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Republika Kosova-Republic of Kosovo
Qeveria – Vlada – Government

Input to Progress Report

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LIST OF ABBREVIATIONS AND ACRONYMS

ACA	Anti-Corruption Agency
AGE	Agency for Gender Equality
AI	Administrative Instruction
AMCSA	Agency for Management of Confiscated and Sequestered Assets
AP	Action Plan
APP	Agency for Public Procurement
BCP	Border Crossing Point
CAA	Civil Aviation Authority
CBC	Cross Border Communication
CBK	Central Bank of Kosovo
CEC	Central Election Commission
CECS	Central Election Commission Secretariat
CEFTA	Central European Free Trade Agreement
CLM	Child Labour Monitoring
CMIS	Case Management Information System
CPI	Consumer Price Index
CPT	Center for Professional Training
CRA	Civil Registration Agency
CRC	Council for Regional Cooperation
CSW	Center for Social Work
DFM	Department of Forensic Medicine
DIP	Department of Intellectual Property
EC	European Commission
ECAA	European Common Aviation Area
EPT	Education and Professional Training
ERO	Energy Regulatory Office
EU	European Union
FIU	Financial Intelligence Unit
FVA	Food and Veterinary Agency
GDP	Gross Domestic Product
GIP	Gross Internal Product
IBA	Important Bird Area
IBM	Integrated Border Management
IFES	International Foundation for Electoral Systems
IFS	International Financial Institutions
IMF	International Monetary Fund
IPA	Instrument for Pre-accession Assistance
IPAK	Investments Promotion Agency of Kosovo
IPO	Industrial Property Office
KBA	Kosovo Business Alliance
KBRA	Kosovo Businesses Registration Agency
KC	Kosovo Customs
KCDSE	Kosovo Company for Distribution and Supply with Electricity
KCF	Kosovo Curriculum Framework
KCR	Kosovo Credit Registry

KCS	Kosovo Correctional Service
KEK	Kosovo Energy Corporation
KIPA	Kosovo Institute of Public Administration
KJC	Kosovo Judicial Council
KJI	Kosovo Judicial Institute
IQF	International Qualification for Functionality
KOSTT	Kosovo Electricity Transmission, System and Market Operator
KP	Kosovo Police
LPIS	Land Parcel Identification System
MA	Municipal Assembly
MAFRD	Ministry of Agriculture, Forestry, and Rural Development
MCR	Ministry of Communities and Return
MCYS	Ministry of Culture, Youth and Sport
MED	Ministry of Economic Development
MEI	Ministry of European Integration
MESP	Ministry of Environment and Spatial Planning
MEST	Ministry of Education, Science and Technology
MF	Ministry of Finances
MFA	Ministry of Foreign Affairs
MIA	Ministry of Internal Affairs
MLGA	Ministry of Local Government Administration
MLSW	Ministry of Labour and Social Welfare
MoH	Ministry of Health
MoI	Ministry of Infrastructure
MoJ	Ministry of Justice
MPA	Ministry of Public Administration
MTI	Ministry of Trade and Industry
NAPPD	National Agency for Protection of Personal Data
OGA	Office of General Auditor
OPM	Office of Prime minister
OSCE	Organization for Security and Cooperation in Europe
PA	People's Advocate
PAK	Privatization Agency of Kosovo
PCK	Prosecutorial Council of Kosovo
POE	Publicly Owned Enterprise
PPP	Public Private Partnership
PPRC	Public Procurement Regulatory Commission
PRB	Procurement Review Body
Project RAE	Project for Roma, Askali and Egyptians
PTK	Post and Telecommunication of Kosovo
RES	Renewable Energy Sources
RTK	Radio Television of Kosovo
SCAAK	Society of Certified Accountants and Auditors of Kosovo
SME	Small and Medium Enterprises
SOE	Socially Owned Enterprise
SOK	Statistical Office of Kosovo
TAK	Tax Administration of Kosovo

THB	Trafficking in Human Beings
TRA	Telecommunication Regulatory Authority
VAT	Value Added Tax
WG	Working Group
WWRO	Water and Waste Regulatory Office

INTRODUCTION

This report contains main developments in Kosovo from May 2011 until September 2011. The Government of the Republic of Kosovo has expressed its readiness to submit data to the European Commission for Kosovo Progress Report, which will be published in the autumn of 2011.

The data presented in this report are focused on the achievements reached in:

- Reforms implementation,
- Development of legislation and administrative capacities
- Identified challenges in the Progress Report of the European Commission for 2010, and
- Implementation of priorities of European Partnership, through European Partnership Action Plan

The structure of data corresponds with the Progress Report of the European Commission for 2010, by providing information about three following areas:

- Political Criteria,
- Economic Criteria, and
- European Standards.

The report is also based on periodical reports, drafted by the institutions of the Republic of Kosovo.

POLITICAL CRITERIA

1.1. DEMOCRACY AND RULE OF LAW

1.1.1. Institutions

With the aim of improving the supervision of the Executive by the Assembly and addressing the challenge from the Progress Report 2010 on improvement of the oversight role of the Assembly over the Government, the Assembly, respectively the Parliamentary Committees have received upon request 46 written reports in total from different line ministries and 22 reports from independent institutions. Also, Kosovo Assembly has invited Kosovo Prime Minister to two parliamentary hearings, regarding the Kosovo-Serbia technical talks and the construction of the Morinë-Merdar highway.

Also, on 11 April 2011, Kosovo Assembly Presidency, aiming at increasing citizen participation in observing the work of the Assembly, has adopted the Regulation on Media and Public Access on the work of Kosovo Assembly.

During the reporting period, with the purpose of building capacities of the Assembly, 11 training sessions of the officials of Assembly administration were held, where 56 officials have attended training on the following areas: management of Assembly staff, European legislation, harmonization of local legislation with the EU legislation, EU-Kosovo relations, Drafting of European Partnership Action Plan, project cycle management, public procurement and training for trainers, while an officer has been hired in the Unit for Standardization, Legal Harmonization, Legal Counseling, Research and Library.

During the reporting period, procedures for the appointment of senior management positions have been concluded, for the following positions of General Secretaries in these ministries: MPA, MoF, MEST, MAFRD, MoJ, MED, MKSF, MCR, MCYS, MESP, MIA, MFA and MTI, as well as Chief Executive Officers for Food and Veterinary Agency, Agency of State Archive, Investment Promotion Agency, Agency for Support to Small and Medium Enterprises and Kosovo Standardization Agency.

With the view to advancing decentralization, the Law on Municipal Cooperation was adopted on August 2011. Moreover, the process of transfer of enhanced competencies has been completed for the newly established municipalities, while the transfer of the delegated competencies is expected in the near future. Documents from Gjilan have been transferred to the municipality of Partesh, during the reporting period.

MLGA, in cooperation with MTI and MPA, opened the Centre for Citizens' Services in the north of Mitrovica on 25 May 2011. The Centre is to serve the citizens in starting up businesses and registering NGOs. On 14 July 2011, MLGA completed the report on identification of legal

collision on the local governance legislation, which was then presented to the Decentralization Interministerial Group.

1.1.2. Parliament / Elections

With the view to constitutional and electoral reform, the Committees on Electoral and Constitutional Reforms were created in April 2011. The Committee on Electoral Reform is mandated to revise the Law on General Election and Law on Local Election as well as any related legislation. According to its working plan this Committee is to submit the revised election laws to the Assembly for adoption by the end of the first quarter of 2012. On the other hand, the Committee on Constitutional Reform is to propose amendments to the Constitution, in relation to the election of the President of the Republic of Kosovo, and a draft law on direct election of the President, by the end of 2011.

Furthermore, on 26 April 2011, CEC adopted Regulation no 16 on Financing Political Entities pursuant to Article 23 of the Law on Financing of Political Entities, while on 10 June 2011, CEC signed a memorandum of understanding with the OSCE and IFES (International Foundation for Election Systems). During the reporting period, CEC has hired three staff members in its Secretariat. During this period, 19 CEC officials have attended trainings on topics: electronic voting, employment relation and salary system in context of the international standards and of the applicable law in Kosovo, official management of documents according to the applicable law in Kosovo, the spending of public money and management of public finances.

1.1.3 Public Administration

During the reporting period, MAP has continued the completion of regulations for implementation of basic civil service laws, whereby on 9 June 2011, it adopted:

- Regulation no. 04/2011 on Disciplinary Procedures in Civil Service,
- Regulation no. 05/2011 on Procedures of Conflict Resolution and Complaints,
- Regulation no. 06/2011 on Civil Servants' Leaves

Also, on 15 July 2011 was approved the Regulation no. 07/2011 on amending and supplementing the Regulation no. 02/2011 on the areas of administrative responsibilities of the Prime Minister's Office and line ministries.

With the aim of implementing functional reviews, on 27 July, the Government adopted the Development Strategic Plan for the Ministry of Environment and Spatial Planning, while on 10 August 2011 it adopted the Development Strategic Plan for the Ministry of Communities and Returns. Also, on 27 July 2011, the Inter-ministerial Committee on PAR adopted the Development Strategic Plans of the Ministry of Agriculture, Forestry and Rural Development as well as that of the Ministry of Finance. In the mentioned meeting, it was decided that MPA monitors and coordinates the drafting and implementation of all Strategic Development Plans.

Furthermore, KIPA has organized 16 training courses during the reporting period on the topics: general administration, human resources, budget and finances, information technology, European Union and municipal issues with 347 participants.

In the period May– September, KIPA has identified 10 training standards in the field of activity of “standard of training quality and their handbook”. The standards of the quality of training were drafted with the purpose of ensuring quality during the training cycles.

1.1.4. Judicial system

With the purpose of completing the legal framework for the judiciary in Kosovo, on 29 July 2011, the Assembly adopted the Law on Witness Protection, which was forwarded to the President for promulgation, while on 31.08.2011 the Assembly adopted the Law on International Legal Cooperation in Criminal Matters, Extradition and Transfer of Convicted Persons.

Also, with the view to implementing the framework legislation of judicial reform (Law on Courts, Judicial Council, Prosecutorial Council and Prosecution Offices), the Disciplinary Commission was established on 11 February 2011 and a new head of the Commission was appointed. Furthermore, the following activities were carried out: Regulation on the process of appointment of prosecutors adopted (22 February), Regulation on the work of Disciplinary Commission (15 April), Regulation on setting the criteria, procedures for assessment of performance of the Prosecutors and Prosecution Offices (29 August), Regulation on organizational and functional structure of the Unit for assessment of performance of the Prosecutors and Prosecution Offices, as well as the Regulation for appointment of the director of this unit (21 July). KPC has approved the organizational chart of the Office of State Prosecutor and of Kosovo Prosecutorial Council (21 July).

Also, aiming towards the completion of legal framework for the judicial system, MoJ has continued with the adoption of subsidiary legislation for the Law on Execution of Criminal Sanctions and the Law on Mediation.¹

During the reporting period, two additional members of the KJC were selected, while an acting Director of its Secretariat was appointed, who will be in this position until such time as the proper recruitment procedures have been completed. In the process of re-appointment of judges and prosecutors, 5 Supreme Court Judges were appointed on 10 August 2011, while the interviewing phase for Prosecutors has already been completed and the candidates’ dossiers are being reviewed by KPC, before recommendations are forwarded to the President’s Office. As regards the appointment of District Courts’ judges and prosecutors, the respective Councils

¹ AI for the Law on Execution of Criminal Sanctions: Administrative Instruction for hygienic packages and food packages; : Administrative Instruction for spending time in special premises of correctional institutions; :Administrative Instruction for arrangement of control of prisoners’ visitors and duration of visits; Administrative Instruction for organizing and awards for the work of the prisoners in correctional institution; AI for Law on Mediation, Work Regulation; Code of Conduct for mediators; Regulation on Training and certification of mediators; Regulation on selection of participants in the training for mediation; Action Plan for training mediators; Plan of Working Program and Manual on Training of mediators.

have started interviewing candidates during August. In April 2011, KPC assigned special prosecutors to deal with organized crime, economic crime, corruption and trafficking of human beings in all District and Municipal Courts.

In efforts to reduce the backlog of cases, Kosovo Judicial Council in cooperation with USAID/SEAD project has recruited 30 executive officers for the execution of cases with authentic documents, and it has approved the framework plan based on which the working groups for drafting of regulations and other acts that derive from the Law on Courts and the State Strategy on reduction of Backlog of Cases, have been established (15 December 2010). Furthermore, pursuant to a KJC Regulation on determination of obligatory norms as well as the Regulation on work assessment of judges (15 March 2011, a working group on determination of norms for accomplishment of court cases for the judges of regular courts and for minor offence courts as well as the working group on assessment of the work of judges by determining norms, were established in May 2011. Furthermore, with the view to reducing the burden of courts, the Ministry of Justice has commenced the operationalization of the new notary system in Kosovo, by licensing the ten first notaries in June 2011. Also, MoJ, implementing the Law on Mediation, has trained 90 candidates for mediators, while 74 of them were certified by the Mediation Committee and licensed by the Ministry of Justice on 29 July 2011.

So far, the Disciplinary Commission for judges has rendered decisions on 10 judges out of total 19 proceeded cases. The disciplinary measures undertaken are: two cases involving reprimands and one case with warning to reprimands, while for the rest of the cases no disciplinary measures were undertaken as the cases were forwarded to the prosecution offices for further criminal investigation.

With regards to the treatment of disciplinary measures for prosecutors, a three-member disciplinary commission of KPC was established, on 27 April 2011. The number of reported disciplinary cases to this commission is 12, out of which 6 resulted in punitive measures involving suspension procedures. As far as the activities related to performance management are concerned, the director of the unit for performance review has been selected. Upon the selection of its director, the mentioned unit started with the assessment of the prosecutors' performance on 1 June 2011.

With the purpose of legal advancement of the judiciary, during the reporting period, KJI has organized one training session for current and supporting administrative staff on the use of CMIS, by training 192 candidates in total.

Apart from this, during the reporting period KJI has also organized specialized training in the area of corruption, Witnesses in Criminal Procedure, Access to database of the Hague Tribunal for war crimes in former Yugoslavia, Agreement on Confession of Guilt, Expropriation, Court Decisions and Cadastral Actions and Law on Mediation. Within the training programme for advancement 5 training sessions were organized, divided into 4 modules and an advanced training for Lay Judges; 17 trainers have been certified in total in the area of the EU law: 11 judges, 3 prosecutors, 2 attorneys and one permanent trainer in KJI.

In relation to international legal cooperation, the Agreement with Turkey for mutual legal assistance, extradition, transfer of convicted persons for criminal matters was ratified in May 2011, whereas the negotiations on bilateral agreements with Montenegro, Switzerland, USA, Albania and Slovenia are soon to be concluded.

1.1.5. Anti-corruption Policies

With an aim of addressing priorities in the area of policies against corruption on 31.08.2011 was adopted Law on amending and supplementing the Law on prevention of conflict of interest in exercising public function; Law on Liability of Legal Persons (adopted by the Assembly on Kosovo on 31.08.2011), Law on Protection of Whistleblowers (approved by Assembly on 31.08.2011), and the Law on Public Procurement (approved by Assembly on 29.08.2011).

As far as fighting of corruption in the courts of Kosovo is concerned, **216** cases have been inherited from previous years while during the period October 2010 – June 2011, **92** cases have been reported, and out of the total of cases under procedure in courts, **75** have been resolved. The courts have rendered the following verdicts on these cases: 40 cases with condemnatory judgment, **5** cases with acquittal judgments and **29** cases in other ways.

During the reporting period, ACA has started the process of confirmation of the asset declaration by the senior public officials, and published at the same time the asset declarations of 1830 senior public officials online. ACA has initiated criminal procedures for 84 senior public officials, who have failed to abide to ACA's demands to disclose their assets, while regarding the cases of false declarations, as a first step, efforts are being put in place to confirm that they are not a result of omissions on the side of those filling them in.

On the other hand, in relation to fighting corruption within the rule of law institutions, the Kosovo Police Inspectorate has opened 9 such cases during the reporting period, of which, 6 are pending awaiting criminal investigation, while 3 are being subject to disciplinary measures.

In the Inspectorate of the Kosovo Correctional Service, during the reporting period 1 case of corruption was reported, which resulted in suspension.

During the reporting period, the Customs has initiated 3 cases of corruption within its structure. In parallel to this, Customs Disciplinary Commission has reviewed one case of this nature by imposing the disciplinary measure of prohibition of further promotion.

Anti-corruption Agency published a report containing an analysis on prosecution and trials of corruption cases in Kosovo and statistical data on investigation and judgment of such cases, on 12 July 2011. In relation to awareness raising ACA organized on 13 June 2011 a workshop with the Central Office of TAK with the aim of increasing TAK's staff awareness in relation to fighting corruption. Also, ACA's regional office in Gjilan held three presentations against corruption on 15 June 2011 Gjilan in Gjilan and Ferizaj with participation of 80 officials TAK .

1.2. Human rights and protection of minorities

1.2.1. Human rights and protection of minorities

In the area of human rights, the Assembly announced vacancies for 5 positions of Ombudsperson's Deputies. The relevant Assembly Committee has interviewed the candidates and then forwarded its recommendations to the Ombudsperson Institution for its eventual confirmation.

Addressing the issue of missing persons, the Assembly of the Republic of Kosovo has approved law on Missing Persons (31.08.2011). Training was delivered by EULEX experts to local staff within Department of Medical Forensics (MoJ), about basic knowledge of anthropology-work on the ground. Work has started in 13 locations, including 'Livoq case' and 'Suhareka case' (requests by Belgrade delegation), while other cases were the result of analyzing and examination of documentation and data available to concerning institutions.

