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Project against Economic Crime in Kosovo¹ (PECK)

Kosovo

Follow-up Report

on compliance with international standards in the area of anti-corruption (AC)

April 2014

¹ This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

Abbreviations

CEC	Central Election Commission
CPA	Central Procurement Agency / Ministry of Finance
CSO	Civil Society Organisation
DCSA	Department of Civil Service Administration / Ministry of Public Administration
EC	European Commission
EU	European Union
EULEX	European Union Rule of Law Mission - Kosovo
EUOK	European Union Office to Kosovo
FATF	Financial Action Task Force
FIU	Financial Intelligence Unit / Ministry of Finance
GRECO	Group of States against Corruption / Council of Europe
IPA	Institute of Public Administration / Ministry of Public Administration
ISC	Independent Supervisory Council for Civil Service
KA	Kosovo Assembly
KAA	Kosovo Anti-corruption Agency
KBRA	Kosovo Business Registration Agency / Ministry of Trade and Industry
KC	Kosovo Customs
KDI/TIK	Kosovo Democratic Institute / Transparency International Kosovo
KFOR	NATO Kosovo Force
KIPRED	Kosovo Institute for Policy Research and Development
KJC	Kosovo Judicial Council
KJI	Kosovo Judicial Institute
KOI	Kosovo Ombudsperson Institution
KP	Kosovo Police
KPC	Kosovo Prosecutorial Council
KTA	Kosovo Tax Administration
MONEYVAL	Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism / Council of Europe
MP	Member of Parliament
MPA	Ministry of Public Administration
MTI	Ministry of Trade and Industry
NGO	Non-Government Organisation
OAG	Office of the Auditor General
OGG	Office for Good Governance, Human Rights, Equal Opportunities and Gender Issues / Prime Minister's Office
OSCE	Organisation for Security and Cooperation in Europe
PECK	EU/CoE Joint Funded Project against Economic Crime in Kosovo
PIK	Police Inspectorate of Kosovo
PMO	Prime Minister's Office
PPRC	Public Procurement Regulatory Commission
PRB	Procurement Review Body
SC	Supreme Court
SPO	State Prosecutor's Office
SPRK	Special Prosecution of Kosovo
UNMIK	United Nations Interim Administration Mission in Kosovo
WB	World Bank

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I. INTRODUCTION

1. The 1st assessment of Kosovo vis-à-vis international anti-corruption standards was undertaken under the Joint European Union/Council of Europe Project against Economic Crime in Kosovo (PECK), implemented over a period of 30 months starting from 1 February 2012 to 31 July 2014. The first assessment cycle (out of two) lasted from September 2012 to May 2013. The corresponding Assessment Report of the anti-corruption regime of Kosovo (hereinafter AR) was adopted on 10 June 2013. It was based on the following Council of Europe and other international standards and was prepared using the GRECO methodology and practice specifically tailored for Kosovo:
 - Twenty Guiding Principles for the Fight against Corruption (CM Resolution (97) 24);
 - Criminal Law Convention on Corruption (ETS No. 173) and its Additional Protocol (ETS No. 191);
 - Civil Law Convention on Corruption (ETS No. 174);
 - Recommendation on Codes of Conduct for Public Officials (CM Recommendation No. R (2000) 10);
 - Common Rules against Corruption in the Funding of Political Parties and Electoral Campaigns (CM Rec(2003)4);
 - United Nations Convention against Corruption (UNCAC).
2. The objective of the present report is to assess the measures taken by the authorities of Kosovo to comply with the recommendations issued in the AR, covering the following themes:
 - Fundamental safeguards and corruption prevention in respect of the judiciary (judges and prosecutors), police, public administration, members of Parliament, financing of political parties and election campaigns and public procurement;
 - Criminal law, law enforcement and criminal procedure: offences and sanctions, investigation and criminal procedure, confiscation and other deprivation of instrumentalities and proceeds of crime, immunities from investigation, prosecution or adjudication of corruption offences; and
 - International cooperation.
3. Initial information on progress made to implement the AR recommendations was collected from competent authorities and open sources, as well as bilateral meetings and workshops with beneficiary institutions and other stakeholders organised by the PECK Project during October-November 2013. The draft report was presented and discussed in detail with relevant authorities at the workshop on 3-4 December and updated in light of additional written information received by 14 February 2014.
4. The report was drawn up by the Assessment Team composed by the following Council of Europe experts: Mr Flemming Denker, expert on criminal law, law enforcement, criminal procedure and international cooperation (Denmark); Mr Drino Galicic, expert on fundamental safeguards and corruption prevention in respect of judges, prosecutors, police and

public administration (Bosnia and Herzegovina); Mr Jean-Christophe Geiser, expert on corruption prevention in respect of members of Parliament and financing of political parties and electoral campaigns (Switzerland) and Mr Edmond Dunga, PECK Project Advisor. It is recalled that the Assessment Team addressed in its Assessment Report 62 recommendations to the authorities of Kosovo. The report assesses the implementation of each individual recommendation and provides an overall appraisal of the level of Kosovo's compliance with these recommendations.

II. ANALYSIS

1. **General overview of the current situation of corruption**

Recommendation i.

5. *The Assessment Team recommended (i) to undertake a periodical assessment of corruption risks, prior to any further revision of the strategic documents (Anti-corruption Strategy and Action Plan); (ii) to adopt a more integrated approach of ethical aspects through adequate integrity plans, with a view to extend preventive measures to the entire public sector, including local government; and (iii) to publish respective findings and thus to further define/adapt strategic priorities (paragraph 62).*
6. The Kosovo authorities inform that the Anti-corruption Strategy and Action plan remain the general framework for measuring the progress of anti-corruption efforts. In addition, through implementation of the Action Plan for the Reform of Public Administration, certain activities were carried out to strengthen capacities for integrity planning and risk assessment, within a project supported by the UNDP. Authorities further indicate that Office for Good Governance within of the Prime Minister's Office took the initiative of drafting the Government's Strategy for cooperation with the civil society, which was adopted together with the corresponding action plan on 5 July 2013. Amongst other objectives, the latter Strategy aims at establishing monitoring mechanisms in order to encourage civil society to *implement the principles of good governance* within the sector, including promotion of a constructive and professional attitude vis-à-vis citizens and government institutions.
7. Regarding the implementation of the Law on Access to Public Documents, the Kosovo authorities have approved the following:
 - Regulation no. 04-2012 for official track-keeping of requests for access to public documents;
 - Administrative Instruction no. 03/2011 for websites of public institutions;
 - Regulation no. 02/2012/MF on tariffs for access to public documents.
8. The Office for Communication with Public in the Office of Prime Minister has also prepared and is about to publish the annual report 2013 regarding the Law on access to Public information.
9. The Assessment Team acknowledges that the Anti-corruption Strategy and Action Plan represent guidance for actions of responsible institutions in prevention of corruption. Nevertheless, the authorities have not indicated whether they intend to conduct a new cycle of risk assessments prior to revising the current Anti-corruption Action Plan in accordance with the recommendation. Conducting periodic corruption risk assessments is necessary in order to establish clear anti-corruption priorities. In that regard, the activities concerning integrity plans and risk assessment carried out by UNDP in June 2013 could have been better used to help finalising and adopting the governmental Integrity Plan at both central and local level as

per the recommendation. Moreover, the Kosovo authorities could have taken this opportunity to draw an agenda of further activities, including a series of corruption risk assessments in key areas, before the actual revision of the current Anti-corruption Action Plan. Finally, there is no information on whether findings and conclusions of the UNDP-led seminar regarding risk assessment were published with the aim to help defining further strategic priorities.

10. The Assessment Team takes note of the adoption of the Strategy for co-operation with the civil society. However, it is difficult to see the relevance of that measure with the concrete recommendation, as the said Strategy does not make reference to co-operation between authorities and civil society on anti-corruption, apart from a very loose formulation "encouraging civil society in implementing good governance principles". It is the opinion of the Assessment Team that this Strategy failed to enhance the co-operation between the Government and civil society regarding concrete set of anti-corruption measures stemming from the Anti-corruption Action Plan. Therefore, the Kosovo authorities are urged to take stock of measures within the Anti-corruption Action Plan, this new Strategy on co-operation with the civil society and conclusions of the UNDP-led activity (if they exist) and provide a concrete plan how to implement the relevant recommendation.
11. The Assessment Team believes that the by-laws on access to public documents that have been adopted by the Government are important for the transparency of the work of institutions; however it is difficult to see the link between these and the concrete recommendation of this section.
12. The Assessment Team concludes that recommendation i has not been implemented.

Recommendation ii.

13. *The Assessment Team recommended to ensure proper and effective implementation and monitoring of the new strategic framework against corruption for the period 2013-2017, as well as to implement the key outstanding measures from the previous Action Plan 2010-2011 (paragraph 72).*
14. The Kosovo authorities indicate that the Declaration of mid-term policy priorities 2014-2016, which was adopted in April 2013 underlines, *inter alia*, the fighting corruption as one of the priorities for the Government.
15. The Assessment Team maintains that effective implementation of the strategy is crucial for measuring success in prevention of corruption. Kosovo authorities should further inform about the first results in implementation of the new Anti-corruption Action Plan. Furthermore, they should indicate which outstanding measures from the previous Action Plan have been implemented in the meantime (if any).

16. The Assessment Team observes that the Declaration of mid-term policy priorities 2014-2016 reserves the mission to fight corruption only to the Anti-Corruption Agency as “the institution responsible for implementing strategy especially on raising awareness and information about anti-corruption policies, addressing reported cases, asset declaration, and preventing conflicts of interest”. This approach is limitative and does not take into account important responsibilities of public administration institutions in the implementation of anti-corruption strategy and action plan(s).
17. The Assessment Team concludes that recommendation ii has not been implemented.

Recommendation iii.

