TASK FORCE FOR EUROPEAN INTEGRATION OF KOSOVO
(TFEI)

Terms of Reference

Prishtina, May 2012
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TRT Chairperson: ... ............................................................................................................................................. 29

TRT Co-Chairperson: Malisa Venhari, Senior Officer for European Affairs, MEI ................................. 29

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1. Introduction and Background

Kosovo is highly committed to the European agenda since it became formally part of the Stabilisation-Association Process (SAP). In this regard, the Minister of European Integration (MEI) has taken the leading role within the Government of Kosovo. Significant progress in strengthening executive and parliamentary structures is enhancing country’s move in its European Integration path. The European Union (EU) and its Member States, the overwhelming majority of which have supported the way of recognition of its Independence since 2008, welcome the steps taken so far towards political and institutional reforms and stabilization of Kosovo, as well as its economic and social development. On 28 February 2012, the Foreign and European Affairs Ministers of EU Member States, convened in the General Affairs and External Relations Council, endorsed the intention of the European Commission to launch a feasibility study for a Stabilisation and Association Agreement between the European Union and Kosovo.

However, according to the European Union, major challenges remain, in areas such as rule of law, (particularly the fight against organized crime and corruption), public administration reform, migration, freedom of expression, protection and promotion of rights of minority communities, with the view of their integration into the society, particularly of Serbs, as well as enhancing dialogue and reconciliation between all the communities. Last but not least, a constructive approach of all Kosovo neighbours is necessary to enable its full inclusion and participation in all regional cooperation initiatives, particularly when it comes to trade, policy harmonization and cross-border issues.

The aforementioned has been reconfirmed by the latest EC Progress Report on Kosovo, which is part of the 2011 Enlargement Package published by the European Commission on 12 October 2011. This report, referring to political and economic criteria, as well as to the EU legislation, has concluded that Kosovo continues its efforts to align its legislation with the EU Acquis and European standards, but challenges related to implementation remain.

Kosovo has made progress regarding the political criteria in a number of important areas. Following the 2011 general elections, a new government was formed and started to address challenges Kosovo is facing. The election process faced significant shortcomings and allegations of fraud were raised by local and international monitors. Kosovo authorities have recently started prosecuting perpetrators, which is expected to contribute to fair and just forthcoming elections. The capacity of the public administration remains weak. Law enforcement and judicial authorities need to further step up their efforts to tackle organized crime and corruption, which remain serious challenges. They have to demonstrate track record of investigations and convictions. Judicial reform has continued in a satisfactory
manner and important judicial institutions are in place. Yet, the rule of law remains a challenge that needs to be addressed; hence the Commission proposed to launch a structured dialogue in this particular area.

The coordination of the European agenda in Kosovo has significantly improved. The Ministry of European Integration has strengthened its role and successfully managed the enhanced Stabilization-Association Process Dialogue (SAPD).

The situation in the north has been continuously highlighted in the Progress Reports. It is considered that the situation needs to be addressed so that Kosovan citizens in this area also benefit from the European perspective; thus according to the EC progress report, Kosovo needs to launch a comprehensive agenda for the north in order to tackle the structural challenges.

The EU mediated Pristina – Belgrade technical dialogue preceded in a generally constructive spirit until July 2011 and resumed in November, following a few months of deadlock. Four agreements have thus far been concluded, although implementation continues to face problems.

As regards economic criteria, the EC Progress Report 2011 states that no progress has been made over the reporting period towards establishing a functioning market economy. Considerable reforms and investments are needed to enable Kosovo’s economy to cope over the long term with the competitive pressure and market forces within the European Union.

Although economy has grown, there are concerns regarding the long-term sustainability of the budget. Weak economic policy planning and implementation caused the derailment of the IMF Stand-By Agreement reached in 2010. A non-disbursing Staff-monitored Programme run until the end of 2011, representing a test to regain economic policy credibility. Firms continue to be confronted with overall weak policy planning and public administration, weak rule of law, lack of reliable electricity supply, inadequate infrastructure and an insufficient skilled labour force. Unemployment remains very high.

On the other hand, progress has been mixed in aligning Kosovo’s legislation in areas under economic criteria with European standards. The legal framework has been strengthened, in particular as regards trade issues and public procurement. In areas such as the free movement of persons, services and right of establishment, money laundering and personal data protection, little progress has been achieved.

When it comes to European standards, although there has been significant progress in legislation alignment, a slow pace and insufficient quality of approximation of national legislation with the EU Acquis, insufficient coordination and strategic planning, as well as slow institutional reforms, insufficient and inadequate legislation implementation and enforcement and enhancing institutional capacities, have been highlighted in virtually all
areas. In April 2011, Kosovo has carried out its first census, in line with international and European standards, although circumstances did not allow it to be conducted in the north. Given Kosovo’s progress on readmission and reintegration of returnees, the Commission has officially launched a visa dialogue with Kosovo on January 2012.

The EU is heavily present in Kosovo since 1999. Within the UNMIK structures, it was chiefly responsible for reconstruction and economic reform. Since then, the EU political decision-making bodies, most notably the European Council, have, in all their political discourse and decisions, reiterated the country’s EU perspective and their willingness to support the country in its EU integration path. On the other hand, both political representatives and decision-makers and the public opinion in Kosovo have shown high willingness for country’s European future. Following launching of the Stabilisation-Association Process, in 2000 Zagreb Summit, Kosovo became formally part of this framework in 2002.

Although Kosovo was then in its very initial efforts to establishing its own government institutions, becoming part of this framework was of particular political significance, as it highlighted the importance of political reforms within the European integration process in general. It also embarked the main stakeholders in a relatively comprehensive framework of institutional development and reforms, with the framework of policy dialogue between the Government of Kosovo and the European Commission serving as an important driving force of the whole process. In June 2004, the European Council adopted the first European Partnership for Kosovo, which has however so far been updated only twice, in 2006 and 2008. On the other hand, in August 2004 the Government of Kosovo established its Office for European Integration within the Office of the Prime Minister, and in September 2004 the European Commission established its Liaison Office to Kosovo (ECLO).

In January 2005, the Government of Kosovo adopted the Action Plan for the Implementation of the European Partnership (EPAP), which marked the first national policy document on European Integration. Since then, the EPAP has been annually reviewed and adopted by the Government, following publication of each EC Progress Report on Kosovo. At the level of political and policy dialogue between Kosovo and the EU, the Stabilisation-Association Tracking Mechanism (STM) was also established in 2005, initially operating in the form of two cycles of plenary and sectoral meetings annually. The first EC Progress Report and Enlargement Strategy on Kosovo were published in 2005, followed by six annual reports. In May 2006, the Office of the Prime Minister (OPM) for European Integration was upgraded to an Agency for European Integration, and in January 2008, the Assembly of Kosovo established its Committee for European Integration. Previously, European Integration was part of the Committee for Foreign Affairs.

Following the Declaration of Independence on 17 February 2008, the European Council, while highlighting the EU’s conviction that Kosovo independence constituted a \textit{sui generis} case,
stated that it is up to the Member States to decide on their own relations with the Republic of Kosovo, in accordance with their own local practice and international law. During the same year, the Council established and deployed the EULEX Rule of Law Mission and the EU Special Representative (EUSR), operating under the same umbrella as the International Civilian Office (ICO), responsible for overseeing the transitional period towards full functionalisation of key state institutions.

The year 2008 also marked enhanced efforts of the EU in the dimension of development support. In July 2008, the European Commission hosted in Brussels the Donor Conference for Kosovo, in which the EU and its Member States pledged a combined amount of €508 million (out of a total of €1.2 billion pledged), to be disbursed over the forthcoming three-year period. Together with its contribution within the UNMIK framework, EU’s financial support to Kosovo has exceeded €1 billion, which constitutes the biggest amount per capita the EU has invested abroad. This amount includes several assistance frameworks: the Community Assistance for Reconstruction, Development and Stabilization (CARDS) (2000-2007), and the Instrument for Pre-Accession Assistance (IPA) since 2007. Trade between Kosovo and EU markets is supported by autonomous trade measures (which are in place since 2000, except of a period of over one year until they were renewed in 2012). Within IPA, Kosovo is eligible for two out of five components: Transition Assistance and Institution-Building (TAIB), benefiting from both National and Multi-Beneficiary instruments; and Cross-Border Cooperation (CBC), benefiting from cooperation with three neighbouring countries (Albania, Macedonia and Montenegro). Since 2007 Kosovo has so far received a total of more than €500 million of EU pre-accession funds.

Pursuant to the joint commitment expressed at the 11 July 2008 Donor Conference, held in Brussels, the EC and Kosovo Government have shown enhanced efforts on donor coordination. In October 2008, the Donor Coordination Centre, operating within the OPM, was merged with the Agency for European Integration to form the Agency for Coordination of Development and European Integration (ACDEI). Following that, the first High Level Forum on donor coordination was convened in March 2009, in Pristina, wherein Kosovo authorities and the donor community discussed ongoing projects and allocation of further Donor Conference pledges. A second High Level Forum took place in April 2010, in Pristina, focusing also on further enhancement of Kosovo's donor coordination institutional structures. Then, extensive consultations between Government authorities and the donor community led to establishment of a donor coordination system regulated by a Donor Coordination Regulation, adopted by the Government in June 2011.

In the framework of regional cooperation, Kosovo joined the Stability Pact for South Eastern Europe upon its establishment in 1999, succeeded by the Regional Cooperation Council (RCC), of which Kosovo continues to be a member. Kosovo is also a signatory party and member to numerous regional multilateral agreements, such as the Energy Community
Treaty, the European Common Civil Aviation Area (ECAA), the South-Eastern Europe Transport Observatory (SEETO), as well as of regional cooperation initiatives and forums operating at various levels. This includes the most important one: the extended Central European Free Trade Area (CEFTA) of which Kosovo has been a member since 2006. However, for more than three years, Serbia and Bosnia and Herzegovina have contributed to further deterioration of Kosovo’s already negative trade balance by imposing unilateral embargo to Kosovo’s products, due to political changes brought about after the Declaration of Independence.

In April 2008, the Government of the Republic of Kosovo adopted its Plan for European Integration 2008 – 2010, a reform package designed to further develop institutions within the European Integration framework, with the view of keeping up with the increased commitments ensuing from the SAP. Following this, in 2008 the Government established new inter-institutional structures for European Integration. Mirroring the STM framework of political and policy dialogue, these structures consist of six sectoral executive committees (formerly known as Working Groups), these deal with issues at the technical level, an European Integration Working Committee (managerial level) and an European Integration Ministerial Council (political level), bringing together executive institutions, the Parliament and independent institutions (including the judicial system). In October 2009, the EC issued the so-called ‘Kosovo Study’ report, which proposed advancing the European Integration process in four major dimensions: Stabilisation-Association Process Dialogue (SAPD), visa liberalisation process, a trade agreement, as well as enhanced access to EU support mechanisms and tools (mainly through EU Programmes and Cross-Border Cooperation).

However, save the SAPD, not much of this agenda has so far been actually materialised. While the political and policy dialogue between Kosovo and the EU is now more elaborate (in terms of both its breadth and depth, including on crosscutting issues such as EU assistance and civil society dialogue), only technical-level preparations for the proposed trade agreement have been carried out and the visa liberalisation strategy is expected to be issued by the end of spring 2012. Moreover, in April 2010 Kosovo established its Ministry of European Integration, and adopted, in March 2011, a Regulation upgrading the European Integration Offices (EIOs) in line ministries to Departments of European Integration and Policy Coordination (DEIPC-s).

The coordinating mandate of European Integration clearly lies within the responsibility of the Ministry of European Integration. The challenge is to achieve coordination of a number of very complex and diversified issues related to European Integration, which, in turn, require direct and full involvement of many different state and non-state actors and other stakeholders. There is a need for establishing a simple and effective mechanism that allows the MEI to achieve high level of coordination without creating new permanent structures and institutions that would further complicate the European Integration process.
In recognition of these needs, the President of the Republic of Kosovo has initiated a high-level political coordination mechanism on European Integration called the National Council for European Integration. The European Commission has welcomed the intention of Kosovan authorities, announced in the 1 July 2011 Stabilisation and Association Dialogue Plenary Meeting, to establish this Council. The Council, duly established on 27 March 2012, in Pristina, by the President of the Republic of Kosovo, Ms Atifete Jahjaga, in the presence of the EU Enlargement and Neighbourhood Policy Commissioner, Mr Štefan Füle. A body consisting of prominent leaders representing the Government, the Parliament (including the Political Parties represented there), Municipalities, Civil Society Organisations, Media, Trade Unions, Academia and Business Community. It serves as the national official platform of steering the European Integration process through enhanced political coordination and systematic consultations between major stakeholders, with the view to building national consensus over Kosovo’s European Integration process.

This political platform is very important for Kosovo, as it would ensure over time a clear and stable course of the country towards European Integration, regardless of possible future changes of political forces in the Assembly and the Government. The National Council shall meet on annual basis to assess the progress of the European Integration process and to formulate recommendations to the Government and other stakeholders.

In recognition of the need to start practical work towards developing a countrywide consensus on European Integration, the National Council recommended the establishment of a Task Force for European Integration of Kosovo (TFEI). It has entrusted the Government of Kosovo, specifically the Minister for European Integration, to establish the Task Force as soon as possible, and to coordinate its activities. The TFEI is a practical method, which will help to enhance consensus between the most important players on European Integration of Kosovo and support the MEI in implementing its mandate and in co-ordination efforts.
2. Objectives of the Task Force for European Integration of Kosovo (TFEI)

2.1. Overall Objective

The **Overall objective** of the Task Force is to develop a draft Strategy for European Integration of Kosovo while developing consensus among major stakeholders and setting out recommendations for the Government of Kosovo. The implementation of this Strategy, using the experience of EU Member States and other countries, the European Commission, and other bodies, will lead to further acceleration of the European Integration process, thus bringing Kosovo closer to its membership with the European Union.