As far as coordination of the policies in the area of property rights is concerned, on 13 August 2011, the Government appointed a Coordinator of Property Rights, within the OPM.

In the area of freedom of expression, the issue of non-compliance between the Criminal Code and the Law on Defamation, has been resolved during the process of amending the Criminal Code.

In the area of Freedom of Association, the Assembly adopted the amendment of the Law on Freedom of Association in Non-governmental Organizations on 29 August 2011.

In the area of children's rights, after entry into force of the Criminal Code for Juveniles, Ministry of Justice has established a Managing Council for reforming and monitoring the justice system for juveniles. This managing council has drafted internal Regulation and a Work Plan for 2011. A monitoring system for Strategy and National Plan for Children's Rights 2009-2013 has also been put into function, in April 2011. Also, on 25 August 2011, the Government decided on the establishment of the Council of Children Protection and Justice.

As regards the observation of the rights of persons with disabilities, a report containing research on the persons with disabilities in Kosovo, was completed in August 2011. Also, the following activities were carried out: training to all HR Units delivered on gathering data in relation to monitoring the implementation of the Strategy on Persons with Disabilities; training on International Classification of Functionality delivered to the Central Pension Commission and Gjilan municipality.

In the area of Gender Equality, the Government adopted the Programme and its Action Plan against Domestic Violence on 25 August 2011. A research paper, titled 'Women at work and their participation in decision making' was completed in June 2011, involving 550 respondents. Also, AGE's webpage has been functionalized during the reporting period, while six of its staff members trained in public finance management and EU negotiations. With the view to supporting the civil society organizations active in the area of gender equality, AGE has

supported the following activities during the reporting period: 'Integration of Women into the Society: raising of their awareness on their rights and responsibilities' by Centre for Rehabilitation of Women and Children; training of blind women on the electronic use of Brail; training to the staff of the Centre for Protection of Women and Children in Drenas, Mitrovica and Prishtina (June 2011), including training in psycho-therapy. As about strengthening of the municipal mechanisms for human rights, MLGA has delivered 4 modules of training to HRUs in June 2011, whereby 117 officers were trained.

During 2011, with the aim of improving conditions for prisoners and achievement of higher standards the following activities were undertaken :

- The construction of High Security Detention Centre has begun;
- The procedure for construction of the two new detention centers in Prishtina and Gjilan has started,
- Building for juveniles in Correctional Center in Lipjan has been totally rehabilitated and the cabinet of computers has become functional,
- Renovation of Detention Center in Mitrovica is in the process;
- With installation of camera system in the Correctional Center in Dubrava ends the cycle of installation of camera for observation in the Correctional Center.

The prisoner escort unit has been completed with staff, while MoJ also provided training to the staff working in the penitentiary health system, covering special care and treatment of drug use, in June 2011 whereby 35 officers were trained.

1.2.2. Minority rights, cultural rights and protection of minorities

Aiming at completion of the legal framework and that of the policies in the area of cultural heritage, Government approved the strategic document on integrated conservation of cultural entities on 29 June 2011.

During the reporting period, with the view to implementing the legislation on the use of official languages local regulations on the use of languages in these municipalities: Graqanica, Pertesh, Ranillug, Shtërpce, Kllokot, Mamusha, Mitrovica dhe Peja were approved, where translation units have also been established.

The Commission on the Use of Languages has accepted and reviewed 2 complaints submitted by respective entities.

In order to improve the institutional framework in the area of protection of minorities Municipal Offices for Communities and Return were established pursuant to the relevant regulation adopted by the Government. . The working group led by the MCR, for the description of the Terms of Reference and Job Descriptions for the Municipal Offices for Communities and Return has finalized this process and these documents were approved by the governmental Working Group and were then distributed to the municipalities in July 2011.

With the aim of implementing the policy framework on voluntary return and re-integration, in June 2011, three awareness raising events were organized on inter-ethnic dialogue: in the village

Rudnik –Skenderaj with returnees from the Serb community; in Gjakova with returnees from RAE community; in Obiliq with returnees from RAE community, and also six visits were organized for the returnees in Lipjan and Rahovec (for more information on activities related to re-integration of repatriated persons, see the area of Justice, Freedom and Security).

In order to improve the conditions for voluntary return and re-integration these following actions have been undertaken:

- In Prizren were constructed 10 houses and families of beneficiaries entered new buildings
- The project in Pogradje on return of 13 families of the Serb community has been continued with the reconstruction of buildings and renovations completed.
- RRK II project: were included 4 municipalities: Klina, Ferizaj, Obiliq and Rahovec. Up to the end of June have been completed 190 houses: 13 houses in Klina (7 houses in the village of Drenoc and 6 houses in the village Budisavle) are under construction. 150 houses in total were made available for use, out of which, 22 houses in Klina Municipality and 18 houses in the Municipality of Rahovec.

Aiming at improving the legal framework in the area of spatial planning as well as enhancing respect for property rights, the Law on Cadastres was adopted by the Assembly on 29 July 2011.

In relation to medical services provided to minorities, the Institute of Public Health has carried out a vaccination campaign, whereby around 830 children coming from the RAE communities were vaccinated against various diseases.

1.3 Regional Issues and International Obligations

As far as the *dialogue with Serbia on practical issues of mutual interest* is concerned, the government, immediately after its establishment, on 24 February 2011 appointed the leader of the Kosovo delegation in this technical dialogue, as well as drafted and approved the dialogue Platform (on 3 March 2011), and formed the respective team. Furthermore, on 10 March 2011, the Assembly of Kosovo adopted the Resolution in support of the dialogue.

Since the beginning of the dialogue, on 8 March 2011, in Brussels, five rounds of talks have been held so far (the first round – on 8 to 9 March 2011; second round – on 28 March 2011; third round – on 15 April 2011; fourth round – on 17 to 18 May 2011; fifth round – on 2 July 2011), and a number of expert level meetings. During this period, ten issue areas have been addressed within this dialogue:

- Free movement;
- Free trade (i.e. recognition of customs stamps of the Republic of Kosovo);
- Civil registers;
- Cadastral files;
- CEFTA Agreement;
- Energy;
- Telecommunication;

- Mutual recognition of school diplomas;
- Cultural heritage, and
- Missing persons.

On 2 July 2011, three agreements have been reached: on free movement, for mutual recognition of university and school diplomas, and on civil registers. Regarding the implementation of these agreements, working groups were formed and have started with first meetings and study visits. The agreements will be implemented as soon as mechanisms for their implementation, led by the European Union, are made operational.

The sixth round, scheduled to take place on 20 to 21 July 2011, failed due to unwillingness on the part of the Serbian side to recognize the customs stamps of the Republic of Kosovo. Dialogue is expected to continue on 2 September 2011.

During the reporting period Kosovo continued to face barriers as far as the inclusion in the work of the Council for Regional Cooperation (RCC) is concerned. In this context, Kosovo has not participated in the last meeting of RCC Board (held 12 May 2011, in Sarajevo) and in the Annual Meeting of RCC (held on 28 June, in Budva), meanwhile the efforts for finding a pragmatic solution to this problems have continued, although annual financial obligation of €40,000 was foreseen within the budget, this amount was not paid to the RCC Secretariat.

As far as presiding over CEFTA is concerned, Kosovo has continued to preside over it during the reporting period, during which four sessions were held:

- Meeting of the Sub-Committee on Agriculture and Sanitary and Phytosanitary Measures (1 May 2011, in Brussels);
- Meeting of the Sub-committee on Customs and Origin of Goods (in May, in Tirana);
- Meeting of the Sub-Committee on TNTB (on 2 to 3 June 2011, in Sarajevo); and
- Meeting of Experts and Deputy Ministers (in June, in Pristina).

Furthermore, during the January - February period, and in June 2011, 60 surveys were conducted, with 60 Kosovar companies (manufacturing, service, trade, services, distributors, transport, etc.), on non-tariff barriers. The answers indicate that the biggest complaints of businesses were related to the current blockade imposed to Kosovo by Serbia and Bosnia and Herzegovina, and to the expiry of preferential trade measures by the EU.

Regarding trade balance with CEFTA countries, imports from CEFTA countries during the first quarter of 2011 have reached the value of over €171,000,000, while the value of imports from Serbia and Macedonia only has reached the value of €130,000,000. As for exports from Kosovo to CEFTA countries, they amounted to €18,000,000, while exports to Macedonia and Albania have reached the value of €15,000,000.

The participation of Kosovo civil servants in activities of the Regional School for Public Administration (ReSPA) continued during the reporting period, with civil servants participating in six (6) trainings:

- *Strategic Management* (on 23 - 25 May 2011, in Danilovgrad, three participants from the Ministry of Economic Development, Cadastral Agency and the Ministry of Internal Affairs);

- *Training Methods* (on 24 – 26 May 2011, in Danilovgrad, four participants from Kosovo Institute of Public Administration);
- *Negotiations with the EU* (on 14 – 16 June 2011, in Danilovgrad, 2 participants from the Office of the Prime Minister);
- *Summer School on "EU Law"* (on 4 – 15 July, in Luxembourg, 2 participants from the Kosovo Institute of Public Administration and Independent Media Commission);
- *Summer School - Intensive Training on "European Union"* (on 4 – 22 July 2011, in Brugges, Belgium, 2 participants from the Ministry of Local Government and the Ministry of Foreign Affairs); and
- *Staff Management* (on 27 – 29 July 2011, 3 participants, 1 from the Ministry of European Integration and 2 from the Ministry of Agriculture, Forestry and Rural Development).

In the field of energy, a Memorandum of Understanding between Republic of Kosovo and Republic of Croatia in this sector was signed on 13 May 2011 in Zagreb. On 21 April 2011 Memorandum of Understanding was signed between Kosovar authorities (MED and ERO) and the Secretariat of Energy Community.

As far as the implementation of the Agreement of European Common Aviation Area (*Agreement ECAA*), during the reporting period, ACA has adopted Regulation 4/2011 on Access to Land Service Market, thus transposing EU Directive No 96/67

In the field of cross border cooperation, the Kosovan side finalized financial arrangements for the CBC Programme Kosovo-Albania, while similar steps are expected by the Albanian side. This arrangements are to be signed in September 2011. Moreover, a financial agreement was signed with the Macedonian authorities on Kosovo-Macedonia Programme on 26 July in Skopje, and the agreement was forwarded to the EC. Decisions have been prepared for Joint Monitoring Committees for the mentioned programmes.

2. ECONOMIC CRITERIA

2.1 FUNCTIONING OF MARKET ECONOMY

Ministry of Finance during the reporting period has continued to undertake measures that are in the function of saving budget stability and macroeconomic stability.

In June 2011, the government has signed a new program- Staff Monitoring Program me IMF. Two previous actions set with this agreement were fulfilled.² The Government has also met measurable criteria by keeping bank balance at the end of June at a higher level than determined in the program. The level of expenditure was lower and the primary surplus was higher than the limit set in the measurable criteria. The Government has also managed to fulfill its commitment towards the program by making a decision on applying excise on lottery games

² Dissolution of the committee for reviewing criteria for benefits for all categories emerged from war and interruption of the increase of number of beneficiaries, which should correspond with the level/number until the end of May -2011, excluding here the number of received applications until the above-mentioned date and the approval of sub-legal act for the ‘Law on the rights of official politically prosecuted and prosecuted persons’ that specifies that the benefits according to this law should be paid only from the funds that in explicit and specific way were created for these purposes with the law and budget.

and on allowing import of vehicles older than 8 years. This decision has started to be applied since of 1st July 2011.

In line with IMF agreement commitments, on the 6th of July 2011 Ministry of Finance has established the Working Group for conducting Public Expenditure Review (PER). The purpose of PER is to align strategic policies identified in the Economic Vision Action Plan with the respective sectors in Mid Term Expenditure Framework (MTEF), and to assess whether the planned budget expenditure can finance such policies. In this regard, in preparation for drafting the 2012 budget, two budget circulars for each the central and local level have been issued, outlining the expenditure limits for every budget organization

2.1.1. Reporting on recent economic developments

By the end of April 2011, the government has adopted the document of Kosovo's Economic Development Vision 2012-2015 outlining its developmental priorities for the next three years. Based on this document, the group of experts from economy-related ministries has drafted a detailed plan of activities for implementing priorities. The final draft of action plan was completed on July 1st 2011 whereas its implementation and monitoring of achieved progress have started in the beginning of August.

As far as the first half of the year 2011 is concerned, the export of goods has marked an increase of 18.6% by reaching a value of 168.1 million euro, while the import of goods has reached the value 1,093.5 million euro that corresponds with an increase of 16.5%, compared to the same period of 2010. It is expected that the increase of international price of metals that is foreseen for this year will have influence on a more distinguished increase exports, which for 2011 were foreseen to increase by 10.2%, while the imports are expected to mark an increase of 10.8%. These developments show that any improvement in the current account balance cannot be expected knowing that the increase of salaries in public sector as well as the high rate of capital investments will further stimulate the import during this year.

Taking into account the current trend, where CPI has marked an average annual increase of 9.6%, the inflation rate during 2011 is expected to reach an average of 7%.

Developments in the Balance of Payments

Current account estimates suggest a deepening of deficit of this category during 2011 which to a large extent is a consequence of increases of consumption and investments, public investment in particular, which is expected to further duel the import of goods and deepen the trade balance. Predictions for 2011 indicate that the trade balance will reach the value 1,909 million euro that corresponds with an annual increase of 10% compared to 2010. As a consequence, the current account balance is expected to increase from 16% of GDP in 2010 to 17.9% in 2011. More precisely, the data about the foreign trade for the first half of the year 2011 show that the exports have continued to grow for 18.6% compared to the same period of 2010 by reaching an amount of 168 million euro. On the other side, the imports have increased with a rate of 16.5% by reaching an amount of 1,093 million euro. This relation of development in the main

components of the trade balance caused the balance to deepen for 16.1% more than the same period 2010.

Although the high level of imports remains the main motive of the negative balance of current account, the growth of GDP is foreseen to be influenced also by the external sector, along with the recovery of the global demand and with the increase of the price of goods, the exports are foreseen to grow stronger during 2011.

Foreign direct investments which made 7% of GDP during 2010 is expected to reach the value of 343 million euro marking an increase of 10% compared to 2010. While the remittances which made around 13% of GDP, according to the preliminary data, are expected to increase by 2.4% in 2011, with a difference in nominal terms of 10 million euro from 2010. However, with the recovery of eurozone economy, the trend of remittances could be improved furthermore during 2011 and that might have a positive impact on the improvement of the current account.

Employment trends

Based on the registered data about the number of unemployed by the Ministry of Labour and Social Welfare, a cumulative number of the registered as unemployed until May 2011 was 336,126. The trend of the registered unemployed, which during 2010, remained almost stable, at the beginning of 2011 has a tendency to increase. What is worth mentioning is that as of the beginning of 2011, we noted an increase of 866 persons in the number of registered unemployed (from 335,260 at the beginning of 2011 to 336,126 at the end of May 2011). On the other hand, the number of employed through the offices of employment until the end of May 2011 reached 3,020 persons. Only during May 2011, 1,583 individuals were registered as unemployed, while 681 persons have been employed.

Inflation trend index (core inflation, including definition)

The second half of 2010 and the first half of 2011 were characterized with an increase at the general level of prices, differently from 2009, where a negative increase in general prices was marked. Based on the data of the Statistical Office of Kosovo, on average, the increase of prices during the first half of 2011 was 9.6%, while the average for the same period of 2010 was 1.4% whereas inflation at the end of the 2010 reached 3.5%.

Main drivers of such an increase are estimated to come from the increase of food and oil prices during this period. At the end of June 2011, the bread and grain prices marked an annual increase of 47.9% (goods that had an impact of 4.8% in CPI), oils and fats marked an increase of 42.2%, while the oil and gas marked an average annual increase of 14.7%. The decrease of prices was noticed only in the vegetable products.

As can be seen in the figure 1 in Annex, the level of core inflation (CPI excluding food and oil) marked an average increase of 4.4% during first half of 2011 compared to 1.4% in 2010.

2.1.2. Report on monetary and fiscal policies during reporting period

There is no change from the last reporting period regarding the evolution of the framework of monetary policies.

Exchange rate framework: Kosovo uses euro, therefore the nominal value of exchange is determined by the movements of the value of euro compared to other currencies in international markets. As far as the real effective exchange rate is concerned, it is calculated by taking into account the price of consumption of the countries that have high participation in trading with Kosovo (Table 1).

Evolution of fiscal policies

The 2011 budget limits the expenditure level at €1,434 million, while the projected revenue is set to reach the amount €1,261 million. Under the assumption of full realization of the revenues and planned expenses, it is expected that a primary deficit in 2011 will be €173 million, while the overall deficit (that includes the payment of interest and loan-giving for publicly owned enterprises) will result in €227 million.

In June 2011 the Staff-Monitored Program (SMP) agreement was signed which aims at anchoring the policies presented in the budget 2011 and avoiding new fiscal initiatives that might lead to increase of expenses in 2011. Furthermore, the Government has committed to meeting the quarterly criteria of the of fiscal objectives, the criteria that will be reviewed at the same timeline by the IMF staff. According to the SMP agreement, the ceiling of primary government expenditure until September 2011 is €902 million, while until December 2011 this limit will be €1487 million.