18. *The Assessment Team recommended (i) to streamline the legal framework related to prevention of the conflict of interest, by harmonising relevant legislation with the newly adopted Criminal Code; (ii) to review and clarify the institutional framework for the prevention of the conflict of interest, by adopting a set of guidelines which would enable efficient action during both the minor offence and criminal offence proceedings; (iii) to initiate debate on the re-definition of the KAA competencies, in light of the need for more efficient and effective prevention of corruption; and (iv) to progressively include tax authorities in the verification of declared assets, in order to improve the control of origin of assets and thus reduce the space for illegal enrichment (paragraph 79).*
19. The Kosovo authorities indicate that the anti-corruption legislation continues to improve in line with international standards. New Criminal Code, which further criminalises the conflict of interest and false declaration of assets, was adopted and came into force on 1 January 2013. In order to align the rest of legislation with its content, the Draft Law amending and supplementing Law No. 04/L-051 on prevention of conflict of interest on the exercise of public function and the Draft Law amending and supplementing Law no. 04/L-050 on declaration, origin and control of assets of high senior public officials were prepared and sent by the Government to the Kosovo Assembly. After their recent approval in the first reading, the draft laws will be sent to the parliamentary committees and final approval by the Assembly (*See section 2.4 on Public Administration for further information*).
20. The Kosovo authorities further inform that a new Regulation on organisational structure of the Office of Prime Minister has been adopted. In this regard, the terms of reference of the Office for Good Governance, Human Rights, Equal Opportunities and Anti-Discrimination (OGG) have been reviewed and further clarified. Besides advisory and coordination role, new responsibilities of this office include: serving as the Government Secretariat for different boards and committees dealing with good governance issues; the consultation with various groups of interest; the coordination of civil society's involvement in policy and decision making.

21. The Assessment Team acknowledges that legislative and institutional framework in the area of conflict of interest and declaration of assets is largely in place. However, it maintains that numerous legal acts and procedures for handling the conflict of interest, including frequent amendments to key laws on a yearly basis should be better harmonised between each other for the purpose of more efficient prevention and sanctioning. Therefore, the Assessment Team reiterates that authorities should do a thorough review of all instruments in place and provide concrete information on the implementation of this recommendation.
22. The Assessment Team notes that by introducing amendments to the Law on Prevention of Conflict of Interest and to the Law on Declaration, origin and control of assets of senior public officials some steps have been taken to harmonise these laws with the new Criminal Code. However, these amendments still may lead to a conflict between administrative and criminal proceedings, while the definition of private interest and "related persons" should be clarified. The authorities are therefore invited to follow the suggestions contained in the Advisory Paper prepared in the framework of the PECK project in December 2013, which help addressing the recommendations in this respect.
23. The Assessment Team observes an improvement in communication and co-ordination between KAA and Prosecutor's office in prosecuting cases of the conflict of interest and violations of the law, which represents another positive step. Yet, it remains that overall processing and sanctioning of the conflict of interest cases is still low, since the number of cases followed up by the prosecution remains below 10% and only very few cases result in a processed indictment.
24. On the other hand, the Assessment Team sees no indication as to whether the recommendations concerning the future role of the KAA and progressive inclusion of Tax authorities in the prevention of the conflict of interest have been addressed. The Assessment Team maintains that this could be an important step towards more expedient management of the conflict of interest, based on best practices. It therefore invites the Kosovo authorities, namely KAA, Tax Administration and Police to envisage sharing of data to a certain extent in order to improve processing of the conflict of interest and asset declarations.
25. The Assessment Team concludes that recommendation iii has been partly implemented.

2. Fundamental safeguards and corruption prevention

2.1. Judges

Recommendations iv, v and vi.

26. *The Assessment Team recommended to review the composition of the Kosovo Judicial Council (KJC) in order to fully reflect the standards of independence of the judiciary as well as checks and balances between institutions (paragraph 114);*

to adopt clear and transparent criteria based on which the President of Kosovo can refuse to appoint a judge or prosecutor as well as the ground for appealing this decision (paragraph 119); and

to consider reviewing the probationary system of appointment of judges and prosecutors which envisages an initial 3-year term prior to final confirmation for tenure (paragraph 129).

27. The Kosovo authorities have not provided information with respect to these recommendations.
28. The Assessment Team is aware that implementation of these recommendations requires long-term substantial amendments to the Constitution and key laws regulating the appointments and dismissals in the judiciary as well as judicial careers. Nevertheless, the proper debate on necessary missing standards for the independence of the judiciary, which also have impact on the fight against corruption could have been opened or at least scheduled for a near future. The findings of the Assessment Team are still valid regarding insufficient guarantees for independence of the judiciary in Kosovo. In particular, the Assessment Team maintains that in order to guarantee the judicial independence, a substantial majority of the Judicial Council's members have to be elected by their peers. Kosovo needs to make the necessary constitutional and legislative changes to allow for this, which was the purpose of the relevant recommendation. Therefore, the Assessment Team reiterates that the Kosovo authorities should re-examine the existing guarantees and envisage appropriate measures to address these particular recommendations.
29. The Assessment Team concludes that recommendations iv to vi have not been implemented.

Recommendation vii.

30. *The Assessment Team recommended to ensure the appropriate functioning of random assignment of cases as provided for in the Regulation on internal organisation of courts (paragraph 141).*
31. The Kosovo authorities have not provided information with respect to this recommendation.

32. The Assessment Team notes that there is no indication whether the Regulation providing for random allocation of cases has started to be implemented. It maintains that random allocation of cases is one of the key instruments for fighting corruption within courts and therefore invites the Kosovo authorities to start implementing the Regulation and hence the recommendation without further delay.
33. The Assessment Team concludes that recommendation vii has not been implemented.

Recommendation viii.

34. *The Assessment Team recommended (i) to establish a transparent and unified system of maintaining and accessing information on case files which would include all stages of investigation, prosecution and adjudication; (ii) to enhance case management, reporting and accessibility of statistics in the judicial system, especially with regard to corruption and related offences, by notably ensuring better matching with prosecutorial services; and (iii) to improve the transparency of the criminal justice system vis-à-vis the wider public and media, in particular in the context of the prevention and fight against corruption (paragraph 144).*
35. The Kosovo authorities inform that the National Coordinator on Combating Economic Crime within the Kosovo Prosecutorial Council (KPC) has been established and amongst other things should coordinate statistics from Police, KPC and KJC/Judiciary. Another positive step was appointment of a coordinator responsible for statistics in each prosecution office. The authorities further inform of their efforts to prepare and issue a report on harmonised statistics for economic crime offences that was released in October 2013 and demonstrates a more coordinated approach in producing reliable statistics.
36. The Assessment Team takes note of the information provided by the Prosecutor's Office on steps undertaken to produce reliable statistics on corruption cases through a more coordinated approach. Nevertheless, it remains to be seen how such coordinated approach can be used as a tool to combat corruption. The Assessment Team notes that there is no substantial information demonstrating that access to information on case files has been improved or whether the announced "case management system" is operational. It seems that the bilateral project with Norway for introducing such a system has not yet produced significant results. The case management, along with random allocation of cases is one of the pre-requisites for efficient fight against corruption in both courts and prosecutors' offices.
37. The Assessment Team maintains that precise data on the number of corruption cases at all stages of procedure are crucial for establishing a solid track record of investigations, prosecutions and adjudicated cases of corruption.

38. The Assessment Team concludes that recommendation viii has not been implemented.

Recommendation ix.

39. *The Assessment Team recommended to update rules of ethics and professional conduct for judges by including proper guidance specifically with regard to conflicts of interest and related areas (notably the acceptance of gifts and other advantages, incompatibilities and additional activities) (paragraph 148).*
40. The Kosovo authorities have not provided information with respect to this recommendation.
41. In the absence of relevant information from the Kosovo authorities and based on generally available data, the Assessment Team notes that the implementation of existing codes of ethics as adopted by the KJC and KPC (while still waiting for the code of ethics for judges) remains weak. In order to improve the level of implementation, the disciplinary regulations in both Councils need to be adjusted to ensure that the disciplinary procedures and policies on the fight against corruption in the judiciary lead to concrete results.
42. The Assessment Team concludes that recommendation ix has not been implemented.

Recommendation x.

43. *The Assessment Team recommended that KJC adopts transparent guidelines regarding approval of exceptional outside engagement for judges, including clear justifications to be used when deciding to grant such exceptions (paragraph 157).*
44. The Kosovo authorities have not provided information with respect to this recommendation.
45. The Assessment Team maintains that paid outside engagements of judges must be allowed only on exceptional basis and under clearly defined regulations. In this respect, it regrets that a very relevant KAA recommendation regarding the outside employment of all public officials has not been followed. It invites the Kosovo authorities to seriously consider this issue as one of the priorities in addressing the conflict of interest for both judges and prosecutors.
46. The Assessment Team concludes that recommendation x has not been implemented.

Recommendation xi.

47. *The Assessment Team recommended (i) to establish a formal relationship between the ODC and State Prosecutor in order to enhance disciplinary and criminal investigation of judges and prosecutors and make mutual co-operation transparent; and (ii) to streamline and clarify the institutional framework and proceedings for disciplinary/criminal investigations against judges and prosecutors, including establishment of limitation period for disciplinary proceedings, in order to avoid unnecessary delays and overlapping of proceedings (paragraph 187).*
48. The Kosovo authorities have not provided information with respect to this recommendation.
49. The Assessment Team considers that the Judicial and Prosecutorial Codes of Ethics need adjustment and clarification, in view of strengthening the entire disciplinary system and increasing the trust in “integrity” of judicial-prosecutorial branch. This could comprise, amongst other things, the precise regulation of outside paid engagement of judges, as well as limitation period for disciplinary proceedings, as per relevant recommendation.
50. The Assessment Team concludes that recommendation xi has not been implemented.

Recommendation xii.

51. *The Assessment Team recommended that interaction between the KAA and Prosecutor, as well as the judges in proceedings for minor and criminal offences are clarified through standard operating procedures on the conflict of interest, with regard to the entry into force of the new Criminal Code (paragraph 188).*
52. The Kosovo authorities have not provided information with respect to this recommendation.
53. The Assessment Team strongly maintains that once the amendments to the Laws on Conflict of Interest and on Declaration of Assets (in parliamentary procedure) have been adopted, such standard operating procedures should be adopted, as a by-law.
54. The Assessment Team concludes that recommendation xii has not been implemented.

2.2. Prosecutors

Recommendations xiii, xiv and xv.