This objective is in line with the political consensus over the need for EU integration, popular support for country’s accession to the EU, as well as with the Kosovo Government policies and an effort to address results and recommendations of the European Commission in its 2009 Communication “Kosovo - Fulfilling its European Perspective”, latest Enlargement Strategy and Progress Report 2011 on Kosovo.

2.2. Specific Objectives

The **Specific objectives related to** the establishment of the Task Force are defined as follows:

1. To come up with a comprehensive **Diagnosis Report** of the current state of affairs on the European Integration process, which will include:
   - A comprehensive and detailed analysis of stakeholders involved in various areas and issues related to European Integration process;
   - An analysis of the existing framework, efforts and practices related to the European Integration process;
   - An analysis of best practices in various policy sectors and areas, with special regard to the successful European Integration experiences from other countries;
   - Evaluation of the European Integration policies and actions already applied by government institutions, non-government actors and other relevant stakeholders;
   - An analysis of the past role and the effects of work of foreign institutions and organizations (including donors) engaged in Kosovo in the areas relevant to the European Integration process.

2. To come up with a comprehensive **Draft of the Final Report** containing recommendations to be reflected in a comprehensive **National European Integration Strategy**, which would
contain clear objectives and activities to be achieved, why, what and when must be done, including the definition and principles of European Integration and a realistic timeline agreed upon by all the stakeholders.

The Strategy will be in line with the following quality criteria:
- Precise formulation of objectives and measures of achieving them;
- Clear definition of indicators allowing to measure progress and enabling monitoring and evaluation of expected success and possible failure;
- Identification of sources of necessary data and information, which will create the information basis for programming, monitoring and evaluation of the future national European Integration policy;
- Description and assessment of assumptions and risks related to implementation of the Strategy;
- Application of the benchmarking approach for the European Integration process;
- Description of decision-making procedures related to European Integration issues, with the view to ensuring their completeness and transparency,
- Formulation of proposals for improving – if needed – existing and creating new legislation needed for European Integration;
- Clear identification of how funding of the European Integration measures set out will be ensured and organized, with emphasis on the need for objective criteria;
- Indication of how evaluation of measures will be organized throughout the programming and implementation of the new European Integration policy;
- Reference on how the process of social consultations on European Integration with stakeholders at state-wide, regional and local levels is organized and carried out,

The Benchmarking method will be used in the work of the Task Force. It enables the actors involved in work for European Integration to be oriented towards identifying and following best practices implemented by any other player. This is to be ensured through the willingness to refer and compare to the best practices, while making efforts to learn from them and match successes between the relevant actors. In its essence the method consists in learning through emulation of the methods and practices utilized by the leaders in a given area.
3. Work Schedule of the Task Force

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<td>May 2012</td>
<td>The Ministry of European Integration, in close cooperation with the European Union Office in Kosovo, supported by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and other donors, will establish the Task Force for European Integration of Kosovo (TFEI).</td>
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<td>May 2012</td>
<td>TRTs established by the TFEI. TRT meetings initiated.</td>
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<td>August 2012</td>
<td>The Minister of European Integration convenes a working meeting of the TFEI, in order to discuss and endorse the Draft Diagnostic Report.</td>
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<td>Work on the Draft of the Final Report containing the proposed National European Integration Strategy, starts.</td>
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<tr>
<td>December 2012</td>
<td>TFEI final meeting: Presentation of the Draft of the Final Report containing the proposed National European Integration Strategy, based on inputs of sector-oriented Thematic Round Tables (TRT-s) and with support by experts.</td>
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<td>After this meeting, it is recommended that the Draft of the Final Report containing the proposed National European Integration Strategy is sent to Government for their further consideration and eventual approval.</td>
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and Health Protection

5. **Innovation, Information Society, and Social and Health Policies**

6. **Transport, Environment, Energy and Regional Development**

7. **Agriculture, Fisheries, Forestry, Food Safety and Rural Development**

During each plenary session, information about the work of the Task Force Secretariat and the research carried out by the Thematic Round Tables will be presented and discussed.

**5. Funding of the Task Force Operations**

The work of the Ministry of European Integration, including the Task Force operations, is directly supported by GIZ project Support to the European Integration Process in Kosovo (SEIP), within the framework of a long-term bilateral assistance given to Kosovo by the Federal Republic of Germany.

The Ministry of European Integration invites other donors to become directly engaged into the TFEI, by active participation in the Task Force meetings and in the work of the Thematic Round Tables, as well as by providing experts (both national and foreign), organizing thematic workshop and seminars, as well as study trips for those involved into the work of TFEI, its Secretariat and the TRT-s.

**6. Composition and work of the Task Force**

The Task Force for European Integration of Kosovo (TFEI) operates under the patronage of Minister for European Integration of the Republic of Kosovo.

The National Council for European Integration of Kosovo, which entrusted its creation and operations to Ms. Vlora Çitaku, the Minister of European Integration of Kosovo, who chairs the Task Force, has initiated the TFEI.

Since the Task Force is a non-political body, with a purely advisory function to the Minister of European Integration, its composition is based on participation and expertise of only those stakeholders that are needed to complete its tasks. Therefore, only a limited number of stakeholders and experts from the following sectors are invited by the Minister of European Integration to become full members of the Task Force. The composition of the TFEI is as in the following table:

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<th>Ministry of European Integration</th>
<th>Vlora Çitaku</th>
<th>Minister</th>
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<td>Assembly</td>
<td>Lutfi Haziri</td>
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<td>Independent Media Commission</td>
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<td>Kosovo Education Center (KEC)</td>
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<td>54</td>
<td>Initiative for Agricultural Development of Kosovo</td>
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7. The Secretariat of TFEI

In order to ensure a smooth and efficient organization of the Task Force activities, the Minister of European Integration through support of GIZ project “Support to European Integration of Kosovo” has established a Task Force Secretariat. It is responsible for all organizational and technical issues, as well as for coordination of all inputs by experts and for the performance and outputs of the Thematic Round Tables (TRT-s).

The Secretariat consists of the necessary experts and it will organize all necessary meetings, seminars, conferences and study tours. It will also prepare the Task Force documents, including the Diagnostic Report and the Final Report.

The work of the Task Force Secretariat will directly be supported by the GIZ SEIP project, including the provision of national and international experts, during the time of Task Force operations. Other donors are welcome to provide further support in the form of experts, organisation of trainings and seminars, as well as study tours and other services that might be required by the Task Force or the Secretariat.

The Head of Secretariat, GIZ SEIP Project Coordinator, cooperates closely with the Chairperson of the TFEI/Minister of European Integration and on daily basis with the MEI Task Force Coordinator/ General Secretary of MEI.

8. Technical Support and Logistics

GIZ and MEI provide technical support staff, including an administrative assistant and a webmaster/IT. The Task Force Secretariat is permanently located at the premises of MEI (members of the Secretariat). It also uses the technical infrastructure of the GIZ SEIP project, which is provided for the whole duration of the Task Force operations. The frequent meetings of the Secretariat are organized at MEI or GIZ premises, while those of the Thematic Round Tables will be also organized in line ministries and other GoK premises.

The meetings of the Task Force itself are held in a Kosovo Government conference facility.

All Task Force meetings must be translated simultaneously into official languages. The same applies to all written documents/reports produced during the Task Force exercise, and the TFEI webpage/link which will be located in the MEI webpage. These documents will be produced in all official languages.
9. TFEI Thematic Round Tables (TRTs)

9.1 Role of the TRTs

In order to discuss sectoral issues that are fundamental to the European Integration of Kosovo the TFEI establishes seven Thematic Round Table (TRT-s). These round tables, with slight differences, are mirroring the GoK SAP Dialogue with the European Commission.

TRT-s will aim to bring the knowledge and experience from the rest of society into this process and to enrich the contribution of Kosovo to SAPD. In addition results of the TRT-s will be fundamentally used in the diagnostic work and in the draft National Strategy for European Integration, thus, this work will increase the ownership, the accountability and it will help the awareness raising of Kosovo Society on the criteria and reforms that will have to be implemented by Kosovo Government and the society in general.

Each Thematic Round Table has three persons responsible to organize its work and to produce the required outputs:

- Chairperson,
- Co-Chairperson (MEI staff member) and a
- Secretary.

The Chairperson should preferably be one of the official Task Force Members, or another competent person invited by the Minister of European Integration to take up the task of chairing the work of the TRT. The Co-Chairpersons are staff members of MEI who currently cover the focus areas of TRT-s and who will actively support the work of the TRT and monitor the quality of its work.

The Task Force Secretariat is responsible for coordination of the Thematic Round Tables, which will produce the majority of inputs for the Diagnostic and the Final Reports.

The experts hired by the Secretariat will process these work results and include them into the daft-reports submitted for discussion and approval during the official Task Force meetings.

The Secretary of each TRT is an ex officio member of the Task Force Secretariat, in order to ensure the proper flow of information and coordination during the whole exercise. For support of each TRT there will be a need for additional outside experts hired/seconded. The Task force relies on its members to support with additional expertise in order to ensure a well drafted diagnostic report and a Strategic paper that will be based on reliable data and best practices. All Task Force Members and other stakeholders demonstrating a justified interest in
the work of a particular TRT might register for participation in its meetings. The respective TRT Secretary carries out registration.

The leadership of each TRT will regularly organize its working meetings, but also additional workshops and open seminars, also attended by experts, in order to prepare its inputs to the Task Force Reports. These inputs will be presented in the form of: “Thematic Roundtable: Diagnostic Report”, respective chapters for Task Force Diagnostic Report and Task Force Final Report” as well as summaries for the report and chapters.

The **tasks and responsibilities** of the TRT-s:

- Deliberate on the current state of affairs in the respective sectors, with the view to reaching a common understanding between the members of the TRT;
- Contribute to national policy development, implementation and monitoring in the respective sectors by deliberating and agreeing on realistic medium term measures, taking into account potential resources available;
- Contribute to enhancing consultation and coordination amongst stakeholders in the respective sectors;
- Contribute to enhancing national ownership over the EU Integration policy framework in the respective sectors;
- Contribute to enhancing policy dialogue between Kosovo and the EU in the respective sectors and implementation of measures agreed upon;
- Collect and analyze information and data related to the respective sectors, including academic research, policy analyses and best practices in the sectors;
- Contribute to improving public accountability and transparency of stakeholders in the respective sectors;
- Contribute to enhancing public awareness and citizen participation in EU Integration process in the respective sectors;

### 9.2 Composition of the TRT-s\(^1\)

<table>
<thead>
<tr>
<th>Title of the Thematic Roundtable</th>
<th>Chair of TRT:</th>
<th>Deputy Chair:</th>
<th>Secretary of TRT</th>
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<tr>
<td>1 Public Administration</td>
<td>Kastriot Halili</td>
<td>Arben Kalaja</td>
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\(^1\) Subject to approval by the first Task Force meeting
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<th>Reform</th>
<th>Justice, Freedom and Security</th>
<th>Malisa Venhari</th>
<th>Sylë Sefaj</th>
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<td>Economic, Financial and Statistical issues,</td>
<td>Jeton Karaqica</td>
<td>Ertan Munoglu</td>
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<td>Trade, Industry, Customs, Taxation, Internal Market, Competition, Consumer and Health Protection</td>
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<td>Artan Çollaku</td>
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<td>Innovation, Information Society, and Social and Health Policy</td>
<td>Arta Uka</td>
<td>Arben Salihu</td>
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<td>Environment, Transport, Energy and Regional Development</td>
<td>Ilir Muçaj</td>
<td>Alma Tafarshiku</td>
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<td>Agriculture, Rural Development, Forestry, Fisheries and Food Safety</td>
<td>Hysni Nura</td>
<td>Venera Mjekiqi</td>
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Each of the Thematic Roundtables must consider within its Terms of Reference to discuss and consider in its Reports two important **crosscutting issues**:

1. **Public information and communication**: all of the activities carried out by each TRT will be organized in a way that ensures the necessary information sharing between the stakeholders represented therein and proactive communication of the results of its activities to the wider public. In order to achieve this, each TRT will, in addition to its regular meetings, organize various information sharing events and it will regularly publish the materials developed throughout its work in the friendly user webpage of the Task Force for European Integration.

2. **IPA and donor assistance**: many activities in the areas covered by the TFEI and TRTs, particularly within the European integration framework, are, in various ways, supported through IPA and other donor support. Therefore, each TRT will reflect this dimension throughout its work by ensuring that the principles for providing such assistance are paid
due consideration during the deliberations of its members, especially when recommending
measures to address the gaps identified.

9.3 Operation of the Thematic Round Tables

1.1 The TRT meets regularly, approximately twice a month. However, the TRT can meet
more frequently if deemed necessary by the Chair, Co-Chair and the Secretary.

1.2 The Chair, Co-Chair and the Secretary recommend the date and time of the TRT
meeting, while the TRT members decide upon it.

1.3 The Secretary of the TRT prepares the Agenda for the TRT meetings, upon instructions
by the Chair and Co-Chair. The members of the TRT may provide input on the Agenda
and the rest of the meeting material.

1.4 The Secretary disseminates the endorsed Agenda and the accompanying material to all
members of the TRT no later than two days prior to the meeting.

1.5 The content of the Agenda for the meetings will be in line with the TRT’s scope and
Work Plan.

1.6 The TRT reaches its conclusions through consensus. The Secretariat disseminates
meeting conclusions to all members no later than ten days after the TRT meeting.

1.7 The Chair, Co-Chair and the Secretary may decide to invite external experts to the TRT
meetings. Other TRT members may also recommend inviting experts.

3. Additional Information on Task Force Operations

Many supplementary materials will be used for the preparation of the Final Report, including
policy studies/reports of experts and financed by various donors, study groups, which –
during the operation period of the Task Force – might visit EU Member States and other
countries in order to acquaint themselves with the principles and practice of European
Integration policy in those countries.