It is projected that Tax Administration of Kosovo will collect €260 million euro in 2011. Up to the end of June 2011, TAK managed to collect €121 million, or 47% of the annual planned amount. Compared to €91 million collected during the same period of 2010, an increase of 32% at the level of collected revenues has been noted. The projected border revenue to be collected for the budget of 2011 are €830 million. The Customs authorities have managed to collect by the end of June 2011 €352, or 42% of the total annual planned amount. . Compared to the same period of 2010, an increase of 20.5% of collected revenues is noticed.

During the period January - June 2011 €159 million were also collected in the form of non-tax revenues and own revenues collected by the municipalities and by different budget organizations at the central level. Also €45 million were collected from the dividend declared by the PTK. In total, there was €579 million collected in the period January-June 2011, or 46%

of the planned total amount. There was an increase of 8.6% compared to the same period of 2010, considering the fact that the dividend collected in 2010 was the double of that collected during first six-month period of 2011. During the period January-June €528 million, or around 35% of the budgeted amount was spent. This level of expenditure is 13.3% higher than the level of registered expenditure for the same period of 2010. To date, 73% of expenditures were made by central Government, while 22% by local government.

At the central level, capital expenditure was realized at the rate of 32% during first six-month period 2011, while at municipal level these expenditures were realized at the level of 19%. In total, during the reporting period were €169 million spent in capital expenses, while €336 million were spent in current expenses (at both levels of governance). A loan of €21 million was disbursed to KEK.

Taking into account the level of revenues and expenditures, until the end of June 2011 the budget of the Republic of Kosovo had a surplus of €51 million. This caused the overall bank balance to increase from €244 million at the end of 2010, to 295 million at the end of June 2011.

As far as the change of fiscal policies is concerned, there were some positive and welcomed changes. It has been managed that despite a considerable increase of expenses due to salaries of civil servants, it was managed to preserve policies that help businesses and customers. The limit on the year of production of vehicles previously set to 8 years, has been extended to 13 years which is a very positive step towards total liberalization of the vehicle market. An increase of revenues in the second half of this year is also expected due to extension of the excise for older vehicles, despite total exemption from excise of new vehicles. An excise on gambling has also come into force in June, and its effect is expected to be measured in the second six-month period.

Public debt

The total amount paid for servicing the debt for the first half of 2011 was about 10 million euro out of which 5.7 million euro were for the payment of interest and 4.1 million euro for the payment of principal money. Stock of the public debt until June 2011 has reached the value of 254.7 million euro out of which 22 million euro were a loan from IMF while the other part are obligations to the World Bank regarding the inherited debt from the period of former Yugoslavia.

2.1.3. Functioning of product markets

Privatization

During period May-September 2011 was approved launch of Waves 50, 51 and 52 of privatization, which has encompassed in total 81 new companies. Out of them in the Wave 50 and 51 have already been tendered 55 new enterprises.

During the reporting period have been approved the transactions of the Waves 49 and 50, where were included in total 24 new enterprises. Finalization of the sale-purchase contract of shares is in the process.

The Sale through Liquidation 7 where were involved 24 Socially Owned Enterprises in total. During this period was also approved the final distribution of means and liquidation funds of the KB VUSHTRRIA- Region of Mitrovica.

During the reporting period, 3273 workers in total of 21 enterprises have benefited form early distribution of 20% proceeds of the available revenues from the sale of respective enterprises.

Businesses entry and exit

The Law on Business Organizations has been amended and approved by the Assembly on 08.07.2011. The Agency for Business Registration has opened 14 Centers for Business Registration in municipalities during this reporting period. Based on the Law 04/L-006 for amending the Law 02/L-123 on Business organizations, article 12.1 and Law on Civil Service of Republic of Kosovo article 51, it has been decided that all the first time business registrations will be freed from the business registration fee. The registration time for Limited Liability Companies is 3 days. During the reporting period, 2390 businesses have been registered, 1478 existing businesses have changed their legal status, and 278 businesses have ceased their operations. The number of registered pledges with the Pledge office between 01.05.2008 and 01.09.2011 is 11,191 pledges.

Business environment, judicial system and administrative capacities

During the reporting period, Ministry of Justice has completed the necessary legal infrastructure for the functioning of mediation in all of its procedural stages. For this purpose, the Mediation Commission has prepared the secondary legislation including the following: the approved Regulation for licencing of mediators (29.07.2011); the approved Administrative Instruction on mediators' overtime (29.07.2011); the approved Regulation on responsibilities and disciplinary procedures for mediators (14.06.2011); regulation on training and certification of mediators (amended on the 05.05.2011), regulation on registration of mediators (amended on 05.05.2011).

In function of capacity strengthening, the trained mediators have been certified by the Mediation Commission and have been licenced by Ministry of Justice. So far, 90 candidates have been trained and 74 mediators have been certified as of 29.07.2011. A fully functional mediation service will have a positive impact on the business environment and ease up the workload of courts. During the reporting period, Ministry of Justice has completed the necessary legal infrastructure for the functioning of mediation in all of its procedural stages. For this purpose, the Mediation Commission has prepared the secondary legislation including the following: the approved Regulation for licencing of mediators (29.07.2011); the approved Administrative Instruction on mediators' overtime (29.07.2011); the approved Regulation on

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The list of arbitrators of the Permanent Arbitration Tribunal has been approved by the Chamber of Commerce on the 27th of June. The list contains 31 arbitrators, number depends on a final training scheduled for mid September. A number of them are foreign experienced arbitrators. On the 27th of June 2011, the Kosovo Chamber of Commerce has also approved the Rules of Arbitration document.

The Law on Notary 2008/03-L-116 was amended, on which occasion it included several provisions that were considered as obstacle in general business environment.

2.1.4. Financial sector

Financial sector of Kosovo had a similar structure with the past years also during the first half of 2011, where the banking system represent the biggest sector, with 76.0 % of total assets of financial sector. The second sector by the size is composed of pension funds, which assets represented 16.8% of total assets of the financial sector. The remaining part of the assets is made of the assets of micro-financial (3.9 %) institutions , insurance companies (3.1%) and financial auxiliaries (0.2 %).

Kosovo Banking System continues to consist of 8 commercial banks, out of which 6 withme foreign ownership and 2 with local ownership. The participation of foreign banks in the entire assets of the bank system in Kosovo continues to be high with 91.5 % of total assets of the bank system managed by foreign banks. The structure of market in the bank system of Kosovo continues to be characterized with a high scale of concentration, but that is marking continuous drop. In June 2011, the participation of three biggest banks in entire assets of the bank decreased to 74 % from 77.4 % as it was in 2010.

The approved loans from the banking system in Kosovo continue to grow with an accelerated trend. In June 2011, the value of total loans issued by the banking system reached the value of 1.62 milliard euro (34.3% of PBB-se)³. The annual rate of growth of the loan in this period was 15.7 %, compared to 9.7 % in the same period of last year , which suggests on a recuperation of the rate of growth of giving loans in the country. Compared to the end of 2010, the rate of growth of the loan was 11.4%. The structure of the loans of the banking system continues to be dominated by the issued loans for the enterprises which in June 2011 represented 70.3 % of

³ Relation between the loans and PBB may go higher until the end of the year, since due to the lack of quarterly data PBB, was used PBB plan for 2011.

total loans, while the family economies received 29.7 % of total loans. Differently from the last two years, when as a consequence of the effect of crisis, the banks have made giving of loans difficult for the enterprises and the expansion of loan giving was mainly orientated towards family economies, during the first half of 2011 is noticed a quicker expansion of the loan giving to the enterprises. During this period, the issued loans to the enterprises, marked an annual value of increase of 13.7 %, compared to the annual rate of growth of 1.7 % registered in June 2010.

High support of the economy of Kosovo in the trade sector continues to be reflected in the structure of the approved loans to the enterprises, where dominate the loans issued to the sector of trade that represent 52.5 % of all loans of the enterprises. Important part of the loans allocated to the sector of industry (including mines and civil construction) that have received 25.1 % of all loans of enterprises, whereas the sector with the least received loans continues to be the sector of agriculture with only 3.6 % of all loans allocated to the enterprises. The structure of loans by the maturity deadline remains similar to that of the previous, 67.5 % are the loans with maturity time limit of over two years.

The average interest rate in deposits in the first half of 2011 was 3.4 % (3.7 % in June 2010). The average interest rate in loans during this period was 14.3 % (14.4 % in June 2010). Consequently, difference between interest rates in loans and interest rates in deposits in the first half of 2011 was 10.9pp (10.7pp in June 2010).

In the first half of 2011, Kosovo banking system had a net profit in a value of 14.9 million euro, which is for 13 % lower compared to the profit it had one year ago. Quicker annual increase of expenditures (16 %) had an impact on reducing profit of banking system compared to the increase of revenues (11.2 %). Kosovo banking system continued to have a high level of capitalization during the first half of 2011 too, with the an indicator of sufficiency of capital of 17.2 %. During this period, the participation of non-performing loans in entire loan portfolio marked an increase, by reaching 5.9 %, compared to 4.5 % as much as it was in June 2010. However, non-performing loans continue to be covered at a satisfactory level with provisions for losses from loans. In June 2011, relation between provisions of non-performing loans was 115.7 %.

2.2. CAPACITY TO FACE WITH PRESSURE OF COMPETITION AND MARKET FORCES WITHIN UNION

2.2.1. Human and physical capital

Human capital:

Since January 2011 it has been started with the implementation of the Actions of Employment Strategy according to the Action Plan and their course is going according to the foreseen dynamic. Mechanisms for monitoring the implementation of the plan have been established including the Strategy Steering Group and the Group for Developing and Monitoring the Strategy Action Plan (10 May 2011). In this way in the reporting period where approved 43 Projects according to the Program of Public Jobs/Kosovo 2011, beneficiaries are 31

municipalities, where during the reporting period in this program were planned to be mediated for employment 1823 jobseekers.

During the reporting period in 5 Kosovo regions in cooperation with KBA was organized and held the project "Employment Stock- Kosovo 2011" in which around 1000 jobseekers has been mediated for employment. Division for Professional Training through 8 Centers for Professional Training, in 7 regional and also 6 Mobile Centers, made that the jobseekers are trained and become capable for the labour market. A total of 622 candidates have finished the training and have been certified. During August, the constructions works of QAP Ferizaj were finalized and it has 10 training cabinets. In cooperation with the UNDP, was opened the mobile center in Serbobran near Istogut in tailoring which will serve for professional training of Roma and Askali communities that live in this area.

In secondary high classes in general there is a small increase in the number of students from the previous school year. In the school year 2010-2011, the total number of registered student is 106 924, number of registered pupils in the tenth class suffered a slight drop from the previous school year. While in the school year 2009-2010 the number of registered students in the tenth class was 37521, in this school year 2010 -2011, the number of registered students in the tenth class is 32596 students. In public sector we have 60 000 registered students, while in the private sector we have 16000. In this year, 18.200 places are opened in the public sector for new students, while in the private universities this number will be known by the end of October this year. Approximate data reflect a participation of 20-22%. Regarding the number of investments in research and development in different categories of scientific grants are as following: Special Scientific Grants 57, Short- Term Mobility of Scientists 6, Award "The Kosovar researcher of the year" and "Young Kosovar researcher of the year" 31, "Brain Gain", Financing of editions: 36.000 euros, Purchase of Web ISI knowledge, \$ 78.031.00. "Week of Science" was held, all commentaries presented in the "Week of Science" were published.

Physical Capital

Road infrastructure: During the reporting period significant progress has been marked in the area of the improvement and infrastructural development. The construction of Morine-Merdare Highway has had progress in segments 1, 2 and 3 (Vërmice- Prizren - Suhareka), with a length of 34 kilometers, general implementation has reached 76.0%, Segment 4 Suhareka - Dule 22,90%. Besides this, the additional work was done also in other projects, where the implementation project for segments 1-3, was finished, the draft-project for segments 4-5, was also finished, the preliminary project for segment 7 was finished, where the works in the implementation project for the segments 8-9 have already started. The improvement, development and maintenance of infrastructure of transport and the infrastructure has been integrated into pan-European corridors and in compliance with international standards. The most important activities that were undertaken to reach this objective include the continuation of the project on expansion of national roads M9 and M2. Segment M9 Sllatina-Gjurgjica encompasses the asphaltting of the circulation belts and works in structures. The works in this segment were implemented at 83%. Segment M2 Shkabaj-Millosheva was implemented at 81%. In the same way, within the program of rehabilitation of roads, 30 km of roads are finished.

Energy: Aiming to improve the quality and building of transmission and transforming capacities, KOSTT in the Transmission Network, during the reporting period, finished implementation the project for SCADA/EMS and Telecommunication (Supervisory Control and Data Acquisition/Energy Management System) & consultant services. The project has been finished and officially started to be implemented on 01.07.2011. The implementation of package project 400/110 kV Ferizaj 2 is in the final phase and the works are done according to the dynamic plan, where the project is in its final stage and 90% of work has been finished. As about 'Replacement of equipment of high voltage 400 kV in NS 400/220 kV Kosova B' project, 80% of works were finished and respective testing and commissioning of equipments were done.

2.2.2. Reform and liberalization of industry of network

Energy

Regarding the increased energy billing and payment, KEK reports that during this period there was an increase of 3.76% of billing, an increase of 4.46% of payment as percentage of billing, and an increase of 8.04% of payment as a percentage of available energy for sale. As to the technical and commercial losses, KEK reports that total technical losses equal 16.56% while commercial losses amount to 14.5%.

Telecommunication Regulatory Authority

Market of mobile telephony: in 2011 has continued with a positive trend of growth. Currently 4 operators (2 MNO and 2 MVNO) are active in the market and the penetration scale up to Q1-2011 has reached over 85.51%⁴. Market shares of 4 mobile operators during Q1-2011 are: Vala has 71% of the market, Ipko 24%, Z-mobile about 4%, and D3 Mobile has only 1%. Total revenues of the four mobile operators during first three-month period of 2011 were 39.6 million euro. Around 94.6% of users are using prepaid deals, while only 5.4% on monthly/yearly contract.

Market of landline telephony: Currently the penetration of landline telephony services is around 5.12% at the level of population.

Internet market: TRA paid special attention to this market, by undertaking a series of activities and regulatory measures in order to enable the development of networks with a high speed of data transmission, by respecting the principle of technological neutrality with aiming to increase the penetration of this service. Until August 2011, 21 operators for providing Internet services in the entire territory of the Republic of Kosovo were licensed. The penetration of broadband Internet services in Kosovo is currently around 47%.

⁴ Penetration of mobile telephony services was calculated based on the preliminary results published by the Statistical Office of the Republic of Kosovo www.esk-gov.net, difference in the previous period is that until now TRA took into account the evaluation that Kosovo has around 2070000 inhabitants.

Civil Aviation Authority (CAA) has issued Regulation 7/2011 on tariff fees that CAA charges, which will enter into force on 15th of August 2011, and it determines tariffs for services offered by CAA such as: certifications, licensing, approvals, and various supervisory activities of air operators, the airport, providers of air navigation services and civil aviation staff.

Water and Waste Regulatory Office: Regarding the secondary legislation Rules for Advisory Committees to Customers (April 2011) and Rules on Minimal Standards of Services (May 2011) were approved. Tariff fees have been determined 31 of May 2011, for all garbage collection companies and landfill sanitation management for the period June 2011-May 2012. The tariffs of untreated water supply for both systems of services dealing with water treatment have been determined on 31.08.2011. The evaluation report on fulfillment of objectives for water companies as defined in the regulatory process 2009- 2011 has been finished this August.

Furthermore, during May 2011, in order for the regional Water Supply Companies to improve the efficiency of collection, the final draft report on the current situation of efficiency of collection was prepared, with an action plan for improvement of collection and it was supported by the regional Water Supply Companies for implementation. The implementation of the action plan has started in 4 regional companies. During the reporting period WWRO has received seven applications from Water Companies for collective disconnections, and five of them were approved.

2.2.3. Structural displacement in economy

Sectional structure

Due to lack of relevant data on sectional displacement between agriculture, industry and services, we will present this process through agro-economic indicators of new created and registered agricultural businesses. As far as the registration of new enterprises from the sector of agriculture, hunting and forestry is concerned, we have an increase of 15.79 % in the first three month period (T1) of 2011 compared to T1/ 2010⁵.

Small and medium enterprises

During the reporting period the Strategy for Development of Small and Medium Enterprises in Kosovo for 2012-2016 (13.07.2011, No. 10/23) was approved. SMEs make over 99.95% of the total number of enterprises in Kosovo. Participation of SMEs in general employment of the private sector was 80%, while their participation in GDP is around 43.3%. Participation of SMEs in general circulation of private sector is 76.21%.

SMEs are: 98.4% micro-enterprises (1-9 workers), Small Enterprises (10-49 workers) are 1.35%, Medium Enterprises (50-249 workers) are 0.20% and Large Enterprises (over 250 employees) are 0.05%. The largest number of employees belongs to the category of micro-enterprises, where

⁵ Statistical report on economic enterprises in Kosovo for first three month period (T1) 2011, SOK

according to the number of registered employees in ARBK, in this category 63.77% are employed. In small enterprises 8.54% are employed, while in medium enterprises 7.85%.

If categorized by ownership, the displacement is going very slowly although there is a progress in other forms such as LLCs and Partnerships. SMEs that have a form of registration as an Individual Business make over 89.50% of all forms of registration of businesses in Kosovo. Partnerships - 3.25%, Associations - 6.22%, Foreign companies - 0.48%, SOE - 0.01%, Public enterprises - 0.02%, Cooperatives - 0.06%, enterprises under KTA 0.03%.