55. *The Assessment Team recommended that KJC and KPC adopt clear and comprehensive vetting procedures (i) based on objective and transparent criteria; (ii) known in advance and (iii) that every decision be motivated accordingly (paragraph 209);*

that KPC adopts guidelines concerning approval of exceptional outside engagement for prosecutors and establish a limit for the remuneration of such engagements (paragraph 220), and

to establish a formal relationship between the ODP and KPC (with due consideration to relationship between Chief Prosecutors and the ODC as well) in order to enhance disciplinary and criminal investigation of prosecutors, based on principle of transparency and openness, while keeping the secrecy of investigation and protection of personal data (paragraph 239).

56. The Kosovo authorities have not provided information with respect to any of these recommendations.
57. The Assessment Team is aware of some improvements in the management and co-ordination of statistics by KPC, but prevention of corruption within prosecutorial service has still to bring tangible results. In particular, the Assessment Team reiterates that clear vetting procedures and eligibility criteria, including initial legal education programme for candidates must be introduced. Furthermore, the outside paid engagement of prosecutors requires, similarly to judges, a strict regulation. The Assessment Team reiterates the need to follow the KAA's relevant recommendation and avoid multiple paid jobs. For the purpose of implementing the recommendation, the Office of Disciplinary Prosecutor (ODP), KPC and Chief Prosecutor need to engage in a constructive dialogue and find a way to formalise the relationship, as a contribution to enhance criminal investigations against prosecutors or judges, which are not yet producing significant results.
58. Overall, the Assessment Team concludes that there has been very little progress regarding the preventive measures for judges and prosecutors. More vigorous efforts are needed in the areas of disciplinary proceedings and regulation of external (paid) employment. Some attempts to enable KJC and KPC with anti-corruption tools have been made through the adoption of the Kosovo Anti-corruption Training Strategy (2013-2015), but it is yet to produce any outcome. The Assessment Team is of the opinion that this strategy has not been harmonised with the Anti-corruption Strategy and Action Plan. This is also a general remark applicable to other specific strategies, such as the one on "Inter-institutional Co-operation in the fight against Corruption and Organised Crime" (2013-2015) adopted by the KPC. All these sub-strategies, since fulfilling the same general goal, should be better harmonised with each other to avoid overlapping.

59. The Assessment Team concludes that recommendations xiii, xiv and xv have not been implemented.

2.3. Police

Recommendations xvi and xvii.

60. *The Assessment Team recommended to introduce objective and transparent criteria for appointment/dismissal of the General Director of the Police in order to ensure operational independence of the Police (paragraph 254); and to introduce objective and transparent criteria for appointment/dismissal of the Deputy Directors and other senior level officials of the Police (paragraph 255).*
61. The Kosovo authorities announced the forthcoming establishment, under an EU project, of a Public Safety Academy that would contribute through its training activities to better prevent and combat corruption. They further inform that Law on Police no. 04/L-076 (Official Gazette No.4 of 19 March 2012) provides general requirements for appointment and dismissal/release or suspension of the General Director and Deputy Directors of Kosovo Police (chapter IV). As a guarantee to transparency of the selection process, a number of international observers are present at the session of the Selection Commission which operates under Article 37 of the Law on Police.
62. The Assessment Team is of the opinion that, although the establishment of the Public Safety Academy and its training activities is a welcoming initiative, it has no direct relevance to the recommendations under consideration.
63. The Assessment Team also considers that legal requirements for appointment/dismissal of top management police officials remain too broad and do not address specifically the problem outlined in the recommendation, i.e. the operational independence of the police, free from excessive political interference. It finds that even such provisions still provide enough space for over-politicisation of the selection or removal of high level police authority, namely in the triangle Minister of Interior – Government - Prime Minister. Therefore, it suggests that more balanced and impartial mechanisms for selection/dismissal are introduced, either through amendments to the Law on Police or, at least in a short-term, by changing the by-law that regulates the activity and membership of the Selection Commission. The Selection Commission should function according to clear and objective criteria and have the possibility to propose candidates by order of priority.
64. The Assessment Team finally maintains that current legislation and practice should be amended in order to weaken the link between the political level and management of the police that continues to be very close. The introduction of clear criteria and instruments on conflict of interest in the Law on Police or relevant regulations is a first step, but more substantial change still needs to be pursued.

65. The Assessment Team concludes that recommendations xvi and xvii have been partly implemented.

Recommendations xviii and xix.

66. *The Assessment Team recommended to adopt guidelines for Police concerning the approval of exceptional outside engagement and establish a limit for the remuneration on such engagements (paragraph 259); and*
to establish post-employment restrictions for police officers at all levels and appropriate arrangements be made for efficient supervision of the implementation of such regulations (paragraph 262).
67. The Kosovo authorities explain that the remuneration system of the Kosovo Police regulates outside or special engagement of police officers which may include hazard pay and other additions according to the nature/responsibility of the position.
68. The Assessment Team however notes that this type of engagement is rightfully remunerated through the system because it continues to be part of the police duties, e.g. outside working hours but still within the scope of the police assignments and as such does not represent a potential conflict of interest. In contrast, the focus of the recommendation was on the outside "non-police" engagement, such as remunerated work for private security companies/guards or educational activities.
69. The Assessment Team reiterates that any type of outside non-police engagement must remain strictly exceptional and eventually be approved according to clearly defined guidelines in order to avoid potential conflict of interest or corruption.
70. The Assessment Team reminds that multiple paid employments in the police should be addressed by the Kosovo authorities in the same way as for judges and prosecutors. By-laws regulating this issue are necessary and can be adopted quite soon, as they do not require more complex legislative intervention (amendments to the Law).
71. The Assessment Team concludes that recommendations xviii and xix have not been implemented.

Recommendation xx.

72. *The Assessment Team recommended to reinforce human capacity of the relevant police disciplinary and internal investigation bodies and keep the reliable track record of disciplinary and other actions taken with regard to police officers (paragraph 276).*
73. The Kosovo authorities indicate that with regard to statistical data on disciplinary investigations, the Kosovo Police keeps its own database where the data is entered on every police employee who was investigated or is

under high profile disciplinary/criminal investigation. Also during 2013, every complaint was registered in the database in order to have a more precise number of received complaints.

74. The Kosovo authorities further indicate that appropriate structures for internal investigation and disciplinary procedures are in place. The Kosovo Police Inspectorate (KPI) carries out inspection, criminal investigation and investigation of integrity and high profile incidents of members of the Kosovo Police. The Directorate for Professional Standards (DPS) administers disciplinary procedures including administrative investigations within the Kosovo Police and its 7 regional centres. The Kosovo authorities inform that out of 38 available positions in the DPS, 24 have been filled so far.
75. KPI, DPS and Human Resources Department of the Kosovo Police maintain separate databases.
76. The Assessment Team notes that besides the improved maintenance of the disciplinary database within the Kosovo Police, and besides the existence of appropriate structures for disciplinary procedures and internal investigations, there is no data on how many police officers were eventually dismissed or otherwise sanctioned as a result of criminal investigations or disciplinary proceedings over the period of 2012-2013.
77. The Assessment Team underlines that enforcement of disciplinary measures is still a challenge and some important criminal investigations are not seriously addressed. It notes that there is no sufficient information on the level of human resource capacities in all internal investigative or disciplinary bodies, such as the KPI or the Human Resources Department of the Kosovo Police.
78. Therefore, the Assessment Team believes that human capacities for proper disciplinary processing must be further strengthened. It also remains to be verified whether all relevant police disciplinary and internal investigation bodies have been (or are in the process to be) properly staffed in order to be able to conduct either efficient internal criminal investigation for allegation of corruption against police officers or to enforce disciplinary proceedings.
79. In the absence of further concrete information, the Assessment Team concludes that recommendation xx has been partly implemented.

2.4. Public Administration

Recommendation xxi.

80. *The Assessment Team recommended i) to enhance transparency in public administration (including “e-government”) through implementation of a more proactive policy, proper strengthening of regulatory and institutional frameworks as well as periodical monitoring and reporting; and ii) that further steps should be undertaken to adequately implement access to public documents at both central and local levels (paragraph 288).*
81. The Kosovo authorities inform that the Ministry of Public Administration is currently implementing a “Document Management System” with the aim to enable registration, approval, classification, evaluation, maintenance, use and publication of documents of Kosovo institutions, as well as the management of these documents until their final submission to the electronic archive (e-archive). This system follows up and supervises deadlines for the performance of various activities, and the official in charge for implementing them. It also provides a hierarchy of approval of electronic documents according to the organisational chart of the respective institution. The system has a special module allowing for an online request for access to official documents and corresponding online response.
82. The Assessment Team takes note of the information provided and welcomes the recent efforts made by the Kosovo authorities. However, in absence of more concrete information on implementation modalities and level of their coverage throughout public institutions of Kosovo, the Assessment Team is not in a position to evaluate and comment on the progress achieved in respect of other important aspects of the recommendation.
83. The Assessment Team concludes that recommendation xxi has been partly implemented.

Recommendation xxii.

84. *The Assessment Team recommended (i) to implement uniform rules for the transparent and impartial recruitment and promotion of public servants through inter alia proper announcement of vacant posts, fair competition between candidates and avoidance of conflict of interest; (ii) to increase the supervision and monitoring over the selection and promotion procedures of public officials; and (iii) to introduce appropriate screening procedures for checking data and integrity of candidates to positions in public administration (paragraph 304).*
85. The Kosovo authorities have not provided information on measures aiming to implement this recommendation.
86. Nevertheless, it appears from available public sources that the Declaration of mid-term policy priorities was adopted by the Government in April 2013 (decision 02/123 of 5 April 2013). Besides legislative amendments, this

document requires to focus the reforms on enforcing legislation and substantial reforms, and improving working conditions in the administration (page 18). In addition, creating a new apolitical, professional, merit-based and well-managed civil service is one of the priorities related to public administration. The report on the situation of civil service in Kosovo was adopted by the Government on 26 June 2013 (decision 02/136). In addition, the Government adopted the report on the implementation of the Action Plan for the Reform of Public Administration (decision 02/155 of 5 November 2013). However, the Assessment Team could not obtain a copy of any of the aforementioned documents from public available sources nor from the authorities. Furthermore, through decision No. 11/141 of 26 July 2013 the Government has reviewed the organisation and the functioning of structures responsible for the implementation of the Action Plan of the strategy of public administration reform.

