

Funded
by the European Union
and the Council of Europe



COUNCIL OF EUROPE



Implemented
by the Council of Europe

Project against Economic Crime in Kosovo* (PECK II)

Third Interim Progress Report

Project title:	Project against Economic Crime in Kosovo (PECK II)
Reference number:	IPA II 2014 – CRIS No. 2015/372-097
Project duration:	1 January 2016 – 31 December 2018 (36 months)
Implementation:	Economic Crime and Cooperation Division (ECCD) Action against Crime Department – DGI, Council of Europe
Project budget:	€2,225,000 (EU 89.89% and CoE 10.11%)
Reporting period:	1 January 2018 – 18 June 2018
Date of report:	10 August 2018

* 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.

For further information please contact:

Economic Crime and Cooperation Division
Action against Crime Department
Directorate General Human Rights and Rule of Law
Council of Europe
F- 67075 Strasbourg

Edmond DUNGA
Project Advisor

✉ Edmond.DUNGA@coe.int

☎ + 381 38 243 749 ext. 106

This document has been produced with the financial assistance of the European Union and the Council of Europe. The views expressed herein can in no way be taken to reflect the official opinion of the European Union and/or of the Council of Europe.

Table of Contents

ABBREVIATIONS	4
1 DESCRIPTION	5
1.1 CONTACT PERSON	5
1.2 NAME OF PARTNERS IN THE ACTION	5
1.3 TITLE OF THE ACTION	5
1.4 CONTRACT NUMBER	5
1.5 START DATE AND END DATE OF THE REPORTING PERIOD	5
1.6 TARGET AREA	5
1.7 BENEFICIARY INSTITUTIONS	5
1.8 CONTRACTING AUTHORITY	6
1.9 IMPLEMENTING ORGANISATION	6
2 EXECUTIVE SUMMARY	7
3 DESCRIPTION OF ACTION	9
3.1 OVERALL OBJECTIVE	9
3.2 PROJECT PURPOSE	9
3.3 EXPECTED RESULTS (ERS)	9
4 SITUATION IN KOSOVO	10
5 PROGRESS ACHIEVED DURING THE REPORTING PERIOD	12
6 MANAGEMENT AND ORGANISATION	19
6.1 MANAGEMENT	19
6.2 STEERING COMMITTEE	19
7 COOPERATION WITH STAKEHOLDERS	19
7.1 COUNTERPART BENEFICIARIES	19
7.2 OTHER THIRD PARTIES	19
8 VISIBILITY	20
9 DIFFICULTIES/RISKS ENCOUNTERED DURING IMPLEMENTATION	20
10 CONCLUSIONS	21
11 ANNEXES	25
11.1 WORKPLAN	25
11.2 CALENDAR OF ACTIVITIES	25
11.3 LIST OF TECHNICAL PAPERS	26

ABBREVIATIONS

AC	Anti-corruption
AML/CFT	Anti-Money Laundering/Combating the Financing of Terrorism
AMSCA	Agency for Management of Seized and Confiscated Assets
CBK	Central Bank of Kosovo
CEC	Central Electoral Commission
CPA	Central Procurement Agency
CRMAP	Corruption Risk Management Action Plan
DNFBP	Designated Non-Financial Business and Profession
ECCD	Economic Crime and Cooperation Division
EC	European Commission
ER	Expected Result
ERA	European Reform Agenda
EU	European Union
EULEX	European Union Rule of Law Mission in Kosovo
EUO	European Union Office in Kosovo
EUSR	European Union Special Representative
FATF	Financial Action Task Force
FIU	Financial Intelligence Unit
GRECO	Group of States against Corruption/Council of Europe
KA	Kosovo Assembly
KAA	Kosovo Anti-Corruption Agency
KBRA	Kosovo Business Registration Agency
KC	Kosovo Customs
KJC	Kosovo Judicial Council
KP	Kosovo Police
KPC	Kosovo Prosecutorial Council
KPI	Kosovo Police Inspectorate
LRM	Legislative Review Mechanism
MEI	Ministry of European Integration
MFA	Ministry of Foreign Affairs
MIA	Ministry of Internal Affairs
MoF	Ministry of Finance
MoJ	Ministry of Justice
MONEYVAL	Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism / Council of Europe
MPA	Ministry of Public Administration
NAO	National Audit Office
NCCEC	National Coordinator for Combating Economic Crimes
OGG	Office for Good Governance, Human Rights, Equal Opportunities and Gender Issues / Prime Minister's Office
OSCE	Organisation for Security and Cooperation in Europe
OVI	Objective Verifiable Indicator
PECK II	EU/CoE Joint Project against Economic Crime in Kosovo (Phase II)
PMO	Prime Minister's Office
PPRC	Public Procurement Regulatory Commission
PRB	Procurement Review Body
SPO	State Prosecutor's Office
SPRK	Special Prosecution of Kosovo
TAK	Tax Administration of Kosovo
TP	Technical Paper

1 DESCRIPTION

1.1 Contact person

Ardita Abdiu
Head of Economic Crime and Cooperation Division
Action against Crime Department
Information Society and Action against Crime Directorate
Directorate General I – Human Rights and Rule of Law
Council of Europe

1.2 Name of Partners in the Action

Council of Europe and European Union

1.3 Title of the Action

Project against Economic Crime in Kosovo (PECK II)

1.4 Contract number

IPA II 2014 – CRIS No. 2015/372-097 and CoE No. JP 4561

1.5 Start Date and End Date of the Reporting Period

1 January 2018 – 18 June 2018

1.6 Target area

Kosovo

1.7 Beneficiary institutions

Main beneficiary institutions: Kosovo Anti-corruption Agency (KAA) and Financial Intelligence Unit (FIU).