All the reports of the TRT-s, as well as the Diagnostic and Final reports will be published on
the Task Force website, in Albanian, Serbian and English. Printed versions will be distributed
to all interested institutions, organizations and experts. Additionally, the Task Force
Secretariat will regularly supply all concerned with information on the work of the Task Force
and its working materials.
It is expected that the research work done by the TFEI will elicit a high degree of interest. Members and experts of the Task Force will be invited to present information about their activities and reports to various parliamentary, government, and commissions and groups. In particular, the continuing interest in the work of the Task Force expresses the National Council for European Integration of Kosovo, the Office of the President, various Government Ministries and Agencies, Local Authorities, regional organizations as well as the NGO community and various business organizations.
Annexes

1. Terms of Reference – TRT 1: Reform of Public Administration

TRT Chairperson: ....

TRT Co-Chairperson: Kastriot Halili, Senior Officer on European Affairs, MEI

TRT Secretary: Arben Kalaja, GIZ Adviser

The TRT will consist of stakeholders coming from government institutions, independent institutions, civil society organisations, academic and research institutions, as well as international organisations and donors active in the sector. The Task Force for European Integration will adopt and update a detailed list of members, which might come from:

- Office of the Prime Minister;
- Ministry of Public Administration;
- Ministry of Finance;
- Ministry of European Integration;
- Ministry of Local Government Administration;
- Association of Kosovo Municipalities;
- Kosovo Institute for Public Administration;
- Civil Service Trade Union,
- Donors active in the area,
- Major CSOs active in the area of Public Administration Reform.

1.1. Background

Kosovo has been building its public administration only over the last decade, but this however has not stopped it from creating the fundamental framework of an effective public administration.

Soon after the creation of the Kosovan public administration, the Government decided to take steps in its reforms, by adopting a Public Administration Reform (PAR) Strategy in 2007 and by also establishing an Inter-Ministerial Commission and relevant working groups in order to oversee and coordinate its implementation. In order to support the monitoring of the Strategy’s implementation, the Ministry of Public Administration established its Department of Public Administration Reform Management, which would then also serve as a secretariat to the Inter-Ministerial Commission. In 2010, the Government decided to revise the PAR
Strategy, which resulted in the Strategy covering the period 2010-2013. At the time of its revision, it was assessed that only around 20 per cent of the first Strategy Action Plan activities were completed.

In the meantime, the Government also decided to start an overhaul process of horizontal and vertical functional review, which supported by donor assistance, was completed in 2009, resulting in functional review reports for 20 public administration institutions and 12 sectors. Based on such reports and overseen by the PAR Inter-Ministerial Commission, the institutions that had undergone the functional review were to develop Strategic Development Plans with the view to planning the implementation of the relevant recommendations. So far, 7 such plans (MIA, MPA, MLGA, MI, MESP, MCR and KIPA) have been adopted by the Government, while 2 (MAFRD and MF) have been approved by the PARIMC.

Parallel to the above, the Government also dedicated its efforts in regulating the functioning of the civil service by working on drafting the Law on Civil Service and Law on Salaries of Civil Servants, which upon adoption by the Assembly in May 2010, entered into force at the start of 2011. So far, most of the secondary legislation implementing the mentioned laws has been adopted.

Moreover, in line with the mentioned efforts with the view to public administration reform, the Government adopted a Strategy on Electronic Governance in 2009, aiming at the transition of the traditional public administration into a modern electronically based administration. This has allowed for some of the public services like civil registration and business registration to be partially accessed electronically.

As regards local governance, as part of the status settlement Kosovo has made serious efforts with the view to decentralization. Thus, four new municipalities and one expanded municipality have been established. The newly established municipalities are in the process of becoming fully operational. At this stage they have been transferred a number of competencies from the central level and the mother municipalities. Furthermore, the new municipalities have commenced providing services to their citizens. The Mitrovica North municipality remains to be established.

Although there has been considerable progress when it comes to the reforms in the area of public administration, however there remain a number of challenges that the Government needs to address over the short and medium term. Thus, the capacity to plan, monitor and evaluate the PAR Strategy needs further strengthening, as does the coordination of the implementation of the functional review. Also, the capacities of the institutions to implement the new civil service legislation should further be enhanced, as do the overall capacity-building mechanisms. Finally, the overall Government capacities for strategic planning and budgetary links would need more efforts.
1.2. Purpose and Responsibilities

The overall objective of the Thematic Round Table on Public Administration Reform is to support enhancement and further development of a modern and effective Kosovo Public Administration capable to ensure satisfactory delivery of public services. The TRT aims to achieve this through the development of consensus building mechanisms with the view to such reform, involving all of the interested parties in the process, but focusing on governmental institutions (central and local), civil society organizations active in the area, civil service trade union(s), as well various supporting projects in the sector.

The scope of the TRT is the sector of public administration reform, focusing chiefly on implementation of the PAR Strategy and Action Plan, Laws on Civil Service and Civil Servants’ Salaries, while also concentrating on the implementation of the functional review recommendations through the relevant institutions strategic plans. Furthermore, the scope of the TRT extends to the development of institutional capacities of the public administration, especially with regards to the operation of the Kosovo Institute for Public Administration, but also it includes the area of local governance, especially with the view to the implementation of the decentralization process. Finally, the TRT deals with the area of strategic planning, and especially so with the medium term strategic planning and its linkage with the budgetary planning.

The tasks and responsibilities of the TRT are as in the following:

1. Deliberate on the current state of affairs in this area with the view to reaching a common understanding between the members of the TRT;
2. Contribute to national policy development, implementation and monitoring in the sector by deliberating and agreeing on realistic medium term measures, taking into account potential resources available;
3. Contribute to enhancing consultation and coordination amongst stakeholders in the sector;
4. Contribute to enhancing national ownership over the EU Integration policy framework in the sector;
5. Contribute to enhancing policy dialogue between Kosovo and the EU in the sector and implementation of measures agreed upon;
6. Collect and analyse information and data related to the sector, including academic research, policy analyses and best practices in the sector;
7. Contribute to improving public accountability and transparency of stakeholders;
8. Contribute to enhancing public awareness and citizen participation in EU Integration process in the sector.
1.3. Crosscutting Issues

**Public information and communication:** all of the activities carried out by the TRT will be organized in a way that ensures as much as possible information sharing between the stakeholders represented therein and proactive communication of the results of its activities to the wider public. In order to achieve this, the TRT will, in addition to its regular meetings, organize various information sharing events and it will regularly publish the materials developed throughout its work in the friendly user webpage of the Task Force for European Integration.

**IPA and donor assistance:** many activities in the area of PAR, particularly within the European integration framework, are, in various ways, supported through IPA and other donor support. Therefore, the TRT shall reflect this dimension throughout its work by ensuring that the principles for providing such assistance are paid due consideration during the deliberations of its members, especially when recommending measures to address the gaps identified.

In completing its tasks, the TRT is to ensure the preparation of a Diagnostic Report on Public Administration Reform, which will include an assessment of the current situation of the public administration reform, including best practices. Moreover, the TRT will prepare a **Final Report on Public Administration Reform**, which will include recommendations on how to address the challenges identified in the sector of public administration reform.

The TRT will operate based on Guiding Principles of the TRT-s, adopted by the Task Force for European Integration.

1.4. Time Schedule

The TRT is to complete the Diagnostic Report on PAR by the end of July 2012, while it is expected to have concluded its Final Report on PAR by the end of December 2012.

The TRT will operate based on a Plan of Activities, drafted by the Secretariat and adopted by the TRT itself.
1.5. Scope of Areas of the TRT

1. GOVERNMENT
   1.1 Legal Framework on the functioning of the Government, including Legislative Programme
   1.2 Monitoring and evaluation of legislation and policy
   1.3 European Integration policy and institutional framework
   1.4 Functional review implementation

2. PARLIAMENT
   2.1 Oversight over the executive
   2.2 Scrutinizing and harmonisation of legislation and ensuring compatibility with EU Acquis
   2.3 Own administrative capacities: Legal Office, HRM Policy
   2.4 Monitoring the implementation of legislation

3. CIVIL SERVICE
   3.1 Legal framework on civil service
   3.2 Implementation of such framework
   3.3 Administrative law
   3.4 Incorporation of European principles of public administration

4. PAR STRATEGY IMPLEMENTATION
   4.1 Strategy’s implementation and its sustainability
   4.2 Structures for its implementation and monitoring
   4.3 The capacity to plan, monitor and evaluate the Strategy

5. INDEPENDENT OVERSIGHT BOARD
   5.1 Mandate
   5.2 Resources
   5.3 Results

6. HRM POLICY AND TRAINING
   6.1 HRM policy development
   6.2 General training strategy for civil servants
   6.3 KIPA administrative capacities
   6.4 Donor Technical Assistance (Young Cell Scheme, Regional School of Public Administration)

7. INTEGRITY
   7.1 Code of Conduct for Civil Servants

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2 As defined by SIGMA, 1999.
7.2 Role of the Ombudsperson in overseeing administrative bodies
7.3 Auditing and performance appraisal
7.4 Transparency and access to official documents
7.5 Asset declaration and conflict of interest
7.6 Protection of whistleblowers
7.7 Protection of personal data
7.8 Use of official languages

8. PUBLIC EXPENDITURE MANAGEMENT AND CONTROL

8.1 Legal and policy frameworks
8.2 Programme based results oriented MTEF and Budget
8.3 Legal and institutional frameworks on public procurement: transposition of EU Acquis

9. POLICY MAKING AND COORDINATION

9.1 Strategic planning and monitoring arrangements
9.2 Linkage between policy and budgeting
9.3 Coordination of Development and European Integration
9.4 National Strategy and sectorial strategies: their interplay

10. LOCAL GOVERNANCE AND DECENTRALIZATION

10.1 Current structure of local government: delimitation of power between central and local government
10.2 Decentralization of power from central to local institutions, including fiscal decentralization

- Analysis of best practices related to reform of public administration
- Summary of the Diagnostic Report on reform of public administration
2. Terms of Reference – TRT 2: Justice, Freedom and Security

TRT Chairperson: ....

TRT Co-Chairperson: Malisa Venhari, Senior Officer for European Affairs, MEI

TRT Secretary: Sylë Sefaj, GIZ Adviser

TRT Members

The Thematic Round Table on Justice, Freedom and Security will consist of stakeholders coming from government institutions, independent institutions, civil society organisations, professional associations, academic and research institutions, as well as international organisations and donors active in the areas of elections, judiciary, anti-corruption, human rights and protection of minorities as well as home affairs. The Task Force for European Integration will adopt and update a detailed list of members of the TRT.

2.1. Background

In the area of elections, Kosovo has completed the legal framework. In addition to Constitutional provisions (mainly Article 45 guaranteeing the right to election and political participating, and Article 139 regulating the functioning of Central Election Commission), the main legal acts regulating this area include the Law on General Elections (of June 2008), Law on Local Elections (of June 2008), as well as the one on Financing of Political Parties (of December 2011). The main institution responsible for management of the election process is the Central Election Commission, while Municipal Election Commissions and Polling Station Committees are in charge of administering elections. The Central Elections Commission is composed of 11 members, the Chairperson appointed by the President of the Republic, from among the judges of the Supreme Court or appellate Courts as well as ten members appointed by parliamentary groups. In addition, the Elections Complaints and Appeals Commission is the independent body in charge of adjudicating complaints and appeals concerning the electoral process. For 2010 Assembly election, fifteen (15) rules were approved, whereas one rule was adopted in late 2010 that regulates unspecified timeframes necessary for early elections. As per electoral system, Kosovo is a single electoral district. Kosovo Assembly has 120 seats, out of which 100 seats are allocated to political entities based on votes they receive, whereas 20 seats are reserved for political entities representing minorities. Following the latest reform, the seats are elected through single district open ballots with pre-assigned numbers instead of names of candidates and up to five members of a political party can be chosen by the voter.
However, the last elections showed that integrity of election system and process has yet to be ensured, in particular when it comes to administration, monitoring and election results. According to EU Progress Report 2011 for Kosovo, ‘challenges remain in terms of compliance with international standards and simplicity of the current system and past impunity with regard to electoral fraud’. In this regard, the Assembly Committee on Electoral Reform and its Working Group has commenced with reform of the electoral system through the revision of the Law on Elections and reform of electoral institutions, including ensuring the integrity of the electoral system.

In the area of **judiciary**, most of the framework legislation has been completed. In addition to the four judicial reform laws (on courts, prosecution offices, the Kosovo Judicial Council and the Kosovo Prosecutorial Council), other key legislation relevant to the field includes the criminal code, laws regulating the Constitutional Court, witness protection, international legal cooperation in criminal matters, civil aspects of international child abduction, juvenile justice code, forensics, criminal liability of legal persons for criminal offences, mediation, notary, the bar, contested and non-contested procedure (civil procedure), and the Special Chamber of the Supreme Court.

Three bilateral agreements (with Belgium, Macedonia and Turkey) on international legal cooperation in criminal matters are also part of the legal framework in the field. Following successful conclusion of the first comprehensive vetting process for judges and prosecutors, a reformed salary system has been set up (a precondition to enhanced sustainability and independence of the system), while the mediation and notary systems have also been established and are being made fully functional. The policy framework in this area consists of an action plan for implementation of the Law on Courts and a strategy on reduction of backlog of cases.

At this stage, Kosovo faces many challenges in the area of judiciary, including lack of institutional capacities and expertise to complete implementing legislation regulating all functions of the whole judicial system and to carry out a comprehensive structural reform of this system, lack of a fully functional case management and information exchange infrastructure, a high number of backlog cases, especially in municipal courts, insufficient budget for proper functioning of the courts as well as concerns related to security and protection of judges and prosecutors, impartiality, political interference, and corruption and misconduct.