87. The Assessment Team would appreciate to receive further concrete and more detailed information, including practical implementation aspects, with regard to this important recommendation. So far, the information collected is limited to statements and some referrals without deeper implementing measures.
88. The Assessment Team concludes that recommendation xxii has not been implemented.

Recommendation xxiii.

89. *The Assessment Team recommended (i) to adopt the Code of Ethics for civil servants as soon as possible; (ii) to consider extension of its application to uncovered categories of officials in the public administration; and (iii) to increase familiarity of public administration at all levels with ethical professional standards (through inter alia regular training, guides, advice) (paragraph 308).*
90. The Kosovo authorities inform that in 2011 OGG prepared, published and disseminated the Manual on Ethics and Transparency in Public Administration to all relevant institutions.
91. The Manual is a summary of what is considered to be ethics and transparency in public administration as well as a collection of international and national documents that determine rights and obligations of public administration, namely civil servants, including delivery of public services and their quality.
92. OGG has coordinated the drafting of the Code of Ethics for Civil Service Employees that is not yet finalised and adopted. A consultation process is under way with the final draft having been disseminated to all institutions involved in the drafting process for comments.
93. The Assessment Team notes that the information concerning the Manual on Ethics and Transparency in Public Administration refers to developments

that occurred before the adoption of the AR and were not brought to the attention of the Assessment Team earlier. In addition, the Manual does not directly address the first part of the recommendation. On the other hand, more information is needed on the content (including the provision of a copy) and status of the draft Code of Ethics'), stakeholders' involvement, expected adoption and entry into force. No progress is noted for other aspects of this recommendation.

94. The Assessment Team concludes that recommendation xxiii has not been implemented.

Recommendation xxiv.

95. *The Assessment Team recommended to work out guidelines about the behaviour and conduct of public officials when they receive gifts in order to complete the rules laid down in article 11 in law no. 04/L-050 on declaration, origin and control of property of senior public officials and on declaration, origin and control of gifts of all public officials (paragraph 311).*
96. The Kosovo authorities inform that draft Law No. 04/L-227 amending and supplementing Law No. 04/L-050 is under process in the Parliament (see also paragraph 19 above).
97. The Assessment Team is of the opinion that this draft Law does not specifically address the content of this recommendation. Moreover, the introduction of exceptions to the general rule of prohibition of gifts to public officials (casual gifts up to 25 EUR per gift and up to 500 EUR per official per year) seems to be a step back with regard to the current legal framework.
98. The Assessment Team concludes that recommendation xxiv has not been implemented.

Recommendation xxv.

99. *The Assessment Team recommended (i) to strengthen the control of the declarations of assets and interests in order to ensure proper implementation and monitoring; (ii) to intensify efforts to build capacity in individual institutions to prevent and detect conflicts of interest through close supervision and coordination mechanisms as well as by means of specific reference materials, guidelines and training; and (iii) an adequate and enforceable conflict of interest standard, including improper migration to the private sector ("pantouflage") be extended to every person who carries out a function in the public administration (including managers and consultants) at every level of government (paragraph 320).*
100. As already mentioned above, two draft laws aiming to amend and supplement Laws No.04/L-050 and 04/L-051 on asset declaration and on prevention of conflict of interest are under process in the Assembly.

101. The Assessment Team notes that it is foreseen to extend asset declaration obligation to more officials (those appointed by the President, leading positions in agencies and publicly-owned enterprises, including Heads of Finance and Procurement units, members of steering boards in the public university, Deputy Chief Inspectors, Chairperson and Members of the Central Election Commission). Also, the definition of family members is clarified and extended (all children, partner, relatives living in the same household). In addition, a requirement of declaring the origin of assets has been introduced in the draft law which was mentioned so far only in the title of the Law on asset declaration.
102. An obligation is introduced to fully verify each year at least 20% of declarations. Public officials whose declarations have to be verified under such procedure will be selected through a random procedure. It is also possible to undertake a full verification of a specific declaration(s) upon request of public or interested persons.
103. An unclear amendment is proposed in Article 16.3 of Law No. 04/L-050 on asset declaration. It concerns the information provided to the KAA by banks and financial institutions. The introduction of the wording “in compliance with the Criminal Procedure Code” may have as legal and practical consequence the limitation or impossibility to provide information to the KAA by banks and other financial institutions concerning data related to deposits, accounts or transactions held or made by public officials who are subjects of the law.
104. As regards sanctions, proposed Article 17 includes obligation of the KAA to initiate a criminal case with the prosecution against a public official, obligation to inform the head of the institution and publication of names of public officials who fail to declare assets or gifts. Hence existing Article 17 which is related to fines and misdemeanours procedure has to be abrogated in order to ensure harmonisation with the Criminal Code.
105. Amendments to the Law on conflict of interest (Col law) show some positive trends:
- Extension of the scope of the law to all public officials;
 - Harmonisation and streamlining of the terminology and definition of public officials (the term used is “official person”);
 - Amendment of the definition in Article 4 (Articles 120 and 424 CC);
 - Article 9 (paras. 1.7 to 1.9): introduction of some rules aiming to address “pantouflage” for a period of 5 years;
 - Possibility given to the KAA to seek a review of the decision taken in a conflict of interest case by the body that rendered it (Article 18, paragraphs 13 to 15) – suspension of actions;
 - Article 19 (paragraphs 2 to 4): KAA’s participation as an observer in all public procurement activities and the possibility to issue recommendations;
 - Col register to be maintained by the KAA;
 - Article 20 - Harmonisation with the CC and other sanctions.

106. However, there are still issues of concern in the current provisions as well as in some proposed amendments to the Col Law. These issues were discussed with the KAA Director and an Advisory Paper has been prepared by the PECK Project for further consideration by decision-makers (see also paragraph 19 above):

- The definition of “official persons” and extension of Col rules to other levels of official persons without due consideration to implementation capacities and implementing bodies;
- The definition of “trusted persons” and difficulties occurring in practice;
- The issue of multiplication of additional activities of public officials;
- The necessity to clearly distinguish Col vs. incompatibility notions; and
- Especially, the relationship between the Col as criminal offence and administrative offence as well as clear delineation and independence between administrative and criminal Col proceedings to prevent any impunity in relation to Col violations.

107. In light of these developments, the Assessment Team concludes that recommendation xxv has been partly implemented.

Recommendation xxvi.

108. *The Assessment Team recommended to consider making wider use of rotation in sectors of public administration particularly exposed to a risk of corruption (paragraph 322).*

109. The Kosovo authorities inform that the rotation is used in some sectors of public administration, in particular in sectors exposed to the risk of corruption such as Tax Administration, Customs and Border Department of the Kosovo Police.

110. The Assessment Team takes note of the information provided and encourages the authorities to consider the use of rotation measures in other sectors that remain exposed to corruption risks.

111. Consequently, the Assessment Team concludes that recommendation xxvi has been partly implemented.

Recommendation xxvii.

112. *The Assessment Team recommended to establish and maintain a central periodical reporting of statistics on the use of disciplinary proceedings and sanctions in public administration (paragraph 332).*

113. The Kosovo authorities provided the following statistics that are maintained by the Independent Oversight Board for the Civil Service of Kosovo for 2013: 137 approved appeals, 11 partly approved appeals, 152 rejected appeals, 31 dismissed appeals, 22 cases where it declared its own incompetence, 26 reversals, 7 terminated proceedings, 12 suspended appeals and 4 withdrawals from appeal.

114. The Assessment Team notes however that the information provided does not address any aspect of the recommendation above.
115. Therefore, the Assessment Team concludes that recommendation xxvii has not been implemented.

2.5 Fundamental safeguards and corruption prevention – Members of Parliament

Recommendations xxviii, xxix and xxx.

116. *The Assessment Team recommended that the Code of Conduct for members of parliament be revised and complemented with practical measures for its implementation, such as dedicated training, counselling and advice regarding ethical and corruption related issues (paragraph 351);*

to give to the KAA – or to another official body, in collaboration with the tax administration - the competence to make an adequate assessment of declared assets (paragraph 367); and

that measures be taken to ensure supervision and enforcement of the existing rules on conflicts of interest and disclosure of outside ties by members of parliament (paragraph 379).

117. The Kosovo authorities have not reported any progress in respect of these recommendations.
118. In the absence of information, the Assessment Team concludes that recommendations xxviii, xxix and xxx have not been implemented.
119. In conclusion, the Assessment Team would strongly urge the Kosovo authorities to show greater determination in implementing recommendations xxviii to xxx regarding the members of Parliament.

2.6 Financing of political parties and election campaigns

120. In general, according to the information provided by the Central Election Commission, there has been not much progress in the field of financing of political parties and election campaigns, other than the recent amendments to the Law on Financing of Political Entities (Law No. 04/L-212 of 31 July 2013).

Recommendation xxxi.

121. *The Assessment Team recommended to harmonise the legal provisions on political entities and campaigns financing in line with the legislation applicable to other candidates for election (local and national level, presidential election) (paragraph 403).*

122. According to the information provided by the Central Election Commission, new Law No. 04/L-212 of 31 July 2013 amended and supplemented the "basic" Law 03/L-174 on Financing of Political Entities (adopted on 16 September 2010, hereinafter: the FPE Law) which had been already amended and supplemented by Law No. 04/L-058 of 21 December 2011.
123. The Assessment Team takes note of the information provided and welcomes new Law No. 04/L-212 given that its provisions address some of the recommendations issued under this section.
124. However, the purpose of recommendation xxxi is to proceed to a general harmonisation of the legislation regarding political entities, candidates for elections on local and national level, and presidential election, and to draft a new law to coordinate all the legal provisions and the resulting set of laws regulating political finance into one law. It is not quite clear for the Assessment Team if new Law No. 04/L-212 really harmonises the complete field of political funding.
125. The absence of an Electoral Code is often mentioned as an issue to be considered for a comprehensive, clear and harmonised legal framework.
126. Another important issue is the draft law on electing the President. There have been no recent developments in this respect since the AR.
127. In light of the available information, the Assessment Team concludes that recommendation xxxi has been partly implemented.

