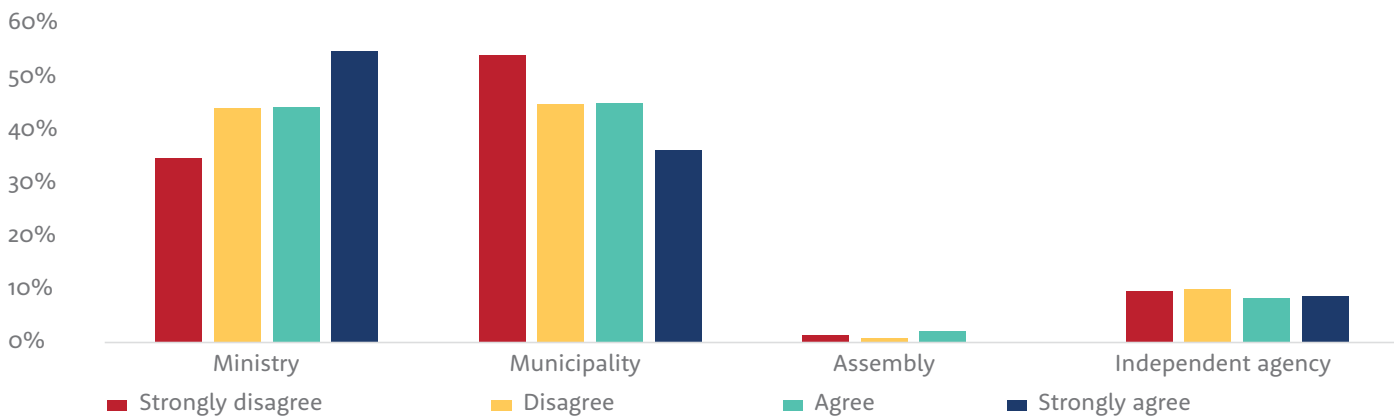


Figure 38. Per diems in my institution are approved on rational and merit-based grounds, by institution

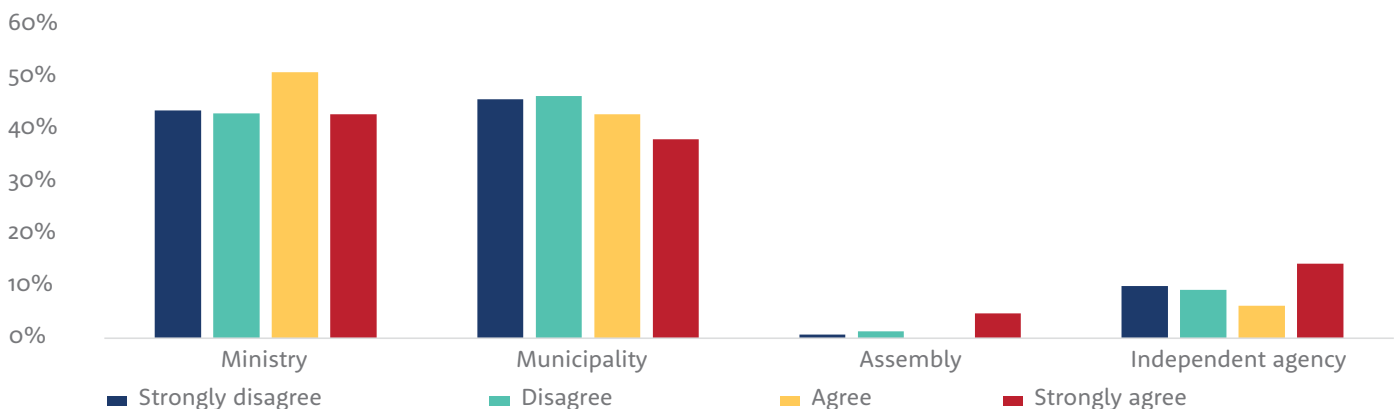
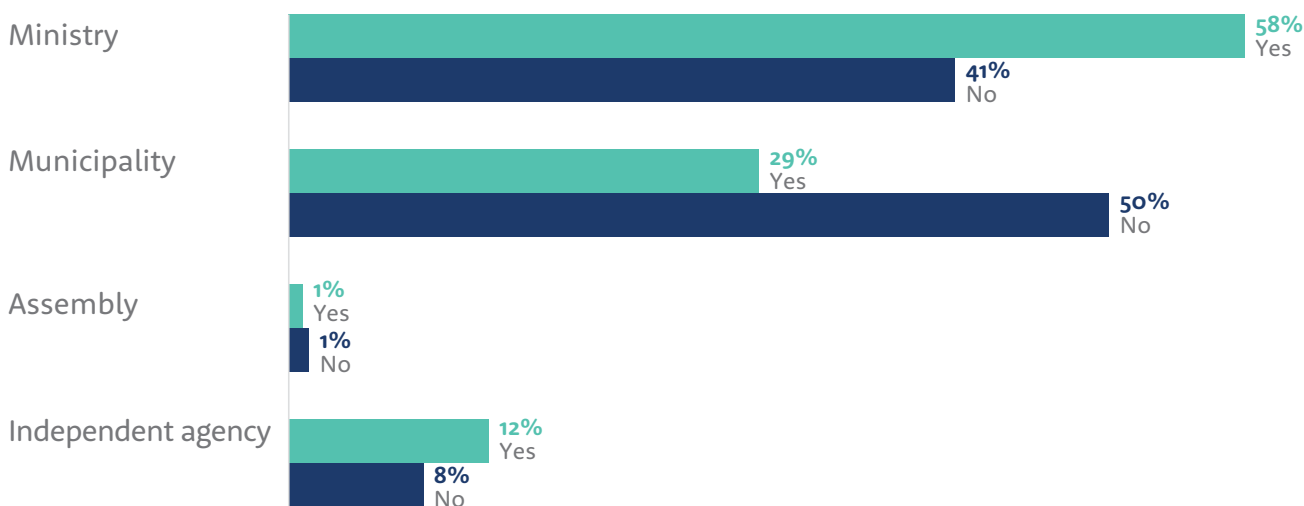