Project beneficiaries include (but are not limited to) the following key agencies with a role in anti-corruption/anti-money laundering and combating the financing of terrorism in Kosovo:

- Agency for Managing Seized and Confiscated Assets (AMSCA)
- Central Bank of Kosovo (CBK)
- Central Procurement Agency (CPA)
- Courts
- Department for Registration and Liaison with NGOs (DRLNGO)
- Kosovo Business Registration Agency (KBRA)
- Kosovo Customs (KC)
- Kosovo Judicial Council (KJC)
- Kosovo Police (KP)
- Kosovo Police Inspectorate (KPI)
- Kosovo Prosecutorial Council (KPC)
- Ministry of European Integration (MEI)
- Ministry of Finance (MoF)
- Ministry of Internal Affairs (MIA)
- Ministry of Justice (MoJ)
- Ministry of Public Administration (MPA)
- National Audit Office (NAO)
- National Coordinator for Combating Economic Crimes (NCCEC)
- Office for Good Governance, Human Rights, Equal Opportunities and Gender Issues / Prime Minister's Office (OGG)
- Procurement Review Body (PRB)
- Public Procurement Regulatory Commission (PPRC)
- Special Prosecution of Kosovo (SPRK)
- State Prosecutor's Office (SPO)
- Tax Administration of Kosovo (TAK)

Other beneficiaries are the financial sector and the industry (AML/CFT reporting entities), the civil society and journalists.

1.8 Contracting authority

European Union Office in Kosovo (EUO)

Indirect Management through Delegation Agreement from EU under EU/CoE Joint Programme Framework

1.9 Implementing organisation

The Council of Europe is responsible for the implementation of the Project and the use of the Project funds under the European Union and the Council of Europe Agreement. Within the General Secretariat of the Council of Europe in Strasbourg, Directorate General of Human Rights and Rule of Law, and more specifically, the Action against Crime Department, Economic Crime and Cooperation Division is responsible for the overall management and supervision of the Project with a Project team based in Pristina being responsible for day-to-day implementation of the Project.

2 EXECUTIVE SUMMARY

The current report covers the implementation of the EU/Council of Europe Joint Project against Economic Crime in Kosovo (PECK II) throughout the period of 1 January to 18 June 2018. The report describes activities implemented during the reporting period and their impact in strengthening the capacities of beneficiary institutions in preventing and combating corruption, money laundering and financing of terrorism. The Project organised 14 activities and field missions, which included 428 participants (73.4% male and 26.6% female). It produced 5 technical papers including three legal opinions.

The Project continued to play an important role in supporting the reform agenda aiming to strengthen institutional capacities of Kosovo authorities in the area of anti-corruption and anti-money laundering and combating financing of terrorism (AML/CFT) based on European and international standards.

In the **legislative** field the Project supported a number of reviews aiming to align Kosovo's normative framework with international standards. Assistance was provided in the preparation of the new Criminal Code (CC), which incorporated PECK II proposals in over thirty articles covering bribery and counterterrorism. In addition, the Project delivered recommendations for the new draft of the Criminal Procedure Code covering seizure and confiscation of proceeds of crime as well as on suspension and removal of public officials indicted or convicted of a criminal offence of corruption.

Moreover, the Project heavily supported the drafting and finalisation of the new Law on Protection of Whistleblowers which introduces a number of advanced solutions based on leading international practices. The Project also organized a series of drafting sessions on the Law on Implementation of International Sanctions, in order to incorporate FATF requirements on countering terrorism financing and proliferation of weapons of mass destruction. Furthermore, the Project team contributed to the latest hearings, working group meetings and Assembly discussion on the Law on Prevention of Conflict of Interest in Discharge of a Public Function (No. 06/L-011).

Work on the **anti-corruption and AML/CFT assessments** modelled on the GRECO and FATF/MONEYVAL methodologies continued in the reporting period. The Project successfully implemented all preparatory activities for the assessments in close cooperation with coordinating beneficiary institutions – the Kosovo Anti-corruption Agency (KAA) and the Financial Intelligence Unit (FIU). This included the development of the methodological framework, expert/assessor teams, assessment questionnaires, schedules, targeted explanatory guidance sessions and seminars for Kosovo authorities. It is worth mentioning that most Kosovo authorities demonstrated increased ownership of the assessment process and provided significant volumes of normative, statistical and case-related information necessary for the success of the assessments.

The Project also implemented a series of activities aiming to **enhance institutional capacities** of relevant beneficiary agencies. It delivered a Study on Integrity System of the central administrative bodies in Kosovo, including practical institutional recommendations. As a follow-up of previous sectorial risk assessments covering the prosecution, judiciary and public procurement sectors, the Project supported the development of a Corruption Risk Management Action Plan for the prosecutorial system.

Excellent cooperation with beneficiary institutions continued during the reporting period through their participation and support to the implementation of Project activities. Moreover, consultations and cooperation with various partners, stakeholders and related international organisations were maintained on a regular basis.

Although beneficiary institutions of the Project are mostly male dominated, the Project offers equal opportunities to both genders in attending its activities whereby 26.6% of total number of participants are women.

Project data and statistics

Number of implemented activities	Number of beneficiary persons participating in Project activities	Engaged experts	Level of budgetary disbursement
14	428 (73.4% male and 26.6% female)	13 (69.2% male and 30.8% female)	€1,340,870.91 (60.3% out of 2.25M)

3 DESCRIPTION OF ACTION

Project against Economic Crime in Kosovo (PECK II) is funded by the European Union and the Council of Europe, and implemented by the Council of Europe. The Project duration is 36 months (2016 – 2018) and its budget is €2,225,000 (EU contribution €2.0 million; CoE – € 225,000).