Recommendation xxxii.

128. *The Assessment Team recommended to develop a comprehensive and unique website setting out legal and regulatory framework and providing relevant information on political entities' periodical reports and other relevant information (paragraph 404);*
129. The Kosovo authorities make reference to new paragraph 5 of Article 15 of the amended FPE Law: "Political entities should publish and hold public at least one (1) year on their official websites, the Annual Financial Report of the previous year and Campaign Contribution Disclosure Reports of the previous elections and publish their own short version in one of the daily national newspapers. CEC shall determine the short version format on publication through a bylaw".
130. The Assessment Team takes note of this amendment, however it underlines that purpose of recommendation xxxii was more to make it mandatory for the CEC itself to publish on its own website, or on an official website, the financial reports (campaign and annual), including audit reports. If possible, an electronic archive of all reports and relevant documents submitted to the CEC (annual party reports, campaign reports) and of all sanctions and relevant legal framework should also to be available.

131. The Assessment Team concludes that recommendation xxxii has not been implemented.

Recommendation xxxiii.

132. *The Assessment Team recommended to ensure that the definition of a 'contribution' to a political party as foreseen in Rule 01/2008 on registration and operation of political parties is consistently used in the legislative and regulatory framework concerning funding of political entities and electoral campaigns in order to include indirect resources (like for example services or in-kind donations) (paragraph 420);*
133. The Kosovo authorities make reference to reworded Article 2, paragraph 1.5 of the amended FPE Law: "1.5. Contributions - gifts (donations) or any kind of assistance that implies a conscious act of donating economic or similar economic goods to political entity, whether in cash, services, sale of items below the market price, delivery of services below market price or other material goods."
134. The Assessment Team notes that this new wording is in line with the AR recommendation. Nevertheless, it is not quite clear if it covers the whole legislative and regulatory framework concerning the funding of political entities and electoral campaigns, and, for example, if it is also mandatory for the presidential election.
135. In the absence of further information addressing the issue above, the Assessment Team concludes that recommendation xxxiii has been partly implemented.

Recommendation xxxiv.

136. *The Assessment Team recommended to introduce a definition and regulation of the entities related to a political party (eventually) (paragraph 422).*
137. The Kosovo authorities indicate that Article 2, paragraph 1.10 of the amended FPE Law has been reworded as follows: "1.10 Political entity - political entity, coalition, citizens' initiative, independent candidate. For the purposes of this law, for the entities such as the Youth Organisation, Foundations, Institutes or other similar bodies which are created by political parties or those having ties with political or perform functional activities for political parties the same provisions of the law shall apply in terms of their financial reporting."
138. The Assessment Team welcomes this new wording as it addresses issues raised in recommendation xxxiv.
139. The Assessment Team concludes that recommendation xxxiv has been implemented satisfactorily.

Recommendation xxxv.

140. *The Assessment Team recommended setting more precise conditions for requirements of the financial reports and the deadline(s) of the publication (paragraph 436).*
141. The Kosovo authorities make reference to new paragraph 5 of Article 15 of the amended FPE Law: “5. Political entities should publish and hold public at least one (1) year on their official websites, the Annual Financial Report of the previous year and Campaign Contribution Disclosure Reports of the previous elections and publish their own short version in one of the daily national newspapers. CEC shall determine the short version format on publication through a bylaw.
- 5.1 Annual Financial Report of political entity shall be published in the media foreseen in paragraph 5 of this Article till July 30 of the following year.
 - 5.2 Campaign Contribution Disclosure Reports of the political entity shall be published in the media foreseen in paragraph 5 of this Article, no later than six (6) months after the date of the elections”.
142. In the opinion of the Assessment Team, the CEC must define a standardised format for reporting to be used by political parties to disclose all required information that would allow the public to compare reports. The reports must be easily understandable for an average citizen and should distinguish between income and expenditure. In addition, the reports must properly itemise private and public donations into standardised categories. The reports should include annual party finance and campaign financing (where applicable).
143. Regarding the first part of the recommendation (more precise conditions for requirements of the financial reports), the Assessment Team notes with satisfaction that amendments of Article 4, paragraphs 2 to 5 of the basic FPE Law introduce new rules that deal with the question of a mandatory single bank account for political entities. However, no further precise conditions have been introduced for the requirements of the financial reports themselves.
144. Regarding the second part of the recommendation (more precise conditions for deadline(s) of the publication), the Assessment Team notes with satisfaction that provisions of new paragraph 5 of Article 15 of the amended FPE Law are in accordance with its requirements.
145. The Assessment Team concludes that recommendation xxxv has been partly implemented.

Recommendation xxxvi.

146. *The Assessment Team recommended to give to the Central Electoral Commission/the Office or the Anti-corruption Agency the mandate and the appropriate authority as well as the financial resources and specialised staff to effectively and proactively supervise the funding of political parties and election campaigns, to investigate alleged infringements of political financing regulations and, as appropriate, to impose sanctions (paragraph 442).*
147. The Kosovo authorities have not provided information on this important issue.
148. The Assessment Team urges the Kosovo authorities to deal with this recommendation as a matter of priority, as its implementation is essential for effective supervision of the political financing regulations.
149. The Assessment Team concludes that recommendation xxxvi has not been implemented.

Recommendation xxxvii.

150. *The Assessment Team recommended (i) to unify parties' reporting forms, in particular regarding content, periodicity of their submission and publication; and (ii) to determine the procedure for monitoring of established standards (paragraph 443).*
151. For the reasons already elaborated under recommendation xxxv, the Assessment Team concludes that recommendation xxxvii has been partly implemented.

Recommendation xxxviii.

152. *The Assessment Team recommended to establish clear rules ensuring the specialization, independence and know-how/expertise of auditors called upon to audit the accounts of political parties and candidates (paragraph 444).*
153. The Kosovo authorities make reference to reviewed Article 19 (Financial control) of the amended FPE Law which aims to establish clear rules regarding the auditors, in line with recommendation xxxviii. It requires that Annual Financial Reports and Financial Declaration Reports of Campaign which are submitted by political entities to CEC shall be audited in accordance with accounting standards applicable in Kosovo. Pursuant to paragraph 1, Article 19, the Assembly Committee for the Oversight of Public Finances selects, in January of every year, through a public announcement at least ten (10) licensed auditors to audit the Annual Financial Reports and Financial Declaration Reports of the Campaign of political parties. To be selected, the auditors must meet *inter alia*, the following criteria: to be licensed auditors according to the criteria of the legislation in force in Kosovo

and to have at least two (2) years of professional experience in the field of audit; not to have had any contractual relations with any political entities during the last three (3) years and have not been donors to any political entities or have benefited in any way from political entities during the last three (3) years; not to be under investigation or having been convicted for any criminal offense; to present a list of all audits that they have conducted during the last three (3) years. Legal persons including natural persons acting on their behalf have to meet the same criteria and should submit a list of all employees.

154. Following the selection of auditors who will carry out the audit, the Committee for the Oversight of Public Finances of the Assembly will define by draw the auditors who will be responsible for auditing reports of political entities. An auditor cannot audit the financial reports of a political entity twice consecutively.
155. The registered political entity will cooperate closely with auditors selected by the Assembly and will provide them full and unhindered access to financial data of the party, including here all the data without limitation.
156. The CEC presents the preliminary results of the verification of annual financial report conducted by auditors to the highest executive body of the political entity, including the list of identified errors/omissions, within a period of sixty (60) days upon the commencement of control.
157. The registered political entity may, within the period of five (5) business days following the receipt of the preliminary results of the control, submit the revised financial report and the explanation with regard to any evident error or omission identified by auditors.
158. Upon receipt of the revised financial report of the political entity with the explanations on the identified errors/omissions, auditors, will, within a period of ten (10) days, submit to CEC the Final Audit Report, taking into account explanations or revisions submitted by the political party.
159. The audit process of Annual Financial Reports of political entities should end no later than 15 June of the following year.
160. The CEC should publish all annual financial reports of political parties together with the final audit reports on its official website no later than 30 June of the following year. In addition, until this date, CEC is obliged to submit the final audit report to the political party.
161. The CEC is obliged to submit to the Anti-Corruption Agency: annual financial and audit reports of political parties by 30 June of the following year; and financial campaign report and final audit report of political entities no later than six (6) months after the day of elections.
162. The CEC prepares the annual report to the Assembly of Kosovo for allocation and expenditure of funds from the Fund for supporting political subjects (hereinafter "the Fund").

163. The Assessment Team welcomes this new regulation which establishes clear rules to ensure specialisation, independence and expertise of auditors in line with recommendation xxxviii.
164. The Assessment Team concludes that recommendation xxxviii has been implemented satisfactorily.

Recommendation xxxix.

165. *The Assessment Team recommended to introduce more dissuasive, effective and proportionate sanctions in respect of violations of political financing rules and to provide the Central Electoral Commission with the necessary powers to investigate such cases and to apply the appropriate sanctions (paragraph 454).*
166. The Kosovo authorities state that reviewed Article 21 (Punitive provisions) of the amended FPE Law introduces a more coherent system of sanctions in line with recommendation xxxix. Article 21 requires that political entity shall be fined with 10% of the basic amount realised by the Fund in the previous year if the entity does not submit the Annual Financial Report and Campaign Contribution Disclosure Reports by the deadline prescribed by law, and with a daily fine of 0.01% of the amount of the basic fine, till the submission of the report. Political entity not receiving funding from the Fund is penalized with a basic penalty of one thousand (1,000) Euros with a daily penalty of 0.01 % of the amount of the basic penalty, until the submission of the report. Political entity which does not submit the Annual Financial Report and Campaign Contribution Disclosure Reports within the time specified by law loses eligibility to benefit from the Fund allocations for the next year.
167. Political entity will be penalized for failing to meet the criteria of the financial report set forth by law as follows: for inaccurate and incomplete data on the balance sheet, profit and loss statement on the value of payment of five thousand (5,000) Euros made to other persons, political entity shall be fined with five thousand (5,000) Euros and daily fine of 0.01% of the base amount until the correction of these data.
168. The political entity will be penalized with a basic penalty of two thousand (2,000) Euros for the lack of documentation copies of the financial report foreseen in paragraph 3, Article 15 of the Basic Law.
169. Political entities will be penalized with a basic penalty of five thousand (5,000) Euros for failing to publish the Financial Reports foreseen under Article 15, paragraph 5 of the Basic Law and with a daily penalty in the value of 0.01% of the value of basic penalty until their publication.
170. Political entity shall be fined twice of the value received, while the candidate for a mayor, member of the parliament, municipal councillor and independent candidate are fined with the same amount received if they accept and execute donation by a natural person in contradiction to Article 5, paragraph 1, subparagraph 1.1 of the Basic Law, or accept and execute

donation by a legal person in contradiction to Article 5, paragraph 1, subparagraph 1.2 of the Basic Law, or accept and execute donation in contradiction with Article 11 of the Basic Law; or accept and execute donation up to twenty thousand (20,000) Euros, the origin of which cannot be proved.