Sectional structure of SME distribution

2.2.4. Government intervention in economy

Big state enterprises

Privatization of KKDFE: On 6 April 2011, after the recommendation received from the Evaluation Committee for pre-qualification and Transaction Advisor of IFC, Governmental Committee for Privatization of KEDS, has made an unanimous decision that the companies: "Limak", "Çalik", "TAIB", and "Elsewedy", are announced as pre-qualified in the process of KEDS privatization. On 25 May 2011, the Data Room for Pre-qualified Investors was opened, to enable development of their studies and assessments on the companies and is expected to be open until 1 December 2011. The Governmental Group on Energy Projects (GGEP) with the representative from each ministry, the member of Central Privatization Committee and from the main institutions in the energy sector (such as: ERO, KEK, KOSTT, KPMM, and PATEL) was founded. So far, 4 meetings of (GGEP) were held, and there were presented, commented and finished some of the main documents of the privatization project of KKDFE, such as: Information Memorandum ("IM"), Draft Agreement for Wholesale Purchase of Electrical Energy ("BSA"), Draft Request for Proposal ("RfP), Draft Sale-Purchase Agreement ("SPA"), etc. On 19 and 20 July meetings in MED and KEK with pre-qualified companies are held, in order to discuss the progress of the process and to address the uncertainties of the parties about the process. On 9 August the draft request for proposals ("Request for Proposals") and "Share Purchase Agreement" were approved, in order to submit them to pre-qualified investors, so these companies/consortiums get instructions on how to prepare and to be invited for the submission of their bids.

PTK: On 27 July, based on legal requests, the Government has approved the decision and the strategy by the Assembly of the Republic of Kosovo. On 27 July 2010, the Assembly approved the strategy in principle. In August 2010, Governmental Committee of PTK Privatization has announced public invitation for pre-qualification.

Inter-ministerial Committee after analyzing the followed steps and the analysis done before, recommended the Government to offer for sale 75 % of shares of PTK and the establishment of Governmental Committee of PTK Privatization (KQP). Kosovo Assembly on 31.03.2011 approved (in two readings) the decision of Government no. 02/03 on sale of 75 % of PTK shares. On 3 June 2011, the pre-qualification was concluded. Two applicants for PTK privatization were qualified: Hrvatski Telekom d.d. (HT), Croatia and Telekom Austria AG, Austria.

Kosovo Railways: After the decisions undertaken by the Government of Kosovo, the legal unbundling of Kosovo Railways has been finished, by registering it in the Business Registration Agency in MTI. The unbundling was done in Kosovo Railways Infrastructure j.s.c (Infrakos) which will carry out the management, maintenance and construction of railway infrastructure and in the Kosovo Railways Transport Operation, j.s.c. (Trainkos) that will make the management and operation of transport services of passengers and goods.

State assistance: Law on state assistance Nr. 04/L-024 was approved in Kosovo Assembly on 29.07.2011. As a monitoring mechanism for state assistance, establishment of the Office for supervision of state assistance set in the Competition Committee was foreseen.

2.2.5. Trade integration

The statistical data for the period January–May 2011 show that, compared to the same period from last year, an increase of values of exports and imports was marked, but Kosovo is still a country that depends on imports. During this period, exported goods reach out at a value of 134 million €, while imported at €880 million. During this period, the regular export is at a value of 40 % from the value of overall exports, while the other part or 60 % is re-export, mainly export after external processing. This means that compared to the same period from the previous year, we have a slight drop in regular exports and export after internal processing, as well as a drop on the value of exports for external processing. Regular imports make 96% of overall imports, while re-imports only 3.9%. See in the Annex the table with general data on the value of exports and imports of Kosovo for the period January- May 2011.

According to the destination or according to the countries, during first five months, the biggest part of the trade of Kosovo was orientated towards EU countries. Value of exports for the EU countries is over 67 mil/€ or 50 % of the overall exports, while the value of imported goods is over 312mil/€ or 35.5 % of overall imports. The biggest part of imports in Kosovo, in this five-month period, is from the CEFTA countries and make 36.8% of overall imports.

3. EUROPEAN STANDARDS

3.1. Internal market

3.1.1. Free Movement of Goods

In the area of internal trade during the reporting period the following draft laws and Administrative Instructions were approved:

- Draft law on amending and supplementing the Law no. 03/L-069 no. 2004/18 on Internal Trade no. 04/L-005, was approved in the Assembly on 23.06.2011;
- Draft law on amending and supplementing the Law no. 03/L-069 on Accreditation No. 04/L-007, was approved in Assembly on 16.06.2011 and was promulgated by the decree no. DL-002-2011 dated 28.06.2011.;
- Draft law on amending and supplementing the Law no. 02/L-123 on Business Associations no. 04/L-006, was approved in the Assembly on 23.06.2011 and was promulgated by the decree no. DL-008-2011 dated 08.07.2011.

- Administrative Instruction “For technical and metrological requests for electrical medicinal thermometers for continuous measurement of temperature” with a number 09/2010 (14.06.2011);
- Administrative Instruction “For organizing and functioning of technical committees” with a number 10/2010 (20.06.2011);
- Administrative Instruction “For equipment for gas” with a number 11/2010 (01.07.2011)
- Administrative Instruction “For products from crystal glass” with a number 12/2010 (25.07.2011);
- Administrative Instruction “For monitoring of construction products” with a number 13/2010 (25.07.2011);
- Administrative Instruction “Metrological requests for equipments with cylinders for measuring the force of braking” with a number 14/2010 (26.07.2011)
- Administrative Instruction "Monitoring of Construction Products" on 25.07.2011
- Administrative Instruction for “Functioning of technical committees” no. 10/2011 (20.06.2011).

Speaking about policies approved from this sector, during the reporting period (May - September), AKS approved 393 European standards EN and the international ISO/IEC as Kosovar Standards KS, reaching the overall number of standards at 3644 KS. There is a new Technical Committee for information technology established lately, bringing total number of Technical Committees at 18.

Regarding the functioning of the Quality Management System according to the requests of ISO/IEC 17011 DAK (Directorate of Accreditation of Kosovo) has been assessed for the MLA (Multilateral Agreements) in EA (European Accreditation Corporation) for testing laboratory since 15-20 May 2011. DAK continues to participate in all other voting and activities of ILAC (International Forum of Accredited Laboratories) as well as IAF (International Accreditation Forum).

Trainings for the members of “new” Committee of the Accreditation Council according to the standard demands SK ISO/IEC 17025 have been held: training for the evaluation procedure of the medicinal laboratories according to the requirement of the standard ISI/IEC 15189 and "Harmonization of criteria for assessor and the selection of assessors in the region", as well as the "The ways of increase of awareness for accreditation bodies -Experience from Bosnia. So far, DAK has accredited 17 Bodies for Assessment of Conformity out of which 17 testing laboratories and an inspection body.

3.1.2. Free Movement of Capital

As far as the fulfillment of the legal framework is concerned according to the best international practices and the European legal framework, the Assembly approved the Law on Compulsory Insurance of motor liability (Nr.04/L-018) that entered into force on 30 July 2011.

Regarding the advancement of financial supervision in compliance with the standards Bazel II for banks and Solvenca II for insurances, terms of references of the working group for the

preparation of new regulatory and supervisory framework were prepared, according to the newest standards of the Basel committee for bank supervision, (especially the requests for capital and basic principles for effective bank supervision).

In regards to development of modern inter-banking systems for providing efficient services for clients, in May 2011, the automation of transaction process initiation and receiving of information by the side of clients of CBK was finalised. Also the Unit of Operations of Open Market was functionalized. Within CBK teams (In charge and auxiliary) have been established in order to implement this project on time and successfully.

3.1.3. Customs and taxes

a. Customs

Until 22 August 2011 Customs has collected 495 mil €, or 60% of the annual plan, while in comparison with the same period from the previous year 16% more.

In light of law implementation for customs measures and protection of Intellectual Property rights during the reporting period concrete measures have been undertaken, such as:

- Customs measures for Law implementation of DPI such as Application for DPI,
- Discovering of cases of violation of Intellectual Property and destruction of goods that violate DPI:
 - 3 approved applications for protection of 17 trademarks;
 - 16 cases discovered by Kosovo Customs, for which is suspected to be violating intellectual property, where the amount of goods of U17 from customs is 23,293 units and a value of 203.504 €;
 - 14 cases of goods destruction of goods, where in total have been destroyed 29,945 units of goods that violate intellectual property rights ;
 - 5 cases waiting for destruction after determination of the way of destruction of goods by the Ministry of Environment and Spatial Planning and AUK Agency as well as court's decision.

During this period within Task Force have been completed 271 cases, out of which 205 have been proceeded for customs offence, at the amount of 272, 663, 89 and imposed fines 399,846.50; 52 cases of punishments were imposed during this period at the amount of 79, 442 euro. In cooperation with the Police, 5581 gr of heroin-narcotics were confiscated.

Within the investigation of cases for misuse of official duty/corruption 2 cases have been initiated and completed, with 5 suspicious officers and imposed measures are: 1 written warning and 4 promotion prohibitions;

In regards to cooperation with customs of other countries and between Kosovo institutions, on 23.06.2011, the Agreement of cooperation with Slovenia Customs was signed.

- On 04.07.2011, was signed the protocol of electronic exchange of data in prior-arrival with Montenegrin Customs .

- On 16.06.2011, is ratified the Instrument for application in the World Organization Customs by the Assembly of the Republic of Kosovo.
- On 27.07.2011, is signed the Memorandum of Understanding between the Customs and MTI, on the issue of intellectual property right.

In regards to professional capacity building in July has been completed the basic training of 26 cadet officers, 5 of who will replace 5 customs officers who will be recruited for Intelligence/DPI. In the fields of criminal investigations, techniques and methods of interview and criminal intelligence have been trained 69 customs officers. Also the technical training of 6 officers for the system ASYCUDA world is being conducted.

b. Tax Administration of Kosovo

Until 24.08 2011 the Tax Administration has continued the positive trend of revenue collection, revenues were realized in an amount of 171 mil. €, and are higher by 18% compared to the same period from previous year.

Tax Kosovo Administration since April 2011 until July 2011 has achieved progress in implementation of fiscal project by equipping 3.383 businesses with 5.560 fiscal electronic equipments. In total, until now 12.404 businesses are equipped with 16.480 fiscal electronic equipments. During this reporting period 4.110 fiscal numbers have been issued.

As about the activation of SIGTAS system, during this reporting period have been completed also the Control Module, Collection and Claims. Also, the re-drafting and an update of control manual for taxpayers is completed. Parallel to main modules of activated SIGTAS, the new tax forms (tax declaration in incomes from partnership) have been put into application, in order to accelerate the process and make easier the declaration

Unit of Tax Investigation, during the reporting period has conducted: 42 cases for training and for review were selected; 11 closed cases; 2 cases ready for Prosecution; 2 cases submitted to Prosecution and 27 in the process of investigation.

Within the promotion of tax policies 17 roundtables with representatives of taxpayers (**KCC, OEAK, KBI, SHKCAK**) have been organized, in order to increase the communication for reviewing taxpayers concerns. Also, there were 17 taxpayers seminars organised.

In providing electronic services during this reporting period 463.896 statements for various kinds of taxes have been downloaded. During this period trainings in the field tax legislation implementation field and other fields have been conducted, organized by USAID, (6), EUCTA (8), OECD (6), CEF (1), KIPA (7), MDA (1) and KMI (1) as well as trainings for the staff according to departments (15 trainings). Also 61 internal trainings on the field of implementation of the new tax legislation have been held, and the number of trained inspectors is 650.

3.1.4. Competition

Approved by Competition Authority three sub-legal acts, as follows:

- Regulation on the work of Competition Committee (22.07.2011)
- Regulation on criteria to impose administrative sanction measure (22.07.2011)
- Regulation on criteria and conditions to determine relevant market (22.07.2011).

From insurance investigation sector, the sale of policies with motor-liability by third parties was proceeded for investigation. The investigation on monitoring compulsory insurance for the Third Party Liability (TPL) has been conducted, based on the decision of the Kosovo Competition Authority.

The special decision (no. 20/11, dated 3.05.2011) for abrogation of technical check agreement was abrogated. Regarding the cartel for technical check, a special recommendation from KCA to the Ministry of Infrastructure was made, to abrogate AI no. 2008/13 that has to do with the procedures of technical checks. At the same time there is a continuation of investigation of the big importers of fuel and TPL (the type of the insurance police) simple.

3.1.5. Public procurement

Public Procurement Regulatory Commission (PPRC) in cooperation with Project Team financed European Commission Liaison Office (ECLLO) in Prishtina is working on completion of secondary legislation. From the period of 01 May until now PPRC has published three more Administrative Instructions:

- Administrative Instruction No.04/2011 - on using selection criteria,19.05.2011,
- Administrative Instruction 05/2011 - on monitoring public announcements of public procurements,19.05.2011
- Administrative Instruction 06/2011 - on correction of frequent misunderstandings related to Tender Dossiers, 06.06.2011

Out of procurement officer tests based on the law requirements where public procurement trainings are foreseen to be 15 days a year, are conducted 521 trainings for 521 procurements officers per year, out of them 489 officers have completed successfully the test and are certified.

From the period 01.05.2011 up to 01.09.2011 are completed monitoring in 11 Contracting Authorities as regular monitoring and 1 case based. Public Procurement Agency (PPA) - has filled the number of employees for the number which is allowed by the Ministry of Finances (2 employees).

Procurement Review Body (PRB) for the reporting period has received 145 claims of economic operators in total, including the requirements of Contracting Authorities for the review of PRB decisions. Out of them 135 claims are from economic operators filed against the contracting authority decisions for awarding the contract, while 10 are referrals to review PRB decisions. Out of 135 claims of economic operators, 110 are reviewed by PRB, while 25 are in the reviewing process. 39 % of the claims are in the favor of economic operators. During the review of PPA 7 referrals were reviewed, while in the reviewing process are 4 more referrals of Contracting Authorities. 40% of reviews are in favor of Contracting Authorities.

3.1.6. Intellectual Property Rights and Copyright

During the reporting period three basic laws of industrial property are approved, as follows :

- Draft law on Amendment and supplement of Law no. 02/L-54 for Trademarks is approved in the Assembly on 29.07.2011 and is promulgated by decree no. DL-017-2011 on 09.08.2011;
- Draft law on Amendment and supplement of Law no. 02/L-45 for Industrial Design is approved in the Assembly on 29.07.2011 and it is promulgated by decree no. DL-013-2011 on 09.08.2011;
- Draft law on Amendment and supplement of Law no. 2004/49 for Patents no. 04/L-029 is approved in the Assembly on 29.07.2011 is promulgated by the decree no. DL-016-2011 on 09.08.2011
- Draft Law on Amendment and supliment of Law no. 2004/45 for Copyright, adopted by the Government on 03.08.2011.

During this period third and fourth official bulletin have been published.

Copyright Office has employed two senior officers and the third officer is in the recruitment process. Needs assessment to increase capacities and the staff training plan of copyright office have ended. Capacity building for the staff of the copyright office has started in July. As follow-up activities of the training efforts of EUAPO sponsored by ECLO within the IPA-2009 and after the closing of the assistance program in May 2011, the Office for Copyright and Related Rights has developed its Training Program for officials and main stakeholders from the non governmental sector. Training Program is approved on July 2011 and includes the training activities and services to be provided by the Office: Introduction to Work, Administrative procedures, Cross-institutional cooperation and career development and collective management of the copyright and related rights. First training was conducted on July 11, 2011 with representatives of the Kosovar radio-stations, and two on job trainings for Office staff, on July 16, and August 22 2011.

3.1.7. Employment, Health and Social Policies

During the reporting period have been approved these administrative instructions :

- Administrative Instruction Nr: 06/2011 For Work and Placement of Residents, Persons with Mental Disabilities -Delay in Mental Development at the Special Institute in Shtime and in Community Based Houses signed by the Minister on 01.04.2011.
- Administrative Instruction Nr: 07/2011 For Activities and Requirements of Placement of Residents in House of Elderly without Family Care Homes and Community Based Houses signed by the Minister on 01.04.2011.

- Administrative Instruction no. 01/2011 for determining procedures after transferring responsibilities of family and social services at municipal level, signed by the Prime Minister on 05.04.2011.)

Unit of Control and Monitoring DMS/MLSW during this reporting period (May – August 2011) has controlled 8 SLC, where it has controlled 532 dossier/cases of social assistance users. Out of them, 460 cases have been completed with respective documents, while 72 cases lacked one of the required documents. Apart from this, this Unit concludes that 184 families have been selected in compliance with terms and conditions that Law of SNS foresees, while 16 families were selected in contradiction to SNS Law, which were automatically removed from social assistance.

2525 entities have been inspected. Ordinary inspections have been made in 1320 in economic entities, in 421 economic entities was made repeated inspection, while by the request of parties 97 economic entities have been inspected. 367 inspections in cooperation with other official bodies in economic entities have also been conducted. For disrespect of legal provisions towards economic entities 387 penalties have been imposed, out of them 329 written remarks and 58 fines.

Labor Inspectorate in cooperation with TAK , Kosovo Police, Inspectorate of Health as well as other relevant institutions that make the supervision of legal provisions has conducted 367 inspections towards economic entities to combat informal economy. Over 367 economic entities are inspected and 1045 employees are legalized to work, who were working without employment contracts and now are equipped with employment contracts.