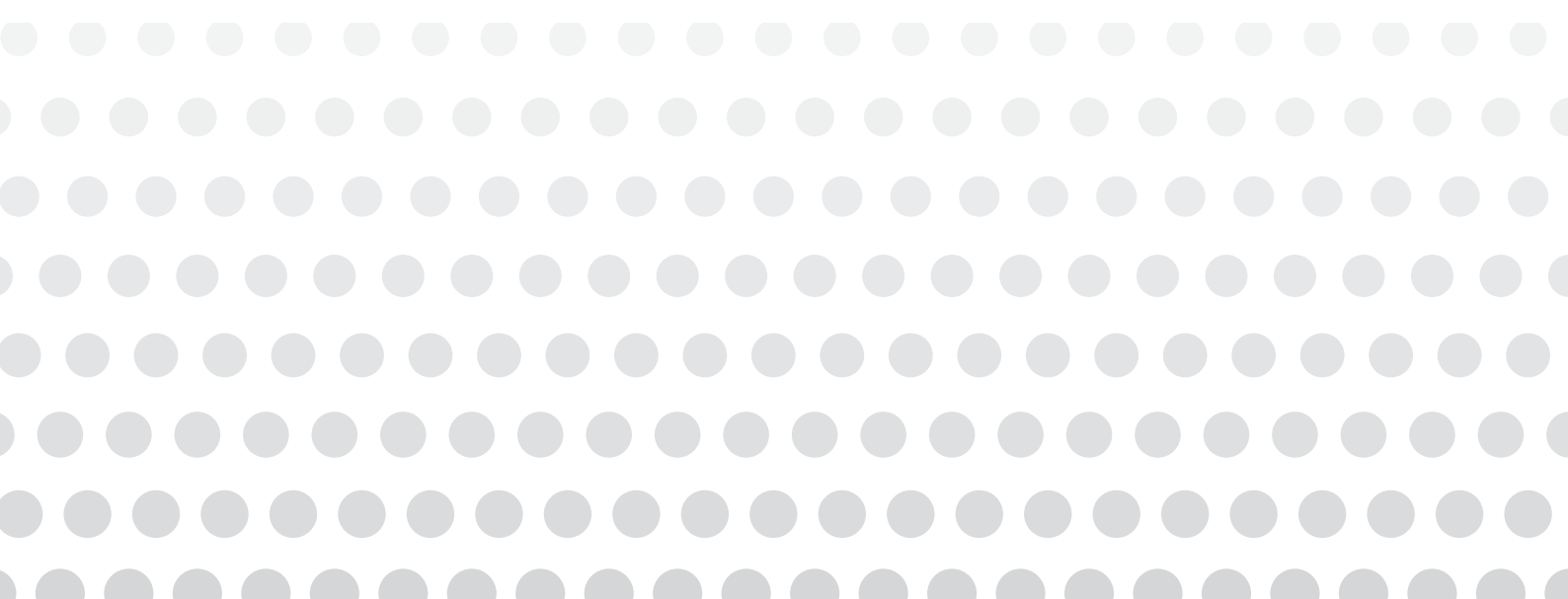


Figure 39. In the last six months, did you receive any per diem or incidentals allowance for official travel? (by institution)