171. Political entity which cannot prove the origin of the received and executed incomes over twenty thousand (20,000) Euros shall be fined three times that amount.
172. Natural or legal persons who are providing contributions in contradiction to Articles 5 and 11 of the Basic Law will be penalized with twenty percent (20%) of the provided value.
173. All income realised by the political entities out of the prescribed sources according to Article 4 of the Basic Law shall be paid into the Budget of Kosovo and the political entities will be fined ten percent (10%) of the amount realised.
174. Political entities shall be fined double of the funds spent in contradiction to Articles 8 and 10 of the Basic Law.
175. Political entity shall be fined with basic fine of five thousand (5,000) Euros for keeping active two or more bank accounts, and daily fine of 0.01% of the amount of the basic fine until the closure of these accounts.
176. Political entity shall be fined in the amount of one thousand (1,000) Euros for not informing the CEC within the time prescribed by Article 3, paragraph 5 of the Basic Law, for the funds received in contradiction to this law.
177. If funds are misused by a candidate or the political entity and it can be verified that the winning of mandate/s is the result of misuse of funds in contradiction to the provisions of this Law and applicable legislation, the mandate of the candidate or political entity may be revoked.
178. Political entities shall have rights to appeal against the imposed sanctions. Appeals shall be addressed to the Election Panel on Complaints and Appeals according to the legislation in force.
179. Revenue from fines paid under this Law shall be deposited to the budget of Kosovo.
180. The Assessment Team takes note with satisfaction of this new very detailed and precise regulation. However, the Assessment Team considers that in some respects, the penalties are relatively light and are not sufficiently dissuasive. In addition, the investigative capacities of the Central Election Commission have to be demonstrated in practical terms.
181. Consequently, the Assessment Team concludes that xxxix recommendation has been partly implemented.

Recommendation xl.

182. *The Assessment Team recommended to provide the Office with appropriate authority to carry out, as needed, a material verification (in addition to the existing formal review) of the information provided by election candidates and other political entities (paragraph 455).*
183. The Kosovo authorities have not provided information in respect of this recommendation.
184. In the absence of information, the Assessment Team concludes that recommendation xl has not been implemented.

Recommendation xli.

185. *The Assessment Team recommended to introduce compulsory periodic publication of political parties' reports on a public website (paragraph 456).*
186. The Kosovo authorities refer to new paragraph 5 of Article 15 of the amended FPE Law which reads as follows: "Political entities should publish and hold public at least one (1) year on their official websites, the Annual Financial Report of the previous year and Campaign Contribution Disclosure Reports of the previous elections and publish their own short version in one of the daily national newspapers." [...].
187. The Assessment Team takes note of the information provided. It recognises that the current regulation provides for a compulsory and periodic publication of political entities' reports. However, accounts have to be published on an official website rather than only on respective websites of political entities.
188. For this reason, the Assessment Team concludes that recommendation xli has been partly implemented.

2.7 Public Procurement

Recommendation xlii.

189. *The Assessment Team recommended to create conditions for enhanced transparency and equality in competition, in order to minimise the risk of corruption opportunities in public procurement and privatisation fields (paragraph 467).*
190. The Kosovo authorities indicate that Article 7 of the Public Procurement Law No. 04/L-042 (PPL) regulates equal treatment/non-discrimination. Also, the secondary legislation that is published on the website of the Public Procurement Regulatory Commission - PPRC (www.krpp.rks-gov.net) and includes around 81 sublegal acts, creates conditions for equality in competition. In addition, according to statistics, contracting authorities have developed a large number of procurement activities through an open

procedure that is quite transparent and allows economic operators a free competition and transparency.

191. The Assessment Team takes note of the information provided but considers that no concrete measures have been recently undertaken to address this recommendation.
192. The Assessment Team concludes that recommendation xlii has not been implemented.

Recommendation xliii.

193. *The Assessment Team recommended (i) with a view to minimise corruption risks and opportunities, to ensure further streamlining of Public Procurement rules and procedures, including a quick introduction of central purchasing; (ii) to enhance monitoring, supervision and review capacities and mechanisms; (iii) to revise Public Procurement Law concerning the scope and procedures related to reporting of public procurement violations and offenders; and (iv) to enhance exchange and treatment of information and horizontal interagency cooperation, notably between public procurement, audit, anti-corruption, tax and other law enforcement bodies (paragraph 489).*
194. The Kosovo authorities inform that Public Procurement Law is almost completely harmonised with the EU requirement and has been highly rated in the EU Progress Report 2013. PPRC issued and approved all necessary secondary acts (81 in total) to implement the PPL and they are published in the three official languages on the website of PPRC. In addition, besides monitoring of procurement activities in the contracting authorities as required by the PPL, PPRC has also started to monitor the management of public contracts/agreements under Article 87.2.1 of the PPL.
195. The authorities make reference to the e-procurement system which is expected to become operational in the first half of 2014 with the assistance and support of a World Bank project and based on terms of reference that are being finalised. On the other hand, an Index of Prices will be compiled in order to assist contracting authorities and procurement officers to have reference prices.
196. With the aim of enhancing monitoring and supervisory mechanisms and capacities, PPRC has reorganised as of 1 January 2014 the Supervision and Monitoring Department by establishing two divisions within this department: Division for monitoring of procurement activities (until the signature of contracts) and Division for monitoring the implementation of contracts (after the signature of contracts).
197. With the aim of increasing cooperation and exchange of information with different institutions, PPRC has so far signed memorandums of understanding with the Public Procurement Agency (now Central Procurement Agency) and with the Kosovo Anti-Corruption Agency. A

memorandum of understanding is being prepared between PPRC and the Public Procurement Review Body, and with the Kosovo Tax Administration.

198. The Assessment Team refers to a draft law amending and supplementing PPL No. 04/L-042 that was submitted to the Assembly in November 2013. In this regard, the Assessment Team regrets that the current amendments do not address point (iii) of the recommendation. Consequently, it recalls the necessity to revise the reporting regime of public procurement violations and offenders. The reorganisation of the Supervision and Monitoring Department is a positive attempt to enhance monitoring and supervision capacities and mechanisms as well as monitoring of contracts. However, no concrete information is available with regard to monitoring process itself and recorded progress in this regard. Likewise, the fact that members of the Procurement Review Body have not been elected since August 2013 has seriously undermined the normal functioning of this important review body. Furthermore, other aspects of the recommendation have not been addressed since no significant measures have been reported in relation to them. Finally, the information provided to the Assessment Team with regard to increasing of cooperation and exchange of information does not contain concrete measures.
199. In light of the above information, the Assessment Team concludes that recommendation xliii has not been implemented.

Recommendation xliv.

200. *The Assessment Team recommended (i) to introduce coherent staff policies and treatment in the public procurement system in order to avoid changes of staff; (ii) to clarify and strengthen procedures in order to have objective criteria for conclusion of contracts; (iii) to introduce conflict of interest prevention rules in the public procurement, including compulsory declaration of conflict of interest situations by members of procurement panels; and (iv) to promote further training and specialisation focused on prevention and detection of corruption practices (paragraph 498).*
201. According to the Kosovo authorities, besides relevant provisions of PPL No. 04/L-042 that clarify criteria for the selection of economic operators, the PPRC has also issued instruction No.01/2013 on Tender safety, performance assurance and application of economic and financial selection criteria. This act is published on the website of PPRC and is open for comments.
202. With the aim of protecting procurement officers and avoiding the change of personnel who work in the public procurement field, PPRC has prepared some amendments to the PPL that will address this issue.
203. The Procurement Code of Ethics as part of secondary legislation (Part D) encompasses prevention rules of conflict of interest in public procurement, including declaration of conflict of interest situations by members of the procurement panels.

204. PPL provides for basic and advanced trainings for public officers who are involved in procurement activities. These trainings are also focused on prevention and detection of corruption practices. During 2013, 576 procurement officers underwent the advanced training, whereas 428 passed the test, and were given valid certificates for public procurement with the duration of three years.
205. The Assessment Team takes notes of the information provided and some measures aiming to address different aspects of the recommendation. However, it has not received draft amendments to the PPL referred to in paragraph 202 above and cannot fully assess the implementation of the first two aspects of the recommendation in the absence of more relevant information. In addition, the Assessment Team observes that further more concrete information would be needed for assessing the other remaining aspects of the recommendation.
206. Therefore, the Assessment Team concludes that recommendation xlv has been partly implemented.

3. Criminal law, law enforcement and criminal procedure

3.1 Offences and sanctions

Recommendation xlv.

207. *The Assessment Team recommended that legislative measures are taken to make third beneficiaries directly covered in articles 429 and 430 CC about active bribery (paragraph 525);*
208. The Kosovo authorities refer to an inter-sectorial working group, the terms of reference of which were prepared and signed by the Ministry of Justice, Kosovo Judicial Council and Kosovo Prosecutorial Council. However, other institutions are as well part of this group such as: the Kosovo Police, Kosovo Customs, EULEX, EU Office in Kosovo, Correctional Service, etc. A report on the criminal law enforcement in Kosovo and its restructuring will come out soon. The findings of this report will be reflected in the amendments that will be introduced to 4 judiciary related laws (draft laws amending and supplementing the Law on Courts, the Law on Kosovo Judicial Council, the Law on State Prosecutor and the Law on Kosovo Prosecutorial Council). On this occasion, the Ministry of Justice remains devoted to analyse and take into account the AR recommendations.
209. The Assessment Team takes note of the information provided and welcomes the actions taken. It trusts that careful consideration will also be given to the content of the recommendation and necessary measures will be taken to promptly implement it. The Assessment Team recalls however that this recommendation requires amendments/changes in the Criminal Code.
210. The Assessment Team concludes that recommendation xlv has not been implemented.