The second phase of PECK Project (PECK II) builds on the results and lessons learned from the first phase implemented throughout 2012 and 2015 as the joint European Union/Council of Europe Project against Economic Crime in Kosovo (PECK I). It produced the first comprehensive and structured assessment of Kosovo's compliance with European and international standards in the anti-corruption (AC) and the anti-money laundering and combating the financing of terrorism (AML/CFT) areas, based on GRECO and FATF/MONEYVAL adjusted methodologies and practices specifically tailored to Kosovo. The corresponding assessment reports provide an in-depth analysis of the AC and AML/CFT frameworks as well as identify deficiencies and provide recommendations for bringing necessary legislative, institutional and operational reforms in compliance with applicable standards.

PECK II Project assists Kosovo authorities with the implementation of specific recommendations from PECK I assessments through targeted technical assistance while continuing with the structured assessments of AC and AML/CFT frameworks vis-à-vis evolving international standards.

Technical assistance activities cover the two components (corruption and money laundering) by addressing capacity building aspects in connection with legislative, institutional, policy and operational reforms. Strengthened capacities to effectively implement and coordinate anti-corruption measures are coupled with further streamlining of inter-agency information exchange and cooperation mechanisms. Moreover, technical assistance activities further support Kosovo authorities to better participate in the ongoing assessment process that is being carried out during the last year of PECK II Project (2018).

3.1 Overall objective

PECK II Project overall objective is to contribute to democracy and the rule of law through the prevention and control of corruption, money laundering and financing of terrorism in Kosovo.

3.2 Project purpose

To strengthen institutional capacities to counter corruption, money laundering and the financing of terrorism in Kosovo in accordance with European standards through targeted technical assistance and assessments for improving and streamlining economic crime reforms.

3.3 Expected Results (ERs)

The following are the expected results of the Project. Their achievement, will lead to the achievement of the Project purpose and contribute to the overall objective:

Expected Result 1 – Institutional capacities of anti-corruption stakeholders to effectively implement and coordinate anti-corruption measures are further strengthened

Expected Result 2 – Interagency information exchange and cooperation mechanisms are streamlined to ensure effective coordinated measures against economic crime

Expected Result 3 – Assessment Report of anti-corruption measures is available

Expected Result 4 – Assessment Report of anti-money laundering and combating financing of terrorism measures is available

4 SITUATION IN KOSOVO

The political situation in Kosovo was stable during the reporting period (January – June 2018).

Corruption in Kosovo is considered and perceived prevalent in many areas by the majority of stakeholders and continues to be a serious problem. According to EU 2018 Kosovo Report¹, "Corruption is widespread and remains an issue of concern. Concerted efforts are needed to tackle this problem in a comprehensive and strategic manner". In its Corruption Perceptions Index 2017 Transparency International has ranked Kosovo 85 out of 180 jurisdictions with a score of 39 (with 100 representing the lowest level of corruption)² whereas according to Balkan Public Barometer, unlike the rest of Western Balkans, 57% of Kosovo's respondents believe that corruption is the most important problem after unemployment.³

According to the most recent available statistics, the number of persons involved in corruption-related criminal proceedings was 1,765 at the beginning of 2017 (1,097 inherited from 2016 and 668 persons in 2017). In total 412 cases involving 902 persons were dealt with in 2017 whereas the remaining cases concern 715 persons. The number of dismissed corruption cases and terminated investigations continue to be generally higher than the number of indictments. In 2017, criminal reports were dismissed for 335 persons (37.14%) and investigations without further proceedings were terminated for 250 persons (27.72%). Indictments were filed against 314 persons (34.81%).

Investigation and adjudication of <i>corruption offences</i> in 2017 ⁴	Reported suspects	Investigations	Dismissed criminal reports	Terminated investigations	Indictments	In procedure	Dismissed indictment	Conviction	Other (probation, acquittal, etc.)
Anti-corruption Agency	94	-	-	-	-	-	-	-	-
Police	238	-	-	-	-	-	-	-	-
Others	336⁵	-	-	-	-	-	-	-	-
Prosecution	+1,097	902	335	250	314	715	-	-	-
Courts ⁶	n/a	-	-	-	-	-	23	88	58

Investigation and adjudication of <i>money laundering offences</i> in 2017	Reported suspects	Investigations	Dismissed criminal reports	Terminated investigations	Indictments	In procedure	Dismissed indictment	Conviction	Other (probation, acquittal, etc.)
Financial Intelligence Unit	-	-	-	-	-	-	-	-	-
Police	18	-	-	-	-	-	-	-	-
Others	5	-	-	-	-	-	-	-	-
Prosecution	+76	16	9	4	3	82	-	-	-
Courts	n/a	-	-	-	-	-	-	1	-

¹ Available at <https://ec.europa.eu/>, p. 4 and 18.

² www.transparency.org/

³ www.rcc.int/, p.40. Kosovo seems to be the sole exception in South Eastern Europe where corruption is perceived as the second most commonly noted concern whereas in the rest of the region the economic situation is ranked second after unemployment.