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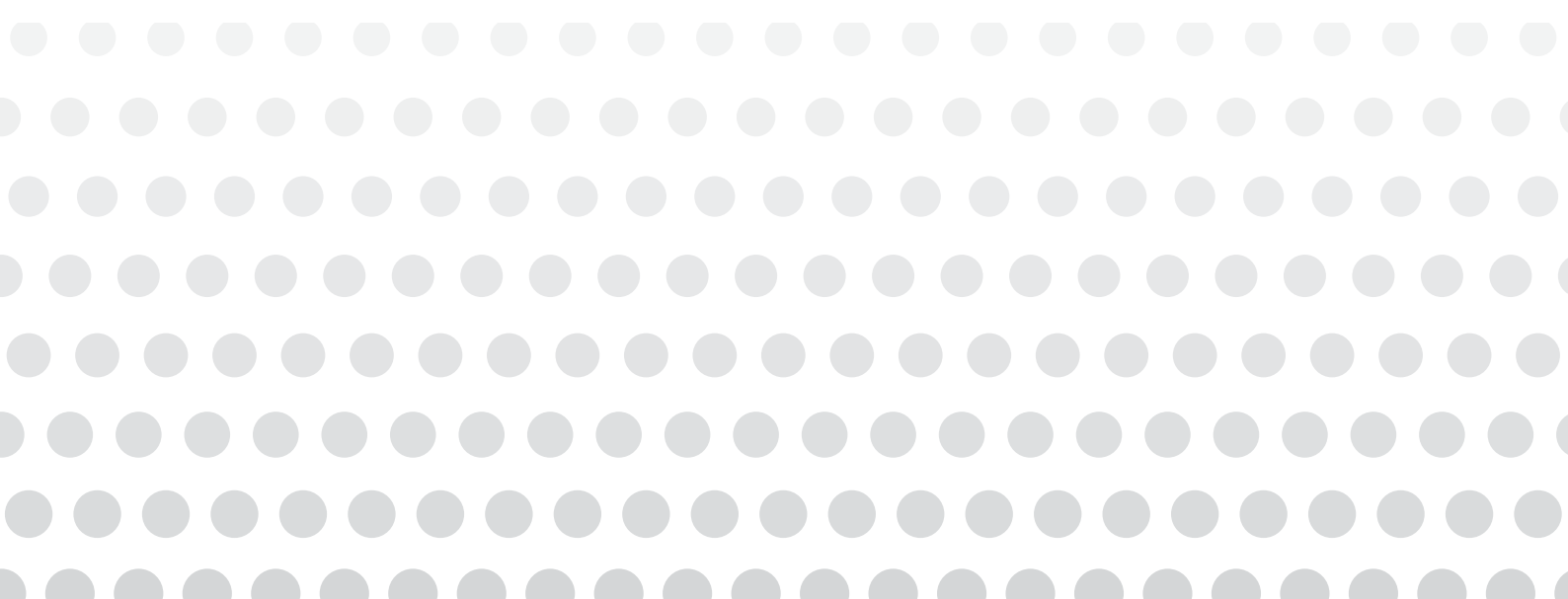
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The “fight” over per diems:
contrasting government policies
on official travels