Recommendation xlv.

211. *The Assessment Team recommended that the authorities ensure that there are no loopholes in the system and if necessary to take the legislative measures that the offence of active and passive bribery in the public sector covers all acts/omissions in the exercise of the functions of a public official, whether or not within the scope of the official's duties (paragraph 526);*
212. The Kosovo authorities have not provided information in this respect.
213. The Assessment Team recalls that the type of acts to be performed or omitted by the public official in the context of a bribery offence have to fall "within his or her official duties" - Articles 428, 429 and 430 of CC. Articles 428 and 429 use the wording: "acting in accordance with his or her official duties" and Article 430 uses: "acting in the exercise of his or her official duties". Article 120.2.2 defines a public official as follows: a domestic official person is a person who exercises public authority, and a foreign official person is any person holding a legislative, executive, administrative or judicial office of a foreign State. According to the Council of Europe Criminal Law Convention on Corruption, the type of acts to be performed should be in the exercise of *his or her functions*. The question is if acts and omissions which are completely outside the official's duties or his/her statutory remit, but which s/he has the opportunity to commit because of the function s/he occupies, would be covered directly by the bribery provisions (e.g. granting access to confidential information to which the public official has access in the exercise of his/her function in situations where the gathering or disclosure of such information is not strictly within the scope of the duties of the official concerned). Therefore the Assessment Team invites the authorities to further study this recommendation and potential amendments/changes in the Criminal Code.
214. The Assessment Team concludes that recommendation xlvii has not been implemented.

Recommendations xlvii, xlviii, xlix and I.

215. *The Assessment Team recommended:*

that necessary legislative steps are taken to ensure that private corruption is criminalized in accordance with Articles 7 and 8 of the Criminal Law Convention on Corruption (paragraph 539);

to consider abolishing the requirement of dual criminality in respect of bribery offences when committed abroad in articles 115 and 116 CC (paragraph 561);

to take the necessary legislative steps to ensure, that time-limits for investigation should not hinder the effective combating of corruption (paragraph 569); and

to take the necessary legislative steps to ensure that the possibility provided by the special defence of effective regret to return the bribe to the bribe-giver who has reported the offence before it is uncovered is abolished (paragraph 572);

216. Apart from the information referred to in paragraph 208 above, the Kosovo authorities have not provided concrete information in respect of the above recommendations.
217. The Assessment Team recalls that these recommendations require amendments/changes in the Criminal Code and urges the Kosovo authorities to take necessary measures to implement them as a matter of priority.
218. The Assessment Team concludes that recommendations xlvii, xlviii, xlix and l have not been implemented.

Corporate liability

Recommendation li.

219. *The Assessment Team recommended to strengthen the controlling functions of the Registry of Enterprises in order to ensure that both natural and legal persons establishing companies be checked and monitored with respect to possible criminal records and professionals disqualifications or any other pertinent information on legal persons in the registration process (paragraph 580);*
220. The Kosovo authorities report that the Kosovo Business Registration Agency has established a working group to amend and supplement the Law on Business Organisations which will take into account all relevant AR recommendations.
221. The Assessment Team takes note of the information provided and welcomes the actions taken. It trusts that careful consideration will be given to the content of the recommendation and necessary actions will be taken to promptly comply with it.
222. Given that no concrete progress has been achieved so far apart from the setting up of the working group to amend the law, the Assessment Team concludes that recommendation li has not been implemented.

Recommendation lii.

223. *The Assessment Team recommended to take the necessary legislative steps to ensure that legal entities can be held liable not only in situations where a responsible natural person can be punished including situations where the liability is based on lack of supervision but also in situations where it is not possible to find a natural person liable for the offence (paragraph 584);*

224. Apart from the information referred to in paragraph 208 above, the Kosovo authorities have not provided concrete information in respect of this recommendation.
225. The Assessment Team recalls that this recommendation requires amendments/changes in the Criminal Code.
226. The Assessment Team concludes that recommendation lii has not been implemented.

Recommendation liii.

227. *The Assessment Team recommended that Kosovo authorities undertake necessary steps to ensure and enhance the practical application of this measure (criminal liability to legal entities) as a means to sanction criminal activity (paragraph 585);*
228. The Kosovo authorities have not provided information in respect of this recommendation.
229. The Assessment Team recalls that this recommendation requires that every time a physical person is indicted, consideration should be also given to holding the legal person criminally liable.
230. The Assessment Team concludes that recommendation liii has not been implemented.

Recommendation liv.

231. *The Assessment Team recommended that Kosovo considers requiring external auditors to report suspected acts of bribery to management or, if the management do not react or if the management itself is involved, to report to the competent authorities independent of the company, such as law enforcement or regulatory authorities, and, where appropriate, ensuring that auditors making such reports reasonably and in good faith are protected from legal action (paragraph 593);*
232. The Kosovo authorities have not provided information in respect of this recommendation.
233. The Assessment Team recalls that this recommendation requires considerations and potential amendments/changes in the legislation.
234. In the absence of information, the Assessment Team concludes that recommendation liv has not been implemented.

3.2. Investigation and criminal procedure

Recommendation Iv.

235. *The Assessment Team recommended to take steps to collect appropriate and detailed information and statistics including all angles of a corruption case from the beginning to the end (including outcome of the case) in order to assess the efficiency of the investigation/prosecution (paragraph 612);*
236. The body responsible for collection, processing and publication of official statistical data is Kosovo Agency of Statistics (KAS). The agency operates since 1948 and is currently regulated by Law No. 04/L-036 on official statistics of Kosovo. Strategic Development Plan 2009-2013 sets out mid-term goals and priorities for improvement of the quality and consistency of statistical system by harmonising domestic methodologies and standards with the European Union statistical standards (EUROSTAT).
237. The mission of the Agency is to: meet the needs of users with qualitative statistical data, objective, in time and space so that users have reliable base to conduct regular analysis in the interest of planning and project development at the municipal and country levels; support government institutions, scientific institutes, research academies, businesses in order to provide proper information for decision-makers and other users in Kosovo. According to Regulation No.01/2013 on the internal reorganisation and systematisation of job positions in the Kosovo Agency for Statistics, Division of Social Statistics within the Agency is *inter alia* responsible for collecting, processing, analysing and publishing statistics on: *2.4. Data on health, social welfare, education, jurisprudence, unemployment and other data in the social sphere.*
238. Besides that, newly appointed National Coordinator for Combating Economic Crime within the KPC will coordinate statistics and collect information. In November 2013, the KPC approved a strategic plan for inter-institutional cooperation for fighting corruption and organised crime. A database (tracking mechanism) was set up in cooperation with the Judicial Council, police and other agencies. The aim is to ensure overview of investigations, prosecutions and final court rulings in cases related to criminal offences of organised crime, corruption, trafficking in human beings, arms trafficking, trafficking of drugs and money laundering. KPC manages the unified database on statistics covering prosecution services. Each basic prosecution office has a coordinator responsible for statistics. Moreover, KPC provided a harmonisation report on more than 20 criminal offences dealt with in a coordinated manner. The report is the first important step although further measures are necessary.
239. The Assessment Team takes note of the information provided. It is however unclear which data is going to be collected, which institution(s) is (are) going to handle the information and according to which rules. In addition, it observes that the cooperation between the different institutions responsible for statistics has to be clarified to ensure *inter alia* matching of statistical

data, avoidance of conflicts of competence, increased cooperation and proper supervision.

240. A case management system that will be introduced through Norway grants still has to be purchased and implemented. This system can be an essential tool to evaluate both the trend in crime and the effectiveness of the system.
241. The Assessment Team welcomes certain measures taken by the authorities to comply with the recommendation. However, it notes that as these measures are at the very beginning of their implementation or are intended to be implemented in the future, it remains to be seen how they will address the identified shortcomings.
242. The Assessment Team concludes that recommendation Iv has been partly implemented.

Recommendation Ivi.

243. *The Assessment Team recommended to strengthen the Special Anti-corruption Department both in relation to the competence of this department but also in relation to increasing the resources and the cooperation between prosecutors, investigators and experts (paragraph 615);*
244. The Kosovo authorities report that SPRK, a permanent and specialized prosecutorial body functioning within the Kosovo State Prosecutor, is a unique prosecutorial office composed of Prosecutors and supporting staff both local and EULEX. At the beginning of May 2013, SPRK was composed of 10 local and 5 EULEX Prosecutors. According to information reported in October 2013, the SPRK was composed of 18 prosecutors (5 being EULEX prosecutors). 6 new prosecutors joined the SPRK as of 1 November 2013. SPRK communicates with Police, Customs, KTA, KAA, FIU and other related persons or entities on cases that are reported to SPRK.
245. Since the very beginning the Special Prosecution is located in one of the Police facilities with insufficient office space for its employees. Additional space is required in order to have all local and EULEX Prosecutors and staff located under one roof. Taking into account KPC Decision to increase the number of Prosecutors, Legal Secretaries and Legal Associates, additional equipment for these persons shall be provided as well.
246. Further necessary actions were taken during 2013:
- Measures were taken to further develop Standard Operating Procedures (SPOs): namely recruitment of new prosecutors, trainings, working on the secondary legislation.
 - The Anti-corruption Department, which was established in April 2011 and consists of 5 experts and 30 police officers, has regular meetings to discuss important cases (white collar cases).
 - Professionalism and cooperation are increasing although there is a need for more professional trainings.