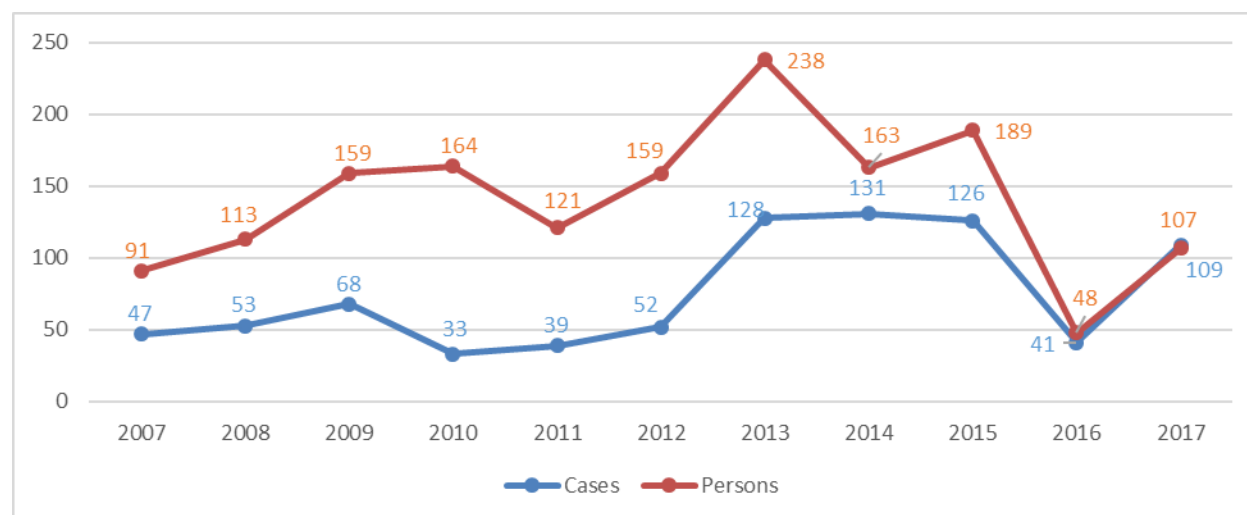
⁴ Figures refer to persons. Kosovo Prosecutorial Council - 2017 Annual Report on Harmonisation of Statistics under the Inter-institutional Mechanism on Harmonisation of Statistics for Characteristic Criminal Offences, available at <http://kpk-rks.org>

⁵ This includes *inter alia* the Police Inspectorate (13), citizens (53), received in competence (113) and affected party (132).

⁶ Courts figures in both tables refer to the same source mentioned in the footnote 4 above.

In 2017, out of 357 cases in total (312 new received cases), the Kosovo Anti-corruption Agency (KAA) filed criminal charges and forwarded 109 cases involving 107 persons to prosecution service⁷ and police while it submitted 17 cases against 28 officials to competent administrative institutions for the initiation of disciplinary proceedings. 92 cases were terminated whereas 139 others are under proceedings. In 2017, the KAA issued 14 opinions to different public procurement authorities as well as 34 opinions on conflict of interest-related issues.

The number of cases and related persons forwarded to competent institutions by the KAA in the last decade is shown in the chart below.



Source: KAA annual reports 2016 and 2017

At the policy level, implementation of the Anti-corruption Strategy 2013-2017 and Action Plan continues to demonstrate ineffective trends that are caused by insufficient involvement of concerned stakeholders and weak political support.⁸

Period	Implemented	Partly implemented and not implemented	Unreported
2017	56.25%	13.75%	30%

A new draft Anti-Corruption (AC) Strategy 2018-2022 and its Action Plan has been drafted and was submitted by the KAA to the Government in November 2017 and in February 2018 in a slightly revised version. On 23 March 2018 the Government adopted the AC Strategy that is pending adoption at the Assembly.

The 2018-2022 AC Strategy includes specific objectives for four priority sectors including: political sector; central administration; law enforcement and judiciary; public procurement and management of public finances (but not anymore the private sector and business environment). It includes 19 objectives that are translated in its Action Plan into 87 measures, 141 activities and 205 success indicators. A total amount of EUR 4.4 million is being budgeted in the Action Plan. Annual (instead of bi-annual) reporting to the KAA is required by implementing institutions. An annual report of the implementation of the strategy has to be submitted by the KAA to the Assembly. The KAA has the possibility to revise the Action Plan every year (instead of every two years in the previous cycle).

With regard to the Strategy and Action Plan for Prevention of and Fight against Informal Economy, Money Laundering, Terrorist Financing and Financial Crimes 2014 – 2018 (AML/CFT Strategy), the 2017 annual report on the implementation of its Action Plan is unavailable.

⁷ In 77 indictments involving failure to declare assets or false declaration (Article 437 of the Criminal Code), courts have issued the following acts: 47 punitive judgments (suspended imprisonment from 2 to 6 months, fine up to €2,000 or court admonition), 12 acquittals, 16 rejection judgments and 2 dismissals.

⁸ See [KAA 2017 Annual Report](#) (Albanian version), pp. 34-37.

5 PROGRESS ACHIEVED DURING THE REPORTING PERIOD

5.1 Overall achievement

Overall, the Project activities and outputs have had a positive impact on legislative and institutional reforms aimed at enhancing Kosovo's compliance with relevant international standards in the AC and AML/CFT areas. Support and technical assistance on the new draft Criminal Code in relation to bribery-related and counterterrorism provisions and new draft Law on Protection of Whistleblowers have received considerable attention from beneficiary institutions leading to implementation of a substantive number of the Project's recommendations. Moreover, the Project initiated and carried out all planned stages under the ongoing assessment of AC and AML/CFT measures on the basis of current GRECO and FATF/MONEYVAL evaluation rounds and practice. In this regard, it invested a lot of efforts to ensure effective coordination, understanding and awareness of Kosovo authorities who provided an impressive level of involvement, high volume and more qualitative information compared to the preceding assessment cycle. Furthermore, other implemented activities have yielded a number of important outputs, in particular with regard to targeted financial sanctions, integrity system and follow-up of risk assessments, etc.

5.2 Assessment of Project implementation and deliverables per Expected Results

The analysis below will address activities included in ER 1, 3 and 4 of the Project Workplan and Calendar, which were implemented the reporting period.

Achievements and progress in regard to the following Objective Verifiable Indicators (OVIs):

- *At least three risk assessments in the AC area conducted by the KAA in coordination with other stakeholders*

Three corruption risk assessments in the area of prosecution, judiciary and public procurement have been finalised and presented.