In the area of **anti-corruption policy**, Kosovo has to a great extent completed its framework legislation. This includes an anti-corruption law, as well as laws on the Kosovo Anti-Corruption Agency, financing of political parties, prevention of conflict of interest in
exercising public functions, declaration, origin and control of property and gifts of senior public officials, but also other relevant legislation, such as the Penal and Penal Procedure Codes, and laws on Kosovo Civil Service, Administrative Procedure and on access to public documents.

An Anti-Corruption Strategy, which covers three years and is updated annually, is also in place. Main challenges and priorities in this area include completion of the legal framework (through adoption of the Law on Confiscation of Illegally Obtained Assets in line with the EU acquis, the Law on the amendment of Law No. 03/L-191 on Execution of Criminal Sanctions, Amendment of the Criminal Procedure Code No. 2003/26), enforcement of the existing framework throughout the cycle (from prevention to adjudication), enhancing capacities to investigate corruption, improving cooperation and coordination between the Anti-Corruption Agency, the police and prosecution, as well as further aligning and implementing the Law on Financing of Political Parties.

In the area of human rights and protection of minorities and cultural heritage, Kosovo has developed a legal framework that recognizes the highest European standards. This framework includes constitutional provisions, directly applicable international instruments, as well as laws on anti-discrimination, Ombudsperson, minority communities, gender equality, against domestic violence, freedom of association in non-governmental organisations, public gatherings, freedom of religion, use of languages, Independent Media Commission and Broadcasting (and a Kosovo Press Council Statute), Radio-Television of Kosovo (under substantial review, to regulate the Independent Media Commission and Broadcasting, as well), labour, strikes, Socio-Economic Council, Police Inspectorate of Kosovo, execution of penal sanctions, on access to public documents, expropriation of immovable property, special protected areas, and a juvenile justice code. In addition, the Government has assigned the Deputy Prime Minister to oversee the reform of institutional structures that deal with human rights and the protection of minorities. In this regard the AI is being drafted in close cooperation with all main stakeholders.


Major challenges facing the field of human rights and minority protection, and cultural heritage include rationalization and streamlining of government structures dealing with it, enforcement of human rights legislation by the judiciary (particularly on anti-discrimination), including remedies for human rights infringements, implementation, monitoring and
evaluation of implementation of strategic documents. The latter, in turn, requires significant enhancement of understanding and capacities of government and judicial institutions to develop and implement policy, as well as a significantly enhanced involvement of and cooperation with all the relevant independent institutions in the area (particularly by taking into account their recommendations), but also with civil society organisations.

Another set of specific challenges is related to enforcement of property rights, development of education curricula in minority languages and significantly improving access of these communities (particularly of Roma, Ashkali and Egyptians) to publicly-funded education, public awareness and outreach, access to justice, representation of women and minority communities in institutions and public services, non-discriminatory delivery of public services, rehabilitation and treatment of persons with disabilities, drug addicts and alcoholics, and fraud and security standards in penitentiary facilities. Furthermore, challenge remains on ensuring premises and allocating the sufficient budget for the Ombudsperson.

Kosovo has made concentrated efforts in developing its legal, policy and institutional framework in the area of Justice, Freedom and Security, aiming to approximate to European standards and ensure implementation and enforcement. These efforts gained particular momentum in the wake of visa liberalisation process launched by the EU for Kosovo’s neighbouring countries and the process promised by the EU to Kosovo ever since.

Most of the legislation developed is considered EU-compliant. It regulates integrated border management and control, foreigners, asylum, readmission, citizenship, civil registry, travel documents, ID cards, personal name, dwelling and residence, Kosovo Police, Police Inspectorate of Kosovo, penal and penal procedure, prevention of money laundering and financing of terrorism, management of sequestered and confiscated criminal assets witness protection, prevention and fighting of cyber crime, protection of personal data, preservation of public peace and order, traffic safety, civil use of explosives, weapons and private security services. The legal framework also includes international bilateral agreements on readmission, joint border control, international police cooperation, on cooperation and mutual assistance in customs matters, and operational memoranda of cooperation among rule of law institutions within the country, on border control, joint investigation, etc.

On the other hand, relevant institutions have also developed and are implementing the policy framework, which consists of a visa liberalization action plan (expected to be reviewed following adoption of the respective roadmap/strategy by the European Commission), and national strategies on: integrated border management, migration, reintigration of repatriated persons, crime prevention, intelligence-led policing, against organized crime, against terrorism, against narcotics, against trafficking in human beings, national security, control and collection of small arms and light weapons, integrated emergency management system and

Despite significantly increased political willingness on both Kosovan authorities and EU to speed up institutional reforms and meeting of European standards in this area, there are still a number of challenges that require priority attention, including:

- Setting up of a visa regime (and development of the legal and policy framework to implement it);
- Finalizing demarcation of borders;
- Full operationalization of EU compliant border management IT system;
- Making the joint operational centre for border control fully operational (in full compliance with the IBM concept);
- Managing the process of issuance of biometric passports;
- Ensuring sustainable reintegration of repatriated persons, in particular to fully functionalization of municipal structures dealing with reintegration;
- Continue with negotiation and signing readmission agreements, in particular with countries that asylum-seekers originate;
- Developing an integrated migration and asylum issues database;
- Improving handling of asylum cases throughout the procedural cycle required by the legislation and functionalization of the new Asylum Center inaugurated in February 2012;
- Making the Agency for the Management of Sequestered and Confiscated Assets fully functional;
- Enhancing cooperation between law enforcement agencies (starting from integrating information flows);
- Strengthening technical and human resources to combat organized crime (including by enhancing capacities and improving procedures for crime investigation);
- Preventing combating financial crimes (starting from improving supervision of financial transactions), as well as trafficking of narcotics and human beings;
- Establishing and implementing a witness protection programme;
- Making the judiciary functional, and improving international police cooperation (hampered by the political circumstances).
2.2. Purpose and responsibilities

The **overall objective** of the Thematic Round Table on Justice, Freedom and Security is to support strengthening of the rule of law and respect for and protection of all categories of fundamental human rights and freedoms in Kosovo, in line with the domestic and international legislation in force, and with European standards and best practices. The TRT aims to achieve this through development of consensus building mechanisms supporting this process, by involving in this mechanism all interested parties in the process, focusing on government institutions, independent institutions, civil society organisations, academic and research institutions active in the sector, as well international organisations and donors supporting it.

With the view to supporting Kosovo to become a fully-fledged part of the European area of justice, freedom and security, the **scope** of the TRT will cover two categories of areas: fundamental human rights and freedoms (under the Political Criteria), and European Standards of Justice, Freedom and Security. Under the former area, it covers development and implementation of the legal and policy framework, as well as setting up, reforming and further developing the institutional framework and strengthening their capacities, with a view to ensuring full and effective implementation and enforcement of the legal and policy framework. This is ultimately aimed at creating conditions to ensure (a) full adherence to international and European fundamental human rights and freedoms standards and (b) protection of and respect for all categories of such rights and freedoms. This also includes the area of cultural heritage. Furthermore, the scope of the TRT extends to the areas of judicial system, anti-corruption policy and the European Standards of Justice, Freedom and Security, focusing on reform and further development of the relevant legal and policy framework, but also reforming, developing and enhancing capacities of the relevant institutions, with a view to making them capable of ensuring attainment of the relevant standards through effective implementation and enforcement.

In order to achieve its overall objective of developing a consensus building mechanism within the sector of Justice, Freedom and Security, **tasks and responsibilities** of the Thematic Round Table on Justice Freedom and Security will be to:

- Deliberate on the current state of affairs in the sector of Justice, Freedom and Security, with the view to reaching a common understanding among its members;
- Contribute to national policy development, implementation and monitoring in the sector of Justice, Freedom and Security by deliberating and agreeing on potential medium-term measures;
- Contribute to enhancing consultation and coordination amongst stakeholders in the areas of justice, freedom and security;
- Contribute to enhancing national ownership over the EU Integration policy framework in the areas of justice, freedom and security;
- Contribute to enhancing policy dialogue between Kosovo and the EU in the sector of Justice, Freedom and Security and implementation of measures agreed upon;
- Collect and analyse information and data related to the areas of justice, freedom and security, including academic research, policy analyses and best practices in these areas;
- Contribute to improving public accountability and transparency of stakeholders in the sector of justice, freedom and security;
- Contribute to enhancing public awareness and citizen participation in EU Integration process in the sector of justice, freedom and security;

2.3. Crosscutting issues

Public information and communication: all of the activities carried out by the TRT will be organized in a way that ensures as much as possible information sharing between the stakeholders represented therein and proactive communication of the results of its activities to the wider public. In order to achieve this, the TRT will, in addition to its regular meetings, organize various information sharing events and it will regularly publish the materials developed throughout its work in the friendly user webpage of the Task Force for European Integration.

IPA and donor assistance: many activities in the area of justice, freedom and security, particularly within the European integration framework, are, in various ways, supported through IPA and other donor support. Therefore, the TRT shall reflect this dimension throughout its work by ensuring that the principles for providing such assistance are paid due consideration during the deliberations of its members, especially when recommending measures to address the gaps identified.

In carrying its tasks, the TRT is to ensure the preparation of a Diagnostic Report on the areas of justice, freedom and security, which will include an assessment of the current situation in these areas, including best practices. Moreover, the TRT will prepare a Final Report on justice, freedom and security, which will include recommendations on how to address the challenges identified in these areas.

The TRT will operate according to the Guiding Principles of Thematic Round Tables, adopted by the Task Force for European Integration.
2.4. Time schedule

The TRT is to complete the Diagnostic Report on Justice, Freedom and Security by the end of July 2012, while it is expected to have concluded its Final Report on Justice, Freedom and Security by the end of December 2012.

The TRT will operate based on a Plan of Activities, drafted by the Secretariat and adopted by the TRT itself.

2.5. Scope of Areas of the TRT

1. ELECTORAL SYSTEM REFORM

2. JUDICIAL SYSTEM
   2.1. Legislative framework
   2.2. Institutional Framework
   2.3. Inter-institutional and international Cooperation

3. ANTI-CORRUPTION POLICY
   3.1. Legislative Framework
   3.2. Institutional Framework
   3.3. Enforcement of Anti-corruption Legislation

4. HUMAN RIGHTS AND PROTECTION OF MINORITIES
   4.1. Promotion and Enforcement of Fundamental Rights,
   4.2. Civil and Political Rights,
   4.3. Social and economic rights
   4.4. Anti-Discrimination,
   4.5. Property Rights,
   4.6. Respect for and Protection of Minorities, and Cultural Rights,
   4.7. Cultural heritage

5. JUSTICE, FREEDOM AND SECURITY
   5.1. Border Management
   5.2. Migration Policy
   5.3. Visa Policy
   5.4. Asylum Policy
5.5. Judicial Cooperation in Civil and Criminal Matters  
5.6. Police Cooperation and Fight Against Organized Crime  
5.7. Fight Against Terrorism  
5.8. Fight Against Drugs  
5.9. Customs Cooperation  
5.10. Protection of Personal Data

- Analysis of best practices related to JFS  
- Summary of the Diagnostic Report on JFS.

3. Terms of Reference of the TRT 3: Economic, Financial and Statistical Issues

TRT Chairperson: ....

TRT Co-Chairperson: Jeton Karaqica, Senior Officer for Economic Affairs, MEI

TRT Secretary: Ertan Munoglu, GIZ Adviser

TRT Members

The Thematic Round Table on Economic, Financial and Statistical Issues, will consist of stakeholders coming from government institutions, independent institutions, regulators, business community representatives, trade unions, professional associations, as well as civil society organisations, academic and research institutes active in these areas, as well international organisations and donors supporting it. The Task Force for European Integration will adopt and update a detailed list of members of the TRT.

3.1. Background

As far as the macroeconomic stability is concerned, the Real GDP growth for 2011 is estimated to be 5.3%, this being driven mainly by substantial public expenditure, consumption and investments. Although exports increased, contribution to real increase in 2011 is negative with 1.7% in the real GDP growth. The trade deficit for 2011 increased for about 0.3% in relation to GDP compared to 2010. For the period between July 2010-2011 the trade deficit rose from € 992 mil to € 1,122 mil. Exports' share of GDP rose to 7.4%, up from the very low 4.5% in 2009. However the import of goods rose by 11% in 2011, primarily due to major investing projects
that stimulated considerable import of goods. The imports shifted from capital to intermediate and consumption goods. Revenues (excluding dividends and grants) increased to 25.3% of GDP; two thirds of revenues are collected as border taxes, while direct tax revenues decreased. The total primary expenditure increased to 30.7% of GDP. Current expenditure increased to 18.1% of GDP, due to increase in spending on wages and salaries. While the total revenues have increased during 2011, the budget of the Republic of Kosovo resulted with a deficit of €15.8 million due to high expenditure rate.

By the end of May 2010, the Government of the Republic of Kosovo had intensive negotiations with IMF for a Standby Arrangement (SBA) programme which was made official on 7 July 2010. This agreement includes support of about €109 million for a period of 18 months with six disbursements with the aim to adjust fiscal imbalances and bring predictability to economic policy. After a fulfilment of preconditions set by SBA, the first disbursement of the amount of €22 million was made, while the other 5 disbursements were planned to take place after the quarterly review, where the first review was provided in mid October 2010 and the second in January 2011. At the end of 2010, data showed that the fiscal performances during the second half of 2010 were in full compliance with indicators defined in the SBA program. Due to the political developments and increase of salaries the Kosovo Government deviated from the SBA program. This lead to new negotiations and the Government signed a new agreement with the IMF – Staff Monitored Programme (SMP) putting the ceiling of primary expenditures until the end of 2011 to €1,433 mil.