Installation of SIMP system is made in all Employment Regional Centers and at the central level where the centralization of this system was made. Also, have been demonstrated the reviewed modules based on requirements of Department of Labor and Employment.

MLSW, respectively the Department of Labor and Employment through the World Bank currently is in the process of implementation of the Program "Public Works, Kosova 2011". This program will be implemented in 29 municipalities of Kosovo.

Action Plan on Sector Strategy 2011/2013 was approved and mechanisms for monitoring of implementation of this plan have been created, by establishing Strategy Steering Group (SSG), and Group for Development and Monitoring of Action Plan for Strategy(GDMAPS).

For the period of May – July 2011 in 8 QAP and their 6 mobile units have completed the training and have been certified 622 candidates. Through the project KOSVET 6 have completed training at work and 530 candidates are certified.

The Strategy and Action Plan for Mother,Child, Adolescent and reproductive health is adopted (August 2011), and the budget for these categories is identified from MTEF 201-2014. This document presents the challenge of addressing the Progress Report of the high mortality of mother and child.

Institutional Capacity building in the field of health services is realized through following activities:

- Health Information System Module is fully functional at QKSUK and QKMF Mitrovica
- Electronic System for Pharmaceutical Management Stock is functional on the MoH. On-line module of this system is implemented in all public health institutions at the Republic of Kosovo and is fully functional. Supplies of drugs from the essential list of all health institutions is on-line know.
- Kosova Council for Clinical Protocols and guidelines was established on 16 February 2011 and know is functional.

3.1.8. Education and Research

During the reporting period May –September 2011 by Kosovo Assembly are approved:

- Law on Pre-university Education on 29.08.2011;
- Law on High Education on 29.08.2011; and
- Strategic Plan of Education in Kosovo 2011-2016 is approved by Kosovo Government on August 2011

In order to implement legislation for professional training have been compiled ten (10) professional standards. Within the development of national framework for monitoring and evaluation of learning is drafted and approved:

- Administrative Instruction no.1/2011 for validation of professional qualifications and accreditation of providers of providers of Vocational Education Training (VET), (approved on february 2011).

In support of project EU KOSVET V the methodology through the process of validation of qualifications was conducted and piloted for 10 VET providers in Kosovo.

Establishment of adequate conditions for children with special needs continues, where 183 teachers have gone through different training programs from January – August 2011.

Higher participation of Kosovo is being provided in EU programs for high education. As a result of application by projects in FP7 on 2010, is approved a project by Kosovo in 2011 (project “Supporting dialogue and cooperation between Europe and Kosovo in collaborative ICT R&D, signed on 11.07.2011 with duration of two (2) years). For ERASMUS MUNDUS from Kosovo have applied in total 228 students and academic staff by Public and Private Institutions of Higher Education. The final results have been completed. Within Strategic Plan for Education in Kosovo is included also the Strategy of High Education 2011-2016.

To push forward the development of policies to encourage the research, 15 grants have been allocated for scientific projects, also the grant for short-term mobility is allocated in the countries of EU in which have participated 5 persons. 13 publications have been supported. The scientific magazine was published with scientific works presented in the Scientific Week for publication of Conference of Albscience Institute in order to make the subscription of the abstractions of the completed research projects.

Within the program IPA-2010 is approved the project "Communities and education" estimated at 1 million euro in the field of science. It is determined the national contact point for the program Framework program 7 (FP7).

In four didactic centers equipment of Information and Communication (ICT) are installed and trainings of human resources for application of ICT are conducted. Forty institutions of pre-university education including three schools for children with special needs are equipped with cabinets of ICT and around 2500 teachers and other human resources are trained for application of ICT in education system. ECDL training is in the process of conduction and it is aimed to include all public institution teachers. Foundations are laid to establish electronic learning center and national academic network KOSNet. Electronic contents are created in four languages of Kosovo communities. The base for integration of electronic learning in Kosovo education system is established.

Administrative Instruction for implementing standards of school textbooks and The Curriculum Framework of Kosovo was approved by the Minister on August 2011.

3.2. Sectional policies

3.2.1. Industry and SMEs

Agency for support of SMEs in cooperation with other governmental actors and with business associations has drafted the "Strategy on development of SMEs 2011-2016 with the vision 2020" which is approved by the Kosovo Government on 13 July 2011. On 21.07.2011 is signed the establishment act of Association for Development of Kosovar SMEs with SMEs Association for South-Eastern Europe.

As far as Vaucher scheme is concerned for Consults and Training during the reporting period, the SME Agency has received 7 applicants that in total now has 32 applicants, who will offer consults and training.

Related to European Act of Small Businesses on 28 and 29 June 2011, in Prishtina, Kosovo Institutions together with European Commission delegation has organized a two day meeting for "Evaluation of Dimension of 1 and 8 of Business Act of Small Business (ASB), in order to assess the progress of Kosovo in these two dimensions.

In this reporting period AMV has drafted important documents for functionalizing of Economic Areas, where on 4 July 2011 has published the Strategic document for the program on Economic Area Management. In active manner by encouraging other municipalities of Kosovo, which have planned the establishment of Economic Areas (based on the Law on Economic Areas № 03/L-129). In order to help this process it was announced the vacancy for support of municipalities, that need the feasibility study in order to establish Economic Areas and as a result of these actions, now we have 15 applications (Applying Municipalities). Also, related to this was created applicant's database, also the drafting of evaluation criteria.

Regarding the Business Park in Drenas, the competition has already been published for the third phase (17.06.2010) where already have applied 23 businesses, which are planned to be evaluated in Q4-2011.

In terms of assessment and raising awareness for SMEs, the project "Survey of 800 Enterprises, Micro, Small and Medium Enterprises (MSMEs)", is completed, and the report has been published (07.27.2011). From this report were analyzed 783 SMEs, and analysis and recommendations were made.

As far as establishment of municipal centers for registration of "one stop shop" businesses in 14 municipalities, on 14.06.2011 is completed the second phase on the project where in compliance with timely dynamic plan were opened 14 municipal centres for business registration. In function of experience exchange in the field of Investment Promotion and Export, the Agency for Promotion of Investments in Kosovo (AIPK), paid visits to Croatia and Montenegro. Four officials from AIPK have participated in Vienna of Austria in the training organized by AIPK office for the use of CRM ACT 2011 (software).

On 21.06.2011 the inter-ministerial working group "On the reform of the business environment" was established, whereas on 22.07.2011 were established working sub-groups "Starting a business" that will issue recommendations to the Government for the development of a better inventive climate.

3.2.2. Agriculture and fishing

During this period in the field of Legislation, MAFRD has performed these actions:

- Amendment-supplement of the Law on Wines is approved by Kosovo Assembly on 28.07.2011;
- Was approved the strategy on Consolidation of Agriculture Lands by Kosovo Government, on 29.06.2011, Decision No. 09/21.
- On 15.07.2011 have been given three consents by MAFRD in the municipality of Gjilani for establishment of joint hunting places.

For rehabilitation of irrigation system have been built 2 (two) irrigation dikes: Irrigation dike with channel to Broliç-Peja, 450m, for irrigation of 200/ha, and irrigation dike with channel in Brovina-Gjakova, 750m, for irrigation of 500/ha.

In relation to establishment information system for dirty lands in Kosovo until now have been received 1,000 representative samples in 400.000 ha arable agriculture land, where bio-tests for all samples have been made. 123 samples for complete chemistry tests in the laboratory contracted in Germany. The map based on the coordination Kosref 01 system was prepared. For the 1000 samples action and bios-tests have been conducted, whereas for 123 samples the results are expected to come from Germany within 2 to 3 months.

The building of simplified information system of land parcels is done successfully in pilot municipalities: Suhareka, Peja, Istog, Kaçanik, Graçanica, Vitia and Prishtina. Municipal officials have been trained, orthophotos are provided and topographic maps that serve creation of LPIS, for municipalities. Until now have been located 1402 ha in Land Parcel Identification system (LPIS). So far from total of 5000/ha a 1402/ha has been established.

The recruitment of 10 employees for preparation of surfaces to take care of planted young plants. In seed-plot are in the process of cultivation 1.800,000 classic and industrial young plants. It made the publication of tender for autumn forestation of 302/ha forests.

To prevent the destruction of forests and forest lands from the use of stones and gravel until now, 65 control in inspection of public, private forests, monitoring and the way of their use were finished. 61 entities of wood primary processing have been controlled. In different collection markets and warehouses have been conducted 110 controls as well as Municipal Forest Authorities have been visited in order to offer help in prevention of forest destruction. 390 m³ wooden mass have been confiscated in illegal circulation, have been issued 50 different decisions and orders for custody, implementation and implementation of law, are filed 78 criminal reports for illegal actions in forests and forestry lands, are issued 17 contracts for quarries in the state forestry lands, is issued 1 consent for quarry in the private property, while, 8 contracts have been terminated for the use of forest lands due to the non-fulfillment of foreseen conditions by contracts. 3,732 criminal reports are filed for illegal cuttings, which contain wooden mass of 9581.41 m³, at the amount of damage from 1,309,282.88 €. Out of criminal reports 2590 are for criminal offence that contain wooden mass 4,105.52 m³ and 1,142 criminal reports that contain wooden mass 5,475.89 m³. For drafting of managing plans have been contracting two Economic Operators, which have completed first phase of 31.849.61 /ha. Norwegian Government through NFG is in the final stage of drafting managing plans for 12,000 ha.

Food safety and veterinary

During the reporting period have been signed Memorandums of Understanding with Municipal Assemblies of Peja (23/06/2011), of Mitrovica 30/06/2011, of Prizren (28/07/2011), through which are provided environments for location of regional and municipal inspectors.

By decision of Secretary General No. 264 on 03.08.2011 is established Governmental Labor Group for review of project – regulations from the Hygenic package.

In this period was made identification and matriculation of 12,547 young cattle; veterinary practices have been added with 14,500 matriculation numbers, it was made the direct entry of data of the sector I&R. Matriculation of small ruminants and pigs is in the final stage where until now have been processed 163,456 data brought from the field. During this period was made the updating of database where the farmers, who have applied for subsidy have brought the accurate data of their farms, also the veterinary practices have reported directly to database. It is in the process of the monitoring of veterinary practices, which have made the matriculation of sheep, goats, and pigs. Webpage of sector I&R now is functional.

3.2.3. Environment

Environment sector has continued to fulfill legal ground through which it functions, by approving in Assembly laws such as:

1. Draft law on Cadastre (adopted by the Assembly on 29.07.2011);
2. Draft law on establishment of register of real property rights;(adopted by the Assembly on 21.07.2011)

As a result of process for fulfillment of legal framework, through secondary legislation, MESP, has approved these administrative instructions as follows:

- Administrative Instruction No. 05/2011 for methodology of risk assessment from chemical accidents as well as measures of elimination of consequences (12.04.2011)
- Administrative Instruction No. 06/2011 for vocational exam and licensing of architects and engineers in the field of construction (18.05.2011)
- Administrative Instruction No. 07/2011 for licensing of report drafters for evaluation of impact in environment (13.07.2011)
- Administrative Instruction No. 08.2011 for collection of types of wild plants, protected for the purpose of processing trading (13.07.2011)
- Administrative Instruction No.09/2011, for informing, participation public and stakeholders in evaluation procedures of impact on environment, signed on 13.07.2011.
- Administrative Instruction No.10/2011, for preventing of big accidents where are included dangerous substances, signed on 3.07.2011.
- Administrative Instruction No.11/2011, for determination of tariff amount for services related to the evaluation process of impact on environment, signed on 13.07.2011.
- Administrative Instruction for Norms of Air Quality signed by the Prime Minister of Kosovo on 20.07.2011.

With the aim to improve strategic policies in the field of environment, on 16.06.2011 was approved Kosovo Spatial Plan 2010-2020. Furthermore, it was approved also the Spatial Plan with special economic interest 'New mine 2010-2020

MESP on 20.06.2011 issued the decision no. 015/2011 for establishment of Regulatory Authority for Protection from Radiation, on which occasion ARMRK, has appointed acting Chief Executive and two officers. On 10.06.2011 MESP also issued the decision No. 011/2011 for temporary protection of potential area for announcement important Area of Birds (ZRZ) for Legatine of Henc (Municipality Fushë Kosova and Lypjan) at the surface of 50 ha, while the area in entirety has around 1.821 ha.

Until now have been built 5 factories for sterilization of infectious waste: in Prishtina, Mitrovica, Prizren, Gjilan and Ferizaj, which is in the testing phase. Four of the abovementioned premises

have been equipped with equipment for sterilization of hospital infectious waste. In continuation of intending to improve residence policies, is established the council for residence with 5 selected members . In addition, in the line of engagement to create the network of monitoring the air quality have determined and agreed 10 locations for placement of monitoring stations of air quality. Three points of monitoring of air quality are in functions and for four more points was built the basement to locate stations.

On 11.07.2011 was conducted the training for 30 inspectors of different profiles of local and central level for protection of environment.

3.2.4. Transport policies

In order to strengthen secondary legislation has been approved administrative instructions as follows:

- Administrative Instruction 3/2011 for Licensing of Goods Road Transport Operators (protocol number 2296 date 19.08.2011)
- Administrative Instruction 2/2011 Line Network and Inter-urban transport order of Passengers by Bus (protocol number 2295 date 19.08.2011).
- Administrative Instruction no. 4/2011 for deciding on form, color, dimension of signs and signalizations of equipment in road traffic, was signed on 23.08.2011.

As far as implementation of project of R7 concerns, has been finished implementation project for the segment 1-3, also draft implementation project for the segment 4-5 has been completed. Further more, preliminary project for the segment 7 has been completed while works in implementation project have started for segment 8-9. In addition, many works in R7 have been implemented as follows: Segment 1--3 Vermica - Prizren - Suhareka 76,00 % Segment 4 Suhareka - Dula 22,90 %.

With regards to bilateral internacional agreements on transport of passengers and goods, MI has signed agreement with Croatia (24.08.2011)

In regard to implementation of law on transport of dangerous substances, are licensed 6 operators while in total are licensed 74 operators. As far as placement of regular lines in regular transport of passengers by bus with regional countries and wider are issued 26 licenses to the local operators and 22 licenses to international operators for operation in Kosovo.

Within continuous efforts for improvement of quality of existing network of interurban road transport during this year are issued 20 licenses (320 in total), also 1271 authorizations have been given in total for operations in internal transport of passengers as well as 141 lines (slots) have been divided in the internal passenger transport. While as far as subsidy of transport is concerned, which is economically unstable, but necessary to function, 16 contracts with 13 operators including 22 lots in 32 relations are signed.

As far as the activities of the inspectorate of the road transport are concerned, during this period there have been undertaken 18 initiations for obtaining international licenses, 120 dismissals

from the road traffic of the transporting companies of passengers and goods due to the lack of the respective documentation, and at the same time the companies have been urged to apply for work licenses.

In frame of the division process of the Kosovo Railways, the Government approved the decision no.04/24 of the date 20.07.2011 for the establishment of two boards of directors of INFRAKOS and TRAINKOS. The Draft Law on Kosovo Railways was approved by the Government. WBIF will finance the project for the feasibility study of the railway line, east, and west.

As far as the improvement of the way of training and testing the vehicle inspectors for technical control is concerned, 250 candidates have been accepted and the results are as follows:

- 187 candidates (74.8 %) passed the theoretical test
- 173 candidates (69.20 %) passed the theoretical and practical test

Training of inspectors was based on European Commission Directive (2009/40/EC, 2010/48/EC), and recommendations deriving from the aforementioned directive (2010/378/EU). Whereas, 84 candidates have followed training for examiners while 86 candidates followed training for driver instructors and the results are as follows:

- 24 examiners have been licensed. The criteria are based on Directive (2006/126/EC, Annex IV of the 3rd European Driving Licence Directive).
- 51 new driving instructors have been licensed.

In frame of the application of new methods in testing of candidates for driver was applying the "independent driving", and also the determination of lines (routes) for seven testing units has been done: Prishtina- 5 lines (routes), Mitrovica- 3 lines (routes), Peja- 3 lines (routes), Gjakova-4 lines (routes), Prizren-3 lines (routes), Ferizaj-3 lines (routes), Gjilan-3 lines (routes) whereas 10% of the theoretical test are questions from the ECO-driving.

In frame of the implementation of the maintenance and rehabilitation program of the road network, the works have been concluded completely in 30 km of road, meanwhile in the respective segments, the works are ongoing as follows.

- Segment M9 Sllatina-Gjurgjica- general implementation of the project is 83%. Facilities 85%.
- Segment M2 Shkabaj-Millosheva-general implementation of the project is 81%.

As far as inventory of the new roads (width, length, of the road, jetties, side tubes, bridges, protecting walls, rigolls) is concerned, until now there have been inventoried roads as follows: Nerodime-Jezerc R206, Tuxhevc-Border R216, Studeqan-Opterush R117, Gllogjan-Zajm R121, Kerpime-Kaqandoll R129, Prishtina=Arllat M9, Prishtina-Millosheva M2, Prishtina QMI M2.

In the spirit of building of the institutional capacities for the planning of multimodal transport, the unit for the planning of multimodal transport has joined the Department for European Integration and Policy Coordination. The trainings completed so far through Consultancy EGIS International IPA Program:

- Visum Modeling 50%;
- HDM4 30%,
- Multimodal Transport 30%,
- Transport Planning 20%.