- *At least ten legal opinions and technical papers for concrete anti-corruption measures and/or initiatives are produced*

Advanced achievement of the OVI can be reported. The Project has already reported 26 technical papers produced and delivered during the two first years of implementation (10 in 2016 and 16 in 2017, out of them 3+5 legal opinions in both years). Moreover, during the reporting period, the Project developed and delivered 5 technical papers which include 3 legal opinions and finalised one legal opinion already initiated in 2017 regarding bribery-related provisions in the Criminal Code, seizure and confiscation of proceeds of crime, financing of terrorism and the suspension and removal of public officials accused or convicted of a criminal offence of corruption. The other 3 legal opinions cover draft amendments and supplements to the Law on Implementation of International Sanctions (No. 03/L-183) and the new draft Law on Protection of Whistleblowers (No. 06/L-085).

Expected Result 1:	Institutional capacities of anti-corruption stakeholders to effectively implement and coordinate anti-corruption measures are further strengthened
Activity 1.1	Conduct risk analysis and assessment in up to three priority areas and support follow-up implementation measures
Inputs/Actions	1.1.3 Carry out 3 risk assessments of identified (sectors) institutions

- a) *Support to Kosovo Prosecutorial Council in increasing capacities and developing corruption risk management action plan*

The Project ensured the follow-up to the corruption risk assessment in the prosecutorial system. In close co-operation with the working group set up by the Kosovo Prosecutorial Council (KPC), the Project assisted and finalised through international expertise the development of a Corrupting Risk

Management Action Plan (CRMAP) for the prosecutorial system and supported capacity building needs in this respect. In January 2018 the Project supported training on monitoring and reporting corruption risks with representatives from the prosecutorial system. By referring to good practice this activity served to increase capacities of beneficiaries with regard to corruption risks management, with special focus on monitoring and reporting corruption risks in the prosecutorial system.

Activity 1.2	Provide legal and technical opinions and legislative proposals and support their implementation to make relevant anti-corruption legislation compliant with international standards
<i>Inputs/Actions</i>	<i>1.2.1 Provide review of at least 6 relevant law and advice on amendments to relevant legislations in order to comply with relevant international standards as recommended by PECK Assessment Reports</i>
<i>Inputs/Actions</i>	<i>1.2.2 Support the drafting of the necessary legislative instruments based on the results of the reviews conducted under 1.2.1</i>

a) Technical assistance and support in drafting the new draft of Criminal Code

The Project provided substantive support in the drafting process of the new Criminal Code (No. 06/L-074) through *inter alia* providing two technical papers/legal opinions on corruption-related offences and counterterrorism norms. This assistance and support served to ensure better alignment of respective provisions of the Criminal Code with European and international standards and follow previous recommendations given under PECK I Project. The technical papers and related assistance was focused on the Council of Europe standards, including Criminal Law Convention on Corruption (ETS 173) and its Protocol (ETS 191), Convention on the Prevention of Terrorism (CETS 196) including its Protocol (CETS 217) and annexed treaties as well as the EU Directive 2017/541 on Combating Terrorism.

With regard to corruption-related offences and the relevant technical paper which was finalised in February 2018, the draft version of the Criminal Code adopted by the Government on 13 April 2018 includes recommended amendments and supplements of 14 corruption-related provisions⁹. Moreover, the Legal Opinion (Technical Paper) on specific amendments to the Criminal Code and Criminal Procedure Code of Kosovo and their conformity with international standards provided findings and recommendations on the seizure and confiscation of the proceeds of crime and the suspension and prohibition from holding a public administration or public service function for public officials being investigated and convicted for corruption-related offences. In this regard, these findings and recommendations have to be considered and addressed within the ongoing drafting and revision process of the Criminal Procedure Code together with needed consistency and avoidance of conflicts between Criminal and Criminal Procedure codes as previously analysed by the PECK I AC and AML/CFT assessment reports.

As regards counterterrorism provisions, on the basis of the Project's technical assistance and its related technical papers the majority of proposed amendments and supplements were included in the most recent draft of the Criminal Code¹⁰ which is pending final adoption at the Assembly.

⁹ As a result of the Project direct output and involvement and in close coordination with other stakeholders (EUSR, American Embassy), out of 21 reviewed and discussed provisions the following amendment and supplements were made in the following 14 corruption-related provisions: articles 37 (criminal liability of legal persons), 108 (extraterritorial jurisdiction for bribery and trading in influence offences), 62 (prohibition on exercising public administration or public service functions), 63 (prohibition on exercising a profession, activity or duty), 112 (special provisions for legal persons), 113 (definitions), 309 (accepting bribes in the private sector), 310 (giving bribes in the private sector), 416 (conflict of interest), 420 (accepting bribes), 421 (giving bribes), 422 (giving bribes to foreign official person or foreign public official), 423 (trading in influence) and 427 (unlawful collection and disbursement).

¹⁰ Project direct output and involvement in close coordination with other stakeholders (EUSR, American Embassy) resulted in amendments and supplements of 22 counterterrorism-related provisions of the new Criminal Code in articles 128 to 139 (definition for terrorism offences, commission of the terrorist offence, assistance in the commission of terrorism, facilitation and financing of terrorism, recruitment for terrorism, training for terrorism, incitement to commit a terrorist offence, concealment or failure to report terrorists or terrorist groups, organisation and participation in a terrorist group, travelling for the purpose of terrorism, preparation of terrorist offences, irrelevance of the commission of a terrorist offence and relationship to terrorist offences); 70 (general rules on mitigation or aggravation of punishments); 159 to 161 (endangering civil aviation safety, endangering maritime navigation safety, endangering the

b) Technical assistance and support in drafting the new draft Law on Protection of Whistleblowers

As a follow-up of comprehensive review of legal and institutional whistleblowing mechanisms and consistent follow-up activities, during the reporting period the Project supported drafting and finalisation of a new draft Law on Protection of Whistleblowers that is pending final adoption at the Assembly (for further information, please refer to Activity 1.3 below).

c) Support to legal framework on implementation of international sanctions

As a follow-up of previous continuous support to the working group aiming at supplementing and amending the Law No. 03/L-183 on Implementation of International Sanctions (LIIS) and ensuring compliance with international standards on targeted financial sanctions (TFS) related to terrorism and terrorist financing (TF, FATF Recommendation 6) and to proliferation and its financing (PF, FATF Recommendation 7), the Project implemented several activities in this regard during the reporting period.