In general, the economic situation is challenging. The significant fiscal expansion of the last two years did not manage to spur significantly economic growth and reduce the high unemployment. The government of Kosovo is revising its macro-economic framework, in order to take into account the higher-than-expected inflation and noted that this would have clear implications for the envisaged real growth rates and GDP composition. Inflation during the 2011 fluctuated significantly from month to month; the annual average CPI in 2011 was high at 7.4%, largely driven by increase in food and oil prices as well as significant increase of public sector wages. Unemployment was 45.4% according to the Labour Force Survey 2009. The Labour Force Survey was not carried out in 2011, however the data from the Ministry of Labour and Social Welfare (MLSW) indicate that the number of registered as unemployed in October 2011 was lower that the same period of 2010 for 0.3%.

In terms of FDIs, about half is attracted to the sectors of financial services, real estate and construction, which does not represent a sustainable and growth-enhancing profile. FDIs marked about 8.6% of GDP in 2010, while the projections for 2011 included an increase of about 6.4% or €385 mil. According to data from the Central Bank, banks remain the dominant financial intermediaries with 77% of the total financial sector assets, followed by Pension Funds and Insurance companies with 15% and 4%, respectively. Credit growth accelerated to 13.2% in the first quarter of 2011. Growth of bank deposits was at 8% in Q1 2011. Household deposits represented the majority of total deposits, with a share of 60%. Non-performing loans
have increased from 4.6% in March 2010 to 6.2% in March 2011. Despite this fact the banking system remains stable and profitable, with increasing loans and deposits. The reflection of the global crisis in the real sector of Kosovo’s economy, especially during 2009, has also affected the debt servicing ability of borrowers in Kosovo.

The Ministry of Finance’s annual report shows that the total revenues in 2011 amount to €1,300 mil or 13.6% increase compared to the previous year. The biggest contributor to revenues follow similar patterns of the previous years, including taxes (customs and tax administration) amounting to €1,100 mil followed by own revenues from €0.100 mil. The total revenue collection during 2011 reached over 90% of the plan. Expenditures in 2011 amount to €1,400 mil marking an increase of 13% compared to 2010. The two main categories of expenditure include capital investment and wages and salaries together amounting to €0.900 mil. The Government adopted its 2012 budgetary plan with a projected increase of 4% which includes among others, the continuation of motorway construction, financing of judicial system reforms, advancing the quality of education, efficiency of public administration and enhancing the efficiency of customs and tax administration. The 2012 Budget amounts to €1,600 mil with total revenues planned to reach €1,300 mil and total expenditure of €1,400 mil, while the capital expenditure amounts to €0.535 mil mil.

The budget deficit for 2010 (excluding grants and one-off dividend receipts) was much higher – EUR 225 million (5.5% of GDP) and is almost unchanged in comparison to 2009 (EUR 227 million or 5.8% of GDP). In addition, the amount of unpaid invoices, both at municipal and central government level, increased significantly in 2010 to reach EUR 28.5 million (0.7% of GDP) from EUR 4.2 million in 2009 however the Government of Kosovo intends to start monitoring them on a monthly basis as well as the GoK intends to bring down the planned 2011 deficit of EUR 227 million (4.7% of GDP) by taking consolidation measures.

Kosovo has updated MTEF 2012-2014, a performance-based document reflecting the Government Program and the Statement of Government Policy Priorities. Authorities noted this revision of MTEF aims to incorporate all Sectoral Strategies in a single document. The 2012-2014 macro-fiscal framework is based on two scenarios: a) the baseline scenario updated with the recent policy changes (public wage increase, continuation of motorway, and increased benefits for war invalids and martyrs’ families). The average GDP growth for period 2012-2014 in this scenario is projected to be 5.5%; and b) the scenario based on Kosovo’s Vision of Economic Development aimed at achieving an average economic growth of 7.8% during 2012 - 2014.

The expected major policy implications of the revised MTEF are Capital expenditures that will be kept at about 40% of the total budget throughout the period 2012-2014, Subsidies to POE’s projected to decline throughout the period in line with the Government commitment for privatization of POEs, Government did not foresee any new loans designated for publicly
owned enterprises, and prudent revenue projections of more effective collection by respective authorities.

The MTEF strives to improve and become a strategic and policy-oriented document. In the future it will concentrate even more on fiscal policy, structural reform and evaluation of budgetary impact of policies and reforms and focus on interactions between macroeconomic scenario, fiscal medium-term scenario, and structural reforms. However, the revenue forecast in the latest MTEF is rather realistic, despite its optimistic macroeconomic scenario. After a sharp increase in the deficit in 2011, the MTEF foresees an expenditure-driven budgetary consolidation. The overall deficit is expected to gradually decline to €31 mil in 2014. Although commendable in itself (targeting 0.5% of GDP in the medium term), the credibility of this strategy of reducing the budget deficit would benefit if consolidation is brought forward and is underpinned by a detailed analysis of the policy measures behind it.

Kosovo Government got engaged developing a policy paper aiming to developing the country. In cooperation with line ministries and the donor community it drafted and presented the Economic Vision for Economic Development as well as an action plan stressing the importance of the development of private sector for sustainable economic development.

Kosovo Government is increasingly investing in the agriculture sector, energy generation, infrastructure – such as the Highway Merdare – Morina while planning the highway to Skopje, privatization of SOE, etc. The Government plans to privatise approximately 414 SOEs mainly through liquidation processes. A total of €520 mil were generated to date by privatization, the money which is planned to be returned to Kosovo for investment and thus support the development of the country.

In order to improve the public internal financial control systems, the MF has established a Central Harmonization Unit/Financial Management and Control (CHU/FMC), within the Treasury Department, as foreseen by the Law for Public Financial Management and Accountability (LPFMA).

There has been some progress on public internal financial control. The Government adopted an updated PIFC Policy Paper and the CHU published a manual for managers in relation to the latest treasury rules on financial management and control. An administrative instruction about the functioning of internal audit committees was adopted and training has continued in order to increase the number of certified internal auditors.

The Office of the Auditor General recently updated its corporate development strategy aiming to achieve full sustainability by 2014. The number of regular audits has increased and fewer audits of municipalities are outsourced to private audit firms. Concerning Statistics, legislation related to population and housing census and necessary funds have been approved and census was held in April, 2011 throughout Kosovo except Leposavic, Zvecan and Zubin Potok. This is the first internationally recognised census organized in Kosovo since 1981.
In order to improve and share statistical data, during last year, several MoU are signed with line ministries to exchange statistical data such as with the Agency for Business Registration and Department of Tourism in MTI, MI, PTK, and Kosovo Railways. SOK during last year has published 96 publications among which Department of economic statistics and national accounts 51, Department of population statistics 6, Department of agriculture and environment statistics 12, Department of social statistics 16, Department of IT and methodology 11. This is a clear sign that SOK is strengthening its capacities but needs support in funds and capacities to implement the Statistical Strategic Plan 2009-2013. In this light SOK plans to continue the publication of qualitative data within the time limits, in accordance to EUROSTAT methodology; to increase the overall number of surveys as well as to increase the cooperation with all relevant national and international institutions.

As a consequence of the lack of resources the concentration of the work was directed to the population census, whereas in the last year, progress in other areas of statistics has suffered. This resulted with the cancellation of “Labour Force Survey (LFS) for 2010” and “Agricultural Household Survey (AHS) 2010”. This is very unfortunate because it creates a gap in the time series which are essential to have analysis of trends. SOK needs to improve business statistics and national accounts, introducing short term statistics and quarterly accounts, plans for agricultural census and other commitments foreseen in SOK agenda.

The main stakeholders in the areas under the scope of this TRT include the Ministries of Finance, Trade and Industry, Economic Development, and Labour and Social Welfare, as well as executive agencies (Kosovo Customs, Privatization Agency of Kosovo and Statistical Office of Kosovo), public-owned enterprises (KEK, PTK, etc) and regulators. Professional associations, trade unions, civil society organisations, academic and research institutions, as well international organisations and donors supporting these areas are also important stakeholders.

### 3.2. Purpose and responsibilities

The **overall objective** of the Thematic Round Table on Economic, Financial and Statistical Issues, is to support Kosovo’s economy, to streamline and harmonise the fiscal framework and the budgetary issues with policy development and implementation at the central and local level, as well as to improve structural reforms, statistical data and financial control.

The TRT **aims** to achieve this through further development of the legal, policy and institutional framework and capacities, as well as the regulatory and market mechanisms to ensure approximation with the EU *Acquis* and European standards in the areas under its scope. The TRT will involve in this consensus-building mechanism all interested parties in the process, focusing on government institutions, independent institutions, regulators, business
and professional associations, trade unions, civil society organisations, academic and research institutions, as well international organisations and donors active in these areas.

In order to achieve its overall objective of developing a consensus building mechanism within the areas under its scope, **tasks and responsibilities** of the Thematic Round Table on Economic, Financial and Statistical issues, will be to:

a) Deliberate on the current state of affairs in these sectors with the view to reaching a common understanding between the members of the TRT;

b) Contribute to national policy development, implementation and monitoring in these sectors by deliberating and agreeing on realistic medium term measures, taking into account potential resources available;

c) Contribute to enhancing consultation and coordination amongst stakeholders in these sectors;

d) Contribute to enhancing national ownership over the EU Integration policy framework in these sectors;

e) Contribute to enhancing policy dialogue between Kosovo and the EU in these sectors and implementation of measures agreed upon;

f) Collect and analyze information and data related to these sectors, including academic research, policy analyses and best practices therein;

g) Contribute to improving public accountability and transparency of stakeholders in these sectors;

h) Contribute to enhancing public awareness and citizen participation in EU Integration process in these sectors.

### 3.3. Crosscutting issues:

**Public information and communication:** all of the activities carried out by the TRT will be organized in a way that ensures as much as possible information sharing between the stakeholders represented therein and proactive communication of the results of its activities to the wider public. In order to achieve this, the TRT will, in addition to its regular meetings, organize various information sharing events and it will regularly publish the materials developed throughout its work in the friendly user webpage of the Task Force for European Integration.

**IPA and donor assistance:** many activities in the area of Economic, Financial and Statistical issues, particularly within the European integration framework, are, in various ways, supported through IPA and other donor support. Therefore, the TRT shall reflect this dimension throughout its work by ensuring that the principles for providing such assistance
are paid due consideration during the deliberations of its members, especially when recommending measures to address the gaps identified.

In carrying its tasks, the TRT is to ensure the preparation of a Diagnostic Report on the areas of Economic, Financial and Statistical issues, which will include an assessment of the current situation in these areas, including best practices. Moreover, the TRT will prepare a Final Report on Economic, Financial and Statistical issues, which will include recommendations on how to address the challenges identified in these areas.

The TRT will operate according to the Guiding Principles of Thematic Round Tables, adopted by the Task Force for European Integration.

3.4. Time Schedule:

The TRT is to complete the Diagnostic Report on Economic, Financial and Statistical issues, by the end of July 2012, while it is expected to have concluded its Final Report on Economic, Financial and Statistical issues, by the end of December 2012.

The TRT will operate based on a Plan of Activities, drafted by the Secretariat and adopted by the TRT itself.

3.5. The scope of work of the TRT:

- Comprehensive analysis of the sectors:

1. MACROECONOMIC STABILITY
   1.1. Relations with IMF
   1.2. GDP
   1.3. Inflation and Price
   1.4. The Structure of the Labour Market

2. MONETARY AND ECONOMIC POLICIES
   2.1. Monetary Policies
   2.2. Economic Policies

3. PUBLIC FINANCE
   3.1. Budget Planning
3.2. Revenues
3.3. Expenditure

4. PUBLIC INTERNAL FINANCIAL CONTROL (PIFC)
   4.1. Financial Management Control and Internal Audit
   4.2. External Audit (Auditor General) and Parliamentary Oversight

5. FINANCIAL SERVICES
   5.1. Banking
   5.2. Insurance
   5.3. Financial Market (Securities)
   5.4. Pension Trust Fund

6. STATISTICS
   6.1. Demographic (Census) – Social
   6.2. Macroeconomic
   6.3. Monetary, Financial, Trade and Balance of Payments
   6.4. Agriculture, Fisheries and Forestry
   6.5. ICT

7. SOCIALLY AND PUBLICLY OWNED ENTERPRISES
   7.1. Privatisation/Liquidation
   7.2. Management of Public Enterprises and Licensing of Private Service Providers

- Analysis of best practices related to Economic, Financial and Statistical issues,
- Summary of the Diagnostic Report on Economic, Financial and Statistical issues,
4. Terms of Reference – TRT 4: Trade, Industry, Customs, Taxation, Internal Market, Competition, Consumer and Health Protection

TRT Chairperson: ...

TRT Co-Chairperson: / Senior Officer for Internal Market, MEITRT Secretary: Artan Çollaku, GIZ Adviser

TRT Members

The Thematic Roundtable on Trade, Industry, Customs, Taxation, Internal Market, Competition, Consumer and Health Protection consists of stakeholders coming from government institutions, independent institutions and regulators, business community representatives, trade unions, professional associations, civil society organisations, academic and research institutes active in these areas, as well international organisations and donors supporting them. The Task Force for European Integration will adopt and update a detailed list of members of the TRT.

4.1. Background

In the area of trade, Kosovo’s market remains amongst the most open in the region, with a significant degree of economic integration with the EU market. According to the EC, the openness of Kosovo’s economy, measured by the value of imports and exports of goods and services in relation to GPD, has reached 81.2% by the end of 2011. The EU Member States together constitute the main trading partner of Kosovo, with exports of goods to their markets accounting for 45% of the total and imports for 38.3%. This is despite the fact that EU’s Autonomous Trade Preferences (ATMs) with Kosovo, allowing Kosovan producers duty-free access to the EU market, expired on 31 December 2010 and were not renewed until 31 December 2011. The CEFTA countries remain the second biggest trading partner, with 24% of the total of the value of exports and 37.2% that of imports. However, Kosovo remains weak in terms of the structure of its exports to the EU market, since it is predominated by low value added goods, such as base metals, whereas in general the structure of imports in 2011 shifted towards intermediate and consumption goods at the expense of capital goods. EU countries also are considered to be the main source of foreign investments to Kosovo. Economic development is characterized by fragile growth and significant domestic and external imbalance, aggravated by other related aspects, such as poor fiscal policy, high inflation and
dysfunctional labour market. Such an economic uncertainty remains an obstacle to job creation and private-sector development.