247. Cooperation Agreement on basic principles regarding establishment and operation of the National Coordinator for Combating Economic Crime was signed on 22 November 2013, with the aim of increasing the efficiency of the prosecution of perpetrators, and sequestration and confiscation of assets derived from the criminal activity. This cooperation agreement was signed by the Minister of Justice, Kosovo Prosecutorial Council, Kosovo Judicial Council, Ministry of Finance, Ministry of Internal Affairs, Central Bank of Kosovo, Kosovo Anti-Corruption Agency and the Kosovo Intelligence Agency.
248. The Assessment Team takes note of the information provided and welcomes the actions taken in particular to increase resources and cooperation with the other actors in the fight against corruption. However, there seems to be no development concerning the clarification of the SPRK competence and no concrete information on a more close cooperation between prosecutors, investigators and experts in cases of corruption.
249. The Assessment Team draws the attention to the specialized body in the Special Prosecution office - the Special Anti-corruption Task Force. It considers that this body could probably deal with corruption cases to a greater extent than it does today. It could probably have a more permanent nature and be composed by prosecutors, police officers and experts working together in the same premises. There is no doubt that the effectiveness of the fight against corruption would be more significant with staff working together on a daily basis but continuing to develop specialisation in accordance to specific areas and respective skills or experience. In addition, this service could have competence for all Kosovo and deal with corruption cases of a serious nature. For example, apart from the significant amounts involved, the complexity of the case, potential ties to organised crime, the involvement of politicians, potential use of special business methods, required use of special investigative means/techniques, need of a thorough investigation abroad or in all cases the severity of the case would be some practical indications.
250. The Assessment Team concludes that recommendation Ivi has not been implemented.

Recommendation Ivii.

251. *The Assessment Team recommended that necessary legislative steps are taken to ensure that the injured party has the right to file a complaint about the termination of an investigation (paragraph 617);*
252. The Kosovo authorities have not provided information in respect of this recommendation.
253. Therefore, the Assessment Team concludes that recommendation Ivii has not been implemented.

3.3. Confiscation and other deprivation of instrumentalities and proceeds of crime

Recommendation lviii.

254. *The Assessment Team recommended that (i) to establish an entity within the existing structure with particular reference to identification, tracking and freezing proceeds of crime; and (ii) to enhance the effectiveness of the system through introducing mandatory benchmarks for law enforcement in pursuing illicit funds in the case of any investigation of a proceeds-generating offence (paragraph 636);*
255. The Kosovo authorities have not provided information in respect of this recommendation.
256. The Assessment Team recalls that this recommendation requires actions to establish a special entity and to introduce administrative rules for the enforcement in pursuing illicit funds.
257. The Assessment Team concludes that recommendation lviii has not been implemented.

Recommendation lix.

258. *The Assessment Team recommended to ensure that objects intended to be used in a criminal offense can be confiscated and to enlarge the scope of the provisions on confiscation of instrumentalities and proceeds of crime in order to provide for better possibilities of using confiscation effectively in cases of corruption (paragraph 637);*
259. The Kosovo authorities report that new, Law no. 04/L-140 on extended powers for confiscation of assets acquired by criminal offence entered into force on 11 February 2013. It provides for the possibility to confiscate:
- Assets subject to extended powers of confiscation which are not a material benefit of the criminal offence described in the indictment (Article 6).
 - Assets subject to extended powers of confiscation acquired by a defendant who has died (Article 7).
 - Assets subject to extended powers of confiscation acquired by a defendant who has left Kosovo (Article 8).

Provisions of this law may be applied to assets which have been transferred to another party from a person who is or becomes a defendant or convicted person. That party shall have the right to demonstrate that he or she is a *bona fide* purchaser of the asset. An asset may not be confiscated from a *bona fide* purchaser of that asset.

260. The Assessment Team takes note of the information provided. However, this law does not address issues raised in the PECK Assessment Report (paragraph 637) about the restrictions imposed by the CPC Article 278 compared to the opportunities to confiscate in accordance with CC Article 96 (confiscation of material benefit transferred to a third person), confiscation only of material, when it is found (in rem), and confiscation of objects intended to be used. Furthermore, the wording of Article 13 of the law on extended powers is not clear: "With the entry in force of this Law, provisions which contradict this Law shall be repealed." For the sake of legal clarity, specific repealed provisions should have been directly identified and mentioned in this article.

261. The Assessment Team concludes that recommendation lix has not been implemented.

3.4. Immunities from investigation, prosecution or adjudication of corruption offences

Recommendation lx.

262. *The Assessment Team recommended that steps are taken to ensure that the period where investigation cannot be carried out is not taken in account in the limited period for investigation (paragraph 647);*

263. The Kosovo authorities have not provided information in respect of this recommendation.

264. The Assessment Team recalls that this recommendation requires amendments/changes in the legislation. As mentioned in paragraph 647 of the Assessment Report, Article 157 CPC provides for the legal basis for suspension of investigation. Besides temporary mental disorder or disability, or some other serious disease and escape of the defendant, it is not clear whether the wording: "other circumstances which temporarily prevent successful prosecution of the defendant" can provide a basis for suspension of the limited time for investigation.

265. The Assessment Team concludes that recommendation lx has not been implemented.

4. International cooperation

Recommendation Ixi.

266. *The Assessment Team recommended (i) to take steps to collect appropriate and detailed information and statistics including all angels of a request of mutual legal assistance from the beginning to the end in order to assess the efficiency of the rendering of mutual legal assistance; and (ii) to introduce service standards on turnaround times of foreign requests in order to guarantee effectiveness of the system (see AML assessment report) (paragraph 659);*
267. The Kosovo authorities inform that some international agreements have been signed during 2013:
- Extradition Treaty with Italy (published on 19.11.2013);
 - Treaty on mutual legal assistance in criminal matters with Italy (published on 19.11.2013);
 - Agreement with Hungary on cooperation in the prevention and combating crime (published on 06.09.2013).
268. The Assessment Team welcomes the measures taken, however it takes the view that they do not address the deficiencies identified in the Assessment Report (paragraph 659). The information provided contains neither statistics concerning mutual legal assistance nor possible new service standards.
269. The Assessment Team concludes that recommendation Ixi has not been implemented.

Recommendation Ixii.

270. *The Assessment Team recommended that steps are taken to ensure, that mutual legal assistance in accordance with the rules in the Criminal Law Convention on Corruption (ETS 173) is rendered in cases of corruption in spite of Kosovo having no such a legal obligation (paragraph 660);*
271. The Kosovo authorities report that new Law No. 04/L-213 on international legal cooperation in criminal matters entered into force on 31 July 2013.
272. The Assessment Team takes note of the information provided. Article 1, paragraph 3 of the law sets the principle of reciprocity as basis for international legal cooperation. It states that “In the absence of an international agreement between Kosovo and another state, international legal cooperation shall be administered on the basis of the principle of reciprocity.” However, this law does not contain any exception from the general rule with respect to corruption cases. Moreover, no information has been provided on whether an internal exception should have been made in these situations.
273. The Assessment Team concludes that recommendation Ixii has not been implemented.

III. CONCLUSIONS

274. In view of the above, the Assessment Team concludes that Kosovo has implemented satisfactorily or dealt with in a satisfactory manner only 2 out of the 62 recommendations contained in the PECK Assessment Report. Recommendations xxxiv and xxxviii have been implemented satisfactorily; recommendations iii, xvi, xvii, xx, xxi, xxv, xxvi, xxxi, xxxiii, xxxv, xxxvii, xxxix, xli, xliv and lv have been partly implemented and recommendations i, ii, iv, v, vi, vii, viii, ix, x, xi, xii, xiii, xiv, xv, xviii, xix, xxii, xxiii, xxiv, xxvii, xxviii, xxix, xxx, xxxii, xxxvi, xl, xlii, xliii, xlv, xlvi, xlvii, xlviii, xlix, l, li, lii, liii, liv, lvi, lvii, lviii, lix, lx, lxi and lxii have not been implemented.
275. Overall, the level of compliance with the Assessment Report recommendations is quite low. The Kosovo authorities have not implemented the majority of the recommendations most of which require revision and adoption of core relevant legislation, while several others call for the efficient implementation in practice of the relatively new legislation. However, certain efforts have been made to address the identified shortcomings. In particular, amendments made to the law on financing of political entities in July 2013 addressed some of the recommendations such as the definition and regulation of entities related to a political party, and rules ensuring the specialisation, independence and know-how/expertise of auditors called upon to audit the accounts of political parties and candidates. Partial steps have also been taken to review and clarify the legal framework for the prevention of the conflict of interest, to have objective and transparent criteria for appointment/dismissal of the senior level management and officials of the Kosovo Police as well as to maintain reliable track record of disciplinary and other actions taken with regard to police officers. Likewise, some ongoing measures and initiatives partly address transparency measures in the public administration (in particular instruments related to e-government), the extension of adequate and enforceable conflict of interest standards to every public official and rotation measures in sectors of public administration particularly exposed to a risk of corruption. Furthermore, concerning political funding, some measures have been taken to: harmonise the legal provisions on political entities and campaigns financing in line with the legislation applicable to other candidates for election; review the definition of a 'contribution' to a political party; set more precise conditions for requirements of the financial reports and the deadline(s) of the publication; unify parties' reporting forms, in particular regarding content, periodicity of their submission and publication; introduce more dissuasive, effective and proportionate sanctions in respect of violations of political financing rules; and introduce compulsory periodic publication of political parties' reports. In the public procurement area, measures are taken to introduce conflict of interest prevention rules in the public procurement, including compulsory declaration of conflict of interest situations by members of procurement panels; and to promote further training and specialisation focused on prevention and detection of corruption practices. Finally, with regard to the criminal field, certain steps are taken to collect appropriate and detailed information and statistics including all angles of a corruption case from the beginning to the end.

276. Despite the above-mentioned positive developments, much more needs to be done. Kosovo authorities are strongly urged to make vigorous and sustainable efforts in order to comply with the recommendations contained in the PECK Assessment Report. This would require strong political commitment in addition to co-ordinated, prioritised and effective measures that need to be taken without any further delay.
277. Kosovo authorities are invited to provide additional information on measures that have been or are being taken to implement the pending recommendations that will be re-assessed in the PECK 2nd assessment cycle. Final Assessment Report on compliance with international standards in the anti-corruption field will be drawn up based on the findings and information collected during the 2nd assessment cycle.