On 8-9 February 2018, the Project organised focused discussion with the working group led by the MFA and drafting process of amendments and supplements to the LIIS. The initial draft produced at this workshop was further improved, completed, discussed and reviewed in subsequent working group meetings on 10 and 17 April 2018. As a result, at the end of April 2018 a draft Law containing amendments and supplements to the LIIS was produced, translated into English and forwarded to the Council of Europe expert in order to prepare a Technical Paper/Legal Opinion. Moreover, two FATF available guidelines in Albanian were disseminated to the Working Group for further guidance.¹¹

On 30-31 May 2018, the Project supported the presentation of the Technical Paper of the Council of Europe expert on the existing draft of the working group aiming at amending and supplementing the LIIS. One of the main conclusion reached by the working group on the basis of review made by the Council of Europe expert was that amending and supplementing the current text of the LIIS as one of the possible options to achieve compliance with the international standards on TFS related to TF and PF does not appear to be the most effective and practicable approach. Consequently, the working group expressed a general agreement that instead of further improving and fine-tuning amendments and supplements proposed to the LIIS, it would prefer to proceed with this task by drafting new law unrelated to the existing LIIS and specifically dedicated to the comprehensive implementation of the international standards on TFS related to TF and PF. The working group members and the key beneficiary (MFA) reiterated the need to have further support and assistance from the Project in order to proceed in the suggested way.

d) Finalisation and adoption of the Law on Prevention of Conflict of Interest

In March 2018, the Project team participated in hearings and working group meetings held by the Committee on Legislation of the Assembly and supported final discussions on behalf of EU family with regard to finalisation of the draft Law on Prevention of Conflict of Interest in Discharge of a Public Function (No. 06/L-011). This Law was adopted on 30 March 2018 by the Assembly and constitutes a very advanced piece of legislation compared to the previous law. Following its entry into force the Project participated in initial discussion with core staff of the KAA regarding implementation needs and will support the development of needed guidelines, regulations and capacity building activities.

e) Ongoing drafting process of the new laws on KAA and asset declaration of senior officials

safety of fixed platforms located on the continental shelf); 169 to 171 (hostage-taking, unauthorised appropriation, reception, use, production, possession, transfer, alteration, disposal, dispersion or damage of nuclear or radioactive material and threats to use or commit theft or robbery of nuclear or radioactive material); 315 (aggravated theft); 328 (extortion) and 356 (causing general danger).

¹¹ FATF (2013) Guidance on the Implementation of Financial Provisions of United Nations Security Council Resolutions to Counter the Proliferation of Weapons of Mass Destruction (a 2018 updated version was recently issued) and FATF (2013) Paper on International Best Practices: Targeted Financial Sanctions Related to Terrorism and Terrorist Financing (Recommendation 6).

In March 2018, the Project was separately approached by the MoJ and KAA to assist with the drafting of laws on Kosovo Anti-corruption Agency and on asset declaration of senior officials. These two initiatives together with the new draft Law on Protection of Whistleblowers and draft Law on Extended Powers for Confiscation of Assets were conceived to form a package of four anti-corruption related laws to be proceeded under the visa liberalisation review. However subsequently, these drafts were reviewed by the UNDP Project on Support to Anti-corruption Efforts in Kosovo (SAEK). Due to insufficient maturity of these two drafts, the MoJ postponed their drafting and consultation process.

PECK II Project will consider any support and technical expertise on these two initiatives in case key beneficiaries would consider and make such request.

Activity 1.3	Review legal and institutional whistleblowing mechanisms and provide proposal for improvement
<i>Inputs/Actions</i>	<i>1.3.1 Review of the existing whistleblowing legal and framework to identify shortcomings and provide recommendations</i>

Following the legal and institutional review of whistleblowing mechanisms conducted under the PECK II Project in 2016, the Project organised a series of follow-up activities aiming to promote the drafting of the new Law on Protection of Whistleblowers.

At the occasion of the International Whistleblower Day, on 26 March 2018 the Project supported the initiative of the Minister of Justice on a new Law on Protection of Whistleblowers that would replace the existing Law on Protection of Informants. Consequently, it engaged two knowledgeable Council of Europe experts in this area to provide expertise and support drafting and finalisation of the draft. In the period of March to June 2018, the Project team held more than 10 working group meetings with the restricted working group of the MoJ to discuss all key issues and proceed with the drafting process.

On 12-13 April 2018, the Project held a regional meeting on protection of whistleblowers to discuss and exchange experience on legislation, procedures and practice from other Western Balkans countries (Albania, Montenegro, Croatia, Serbia and "The former Yugoslav Republic of Macedonia"). Experience and lessons from other countries and relevant case law of the European Court of Human Rights were taken into account by the Ministry of Justice and its working group in further stages of the drafting process.

On 2-3 May 2018, in cooperation with the MoJ, the Project organised the subsequent working group meeting to discuss outstanding issues on protection of whistleblowers such as responsibilities of authorities according to the three tier approach, classified information and whistleblowing, confidentiality and protection of personal data, adequate procedures and deadlines, remedies, sanctions etc.

Given the tight deadlines requested by the main beneficiary (MoJ) in light of the political agenda related to the visa liberalisation requirements, the Project accommodated adjustments and workflow needs and succeeded to present and discuss the Technical Paper/Legal Opinion on the draft Law on Protection of Whistleblowers with working group members, involved institutions and stakeholders, including the international community and civil society organisations on 7 and 8 June 2018. Findings and last conclusions of the meeting were reflected in the draft Law before its submission and adoption by the Government on 12 June 2018. On 23 July 2018, the Assembly endorsed at its first reading the draft Law on Protection of Whistleblowers.