Kosovo, together with other partners, became formally a signatory party to the CEFTA Agreement on 27 July 2007. This agreement was signed on Kosovo’s behalf by UNMIK, which continues to formally represent Kosovo. However, for more than three years since the Declaration of Independence, Serbia and Bosnia and Herzegovina imposed Kosovo unilateral trade blockade, on grounds of non-recognition of Kosovo Customs’ stamps. The blockade was finally lifted by the end of 2011 by Serbia, pursuant to the Customs stamp agreement, reached on 2 September 2011 within the framework of the EU mediated Pristina – Belgrade dialogue, and followed by Bosnia and Herzegovina. Kosovan authorities are expected to be granted full authority over CEFTA this year, pursuant to the 24 February 2012 agreement within the same framework. Last year Kosovo, for the first time, successfully held rotating chairmanship over CEFTA. When it comes to foreign direct investments, production-enhancing investment inflows have remained limited, whereas Kosovo continued to participate as an observer in the Investment Compact for South-East Europe, which is designed to improve the investment climate and encourage private-sector development in the region through the implementation of reforms enhancing domestic and foreign investment.

In the areas of trade, internal market, industry, customs, taxation, competition, and consumer and health protection Kosovo’s efforts have been initially focused in developing an EU-complaint legal and institutional framework in specific areas, such as that of public procurement, standardisation, accreditation, conformity assessment, metrology, market surveillance, and consumer protection. On the other hand, in areas such as free movement of capital, competition, intellectual property rights, health policy, WTO issues, industry and SMEs, the process of approximation with Acquis and European standards and institution-building has commenced relatively recently. Key legislation includes that on external and internal trade, safeguard measures on imports, business organisations, SMEs and SME support, accreditation, patents, copyright, trademarks and Customs legal measures in protecting IPR, competition and state aid, consumer protection, standardisation, metrology, conformity assessment, market surveillance, product safety, hospitality and tourism services, foreign investments, industrial design, oil and oil products trade, construction and construction products, and economic zones, Customs and excise, Tax Administration and procedures, Value-Added Tax, and personal and corporate income tax. The main policy documents adopted include a Consumer Protection Programme 2010 – 2014, a National Payments Strategy, an Entrepreneurship Learning Strategy, a Strategy for the Development of Metrology Infrastructure 2009 – 2014, a Health Strategy 2010 – 2014, an Industrial Strategy 2010 – 2013, a Health Information System Strategy 2010 – 2020, an SME Development Strategy 2012 – 2016, and a Customs Strategic Operation Framework 2012 – 2014.

The main stakeholders in the areas under the scope of this TRT include the Ministries of Trade and Industry (with structures responsible for trade, market surveillance, industry and
industrial property rights, construction, business registration, SME promotion, investment promotion, standardisation, accreditation, conformity assessment, metrology, consumer protection, and state reserves); Economic Development; Finance; Culture, Youth and Sports; Environment and Spatial Planning; that of Health, as well as the Statistical Office of Kosovo and Municipal structures responsible for market surveillance. Another category of stakeholders includes the Kosovo Competition Authority, Public Procurement Agency, Public Procurement Review Board and Public Procurement Regulatory Commission, Central Bank of Kosovo, Kosovo Customs, Kosovo Police, as well as courts and prosecution offices. Business associations and professional associations, trade unions, civil society organisations, academic and research institutions, as well international organisations and donors supporting these areas are also important stakeholders.

Being one of the most Acquis-heavy areas, Kosovo continues to face numerous challenges in the areas under the scope of this TRT, the most important of them being inability of integrating into various European and international institutions and instances (due to political circumstances), insufficient coordination and strategic planning when it comes to alignment with the Acquis (particularly related to the ‘Four Freedoms’), insufficient human, technical and financial capacities of regulators and business operators in all areas to comply with European and international standards (including those standards that are already part of Kosovo’s legislation) and to implement the relevant legislation and standards, overlapping of institutional responsibilities, lack of fully reliable statistical data available, an incomplete legal and policy framework in the area of competition and weak institutional and administrative capacities to ensure fair competition in the market, lengthy and costly procedures for business start-ups, functionality of the public procurement system in line with European standards, as well as that of the healthcare system. Other challenge to development and approximation, particularly in areas of internal market, is insufficient communication and coordination with business associations and the business community. On the other hand, areas where policy planning needs to be significantly improved include market surveillance, standardization and intellectual and industrial property rights.

4.2. Purpose and responsibilities

The overall objective of the Thematic Round Table on Trade, Industry, Customs, Taxation, Internal Market, Competition, Consumer and Health Protection is to support Kosovo’s market in approximating to European standards and create conditions for it to be able to function in line with principles of market economy, as well as to be integrated and to cope with competitive pressure and market forces within the EU internal market.

The TRT aims to achieve this through further development of the legal, policy and institutional framework and capacities, as well as the regulatory and market mechanisms to
ensure approximation with the EU *Acquis* and European standards in the areas under its scope, by involving in this consensus-building mechanism all interested parties in the process, focusing on government institutions, independent institutions, regulators, business and professional associations, trade unions, as well as civil society organisations, academic and research institutions active in these areas, as well international organisations and donors supporting it.

With the view to supporting Kosovo to become a fully-fledged part of the EU internal market, the *scope* of the TRT will cover the following specific areas: the ‘Four Freedoms’ (free movement of goods, persons, services and the right to establishment, and free movement of capital), competition, public procurement, intellectual and industrial property rights, public health policy, as well as industry and small and medium enterprises. Under the ‘four freedoms’, it covers development and implementation of the legal and policy framework, as well as setting up, reforming and further developing the institutional framework and strengthening of capacities of institutions, regulators and market players on standardisation, conformity assessment, accreditation, metrology, market surveillance, consumer protection, free movement of persons *per se*, freedom to provide services, the right to establishment, company law, and free movement of capital. This scope also includes specific areas of competition (including anti-trust and mergers), state aid, public procurement, industrial and intellectual property rights, health policy, WTO issues, and industry and small and medium enterprises.

*In order* to achieve its overall objective of developing a consensus building mechanism within the areas under its scope, *tasks and responsibilities* of the Thematic Round Table on Trade, Industry, Customs, Taxation, Internal Market, Competition, Consumer and Health Protection will be to:

The tasks and responsibilities of the TRT are to:

i) Deliberate on the current state of affairs in these sectors with the view to reaching a common understanding between the members of the TRT;

j) Contribute to national policy development, implementation and monitoring in these sectors by deliberating and agreeing on realistic medium term measures, taking into account potential resources available;

k) Contribute to enhancing consultation and coordination amongst stakeholders in these sectors;

l) Contribute to enhancing national ownership over the EU Integration policy framework in these sectors;

m) Contribute to enhancing policy dialogue between Kosovo and the EU in these sectors and implementation of measures agreed upon;

n) Collect and analyze information and data related to these sectors, including academic research, policy analyses and best practices therein;

o) Contribute to improving public accountability and transparency of stakeholders in
these sectors;

p) Contribute to enhancing public awareness and citizen participation in EU Integration process in these sectors.

4.3. Crosscutting issues:

**Public information and communication:** all of the activities carried out by the TRT will be organized in a way that ensures as much as possible information sharing between the stakeholders represented therein and proactive communication of the results of its activities to the wider public. In order to achieve this, the TRT will, in addition to its regular meetings, organize various information sharing events and it will regularly publish the materials developed throughout its work in the friendly user webpage of the Task Force for European Integration.

**IPA and donor assistance:** many activities in the area of Trade, Industry, Customs, Taxation, Internal Market, Competition, Consumer and Health Protection, particularly within the European integration framework, are, in various ways, supported through IPA and other donor support. Therefore, the TRT shall reflect this dimension throughout its work by ensuring that the principles for providing such assistance are paid due consideration during the deliberations of its members, especially when recommending measures to address the gaps identified.

In carrying its tasks, the TRT is to ensure the preparation of a *Diagnostic Report* on the areas of Trade, Industry, Customs, Taxation, Internal Market, Competition, Consumer and Health Protection, which will include an *assessment* of the current situation in these areas, including best practices. Moreover, the TRT will prepare a *Final Report* on Trade, Industry, Customs, Taxation, Internal Market, Competition, Consumer and Health Protection, which will include *recommendations* on how to address the challenges identified in these areas.

The TRT will operate according to the *Guiding Principles* of Thematic Round Tables, adopted by the Task Force for European Integration.

4.4. Time Schedule:

The TRT is to complete the Diagnostic Report on Trade, Industry, Customs, Taxation, Internal Market, Competition, Consumer and Health Protection by the end of July 2012, while it is expected to have concluded its Final Report on Trade, Industry, Customs, Taxation, Internal Market, Competition, Consumer and Health Protection by the end of December 2012.

The TRT will operate based on a Plan of Activities, drafted by the Secretariat and adopted by the TRT itself.
4.5. Scope of Areas of the TRT

1. TRADE
   1.1. Trade Exchange with the EU
   1.2. Trade Exchange with Neighbouring Countries (CEFTA)
   1.3. Trade Relations with Other Countries
   1.4. Trade and Employment
   1.5. Foreign Direct Investments
   1.6. WTO Issues

2. INDUSTRY AND SMES
   2.1. Industrial Strategy
   2.2. Business Environment
   2.3. SME Policy
   2.4. Remittances as Sources of Investment and SME Development

3. EXISTENCE OF A FUNCTIONAL MARKET ECONOMY AND CAPACITY TO COPE WITH MARKET FORCES WITHIN THE UNION
   3.1. Market Entry and Exit
   3.2. Legal System
   3.3. Human and Physical Capital
   3.4. Sectoral and Enterprise Structure
   3.5. Economic Integration with the EU

4. INTERNAL MARKET
   4.1. Free Movement of Goods
   4.2. Free Movement of Workers
   4.3. Right to Establishment and Freedom to Provide Cross-border Services
   4.4. Free Movement of Capital
   4.5. Public Procurement
   4.6. Company Law
   4.7. Intellectual and Industrial Property Law
   4.8. Competition Policy
   4.9. Consumer and Health Protection

5. CUSTOMS AND TAXATION
   5.1. Customs
5.2. Taxation

- Analysis of best practices related to Trade, Industry, Customs, Taxation, Internal Market, Competition, Consumer and Health Protection
- Summary of the Diagnostic Report on Trade, Industry, Customs, Taxation, Internal Market, Competition, Consumer and Health Protection

5. Terms of Reference – TRT 5: Innovation, Information Society, Social Policy and Health Policy

TRT Chairperson: ....

TRT Co-Chairperson: Arta Uka, Senior Officer for Employment and Social Policy, Ministry of European Integration

TRT Secretary Arben Salihu, National Expert on Innovation, Information Society, Social Policy and Health Policy, GIZ

TRT Members .......................................................... 

The Thematic Round Table on **Innovation, Information Society, and Social and Health Policies** will consist of stakeholders coming from government institutions, independent institutions, regulators, business community representatives, trade unions, professional associations, as well as civil society organisations, academic and research institutions active in these areas, as well international organisations and donors supporting it. The Task Force for European Integration will adopt and update a detailed list of members.

5.1. Background

In the area of **employment and social policy**, Kosovo has created the legal framework in the area of labour and employment protection, health and safety at work, labour inspection, trade union organisations, social dialogue, strikes, social inclusion and social protection (pensions, including for special categories of citizens), and vocational education and training. In the area of social policy, key legislation in force regulates issues of pensions, social and family care services and schemes, as well as that on social services and schemes for persons with special needs and the elderly.
Up to date Kosovo’s institutions have adopted the Law on Labour though the cost of its implementation is not viable. The Ministry of Labour and Social Welfare is implementing the Employment Strategy 2010-2012. There is an action plan for 2011-13 prepared by Ministry of Labour and Social Welfare endorsing the Employment Strategy. The new Law on the Socio-economic Council has been adopted and has improved the social dialogue process which is expected and should increase further. The decentralisation of social services is taking place, but this process requires full support with financial means and human resources. The revised Law on Social Assistance Scheme and the Law on Social and Family Services were not adopted. There is a Law on Support to Families of Children with Disabilities of the age 1-18. Further to this, there is a Child Rights Strategy and Action Plan, Persons with Disabilities Strategy and Action Plan and Strategy on Integration of the Roma, Ashkali and Egyptian Communities which address important issues in prevention and fight against discrimination. In 2009 Kosovo’s Assembly adopted a document called White Paper – Kosovo Social Inclusion Challenges which identified the main challenges of social inclusion in Kosovo.

In respect to public health, Kosovo has adopted and started to implement the Health Information System Strategy and action plan 2010-2020 and Kosovo, while the Health Strategy of 2009-2014 continues its implementation focusing on reducing morbidity and mortality by improving the quality of health services. There are a number of Administrative Instructions adopted. The Tobacco Law is being implemented and site inspections and awareness raising are being intensified.

In the area of education and research, Kosovo is undergoing a reform process at all levels of education, including vocational education and training, inclusive education and adult education, set out in the Education Sector Strategy 2010-2016. The revised legislation for preschool, primary, secondary and higher education was adopted as well as policies for tackling the high drop-out rates of student and violence at school. This reform process aims to respond to the changes and needs of the society in order to address the socio-economic challenges that Kosovo is facing. Kosovo has adopted the National Program on Research in 2010 and has allocated a yearly budget of 1 million Euros for this purpose.