Regarding the trainings in the professional area of the passenger and goods road transport, during this period, there have been trained and certified 161 managers, whereas regarding the trainings in the area the transport of dangerous goods, there have been trained and certified 55 drivers (in total, there are 810 trained). Also, the education and the training of 20 new employees in railways have been completed. Until now, we have concluded 60% of the planned work in adhering and refreshing the Multi-Modal Transport Strategy (MMTPS)

Prishtina International Airport (PIA) – the decision, which categorizes Prishtina International Airport “Adem Jashari” at a schedule facilitated (“Level 2”) aeroport that has begun to be implemented from July 1, 2011.

3.2.5. Energy

On July 22 2011, the Law on Energy Efficiency, (No. 04/L-016), has been approved by the Parliament of Kosovo, and it entered into force after it was signed by the President of the Republic of Kosovo.

The Project of co-generation Termokos – PP Kosova B- the feasibility study of this project ended and it has been handed over to the MED on June 22, 2011. The Memorandum of Understanding was signed on June 29 between the parties: MED, MF, Municipal Assembly of Prishtina, Termokos and KfW.

The Board of the Energy Regulator Office (ERO), on March 30 approved the Feed-in tariffs for the energy generated from Wind, Water and Biogas/Biomass.

Furthermore, KOSTT is at the end of the implementation of the projects, such as Package Project 400/110 kV Ferizaj 2.

In regard to security of supply with energy from South-Western Sibovc mine, during the reporting period KEK j.s.c has completed these activities; removal of 2.010.000 m³ overburden, produced 1.603.961 tons of coal for Kosova A and B, TPP, repaired the overburden excavator E5M and the coal excavator E6B as well it is in the final stages of repairing the coal excavator E7M and the conveyer belts. Whereas regarding the improvement of the measuring electrical energy, for the household consumers, KEK has installed 8411 electrical meters, out of 10.000 planned for this year.

3.2.6 Information Society and Media

Telecommunication Regulatory Authority (TRA): In frame of the efforts for the approval of the regulations for the creation of the conditions for an effective competition in the market, TRA has approved the regulation for interconnection (decision no.102 ref. TRA no. Prot. 032/B/11, June 02, 2011). Regarding the increase of the professional staff in TRA, the Manager for cc TLD as well as the Manager for KOSIX have been employed. Regarding the promotion of the Exchanging Internet Point (KOSIX), this point has been functionalized on June 22, 2011.

3.2.7. Financial Control

In frame of the implementation of the financial management, the Ministry of Finances approved these financial rules:

- Financial Rule 04/2011 - Reporting of unpaid obligations, dated 16.05.2011
- Financial Rule 05/2011- Annual Report of the budgetary organizations, dated 08.07.2011
- Financial Rule 06/2011- Nine-month Reporting of the Budget Organizations, dated 13.07.2011

In June, this year the Parliament of Kosovo approved the Annual Report for the functioning of the internal audit in the public sector for 2010.

In frame of the improvement of the management of public assets, by inciting the PPP projects, until 31.08.2011, the list of projects contains in total 22 projects, out of which 5 are at central level and 17 at local.

During the reporting period, the Inter-ministerial Council for the PPP has approved two directives. Directive no. 1/2011 on the procedures for the review and approval of the PPP projects and the Directive no. 2/2011 on the Teams for Management of Projects. During the reporting period, there have been organized 10 seminars on central and local level, for the promotion of PPP.

In frame of building the human capacities, the first phase of the Program for international training and certification has been concluded. The training has been organized by CIPFA from Great Britain and CEF from Slovenia. Out of 54 internal auditors, 32 of them have successfully completed the Program. Also from 25-29 July, 12 tutors have been trained in order to continue the program of the Certification by the CIPFA experts. In frame of the increase of human capacities, during July 10 new auditors have been recruited.

On 8th of July the Assembly approved the Annual Performance Report with audited financial statements of the Office of the Auditor General for 2010.

The Office of the Auditor General in the period 2010/11 has published 87 reports of audit. The Annual Audit report is published on August 31, and it is based on 86 audit reports: 81 are audits of regularity; 4 managerial audits and 1 performance audit; during this reporting period, there have been completed 34 health controls. During this period there have been held 16 public hearings in the Parliament, respectively in KMFP.

During this reporting period, 7 persons have been included as students in the Society of Certified Accountants and Auditors of Kosovo. Two officials have been also recruited in ACCA. 928 hours of training have been held during this period.

3.2.8. Statistics

Starting from 1st April, 2011 till 15th of the same month, 'census' has been performed in Kosovo, even though there were some of the municipalities that were registered until 19th April 2011. Immediately after registering has finished available data were analyzed starting from 16 until 22nd of April.2011, and that the preliminary results were published on 29th of Jun 2011.

Between 1st May and 31st August 2011, periodical publication has been issued.

Monthly: "Consumer Price Index" (CPI) for the refereeing period April – July; "Foreign Trade Statistics" (FTS), for refereeing period April- July.

Quarterly: "Import Price Index" (IPI) first quartile published on 4th of July, 2011; "Production Price Index" (PPI) first quartile published on 6th of July, 2011; "Tourism and Hotel Statistics"(THS) first quartile published on 28th of Jun, 2011; "Kosovo Energy Balance" (KEB) first quartile published on 29th of Jun, 2011; "Statistical Repertory of Kosovo Enterprises" (SRKE) first quartile published on 16th of May, 2011 and for the second quartile published on 11th of August, 2011; "Agricultural Production Price Index" (APPI) first quartile published on May, 2011 and for the second quartile on August, 2011; " Agriculture Input Price Index" (AIPI) first quartile published on May, 2011 and for the second quartile on August, 2011; "Quartile Bulletin" first quartile published on May 2011 and for the second quartile on August, 2011.

Annually: "Consumer Price Index" (CPI) for the year 2010, published on 28th of Jun, 2011; "Foreign Trade Statistics" (FTS) for the year 2010, published on 1st of July, 2011; "Value Indexes for the Import and Export Unites" for the year 2010, published on 1st of July, 2011; "Agricultural Production Price Index 2005-2010" published on Jun, 2010: "Agriculture Input Price Index 2005-2010" published on Jun, 2010; "Agriculture Accounts 2005-2008" published on Jun, 2011; "Poverty in Kosovo 2009" published on May, 2011; "Household Survey in Kosovo 2010" published on Jun, 2011; "Divorce Statistics in Kosovo 2010" published on Jun, 2011; "Matrimony Statistics in Kosovo" for the year 2010, published on Jun, 2011; "Mortality Statistics in Kosovo" for the year 2010, published on July, 2011; " Mortality Causes in Kosovo 2008-2009" published on August, 2011; "Fertility Statistics in Kosovo" for the year 2010, published on August, 2011; and "Kosovo in Figures" for the year 2010, published on Jun, 2011.

Regarding the raise of institutional human capacities in the field of statistics, in July there is one person trained on Business Register, through IPA 2008.

3.3. JUSTICE, FREEDOM AND SECURITY

3.3.1. Visas, borders, asylum and migration

Regarding the legal framework and the policies in the area of Integrated Border Management, during the reporting period these acts and documents have entered into force:

- SOP on the Joint Actions (on July 20, 2011); and

- SOP on National Center of the Border Control and Joint Usage of the Equipment (on July 20, 2011);
- SOP on National Centre of the Joint Border Control (on July 20, 2011);
- SOP on the Joint Use of the Equipment (July 20, 2011);
- SOP for Joint Activities (July 20, 2011); and
- Communication Manual (on June 6, 2011); and
- Annex of the Memorandum of Understanding between the Kosovo Police (KP), Kosovo Customs (KC) and Tax Administration of Kosovo (TAK), signed on October 22, 2009 (May 18, 2011).

On 1 April 2011, the Memorandum of Understanding between the Kosovo MIA and that of Albania has entered into force, and the same type of agreement with the Macedonian counterparts, on establishment of the new border-crossing point in Stanqiq, was finalized and is expected to enter into force soon. The Agreement of Understanding between MIA of Kosovo and MIA of Albania for the joint border control in Border Crossing Point (BCP) in Vërmica, Qafa e Prushit and Qafa e Morines has entered into force on 30 April, 2011.

Regarding the advancement of the institutional and technical capacities in the area of Integrated Border Management (IBM), during the reporting period, there has been marked important progress in the development of the IT system. In 5 August 2011 the Border Management System (BMS) became functional in all border crossing points, including the Prishtina International Airport, which has improved the flow of information for the purpose of the criminal investigations, and as well the capacities for their analyzing with the aim of fighting the organized crime. Furthermore, on 8 August 2011 began the feasibility study on the installment of the Kosovo Police Information Centre (KPIC), which will enable the integration of all existing IT systems into a single one. According to the agreed plans with the donor (EC), this system will begin to be installed by the end of September 2011. During the period, the capacities for border control and supervision have been also increased through the supply with technical equipment, a donation allocated by the EC, ICITAP and EXBS.

Aiming to complete and advance the legal framework and the policies in the area of readmission and reintegration of the repatriated persons, during the reporting period the following bilateral agreements on readmission have been signed:

- The Agreement of Readmission between the Government of the Republic of Kosovo and the Government of Republic of Slovenia (signed on 10 May 2011); The Agreement of Readmission between the Government of the Republic of Kosovo and the Benelux Countries (Belgium, the Netherlands and Luxembourg) (signed on May 12, 2011 and ratified on 11 July 2011);
- The Agreement of Readmission between the Government of the Republic of Kosovo and the Government of Czech Republic (signed on 24 June 2011);
- The Agreement of Readmission between the Government of the Republic of Kosovo and the Republic of Montenegro (signed on 30 June 2011).

Regarding the strengthening of institutional capacities and the improvement of the coordination of the inter-institutional cooperation in this area, there have been organized 4 work meetings, involving political and technical levels. These meetings were focused on the importance of the sustainable reintegration of the repatriated persons in the process of liberalization of visas, improvement of the inter-institutional coordination and the capacities for coordination, implementation and reporting on municipal level, as well as the supporting and facilitating role that can offer the institutions of the central level. Besides this, the visits of the Minister of European Integration in most of the municipalities of the country (during the period June-July 2011) have contributed in making the reintegration of the repatriated persons a priority in both levels of the governance. 15 central level civil servants were certified as ToTs on reintegration related issues, and training on reintegration policy and procedures was delivered to 160 municipal officers (Municipal Officers for Communities and Return, Municipal European Affairs Officers, Directors of Administration, Civil Registration, Education and Social Welfare). The training sessions were held in Prishtina, with the main focus on the procedures on applying for Reintegration Fund support for the readmitted. Also, where needed, on-the-spot training was delivered to municipal officials during the assessment mission carried out in August 2011.

On the level of implementation during the reporting period, the Office of MIA for the Reintegration of the Repatriated Persons and the Airport Front Office have intensified their work in coordinating and managing the process of repatriation on technical level, through the regular exchange of the information over the repatriated persons with the Ministry and the Municipalities. Regarding the municipal level, they continue to work closely with the Municipal Offices for Communities and Returns and with relevant municipal directorates, in particular to assure the reception of these persons in an adequate manner, to inform them on public services which are available to them and to handle applications for support from the resources of the Program/Fund of the Government of Kosovo for the reintegration of the repatriated Persons. These municipal structures have been informed regularly on policies, Strategy and the Action Plan (AP) for the Reintegration of the Repatriated Persons and the respective procedures, then in completing the requests for support from the Fund in accordance with the respective criteria, but as well in monitoring and ensuring the implementation of the respective decisions of the Executive Board.

On the other hand, the Airport Front Office continued the registration of the repatriated persons and the identification of their needs and addressing of these issues to the respective central and local institutions, by paying a special attention to the vulnerable groups, as requested by the Strategy and AP for Reintegration of the Repatriated Persons and with the criteria for the benefit from the Fund (such as the members of Roma, Ashkali and Egyptian community, single mothers, children, children without care, old people and the people with special needs). In these occasions, the respective institutions and the Municipalities of the origin or their destination have been informed immediately and they have been offered an appropriate solution.

Aiming to assess the implementation of the legislation and the policies for reintegration of the repatriated persons by the municipal structures (during the period January 2010-June 2011), as well as the their institutional capacities, at the beginning of August, there have been established 5 teams of inter-ministerial experts in the area of reintegration, which until the mid-August have concluded the assessment visits in all municipalities. During these visits, they assessed the

implementation of this strategy, and also offered to the Municipalities professional advice and expertise for the implementation of the strategy at the municipal level, which at the same time served as a exercise for further increase of the capacities of Municipal Offices for Communities and Returns (with a coordinating role as far as the reintegration of the repatriated persons is concerned) and the directorates responsible for civil registration and civil status, education, social services, employment, professional training, health services and the property and shelter issues. An assessment report on implementation of the Strategy and AP for Reintegration of Repatriated Persons was finalized in end-August 2011 (please find attached).

In the *field of asylum and foreigners*, during the reporting period, the information leaflet on the rights and obligations of asylum-seekers, finalized in November 2010, was distributed on 30 November 2010: a total of 6.000 copies, in 6 languages (Albanian, Serbian, English, Arabic, Persian and French) were distributed, and on 3 August 2011, 4,000 leaflets were printed and distributed, in these six languages and three additional ones: Italian, Turkish and Spanish (700 in Arabic, 700 in Persian, 500 in English, 300 in Albanian, 300 in French, 300 in Serbian, 500 in Turkish, 350 in Spanish, and 350 in Italian). Out of all these, 1,500 leaflets are being distributed by the Centre for Asylum-Seekers, 1,500 by the DMF/PK, and 1,000 of them remain to be distributed by UNHCR and CRP/K.

Aiming to complete the advancing of the legal framework and the legal policies in the area of civil registers and document security, on June 23, the Kosovo Assembly adopted the amended and supplemented Law on Civil Status. On the level of the policies, the Strategic Plan of the Work of Civil Registration Agency (CRA) 2011-2015 has been approved. Regarding the increase of the institutional capacities in the area of civil registers and document security, during the reporting period, there was established and functionalized the Municipal Center of the Civil Registration in Kllokot.

Regarding the implementation in the field, the project started in October 2010 for the scanning and the digitalization of the civil status registries, was completed on 18 July 2011. During this process, there have been scanned and digitalized all Civil Status Registries in Kosovo, which is in total 14.130 and include the period from 1900-2011. Also, on June 20, 2011, the Ministry of Internal Affairs signed a contract for the production of the biometric passports, with the Austrian company OESD. On 4 July 2011, a test copy of a biometric passport was issued in Vienna, while the actual procedure of equipping citizens with biometric passports is expected to start in October 2011.

3.3.2. Money Laundry

Regarding the *increase of the institutional capacities for the prevention and fighting the financial crimes*, the Financial Intelligence Unit (FIU) within the Ministry of Finances so far has recruited 15 out of 16 officials planned to be recruited.

The FIU staff together with other institutions have continuously participated in various training sessions where only during the period 2010-2011, they have been participants in 19 trainings, organized by different domestic and international institutions. During this period, the FIU staff also organized trainings and lectured to the concerned entities and partners in 8 events.

3.3.3. Police and Fight against Organized Crime

Concerning *advancement of the legal and policy framework in the field of investigation and combating organized crime*, within the context of implementation of the Intelligence-Led Strategy and AL 2010 - 2012, eleven (11) SOPs of the Investigation Pillar were aligned with the ILP concept during the reporting period, and the SOP on the Task Assignment and Coordination at all levels entered into force.

Regarding the improvement and the increase of the institutional capacities for the prevention and combating the trafficking and abusing with narcotics, with the establishment of the new Government at the beginning of March, 2011, the First Deputy Prime Minister of Internal Affairs was appointed a National Coordinator against Drugs. Furthermore, during the reporting period, DINT recruited two (2) police officials and 11 police officials have been trained in DINT on fighting the trafficking of narcotics (held on May 25-27, 2011 in Austria) and on fighting the sexual abuse with children (held on June 27-July 1, 2011).

Besides this, on 14 July 2011, the K9 Unit of the Kosovo Police (KP) has received one (1) patrolling dog, whereas during this year it has reported twice (on March 2, 2011 for the period January-February and on June 2, 2011 for the period March-May) on the implementation of the activities of the Action Plan against Drugs.

Regarding the increase of the institutional capacities for investigation of crime, during the reporting period there was organized a study visit to the United Kingdom, related to intelligence led Policing , where 5 senior managers of the Kosovo Police participated. Also, during this period, 41 police officials have been trained on fighting organized crime, respectively on the: using the equipment for the observation of the investigation of the crime (May 2011), financial investigation techniques (May 2011), and new forms of development of the organized crime, illegal trafficking of the cultural heritage, crimes against environment and the smuggling of the falsified products (July 2011).

Concerning reporting, the second regular report on implementation of the Intelligence-Led Police Action Plan 2010-2012 was issued on 23 May 2011. As indicated by this report, out a total of 50 activities foreseen by this AP, the KP has so far fully implemented 33 activities, 14 of them (set to be implemented continuously) were partially implemented. Regarding training on ILP, the basic training programme on police intelligence was finalized, and 2,000 police officers were trained so far. At the level of IT, technical specifications on the current capacity of the police intelligence system (ILP) were finalized on 21 January 2011, and implementation is expected to start as of January 2012. Furthermore, the project for the establishment and functioning of the new server centre was finalized on 24 March 2011, while its implementation is expected to start as of early October 2011.