Activity 1.6	Provide methodologies, guidelines and tools in implementing asset declarations and conflict of interests regulatory frameworks to KAA, government officials, investigative journalists and NGOs
<i>Inputs/Actions</i>	<i>1.6.1.2 Workshop on integrity system shortcomings</i>

In November 2017, the Project initiated a study on the integrity system in Kosovo with the aim to identify related shortcomings and provide recommendations and good practice examples. On the

basis of the scoping mission and research made in this regard, in January 2018 the Project produced a technical paper and organised a discussion with relevant institutions of the findings and recommendations. The Project also presented participants with international standards and good practice from European countries in relation to integrity management.

Expected Result 3:	Assessment Report of anti-corruption (AC) measures
Activity 3.1	Carry out an anti-corruption assessment measuring the level of compliance with European and international standards
Inputs/Actions	3.1.1 Prepare AC Questionnaire in line with the GRECO assessment methodology 3.1.2 Organise an explanatory seminar for Kosovo authorities on data collection and preparation of responses to the assessment questionnaires 3.1.3 Translation of the AC Questionnaire into Albanian and Serbian 3.1.4 Dissemination of AC Questionnaire to each respective and relevant authority in Kosovo 3.1.5 Translation of Kosovo authorities' responses to assessment questionnaire 3.1.6 On-site visit of the AC assessment team

a) Preparatory work and submission of AC assessment Questionnaire and related documents to Kosovo authorities

At the beginning of 2018, the Project finalised and submitted to Kosovo authorities the AC assessment questionnaire and accompanying documents for the assessment, including the assessment schedule, and list of institutions to be involved. The composition of the AC team was finalised at the end of January 2018.

Some communication issues and certain delays in providing replies to the Questionnaire were mitigated by the Project with the support of the KAA thus ensuring collection of all needed replies and necessary information by March 2018.

b) Explanatory meeting and bilateral consultations on AC assessment for Kosovo authorities

An explanatory meeting (see item c) in ER 4 below) took place in Strasbourg on 19-21 February 2018.

In March 2018, in close cooperation with the KAA the Project held coordination meetings with involved beneficiaries as well as needed bilateral consultations.

c) On-site visit of the AC assessment team to Pristina

From 21 to 25 May 2018, four Council of Europe experts/assessors participated in the on-site visit in which they met and interviewed more than 100 representatives of Kosovo authorities and other relevant stakeholders from approximately 35 public institutions, international organisations and relevant projects as well as civil society organisations. The main aim of this mission and related interviews was to verify, cross-examine and clarify the information provided in the AC questionnaire, as well as gather additional information in order to make a qualified and balanced judgment on the compliance of Kosovo with CoE AC standards.

The quality of information provided by Kosovo authorities prior to, during and after the on-site visit was at the level as would be expected in the course of a standard AC assessment. Replies to the respective questionnaire, the information gathered during the on-site visit as well as additional information provided subsequently will serve as a basis for the forthcoming AC draft assessment report on Kosovo.

Activity 3.2	Support and facilitate active participation of Kosovo institutions in peer assessments on anti-corruption measures based on European monitoring methodology
---------------------	--

Inputs/Actions	3.2.1 Consulting and advice of Kosovo institutions on reporting in the course of the assessment process 3.2.2 Coordinating and collecting additional needed information in different stages of the assessment process
----------------	--

a) Consultation with and advice to Kosovo institutions on reporting in the course of the assessment process

On the basis of the domestic coordination from the Anti-corruption Agency, whenever required the Project team provided consultation and advice to Kosovo authorities in the course of the assessment process.

b) Coordination, collection and exchange of assessment related information

During the AC assessment process, the Project facilitated and liaised with relevant beneficiary institutions through intense communication, advice, exchange of assessment-related information. It ensured translated replies of the AC Questionnaire and forwarded them to respective assessment teams.

Moreover, it coordinated additional and specific requests for information and related replies between concerned institutions and members of AC assessment team, in particular following collection of replies to the Questionnaires as well as before and after AC on-site visit.

An important set of hard copy files containing all relevant information of available and/or ongoing cases of investigation, indictment or trials was made to the assessment team by the Prosecutorial and Judicial councils. Selected sanitised cases were prepared, translated and forwarded to the AC assessment team.

Expected Result 4:	Assessment Report of anti-money laundering and combating financing of terrorism (AML/CFT) measures
Activity 4.1	Carry out an anti-money laundering and combating financing of terrorism assessment measuring the level of compliance with European and international standards
Inputs/Actions	4.1.1 Prepare AML/CFT questionnaires in line with the MONEYVAL assessment methodology 4.1.2 Organise an explanatory seminar for Kosovo authorities on data collection and preparation of responses to the assessment questionnaires 4.1.3 Translation of AML/CFT questionnaires into Albanian and Serbian 4.1.4 Dissemination of AML/CFT questionnaires to each respective and relevant authority in Kosovo 4.1.5 Translation of Kosovo authorities' responses to assessment questionnaires 4.1.6 On-site visit of the AML/CFT assessment team

a) Submission of AML/CFT assessment questionnaires and related documents to Kosovo authorities

At the end of 2017, the Project finalised AML/CFT assessment questionnaires and submitted them to Kosovo authorities through the domestic coordinator for AML/CFT (FIU). The composition of the assessment team was finalised at the end of January 2018.