Regarding the Information Society and Media, Kosovo has made steps on the creation of the legislative framework and creation of the regulators in the respective fields, namely the Telecommunications Authority and Independent Media Commission, which have adopted a number of regulations in the areas of Electronic Communications & Information Technologies and Audiovisual Policy. There is still a lack of the legislation on the information society government bodies which is important to create a legal basis for an eGovernment Agency and a Government Forum for Information Society.
However poverty and unemployment in Kosovo remains the highest in Europe, among which the majority of unemployed is the youth population. The Law on Empowerment and Participation of Youth is in place, but so far it’s difficult to claim that overall social position of youth has evidenced important changes. In general, there is lack of active employment policies in Kosovo and the unemployment, especially the long unemployment, still remains one of the main factors risking the social exclusion. Still major challenges remain in ensuring the quality of education and responding to the labour market needs. Research and innovation capacities in Kosovo remain scarce and participation under EU Framework Programs is very limited. The mother and child health is the poorest in Europe. The proper access of persons with disabilities, in particular mentally disabled people access to proper services remains a challenge. The quality of health services in general need to be improved substantially. The law on health insurance is not adopted yet and the health financing policies has to be tackled. The poor quality of health data at central and municipal levels, remain obstacles to policy development. In general, the health sector remains very poor and strongly needs greater attention from the authorities.

Since many years Kosovo faced different socio-economic challenges. Even though institutional capacity building marked progressive flow in different aspects yet the social situation of Kosovo’s society remains difficult. A large number of citizens belonging to different social and ethnic identity backgrounds/groups are either disadvantaged or discriminated and at times excluded. In particular this refers to the situation of vulnerable groups facing challenges regarding their education, socio-economic and cultural rights and opportunities. Furthermore there are people who are unable or have limited potential to engage in institutional, political, social or cultural life due to the lack of the awareness, and lack of financial means needed. This also relates to limited access to communication, transport and technology. Under these circumstances, it is known that children, youth, elders, and women in their daily individual, family and public life face an additional burden of pressure. Although different attempts towards increasing the institutional achievements were made yet there are many gaps and limitations on the ground. Taking into consideration the weak socio-economic achievements, for these groups – disadvantaged or discriminated - of people, the emerging impression is that this situation can shape their social status and their welfare for a long time to come.

The whole institutional, public and social discourse on innovation, information and social policies is scarce. This negatively affects the trend of pursued changes on the ground. On this topic, different domestic and international official documents bring into the light the overall challenges, needs, possibilities and opportunities vis-à-vis pursued objectives and impact desired. Main challenges as addressed by these domestic and international – official - reports pinpoint to: the high rate of unemployment, in particular youth and long-term unemployment; expectation to increase the education standards; limited participation in EU
education programmes; lack of adequate institutional commitments in terms of implementing policies and legislation; maternal and child health being the poorest in Europe; limited overall focus regarding situation of most vulnerable groups such as children, people with disabilities, women; social protection; lack of financial and other resources; lack of sound data and statistics. The list is too long, while expectations for change progressively increase.

In the last couple of years, in order to change this situation, Kosovo’s institutions, at central and local level, have gradually moved towards clear and result based policy and legislation initiatives. Nonetheless it is widely evidenced that there are various challenges in terms of the lack of implementation capacities and sustainability of such policies and legislation. Often, the institutional commitments are not matched with the needs assessments, financial basis, or with human professional capacities. However it is a fact that solutions are being sought through different policies, legislation and financial measures and instruments. Thus several strategies, laws, action plans, and instructions are in the process of preparation or were already approved. One positive outcome out of this formal infrastructure is that it will produce certain changes on the ground. However, in the process of adoption of the formal infrastructure it is clear-cut that there is a scarce reference to evidence on the situation of affected people, weak linkage with financial and institutional capacities, and limited focus on objectives and deliverables. In other words, great attention is placed to quantity and not to the quality initiatives. At a certain point of time this development may backfire, and thus there will be a need for re-intervention addressing objectives currently pursued. Thus, although there is an urgent need for rapid and substantial change in respect to this field, the overall consequence can probably result with reduced level of efficiency. Improvement of policy planning and impact assessment needs to take place.

There are different high profile NGOs covering issues such as, rule of law, democratization and socio-economic development, but there are very few NGOs with systematic initiatives that tackle innovation, information society and social policies. None the less there is room for involvement and improvement of high profile and local level NGOs in terms of greater engagement through assessments, monitoring, informing, including service provision. It is expected that different institutional and other actors will join the consensus-based platform to bring the country closer to the standards of the European Union for innovation, information society and social & health policies.

5.2. Purpose and responsibilities

The overall objective of the Thematic Round Table on Innovation, Information Society, and Social and Health Policies is to support policy and institutional developments through exchange of ideas, experiences, documents, practices, reflections and other forms of
interactions within the TRT. As part of consensus building/based process the TRT aims to unpack the whole ‘body’ of formal infrastructure in order to discuss, analyse and utilize it in the light of supporting the process of policy and legislation making and implementation in this respective field. The scope of TRT is the whole policy and legal infrastructure on Innovation, Information society, Social policies and Health Policy.

The TRT will apply an in-depth observation and analysis of most important laws, administrative instructions and other law binding documents to see if there is a systematic, coherent and result-oriented approach in this field. In the context of cross-thematic linkages and short and medium planning, the TRT will reflect and discuss the overall policy and legislation strategic planning and financial grounds. The TRT will address the issue of achievements, delivery and impacts on the ground. Finally, the TRT deals with the area of strategic planning, and especially so with the medium term strategic planning and its linkage with the budgetary planning.

The tasks and responsibilities of the TRT are as in the following:

- Deliberate on the current state of affairs in this area with the view to reaching a common understanding between the members of the TRT;
- Contribute to national policy development, implementation and monitoring in the sector by deliberating and agreeing on realistic medium term measures, taking into account potential resources available;
- Contribute to enhancing consultation and coordination amongst stakeholders in the sector;
- Contribute to enhancing national ownership over the EU Integration policy framework in the sector;
- Contribute to enhancing policy dialogue between Kosovo and the EU in the sector and implementation of measures agreed upon;
- Collect and analyse information and data related to the sector, including academic research, policy analyses and best practices in the sector;
- Contribute to improving public accountability and transparency of stakeholders;
- Contribute to enhancing public awareness and citizen participation in EU Integration process in the sector.

In completing its tasks, the TRT will ensure the preparation of a Diagnostic Report on Innovation, Information Society, Social and Health policies, which will include an assessment of the current situation, including best practices. Moreover, the TRT will prepare a Final Report on Innovation, Information Society, Social and Health policies which will include recommendations on how to address the challenges identified in the sector of Innovation, Information Society, Social and Health policies. The TRT will operate based on the Guiding
Principles of the TRT-s, adopted by the Task Force for European Integration.

5.3. Crosscutting issues

**Public information and communication:** all of the activities carried out by the TRT will be organized in a way that ensures as much as possible information sharing between the stakeholders represented therein and proactive communication of the results of its activities to the wider public. In order to achieve this, the TRT will, in addition to its regular meetings, organize various information sharing events and it will regularly publish the materials developed throughout its work in the friendly user webpage of the Task Force for European Integration.

**IPA and donor assistance:** many activities in the area of Innovation, Information Society, Social and Health policies, particularly within the European integration framework, are, in various ways, supported through IPA and other donor support. Therefore, the TRT shall reflect this dimension throughout its work by ensuring that the principles for providing such assistance are paid due consideration during the deliberations of its members, especially when recommending measures to address the gaps identified.

In carrying its tasks, the TRT is to ensure the preparation of a Diagnostic Report on areas of Innovation, Information Society, Social and Health policies, which will include an *assessment* of the current situation in these areas, including best practices. Moreover, the TRT will prepare a Final Report on areas of Innovation, Information Society, Social and Health policies which will include *recommendations* on how to address the challenges identified in these areas.

The TRT will operate according to the Guiding Principles of Thematic Round Tables, adopted by the Task Force for European Integration.

5.4. Time schedule

The TRT should complete the Diagnostic Report on Innovation, Information Society, and Social and Health Policies by the end of July 2012, while it is expected to have concluded its Final Report on Innovation, Information Society, Social and Health policies by December 2012.

The TRT will operate based on a Plan of Activities, drafted by the Secretariat and adopted by the TRT itself.
5.5. Scope of Areas of the TRT

1. SOCIAL POLICY & EMPLOYMENT
   1.1. Labour Law
   1.2. Health and Safety at Work
   1.3. Social Dialogue/Social Partners
   1.4. Employment Policy
   1.5. Social Inclusion
   1.6. Social Protection
   1.7. Anti-Discrimination and Equal Opportunities

2. SCIENCE AND RESEARCH
   2.1. National Research Policy
   2.2. Participation under EU Research Framework Programmes

3. EDUCATION AND CULTURE
   3.1. Education Reform and Legislative Framework in all Levels of Education
        (Pre-University Education - Preschool, Primary, Lower Secondary and Upper Secondary;
        Higher Education; Vocational Education and Training; Adult Education; Inclusive Education)
   3.2. Administration of Systems (Establishment and Monitoring of Educational Institutions)
   3.3. Infrastructure
   3.4. Curricula and Teachers (including Training)
   3.5. Youth
   3.6. Culture

4. ELECTRONIC COMMUNICATION, INFORMATION SOCIETY, AUDIOVISUAL POLICY
   4.1. Electronic Communications
   4.2. Information Society Services
   4.3. Audio-visual policies
5. HEALTH POLICY

5.1. Health Policy
5.2. Legislation Framework
5.3. Institutional Framework and Capacities
5.4. Health Infrastructure
5.5. Health Services and Their Quality
5.6. Health Information System
5.7. Health Financing and Health Insurance

- Analysis of best practices in the areas of Innovation, Information Society and Social policies
- Summary of the Diagnostic Report on reform of Innovation, Information Society and Social policies


TRT Chairperson: ..... 

TRT Co-Chairperson: Ilir Muçaj, Senior Officer for Transport, MEI

TRT Secretary: Alma Tafarshiku, GIZ Adviser

TRT Members

The Thematic Round Table on Environment, Transport, Energy and Regional Development will consist of stakeholders coming from government institutions, independent institutions, civil society organisations, professional associations, publicly owned enterprises, public healthcare institutions, academic and research institutions, market operators, as well as international organisations and donors active in the areas of environment, transport, energy and regional development. The Task Force for European Integration will adopt and update a detailed list of members.

6.1. Background
In the area of **environment**, Kosovo has so far developed a comprehensive legal framework regulating fields of environment (including laws on environment and its protection, nature protection, integrated pollution prevention and control, air and noise pollution protection, protection from ionising and non-ionising radiation and nuclear safety, environmental impact assessment and environmental strategic assessment, hydro-meteorological activity, chemicals, waste, water and biocide products), spatial planning (including a law on construction and law on special protected areas). At the level of policy framework, the relevant institutions have developed and are implementing an Environmental Action Plan and a Strategy and Action Plan on Biodiversity. Ministry of Environment and Spatial Planning (MESP) is in the process of drafting the secondary legislation to ensure enforcement of the existing legislation. However there is still a lot of work remaining in terms of aligning the legal framework with the EU legislation and its implementation. In terms of institutional set up there is a need for clarification of the roles of different institutions and more coordination amongst institutions and improvement of administrative capacity. One of the major challenges in the sector of environment is the lack of funds and the need for infrastructure investments.

In the water sector, provision of drinking water remains a challenge with only 79% of the population is connected to drinking water. Coverage of the population by the sewage systems is significantly low (only one-third of the population so far). In terms of the waste management the law on waste provides enabling conditions in terms of waste collection. However more efforts are needed in terms of processing, treatment and recycling of waste. Billing and collection remains a challenge for both, the waste and water sector.

Consultation and involvement of civil society organisations and the wider public in policy-making, all still remain at a low stage of development in this area. In other areas, such as nature and noise protection, air quality, and climate change, very little to no progress has yet been made. Given the current stage of development in the sector, the main stakeholders include government institutions, public healthcare institutions and facilities, publicly-owned enterprises and utilities, operators, as well as civil society organisations, international organisations and donors.

In the area of **transport policy**, Kosovo has adopted its key legislation on roads, road transport, road safety, railways, and civilian aviation. Kosovo is also a signatory party to the 2004 MoU on the Development of the South East Europe Core Regional Transport Network establishing the South East Europe Transport Observatory (SEETO), as well as to the 2006 European Common Aviation Area Agreement (ECAA) and has transposed a considerable amount of legislation deriving from them. Moreover, Kosovo has signed bilateral agreements with Albania, Bulgaria and Turkey, on access to transport markets, and one with Macedonia, on railway border crossings. At the policy level, the relevant institutions have developed and are implementing a number of strategic documents, including a transport policy Multi-
Annual Plan 2009 – 2013, a Multi-modal Transport Strategy, a Strategy on Road Safety, national aviation security and quality control programmes, and a National Civil Aviation Security Programme. Major priorities and challenges in the sector include full and effective alignment to and implementation of the relevant EU legislation deriving from EU and regional instruments, insufficiency of human and budget resources needed to approximate the legal framework, effectively regulate and oversee operators, as well as to invest in certain areas (such as railways, multi-modal, water and combined transport), particularly in view of the need to carry out major public investment projects such as building of motorways to Albania and Macedonia, as well as political issues hampering progress in certain areas of transport policy. Main stakeholders in this area include government institutions, regulatory bodies, market operators, as well as professional associations and civil society organisations, international organisations and donors.

In the area of energy, as part of the Energy Community Treaty, Kosovo has consolidated its legal and strategic framework through the adoption of laws on energy, energy regulator, electric energy, as well as of the Strategy on Energy 2009 – 2018. To enhance the power supply in the country, the Government has decided to develop a new lignite-fired power plant and it is in the process of selecting investors. Kosovo has also decided to decommission its ‘Kosovo A’ power plant, in order to comply with the ECT provisions, while laws on energy efficiency and a Renewable Energy Strategy were adopted this year. One of the main challenges in the area of energy remains low billing and collection rate, but also when it comes to the security of supply, as there is yet no strategy on the level of oil reserves. Government institutions, regulators, market operators, as well as civil society organisations, professional associations, international organisations and donors are the main stakeholders in the area.