The specialized training for the staff of the Agency for Management of Seized Assets (13 participants) with specific topics for the agency was organized on 4-8 July 2011. Regarding institutional capacity building for the prevention and the fighting of the trafficking with human beings, during the reporting period, 7 police officers have been trained for the investigation

and fighting of the Trafficking with Human Beings, respectively against the sexual abuse of children (June-July 2011) and on the international cooperation regarding the cases of human trafficking (June 2011). Besides this, the database for Trafficking with Human Beings has been functionalized and it is under the supervision of the National Coordinator against Trafficking with Human Beings.

In the area of public security, the Strategy for Security in Community was approved on July 13, 2011.

Regarding training, the Programme of Exercises and Assessment of the Emergency Readiness (which precedes the testing of the system and preparation of the field exercise for the Integrated System of the Emergency Management) where the training of the officials has taken place at central and local level, has been approved on June 20. These trainings took place during the period June-July 2011, and were participated by 63 officials: 18 officers of Municipal Directorates for Protection and Rescue (and of Municipal Directorates of Public Services, respectively), 5 heads of Regional Alert and Coordination Centres, 5 KP regional directors, 20 police station commanders, and 15 officers of the relevant central-level ministries and executive agencies.

The testing phase of the functionalizing the database on explosives and small weapons began on July 1, 2011 and it is expected to end in September 2011. The scanners and the cameras in the Police stations and border points have been distributed and it is expected for them to be functional at the beginning of September, whereas the construction of the warehouse for explosives is in the tendering phase. Its projecting is expected to end within the September 2011, whereas the construction during the next year. Regarding the raising of the public awareness, on June 17, 2011 was marked the Global Week against Gun Violence.

3.3.4. Protection of personal data

On June 23, 2011, the Parliament appointed 5 members of the Supervising Council of the National Agency for the Protection of Personal Data (NAPPD). Furthermore, on August 5, 2011, this Agency approved its Rules of Procedure and Organizational Chart, whereas the Instructions on Education, Public and Private Institutions and the Working Plan of this Agency are being drafted, and it is expected that they become operational during September 2011.

ANNEX I - LIST OF APPROVED LAWS DURING THE PERIOD MAY 2011 - OCTOBER 2011

**Prime Minister's Office
LAWS**

1. Law on Public Procurement in the Republic of Kosovo (31.08.2011);
2. Law on missing Persons (31.08.2011)

Ministry of Education, Science and Technology

LAWS

1. Law on pre-university education;
2. Law on the Higher Education.

**Ministry of Justice
LAWS**

1. Law no. 04/L-002 on amending and supplementing the law no. 03/l-010 on notary, approved on 21.07.2011;
2. no. 04/L-015 on Witness Protection, approved on 29.07.2011
3. Law on the prevention of conflict of interest in discharge of public function 31.08.2011;
4. Law on declaration, origin and control of property of senior public officials and declaration, origin and control of gifts of all public officials (31.08.2011);
5. Laws on criminal liability of legal persons for criminal offences (31.08.2011);
6. Law on protection of informants(31.08.2011) ;
7. Law on international legal cooperation in the criminal matters (31.08.2011)

Ministry of Labor and Social Welfare

LAWS

1. Law on Economic-Social Council, No.04/L-008, was approved on 21.07.2011, Decree no. DL-010-2011 (03.08.2011),
2. Law on Trade Union Organizing in Kosovo, No.04/L-011, approved on 28.07.2011, Decree no. DL-015-2011,dated (09.08.2011),

Ministry of Trade and Industry

LAWS

1. Law on amending and supplementing the Law no.03/L-069 On Accreditation No.04/L-007, was approved in Assembly on 16.06.2011, promulgated by the Decree no.DL-002-2011 of the date 28.06.2011;
2. Law on amending and supplementing the Law no.03/L-069 no. 2004/18 On Internal Trade no.04/L-005 was approved in Assembly on 23.06.2011, promulgated by the Decree no.DL-004-2011 of the date 08.07.2011;
3. Law on amending and supplementing the Law no.02/L-123 On Business Associations no.04/L-006, was approved in Assembly on 23.06.2011, promulgated by the Decree no.DL-008-2011 of the date 08.07.2011;
4. Law on amending and supplementing the Law no.02/L-54 on Trademarks, was approved in Assembly on 29.07.2011;
5. Law on amending and supplementing the Law no. 02/L-45 On Industrial Design, was approved in Assembly on 29.07.2011;
6. Law on amending and supplementing the Law no. 02/L-20 on Technical Requirements for Products and Conformity Assessment, was approved in the Assembly on 29.08.2011;
7. Law on Protection Measures was approved by Assembly on 31.08.2011.
8. Law on Amendment and supplement of Law no. 2004/49 for Patents no. 04/L-029 is approved in the Assembly on 29.07.2011 is promulgated by the decree no.DL-016-2011 on 09.08.2011

Ministry of Economic Development

LAWS

1. Law on Energy Efficiency is approved by the Kosovo Assembly, signed by the President of Kosovo as well as on 22 July 2011 is published in Official Gazette. 15 days following the publications in the Gazette this draft law has entered into force.
2. Law on Privatization Agency of Kosovo (PAK) (31.08.2011);
3. Law on Special Chamber of the Supreme Court of Kosovo, which is related with the Privatization Agency of Kosovo (31.08.2011);

Ministry of Public Administration

LAWS

1. Law on the Freedom of Association in the Non-Governmental Organizations, approved by Assebmly on 29.08.2011

Ministry of Environment and Spatial Planning

LAWS

1. Law on amending and supplementing the Law no.2003/25 on Cadastre (29.07.2011);
2. Law on amending and supplementing of the Law no.2002/5 on the Establishment of the Immovable Property Rights Register (31.08.2011);

Ministry of Admisnistration of Local Government

LAWS

1. Law on Intermunicipal Cooperation (21.07.2011)

Ministry of Finance

LAWS

1. Law on state aid, approved on 29.07.2011;
2. Law on compulsory motor third party liability insurance, approved on 23.06.2011;
3. Law on accounting, financial reporting and auditing, approved on 29.07.2011.

Ministry of Internal Affairs

LAWS

1. Law on Civil Status, approved on 23.06.2011;

2. Law on Private Security Service, approved on 23.06.2011;
3. Law on civil use of explosives, approved on 29.07.2011;
4. Law on Fire Protection, approved on 21.07.2011;

**ANNEX II- LIST OF THE APPROVED DRAFT LAWS DURING THE PERIOD MAY
2011 - SEPTEMBER 2011**

**Prime Minister's Office
DRAFT LAWS**

1. Draft Law on legislative initiatives;
2. Draft Law on the Independent Media Commission;
3. Draft Law on public broadcaster of Kosovo;
4. Draft Law on amending and supplementing the Law no. 03/-174 for the financing of political parties;
5. Draft Law on the Government of the Republic of Kosovo;
6. Draft Law on amending and supplementing the Law no. 03/L-001 for the profit of former senior officials;

Ministry of Public Administration

DRAFT LAWS

1. Draft Law on the Official Statistics of the Republic of Kosovo, approved by the Government with the decision No. 04/20, of the date 22.6.2011.

Ministry of Trade and Industry

DRAFT LAWS

1. Draft Law on Amending and Supplementing of the Law no. 2002/6 for the Activities of the External Trade, was approved in Government on 06.07.2011;

Ministry of Infrastructure

DRAFT LAWS

1. Draft Law on the Kosovo Railways.

Ministry of Agriculture, Forestry and Rural Development

DRAFT LAW

1. Draft Law on amending and supplementing the Law on No. 02/L-08 for wines;
2. Draft Law on the regulation of the land;
3. Draft Law on the genetically modified organisms
4. Draft Law on Production, Collection and Processing of Tobacco

Ministry of Foreign Affairs

DRAFT LAWS

1. Draft Law on International Agreements, dated 13.07.2011.

Ministry of Environment and Spatial Planning

DRAFT LAWS

1. Draft Law on sale of apartments, where tenure's right exist;
2. Draft Law on Radiation Protection Agency;
3. Draft Law on Waste
4. Draft Law on Hoqa e Madhe
5. Draft Law Cultural Centre of Prizren

Ministry of Economic Development

DRAFT LAWS

1. Draft Law on Reorganization of Certain Enterprises and their assets.

Ministry of Culture, Youth and Sports

DRAFT LAWS

1. Draft Law on the Author Rights and Approximate Rights, approved in Government.

Ministry of Labor and Social Welfare

DRAFT LAWS

1. Draft Law on for The Status and Rights of the Martyrs, Invalids, Veterans, Members of KLA, Civilian Victims of War of the KLA and their families

Ministry of Justice

DRAFT LAWS

1. Draft Law Free Legal Aid

Ministry of Finance

DRAFT LAWS

1. Draft Law for Public-Private Partnership;
2. Draft Law on excise for tobacco products;

Ministry of Internal Affairs

DRAFT LAWS

1. Draftlaw for protection against natural and other disasters;
2. Draft Law on fire-fighting and rescue;
3. Draft Law on Kosovo Public Security Academy;
4. Draft Law on the Establishment of Kosovo Forensic Agency;
5. Draft Law on amendment and supplement of law on Citizenship;
6. Draft Law on Police;
7. Draft Law on Foreigners;

**ANNEX III - LIST OF SECONDARY LEGISLATION APPROVED DURING PERIOD
OF MAY 2011 - AUGUST 2011**

Prime Minister's Office

SUB-LEGAL ACTS

1. Regulation no. 07/2011 on amending and supplementing the regulation no. 02/2011 on the areas of administrative responsibility of the Office of Prime Minister and of the ministries.

Ministry of Public Administration

SUB-LEGAL ACTS

1. Regulation no. 04/2011 on Disciplinary Procedures in Civil Service - 09.06.2011
2. Regulation no 05/2011 on Procedures of Contest and Complaint Resolution - 09.06.2011
3. Regulation no 06/2011 on Leaves of Civil Servants, decision No. 05/19, dated on 15.6.2011.

Ministry of Justice

SUB-LEGAL ACTS

1. Administrative Instruction no. 02/2011 on spending time in special premises of correctional institution, approved on 25.07.2011;
2. Administrative Instruction no.04/2011 on hygienic and food packages, approved on 25.07.2011;
3. Administrative Instruction no. 05/2011 on fee of mediations, approved on 29.07.2011;
4. Regulation no.06/2011 on licensing of mediators in Republic of Kosovo, approved on 29.07.2011.

Ministry of Labor and Social Welfare

SUB-LEGAL ACTS

1. Administrative Instruction Nr: 06/2011 For Work and Placement of Residents, Persons with Mental Disabilities -Delay in Mental Development at the Special Institute in Shtime and in Community Based Houses signed by the Minister on 01.04.2011.
2. Administrative Instruction Nr: 07/2011 For Activities and Requirements of Placement of Residents in House of Elderly without Family Care Homes and Community Based Houses signed by the Minister on 01.04.2011.
3. Administrative Instruction no. 01/2011 for determining procedures after transferring responsibilities of family and social services at municipal level, signed by the Prime Minister on 05.04.2011.)
4. Administrative Instruction no. 09/2011, on procedures of establishment and financial management of the fund of professional training, was signed by the Minister on 17.08.2011;

Ministry of Trade and Industry

SUB-LEGAL ACTS

1. Administrative Instruction no. 09/2010 "For technical and metrological requests for electrical medicinal thermometers for continuous measurement of temperature " signed on 14.06.2011;
2. Administrative Instruction no. 10/2010 "On organizing and functioning of technical committees" signed on 20.06.2011 ;
3. Administrative Instruction no. 11/2010 "On gas equipment" signed on 01.07.2011;
4. Administrative Instruction no. 12/2010 "For products from crystal glass" signed on 25.07.2011;
5. Administrative Instruction no. 13/2010 "For monitoring of construction products" signed on 25.07.2011;
6. Administrative Instruction no. 14/2010 "Metrological requests for equipment with cylinders for measuring force of braking" signed on 26.07.2011.

Ministry of Infrastructure

SUB-LEGAL ACTS

1. Draft Administrative Instruction no. 2 /2011 on the line network and itinerary of interurban transport of passengers by bus, signed on 19.08.2011;
2. Draft Administrative Instruction no. 3 /2011 on licensing of operators of road transport of goods, signed on 19.08.2011;

Ministry of Agriculture, Forestry and Rural Development

SUB-LEGAL ACTS

1. Administrative Instruction no. 10/2011, dated 30/06/2011 on amending and supplementing of Administrative Instruction MA-NR.19/2005 on licensing of enterprises, mediators for production, trading of food animals and additives.
2. Administrative Instruction no. 11/2011 dated 29/06/2011 on amending and supplementing of Administrative Instruction No.04/2010 on direct payments in agriculture for 2010.
3. Administrative Instruction no.14/2011 on amending and supplementing of Administrative Instruction No.06/2010 on manner and sale procedures of forest trunks sale and wooden assortments from public forests, dated 10/08/2011.
4. Administrative Instruction no.15/2011 on Forest brands, dated 10/08/2011.

Ministry of Education, Science and Technology

SUB-LEGAL ACTS

1. Administrative Instruction on implementation of a municipal formula in determination of school budgets in the municipalities that are implementing the financing at the school level of the date 30.06.2011;
2. Administrative Instruction on approval and supplement of temporary statute of Prizren University; dated 01.07.2011.
3. Administrative Instruction on calendar of school year 2011/2011, dated 11.08.2011;
4. Administrative Instruction for implementing standards of school textbooks 31.08.2011

Ministry of Foreign Affairs

SUB-LEGAL ACTS

1. Administrative Instruction No. 02/2011 on amending and supplementing of Administrative Instruction No. 05/2010 on Consular Taxes, of the date 07.06.2011.

Ministry of Environment and Spatial Planning

SUB-LEGAL ACTS

1. AI. 02/2011 on air quality norms;
2. AI. 06/2011 on Professional Exam and Licensing of Architects and Engineers in the Area of Construction, was signed on 18.05.2011;
3. AI. 07/2011 on Licensing of Report Compilers for VNM, was signed on 13.07.2011;
4. AI. 08/2011 on Collection of Types of Wild Protected Plants, with an aim of Processing and Trading, was signed on 13.07.2011;
5. AI. 09/2011 on Information, Public Participation and of Stakeholders in VNM Procedures , was signed on 13.07.2011;
6. AI." 10/2011 on Impediment of Large Accidents where Dangerous Substances are involved", was signed on 13.07.2011;
7. AI. 11/2011 on Determination of Tariff Value for Services related to VNM Process, was signed on 13.07.2011.

Ministry of Economic Development

SUB-LEGAL ACTS

1. Regulation on Professional Ethics ERO, approved on 17.06.2011;
2. Regulation on ERO tariffs , approved on 17.06.2011;
3. Regulation on administrative measures and fines ERO, approved on 17.06.2011;
4. Regulation on ERO confidentiality, approved on 17.06.2011.

Ministry of Kosovo Security Force

SUB-LEGAL ACTS

1. Regulation No. 04/2011-MKSF on Suspension and Dismissal from Service for KSF members - 03.05.2011;
2. Regulation No. 05/2011- MKSF on Promotions in Kosovo Security Force 30.05.2011;
3. Regulation No. 06/2011- MKSF on Amending and Supplementing of Regulation No. 04/2009 on wages in KSF, dated. 20.06.2011;
4. Regulation No. 07/2011 - MKSF on Re-systematization of KSF members - 25.07.2011;

Ministry of Culture, Youth and Sport

SUB-LEGAL ACTS

1. Regulation on Promotion and salaries of creators and performers of culture and of professional employees of cultural heritage, approved in the Government.
2. Document "Integrated conservation" on the area of Cultural Heritage, approved in the Government.

Ministry of Health

SUB-LEGAL ACTS

1. Administrative Instruction No. 01/2011 on terms of recognition of sub-specialization of specialists;
2. Administrative Instruction No. 02/2011, Activity, Structure and functions of Health Services for HIV-AIDS;
3. Administrative Instruction No. 03/2001 recognition by the Kosovar agency for medicinal products (akpm) of marketing authorizations on medicinal products for human use issued by German federal institute for medicaments and medicinal equipment (BfArM);
4. Administrative Instruction No.04/2011 on Health Certificates.

Ministry of European Integration

SUB-LEGAL ACTS

1. Regulation No. 04/2011 on coordination of donors, approved on 03.06.2011;
2. Regulation No.08/2011 on Organizing and Responsibilities of Municipal Offices for European Integration, approved on 15.07.2011.

