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by the Council of Europe

## CoE/EU Project against Economic Crime in Kosovo\* (PECK III)

### Project Summary

Project title	Project against Economic Crime in Kosovo (PECK III)
Project area	Kosovo
Budget	2,460,000 Euros
Funding	European Commission (89.9%) and Council of Europe (10.1%)
Implementation	Economic Crime and Cooperation Division
Duration	36 Months (1 July 2020 – 30 June 2023)

#### 1. BACKGROUND

Kosovo has conducted a number of important rule of law reforms in recent years. In the anti-corruption area, the legal framework has been largely put in place (e.g. modification of the Criminal Code, strengthened measures for the protection of whistleblowers, and improved conflict of interest regime) and institutional capacities have been on the rise. In the area of anti-money laundering and combating the financing of terrorism, the level of compliance with relevant international standards, namely the Financial Action Task Force Recommendations has also improved. The progress made in the two above-mentioned areas has been recognised in the European Commission 2019 Report on Kosovo. Challenges however remain. Kosovo needs to further adjust its anti-corruption and AML/CFT regulatory framework in select areas and, more pressingly, needs to boost effective application of anti-corruption and particularly AML/CFT efforts.

#### 2. NEEDS, OBJECTIVES, EXPECTED OUTCOMES AND ACTIVITIES COMPONENTS AND IMMEDIATE OUTCOMES

PECK III builds upon the results of the two previous phases of the CoE/EU Project against Economic Crime in Kosovo and support the authorities in addressing the findings of the Council of Europe assessments on “Compliance with international standards in the anti-corruption area” (CoE AC Assessment) and on “Compliance of Kosovo with intentional anti-money laundering and combatting the financing of terrorism standards” (CoE AML/CTF Assessment). This will be done through development of effective and sustainable capacities for preventing and suppressing corruption, money laundering and terrorist financing, and asset recovery.

In view of this, the overall objective of the PECK III Project is to enhance anti-corruption and

\* 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.

AML/CFT practices in Kosovo, in line with applicable European and international standards and good comparative practices.

For the purpose of achieving the above objective, the project will ensure, through its activities that:

1. Practitioners in Kosovo have developed effective and sustainable capacities for preventing and suppressing corruption, money laundering and terrorist financing;
2. Kosovo authorities effectively implement asset recovery legislation; and
3. Economic crime case processing by Kosovo authorities is improved.

More specifically, it will look to close the existing gaps in the Kosovo anti-corruption and AML/CFT regulatory system and most importantly, ensure that local officials handling economic crime cases and enforcing prevention mechanisms have the tools, knowledge and skills that could be used to efficiently and effectively fulfil their respective professional duties falling the completion of the Project.

The Project will cover **4 Components** aiming to achieve the following outcomes through activities agreed with national counterparts:

#### **Component I: Anti-Corruption (AC)**

- Immediate Outcome 1: Immediate outcome 1: KAA identifies and mitigates corruption risks.
- Immediate outcome 2: Public and private sector entities enhance implementation of corruption prevention frameworks.

#### **Component II: AML/CTF**

- Immediate outcome 3: Upgraded AML/CFT legislative and regulatory framework and procedures in line with CoE AML/CFT Assessment recommendations.
- Immediate outcome 4: Authorities conduct enhanced assessment of AML/CTF risks.
- Immediate outcome 5: Strengthened AML/CFT private sector compliance and public-private sector partnership.

#### **Component III: Confiscation and Asset Recovery**

- Immediate outcome 6: Enhanced confiscation, asset recovery system and capacity for confiscated asset management within Kosovo authorities.

#### **Component IV: Pilot activity on raising operational capacities through mentoring and on-the-job training**

- Immediate outcome 7: Operational capacities of law enforcement authorities fighting the economic crimes are enhanced through a pilot on-the-job training.

Assistance activities will include provision of research, expert advice, legal reviews, workshops, trainings, and roundtables. The activity results will be documented in technical papers, guidelines, or other written output which will be available on the Project website.

### **3. COUNTERPARTS/BENEFICIARIES**

The main beneficiary institutions in Kosovo for implementation of the project are the Financial Intelligence Unit (FIU), Agency for Prevention of Corruption, Agency for Management of Sequestered and Confiscated Assets (AMSCA) and Kosovo Police – Department Economic, Financial and Corruption Crimes (DIEEC).

In addition, and in relation to thematic areas, other institutions will benefit from the project input through participation in activities. Beneficiaries shall benefit from the Project support, due to their role in anti-corruption/anti-money laundering and combating the financing of terrorism in Kosovo. Such beneficiaries include (but are not limited to) the following key agencies entities with a role:

- State Prosecution (SP)
- National Coordinator for Combating Economic Crimes (NCCEC);
- Central Bank (CB)
- Kosovo Judicial Academy (KJA)
- Kosovo Institute for Public Administration (KIPA)
- Kosovo Academy for Public Safety (KAPS)
- Kosovo Customs (KC)
- Tax Administration (TAK)
- Labour Inspectorate (LI)
- Kosovo Judicial Council (KJC);
- Kosovo Police Inspectorate (KPI);
- Kosovo Prosecutorial Council (KPC);
- Ministry of Finance (MF);
- Ministry of Internal Affairs (MIA);
- Ministry of Justice (MoJ);
- Ministry of Public Administration (MBA);
- Division for Registration of Non-Governmental Organisations
- Kosovo Business Registry

Other beneficiaries include the financial sector and the industry (other non-financial AML/CFT reporting entities) and, as well as the civil Society organisations active in relevant areas.

#### 4. IMPLEMENTATION ARRANGEMENTS

The Council of Europe Economic Crime and Cooperation Division will be responsible for the implementation of the project. The project will be daily managed by the Council of Europe project teams based in Pristina and Strasbourg. The teams will also assist close coordination with the EU Office in Kosovo and other donors and technical assistance programs working in the same or related areas.

#### 5. CONTACTS

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