In the area of regional development, Kosovo has used IPA support to introduce the Regional Economic Development approach in 2008, aiming to stimulate growth, develop infrastructure and create employment generation schemes. The process is managed by the five newly established Regional Development Agencies (Centre, East, North, South and West) and through EURED grant schemes, operational since 2010. More than €10 million worth of grants are in the process of being awarded in support to business and infrastructure development in Kosovo’s regions, rural development, cross-border cooperation and cooperation with civil society. RDAs are supporting the municipalities’ in drafting of the Regional Economic Development Strategies and providing support for potential applicants for European Commission related grants. However the local administrative capacity and local ownership to design and manage these projects and implement these strategies remain major challenges in this area. Except of RDAs, central and local government institutions, civil society organisations and donors are the main stakeholders in the area.
6.2. Purpose and Responsibilities

The **overall objective** of this Thematic Round Table is to support Kosovo’s further progress in the areas of Environment, Transport, Energy and Regional Development, especially in relation to the European integration process requirements. The TRT aims to achieve this through the development of consensus building mechanisms with the view to contributing to legal and policy approximation and institutional capacity-building in these areas, involving all of the interested parties in the process, but focusing on governmental institutions (central and local), civil society organisations active in the areas, as well as relevant international organisations and supporting projects.

The **scope** of the TRT extends over the areas of environment, transport, energy and regional development. The TRT is mostly interested in the institutional capacities as well as the implementation of the legal and policy frameworks in these areas.

In order to achieve its overall objective of developing a consensus building mechanism within the sectors it covers, **tasks and responsibilities** of the Thematic Round Table on Environment, Transport, Energy and Regional Development will be to:

- Deliberate on the current state of affairs in the areas of environment, transport, energy and regional development, with the view to reaching a common understanding among its members;
- Contribute to national policy development, implementation and monitoring in the areas of environment, transport, energy and regional development by deliberating and agreeing on potential medium-term measures;
- Contribute to enhancing consultation and coordination amongst stakeholders in the areas of environment, transport, energy and regional development;
- Contribute to enhancing national ownership over the EU Integration policy framework in the areas of environment, transport, energy and regional development;
- Contribute to enhancing policy dialogue between Kosovo and the EU in the areas of environment, transport, energy and regional development and implementation of measures agreed upon;
- Collect and analyse information and data related to the areas of environment, transport, energy and regional development, including academic research, policy
analyses and best practices in these sectors;
- Contribute to improving public accountability and transparency of stakeholders in the areas of environment, transport, energy and regional development;
- Contribute to enhancing public awareness and citizen participation in EU Integration process in the areas of environment, transport, energy and regional development.

### 6.3. Crosscutting issues

**Public information and communication:** all of the activities carried out by the TRT will be organized in a way that ensures as much as possible information sharing between the stakeholders represented therein and proactive communication of the results of its activities to the wider public. In order to achieve this, the TRT will, in addition to its regular meetings, organize various information sharing events and it will regularly publish the materials developed throughout its work in the friendly user webpage of the Task Force for European Integration.

**IPA and donor assistance:** many activities in the area of Environment, Transport, Energy and Regional Development, particularly within the European integration framework, are, in various ways, supported through IPA and other donor support. Therefore, the TRT shall reflect this dimension throughout its work by ensuring that the principles for providing such assistance are paid due consideration during the deliberations of its members, especially when recommending measures to address the gaps identified.

### 6.4. Time schedule

In carrying its tasks, the TRT is to ensure the preparation of a Diagnostic Report on the areas of environment, transport, energy and regional development, which will include an assessment of the current situation in each area, including best practices. Moreover, the TRT will prepare a Final Report on the areas of environment, transport, energy and regional development, which will include recommendations on how to address the challenges identified in therein.

The TRT will operate according to the **Guiding Principles** of Thematic Round Tables, adopted by the Task Force for European Integration.
6.5. Scope of Areas of the TRT

1. ENVIRONMENT
   1.1. Legislative Framework
   1.2. Institutional Capacity
   1.3. Mechanisms for Monitoring Implementation of Legislation
   1.4. Environment Strategy and Action Plan
   1.5. Air Quality
   1.6. Waste
   1.7. Water
   1.8. Nature Protection
   1.9. Pollution Control and Risk Management
   1.10. Chemicals
   1.11. Climate Change
   1.12. Genetically Modified Organisms
   1.13. Noise Protection
   1.14. Civil Protection

2. TRANSPORT
   2.1. General
   2.2. Trans-European Network
   2.3. Road Transport
   2.4. Rail Transport
   2.5. Combined Transport
   2.6. Air Transport

3. ENERGY
   3.1. General
   3.2. Security of Supply
   3.3. Internal Energy Market
3.4. Renewable Energy  
3.5. Energy Efficiency  
3.6. Nuclear Safety and Radiation Protection

4. REGIONAL DEVELOPMENT
   
4.1. Legislative Framework  
4.2. Institutional Framework  
4.3. Programming  
4.4. Monitoring and Evaluation  
4.5. Financial Management and Control

- Analysis of best practices in the areas of environment, transport, energy and regional development

- Summary of the Diagnostic Report on environment, transport, energy and regional development

7. Terms of Reference – TRT 7: Agriculture, Rural Development, Forestry, Fisheries and Food Safety

TRT Chairperson ........................................

TRT Co-Chairperson: Hysni Nura, Senior Officer for Agriculture and Fisheries

TRT Secretary: Venera Mjekiqi, GIZ Adviser

TRT Members

The Thematic Round Table on Agriculture, Rural Development, Forestry, Fisheries and Food Safety will consist of stakeholders coming from government institutions, independent institutions, business representatives, civil society organisations, academic and research institutions, as well as international organisations and donors active in these areas. The Task Force for European Integration will adopt and update a detailed list of members such as:

- Parliamentary bodies,
- Government institutions,
- Independent institutions,
- Civil society organizations,
- Academic and Research institutions,
- International organizations and donors

7.1. Background

In the areas of **agriculture and rural development**, Kosovo has adopted its Law on Agriculture and Rural Development in 2009, followed by a National Agricultural and Rural Development Plan 2009-2013. The Ministry for Agriculture, Forestry, and Rural Development introduced a scheme of payments to farmers cultivating cereals and livestock and assistance for the dairy, fruit and vegetables producers, at the farm level. In order to implement such a scheme, a Payment Unit was established within the MAFR, which operates under three sectors: Direct Payment sector, Rural Development sector, and Information Technology sector. There have also been enhanced efforts in relation to consolidation and rehabilitation of agricultural land, and, based on European Integration policy requirements, the legal framework on wines has been completed and a vineyard register developed. The farm registry is being upgraded by including information from the animal registry and vineyard registry. The main institutional challenges in these areas are related to capacities of the relevant institutions in *Acquis* approximation and in implementing the legal and policy framework. Whereas, one of the main challenges for the farmers remains the costly commercial funding from the banks, with regard to the interest rate and the collateral requested. In addition to government institutions and agencies, civil society organisations, academic institutions and donors supporting these areas are also main stakeholders in these areas.

In the area of **forestry**, Kosovo has adopted its Forestry Development Strategy 2010 – 2020, with the view to forest resources management and protection. Responsibilities to manage forests have been devolved to municipal authorities, and arrangements between them and the Forestry Agency for the development of their capacities in the area are in place. There are also several municipal long-term forest management plans in place, which are expected to lead to improved forest management. The Board for Forest Management, consisting of representatives from both central and local government institutions is operational. Main challenges in the area remain the difficulties as regards to the local capacities to protect and manage the forest resources. In addition to central and local level government institutions and
agencies, other stakeholders in the area include civil society organisations, associations and donors supporting the area.

In the area of **fisheries**, Kosovo has adopted the Law on Fishery and Aquaculture which regulates the management of fishery resources, water activities, rational use of fish at fishing waters, cultivation conditions, protective measures on the basis of EU directives, and aquaculture exercise in the waters of Kosovo. However, most of the European standards on fisheries do not apply in Kosovo.

In the area of **food safety**, Kosovo has developed an adequate legal framework, mainly within its Law on Food. Attached to the Prime Minister’s Office, the Kosovo Food and Veterinary Agency coordinates activities in the area. The animal identification and movement database is continuing to be operational while the Agency’s relevant laboratories are in the process of being additionally equipped. The KFVA continued to transpose the EU hygiene package and a feasibility study for establishing a rendering plant has been completed. Major challenges in the area remain the insufficient staff and the relevant infrastructure of the phytosanitary and veterinary border points and the small number of field inspectors. In addition to central and local level government institutions, business associations, civil society organisations and donors are also major stakeholders in the area.

**7.2. Purpose and responsibilities**

The **overall objective** of this Thematic Round Table is to support Kosovo’s further progress in the areas of Agriculture, Forestry, Fisheries, and Food Safety especially in relation to the European Integration process requirements. The TRT aims to achieve this through the development of consensus building mechanisms with the view to such sectors, involving all of the interested parties in the process, but focusing on governmental institutions (central and local), civil society organizations active in the area, as well as various supporting projects.

The scope of the TRT extends over the areas of Agriculture, Rural Development, Forestry, Fisheries and Food Safety. The TRT is mostly interested in institutional capacities as well as implementation of the legal and policy frameworks in the areas concerned.

The following specific areas fall within the scope of the Thematic Roundtable on Agriculture, Rural Development, Forestry, Fisheries and Food Safety:
  - Sectoral Policies; Agriculture, Rural Development, Forestry, Fisheries and Food Safety (specifically Agriculture and Rural Development Policy, Forestry, Fisheries, Food Safety, Veterinary and Phytosanitary Policy);
In order to achieve its overall objective of developing a consensus building mechanism within the sectors it covers, **tasks and responsibilities** of the Thematic Round Table on Agriculture, Rural Development, Forestry, Fisheries and Food Safety will be to:

- Deliberate on the current state of affairs in the areas of agriculture, rural development, forestry, fisheries and food safety, with the view to reaching a common understanding among its members;
- Contribute to national policy development, implementation and monitoring in the areas of agriculture, rural development, forestry, fisheries and food safety by deliberating and agreeing on potential medium-term measures;
- Contribute to enhancing consultation and coordination amongst stakeholders in the areas of agriculture, rural development, forestry, fisheries and food safety;
- Contribute to enhancing national ownership over the EU Integration policy framework in the areas of agriculture, rural development, forestry, fisheries and food safety;
- Contribute to enhancing policy dialogue between Kosovo and the EU in the areas of agriculture, rural development, forestry, fisheries and food safety and implementation of measures agreed upon;
- Collect and analyse information and data related to the areas of agriculture, rural development, forestry, fisheries and food safety, including academic research, policy analyses and best practices in these sectors;
- Contribute to improving public accountability and transparency of stakeholders in the areas of agriculture, rural development, forestry, fisheries and food safety;
- Contribute to enhancing public awareness and citizen participation in EU Integration process in the areas of agriculture, rural development, forestry, fisheries and food safety.

### 7.3. Crosscutting issues

**Public information and communication:** all of the activities carried out by the TRT will be organized in a way that ensures as much as possible information sharing between the stakeholders represented therein and proactive communication of the results of its activities to the wider public. In order to achieve this, the TRT, in addition to its regular meetings, will organize various information sharing events and it will regularly publish the materials developed throughout its work in the friendly user webpage of the Task Force for European Integration.

**IPA and donor assistance:** many activities in the area of Agriculture, Rural Development, Forestry, Fisheries, Food Safety, particularly within the European integration framework, are, in various ways, supported through IPA and other donor support. Therefore, the TRT shall
reflect this dimension throughout its work by ensuring that the principles for providing such assistance are paid due consideration during the deliberations of its members, especially when recommending measures to address the gaps identified.

In carrying its tasks, the TRT is to ensure the preparation of a Diagnostic Report on the areas of Agriculture, Rural Development, Forestry, Fisheries and Food Safety, which will include an assessment of the current situation in these areas, including best practices. Moreover, the TRT will prepare a Final Report on areas of agriculture, rural development, forestry, fisheries and food safety, which will include recommendations on how to address the challenges identified therein.

The TRT will operate according to the Guiding Principles of Thematic Round Tables, adopted by the Task Force for European Integration.

7.4. Time schedule

The TRT should complete the Diagnostic Report on Agriculture, Rural Development, Forestry, Fisheries and Food Safety, by the end of July 2012, while it is expected to have concluded its Final Report on agriculture, rural development, forestry, fisheries and food safety by December 2012.

The TRT will operate based on a Plan of Activities, drafted by the Secretariat and adopted by the TRT itself.

7.5. Scope of Areas of the TRT

1. AGRICULTURE AND RURAL DEVELOPMENT
   1.1. Horizontal
   1.2. Market Measures
   1.3. Direct Payments to Farmers
   1.4. Rural Development Policy
   1.5. Quality Policy
   1.6. Organic Farming
   1.7. Surveillance and Inspection of Agriculture
   1.8. Agricultural Statistics

2. FOOD SAFETY, VETERINARY, AND PHYTOSANITARY POLICY
2.1. General
2.2. Veterinary Policy
2.3. Placing on the Market of Food, Feed and Animal By-products
2.4. Food Safety and Control
2.5. Specific Rules for Feed
2.6. Phytosanitary Policy

3. FISHERIES

3.1. General
3.2. Inspection and Control
3.3. Structural Actions
3.4. Market Policy

4. FORESTRY

4.1. General
4.2. Forest Management
4.3. Monitoring and Control System
4.4. Forest Sector Statistics

- Analysis of best practices in the areas of agriculture, rural development, forestry, fisheries and food safety.
- Summary of the Diagnostic Report on agriculture, rural development, forestry, fisheries and food safety