Ministry of Internal Affairs

SUB-LEGAL ACTS

1. Administrative instruction No. 01/2011 – MIA on vehicle registration
2. Administrative instruction No. 02/2011 – MIA for internal organizational structure at the police inspectorate of Kosovo
3. Administrative instruction No. 03/2011 – MIA procedure for preliminary investigation conducted by PIK
4. Administrative instruction No. 04/2011 – MIA for types of weapons and other means of use of force by PIK
5. Administrative instruction No. 05/2011 – MIA for identification emblem of police inspectorate of Kosovo
6. Administrative instruction No. 06/2011 – MIA on the identification documents employees of the police inspectorate of Kosovo
7. Administrative instruction no. 07/2011 for defining the procedure for import and last user and temporary export and security measures during the transport of PQV;
8. Administrative instruction no. 08/2011 for a list of authorized equipment for special purposes for state security institutions;
9. Administrative instruction No. 09/2011 – MIA on implementation of law on readmission

Ministry of Finance

SUB- LEGAL ACTS

1. Administrative instruction for registration of information on property and taxpayers nr 03/2011.
2. Administrative instruction for determination of the value of immovable property and valuation standards 04/2011
3. Administrative instruction for complaints on taxes for immovable properties 05/2011
4. Administrative instruction for postponement of tax payment on property 06/2011
5. Administrative instruction for ordinance of banning of municipal services for obligation of tax payments on property nr 07/2011
6. Administrative instruction for collection of the tax on the immovable property nr.08/2011
7. Administrative instruction for the loss of the right on the immovable property nr 09/2011

8. Administrative instruction for organization and functioning of municipal offices on property taxes nr 10/ 2011.

ANNEX IV - LIST OF STRATEGIC DOCUMENTS APPROVED DURING THE PERIOD MAY 2011-OCTOBER 2011

1. Annual Platform of the Intelligence and Security Policy (ISP)-18.05/2011, No 2.15
2. Spatial Plan Of Kosovo for 2011-2020+. (MESP)-18.05.2011. No. 5/15
3. Strategy for Achieving the Full International Recognition of the Republic of Kosovo (MFA)-18.06.2011, No.12/18
4. Spatial Plan with special Economic interest, "Fusha e Mihjes së Re" 2010-2020+ (MESP)-22.06.2011- No. 7/20
5. Strategy for Land Consolidation 2010-2020 (MAFRD)- 29.06.2011, No.9/21
6. Strategic Document for Integrated Conservation in Kosovo (MCYS)-29.06.2011, No 11/21
7. The Framework of the displacement policies for the area "Fusha e Mihjes së Re" of the Republic of Kosovo (MESP)-06.07.2011, No. 10/22
8. National Strategy and the Action Plan for Security in the Community 2011-2016 (MIA)-13.07.2011, No. 5/23
9. Action Plan of the Security Strategy of the Republic of Kosovo (ISP)-20.07.2011, No. 2/24
10. Strategy and Action Plan for Biodiversity (MESP)- 20.07.2011, No 6/24
11. Strategic Development Plan 2011-2014 of the Ministry of Environment and Spatial Planning (MESP)- 27.07.2011, No. 9/26
12. Strategic Development Plan 2011-2013 for the Ministry for Communities and Return (MCR)- 10.08.2011, No 5/32
Strategy for the Development of Small and Medium Enterprises in Kosovo for 2012-2016 (MTI)-13.07.2011, No. 10/23

Annex V: Tables

Table 1: Effective exchange rates, nominal and real

Index	Description	2011											
		January	February	March	April	May	June	July	August	September	October	November	December
	NEER	100.9	101.1	100.6	101.3	100.9	101.0						
	REER (total).	106.3	108.1	107.7	107.0	106.6	105.9						
	REER CEFTA	106.2	107.7	106.6	106.6	106.3	106.0						
	REER EU	108.2	110.0	110.1	108.1	108.1	107.2						

Table 3.3.1 DCAM data on the number of the repatriated persons according to the ethnic background and age (January 1-July 31 2011)

Month	General number	Gender		Ethnic background							Age						
		Males	Females	Albanians	Serbians	RAE	Bosniaks	Turks	Gorani	Others	0-5	6-13 years	14-17 years	18-34 years	35-64 years	Over 66	Unknown
JANUARY	279	233	46	231	16	15	12	0	4	1	17	14	1	182	64	1	0
FEBRUARY	330	273	57	264	8	44	13	1	0	0	26	22	7	205	69	0	1
MARCH	373	298	75	303	19	50	1	0	0	0	29	20	6	240	72	5	1
APRIL	455	362	93	333	28	76	6	0	12	0	44	42	11	268	90	3	0
MAY	376	314	62	262	6	83	18	0	7	0	26	19	10	226	88	5	2
JUNE	357	279	78	251	18	81	5	0	2	0	36	29	8	213	66	3	2
JULY	358	264	94	247	30	70	9	2	0	0	31	30	8	209	76	3	1

Table 3.3.2. DCAM data on the number of the repatriated persons (January 1 -March 31 2011)

	FORCED RETURNEES								VULUNTARY RETURNEES							
Quarter	K1 2011								K1 2011							
	Female Gender				Masculine Gender				Female Gender				Masculine Gender			
STATE	MONTH				MONTH				MONTH				MONTH			
	TOTAL	JANARY	FEBRUAR Y	MARCH	TOTAL	JANARY	FEBRUAR Y	MARCH	TOTAL	JANARY	FEBRUAR Y	MARCH	TOTAL	JANARY	FEBRUAR Y	MACH
		113	28	49	36	519	154	185	180	98	18	41	39	252	79	55
BELGIUM	1	1	0	0	9	3	6	0	10	0	1	9	20	2	4	14
BULGARIA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CZECH REPUBLIC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DENMARK	8	4	2	2	23	9	8	6	0	0	0	0	1	0	1	0
GERMANY	11	1	8	2	109	29	49	31	8	0	1	7	32	9	8	15
ESTONIA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
IRELAND	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GREECE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SPAIN	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FRANCE	4	1	3	0	23	6	12	5	10	1	0	9	34	6	3	25
ITALY	0	0	0	0	14	5	4	5	0	0	0	0	4	2	1	1
CYPRUS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LETONIA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LITHUANIA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LUXEMBURG	0	0	0	0	1	0	1	0	3	3	0	0	5	3	0	2
HUNGARY	20	0	14	6	38	5	1	32	0	0	0	0	23	0	1	22

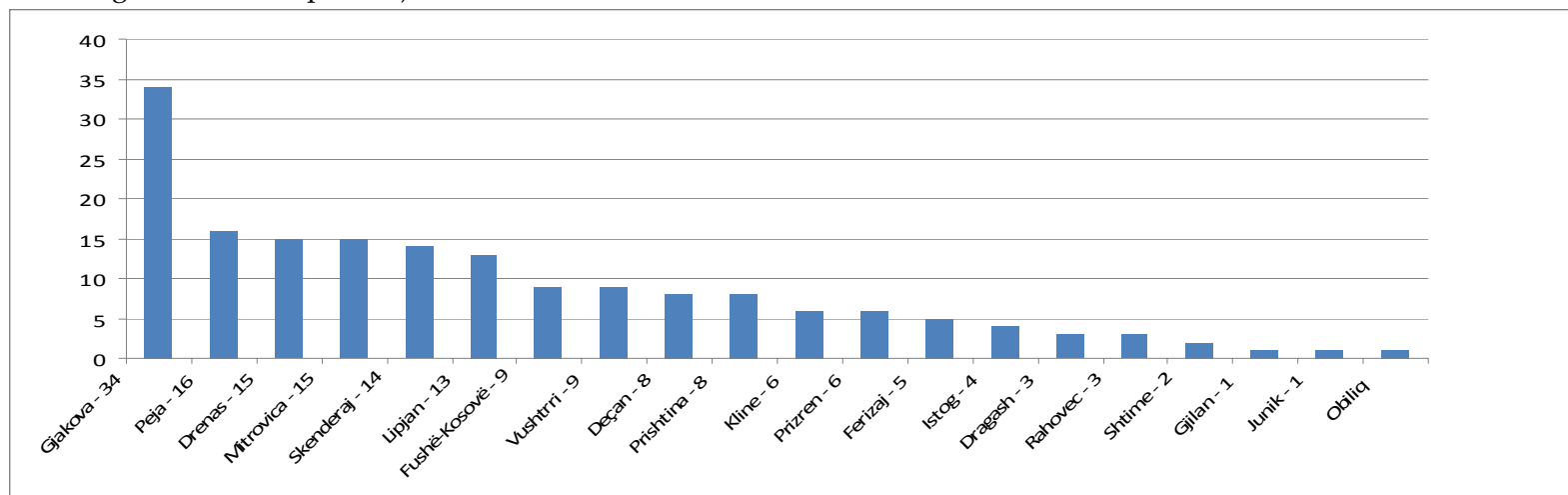
MALTA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NEDERLAND	0	0	0	0	3	1	1	1	0	0	0	0	1	0	0	1
AUSTRIA	0	0	0	0	42	10	18	14	30	4	25	1	60	33	5	22
POLAND	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PORTUGAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ROMANIA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SLOVENIA	0	0	0	0	10	3	3	4	0	0	0	0	0	0	0	0
SLOVAKIA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FINLAND	5	1	2	2	11	7	1	3	1	0	1	0	4	1	3	0
SWEDEN	47	17	14	16	83	28	29	26	16	3	9	4	25	5	15	5
GREAT BRITAIN	0	0	0	0	8	2	3	3	1	0	1	0	7	2	3	2
SWITZERLAND	5	1	0	4	103	41	29	33	16	7	0	9	24	9	7	8
NORWAY	10	2	5	3	20	5	12	3	0	0	0	0	8	4	3	1
BOSNIA and HERZEGOVINA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
USA	0	0	0	0	7	0	2	5	0	0	0	0	0	0	0	0
CROATIA	1	0	0	1	7	0	0	7	0	0	0	0	0	0	0	0
TURKEY	0	0	0	0	3	0	1	2	0	0	0	0	0	0	0	0
CANADA	1	0	1	0	4	0	4	0	3	0	3	0	3	2	1	0
MEXICO	0	0	0	0	1	0	1	0	0	0	0	0	1	1	0	0

Table 3.3.3. DCAM data on the number of the repatriated persons (April 1 - March 31, 2011)

	FORCED RETURNEES								VULUNTARY RETURNEES							
QUARTER	K2 2011								K2 2011							
	Female Gender				Masculine Gender				Female Gender				Masculine Gender			
SHTETI	MONTH				MONTH				MONTH				MONTH			
	TOTAL	APRIL	MAY	JUNE	TOTAL	APRIL	MAY	JUNE	TOTAL	APRIL	MAY	JUNE	TOTAL	APRIL	MAY	TOTAL
		124	55	31	38	649	252	213	184	109	38	31	40	306	110	101
BELGIUM	5	0	3	2	49	9	28	12	39	7	15	17	70	19	20	31
BULGARIA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CZECH REPUBLIC	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0
DENMARK	3	0	3	0	14	4	8	2	1	1	0	0	5	3	1	1
GERMANY	26	24	0	2	123	36	58	29	22	3	6	13	43	20	8	15
ESTONIA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
IRELAND	0	0	0	0	0	0	0	0	0	0	0	0	2	2	0	0
GREECE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SPAIN	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0
FRANCE	10	2	0	8	34	10	7	17	10	8	1	1	31	15	10	6
ITALY	0	0	0	0	6	3	1	2	0	0	0	0	8	2	2	4
CYPRUS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LETONIA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LITHUANIA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LUXEMBURG	0	0	0	0	0	0	0	0	2	2	0	0	6	5	0	1
HUNGARY	2	1	0	1	81	30	15	36	1	0	0	1	23	1	17	5
MALTA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

NEDERLAND	1	0	0	1	4	2	0	2	0	0	0	0	2	2	0	0
AUSTRIA	2	0	0	2	52	25	8	19	7	4	3	0	41	10	22	9
POLAND	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PORTUGAL	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0
ROMANIA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SLOVENIA	1	0	0	1	11	3	4	4	0	0	0	0	0	0	0	0
SLOVAKIA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FINLAND	4	4	0	0	33	30	2	1	1	0	1	0	2	0	1	1
SWEDEN	52	13	21	18	96	41	33	22	12	8	3	1	22	14	6	2
GREAT BRITAIN	1	0	1	0	6	2	2	2	0	0	0	0	0	0	0	0
ZWITZERLAND	10	5	3	2	97	32	37	28	10	5	1	4	35	15	9	11
NORWAY	7	6	0	1	16	13	2	1	4	0	1	3	14	2	4	8
BOSINA AND HERZEGOVINA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
USA	0	0	0	0	6	4	1	1	0	0	0	0	1	0	0	1
CROATIA	0	0	0	0	15	4	6	5	0	0	0	0	1	0	1	0
TURKEY	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0
CANADA	0	0	0	0	2	1	0	1	0	0	0	0	0	0	0	0
MEXICO	0	0	0	0	0	0	0	0	0		0	0	0		0	0

Table 3.3.4. DCAM data on general number of the requests for help from the Program of the Reintegration of the Repatriated Persons (division according to the municipalities)



Explanation: From total 173 requests; 19.65% are from Gjakova, 9.24% are from Peja, 8.67% are from Drenas, 8.67% are from Mitrovica, 7.51% are from Lipjan, 5.2% are from Fushë Kosovo, 5.2% are from Vushtria, 4.6% are from Decani, 4.6% are from Prishtina, 3.4% are from Klina, 3.46% are from Prizren, 2.89% are from Ferizaj, 2.31% are from Istog, 1.73% are from Dragash, 1.73% are from Rahovec, 1.16% are from Shtime, 0.58% are from Gjilan, 0.58% are from Junik and 0.58% are from Obiliq.

Table 3.3.5: Number of Asylum Seekers during the reporting period and the status of their asylum seeking requests:

Citizenship	Asylum requests	Acquittal	Voluntary return	Awaiting decision	Negative decision
Afghanistan	8	1			7
India					
Iraq	2				2
Kazakhstan					
Marocco	6				6
Pakistan					
Palestine					
Syria	1			1	
Tunisia	2				2
Iran	1				1
Turkey	1	1			
Algeria	8				8
Total	29	2	0	1	26

Table 3.3.6. KP data on the results of fighting drugs (May 1-August 15)

	OF NUMBER CASES	OF NUMBER ARRESTED PERSONS	NUMBER OF THE DETAINEES	BY BACKGROUND ETHNIC			DIVISION BASED ON GENDER		OF NUMBER OPERATIONS	TRAFFICKING	POSSESSION	CULTIVATION	OTHERS
				ALBANIA NS	SERBIAN S	OTHERS	MALES	FEMALES					
May 2011	24	50	41	48	2	0	50	0	21	16	7	1	0
June 2011	36	69	35	60	0	9	63	6	29	12	13	9	2
July 2011	27	37	24	34	0	3	37	0	15	8	13	6	0
August 2011	21	12	4	16	0	0	16	0	6	5	10	4	0
TOTAL	108	168	104	158	2	12	166	6	71	41	43	20	2

Table 3.3.7. KP data on the quantity (in grams) of the confiscated narcotics (May 1-August 15, 2011)

	HEROIN	MARIJUANA	HASHISH	COCAINE	CANNABIS FIBERS	ECSTASY	OTHER DRUGS
MaT 2011	5524.3	47342.65	0	276	6	0	0
June 2011	10713.3	2332.24	0	0	208	0	0
July 2011	0	489.92	0	0	92	0	9
Until August 15, 2011	3.8	30.50	0	0	1393	0	0
TOTAL	16241.4	50195.31	0	276	1699	0	9

Table 3.3.8. KP data on the fighting of trafficking with human beings (May 1-August 15, 2011)

	NO. OF CASES	NO. OF CASE WITH KNOW PERPETRATORS SENT TO THE PROSECUTION	NO. OF THE ARRESTED	NO. OF CRIMINAL CHARGES	NO. OF IDENTIFIED VICTIMS	NO. OF RAIDED LOCATIONS
May 2011	2	2	5	3	0	1
July 2011	3	3	10	3	3	4
June 2011	4	4	6	4	2	1
August 2011	4	4	26	5	2	3
TOTAL	13	13	47	15	7	9

Table 3.3.9. KP data on the fighting of other kinds of cross-border crimes (May 1-August 15 2011)

	FALSIFICATION OF DOCUMENTS	ILLEGAL BORDER CROSSING	GOODS SMUGGLING	ILLEGAL CUTTING OF TREES	ILLEGAL POSSESSION AND TRAFFICKING OF WEAPONS	BURGLARY	TRAFFICKING WITH MIGRANTS	POSSESSION OF NARCOTICS	OTHERS	TOTAL
May 2011	17	11	27	18	5	2	1	0	53	134
June 2011	19	7	19	22	10	0	3	2	66	148
July 2011	20	6	23	27	6	1	1	0	34	118
August 2011	6	5	17	4	1	1	0	0	26	60
TOTAL	62	29	86	71	22	4	5	2	179	460

Table 3.3.10. KP data on the confiscations in borders (May 1-August 15, 2011)

	ANIMALS	DOCUMENTS	WOOD (M ³)	VEHICLES	WEAPONS	AMMUNITION (UNITS)	CURRENCIES	MEDICINES (UNITS)	GOODS (MEAT, FLOUR AND SO ON) (KG)	OIL PRODUCTS (LITERS)	ALCOHOLIC DRINKS	TOBACCOS (PACKAGES)	OTHERS (TEXTILE) (UNITS)
May 2011	16	25	166.63	7	3	471	11970	0	3669	2840	0	3893	751
June 2011	15	43	130.25	9	10	3230	55	0	2829	0	57	300	2380
July 2011	52	42	153.20	8	4	243	50	1191	434	2620	206	30	2896
August 2011	8	6	22.45	0	1	0	0	0	0	0	100	0	0
TOTAL	91	116	472.25	24	18	3944	12075	1191	6932	5460	363	4223	6027

Table 3.3.11. KJC data on fighting organized crime (October 1, 2010- June 30, 2011)

NUMBER OF CASES		
INHERITED	5	
ACCEPTED	3	
SOLVED	IMPRISONMENTS	CONDITIONAL SENTENCE
	1	1
	2	
UNSOLVED	6	
TOTAL	16	

Table 3.3.12. KP data on authorized surveillances (May 1, August 15 2011)

No	MONTH	INSTRUCTION	PHONE LINE
1	May	35	77
2	June	34	75
3	July	32	81
4	August	30	81
TOTAL		131	314