The FIU provided a consolidated compilation of Kosovo authorities' replies to the Technical Compliance Questionnaire on 12 February 2018 and to the Effectiveness Questionnaire on 16 March 2018. The FIU compiled the received submissions in a unified format and provided the documents to the assessment team via the Secretariat with an wide range of accompanying statistical and case data.

b) Explanatory meeting on AC and AML/CFT assessments for Kosovo authorities

On 19-21 February 2018, the Project organised in Strasbourg an explanatory meeting on AC and AML/CFT assessments for representatives of around 15 main Kosovo authorities¹². Council of Europe experts from both AC and AML/CFT assessment teams provided detailed presentations of substantive aspects and respective reference standards, methodological aspects, current assessment practice as well as topics from respective sections of the AC and AML questionnaires. In addition, specific questions, contextual update and related information was shared between the Kosovo authorities and international experts/assessors. Copies of respective questionnaires, schedules and the compilation of international and European standards as well as translated FATF Methodology were disseminated to participants.

Activity 4.2	Support and facilitate active participation of Kosovo institutions in peer assessments on AML/CFT measures based on European and international monitoring methodology
Inputs/Actions	4.2.1 Consulting and advice of Kosovo institutions on reporting in the course of the assessment process 4.2.2 Coordinating and collecting additional needed information in different stages of the assessment process

a) Coordination and explanatory meetings with Kosovo authorities

In order to support, advise and ensure needed understanding and participatory process, in close coordination with the domestic coordinator (FIU) the Project organised several coordination and explanatory meetings which included with over 100 representatives of relevant beneficiary institutions, financial sector, civil society organisations and other stakeholders:

- On 25 January 2018, a coordination meeting took place to inform relevant institutions subject to assessment on the 2013 FATF assessment methodology, substantive aspects in both assessment questionnaires, timetable with core steps and operations, and other relevant steps related to the process through answers and clarifications of many questions raised by beneficiary institutions in light of novelties of this assessment round.
- On 10 May 2018 a coordination meeting with contact points was carried out, mainly focused on the status of inputs from relevant institutions in their replies to the technical compliance and effectiveness questionnaires, discussion on the draft of Technical Compliance Annex and expected inputs to be provided from concerned institutions and issues of preparation of the AML/CFT on-site visit.
- On 11 June 2018, the Project organised an information session with the industry (all relevant stakeholders from the financial sector) and civil society representatives to discuss preparation of the forthcoming on-site visit of the AML/CFT assessment team.
- On 13 June 2018, the Project Advisor made a presentation and held interactive discussions with relevant NGOs in a workshop which was organised by the European Center for Non-Profit Law (ECNL) and CiviKos and fully focused on the AML/CFT assessment process.

Moreover, in close coordination with the FIU the Project team held various bilateral meetings with representatives of beneficiary institutions in order to explain specific expectations and involvement in the assessment process and in particular clear understanding on reporting aspects. Due to extensive preparatory work and guidance provided by the project team, Kosovo authorities successfully demonstrated the proper skills and capacity on the conduct of the assessment process.

b) Coordination, collection and exchange of assessment related information

During the AML/CFT assessment process, the Project facilitated and liaised with relevant beneficiary institutions through intense communication, advice and exchange of assessment-related information. It ensured the translation of replies of both AML/CFT technical compliance and effectiveness questionnaires. Moreover, it coordinated additional and specific requests for information and related replies between concerned institutions and members of AML/CFT assessment team, in particular following collection of replies to questionnaires as well as before and after the AML/CFT on-site visit.

¹² Represented institutions included KAA, FIU, CBK, MoJ, MoF, Police, Police Inspectorate, State Prosecution, SPRK, prosecutorial and judicial councils, Customs, Tax Administration, Ministry of Public Administration and EU Office.

Following the research and desk-based review on technical compliance, the Project collected needed primary and secondary legislation, strategic documents, other surveys, studies, reports and relevant information that were organised, translated and forwarded to the AML/CFT assessment team.

An important set of hard copy files containing all relevant information of available and/or ongoing cases of investigation, indictment or trials was made available to the FIU from prosecutorial and judicial councils. Selected sanitised cases were prepared, translated and forwarded to the AML/CFT assessment team.

Due to the particularity and complexity of the AML/CFT assessment process and its methodological requirements, an intensive two-way exchange process including translation between the assessment team and relevant institutions was ensured by the Secretariat.

The on-site visit of the AML/CFT assessment team took place in Pristina between 18 and 28 June 2018 and it will be reported in the next progress report.

6 MANAGEMENT AND ORGANISATION

6.1 Management

The status of management and organisation including issues related to staff and offices remain unchanged since the first annual report.

6.2 Steering Committee

The 4th Steering Committee Meeting took place in February 2018 and was attended by its permanent members representing ten key beneficiary institutions, representative of the European Union Office in Kosovo, Head of Council of Europe Office in Pristina and PECK II Project team. Achievements and activities since July 2017 and future planned activities were discussed with particular focus on the AC and AML/CFT assessment processes and needed coordination, support and active participation. The Steering Committee members adopted the Terms of Reference for the AC and AML/CFT assessments to be carried out during 2018, related questionnaires and planned schedules.

7 COOPERATION WITH STAKEHOLDERS

7.1 Counterpart beneficiaries

Excellent communication and coordination between the Project and its relevant beneficiaries was maintained throughout the reporting period. Representatives of beneficiary institutions remained committed to cooperation with the Project, in particular during different stages of both AC and AML/CFT assessment processes. Further steps and progress of certain important legal and other policy-related initiatives in which the Project was actively involved as well as further Project support in undertaken and implemented processes have demonstrated the high level of cooperation and relevance of provided assistance.

7.2 Other third parties

Cooperation with other third parties has smoothly continued throughout the reporting period. The Project team has continued to support the Legal Review Mechanism (LRM) with contributions and comments to legislative initiatives related to AC and AML/CFT-related issues. This included inputs given in relation to *inter alia* the revision of Criminal Code, disciplinary liability of prosecutors and judges, amendments to legislation on prosecutorial and judicial systems, Draft Law on Freedom of Association in Non-Governmental Organizations and suspension and dismissal of public officials being investigated and convicted for corruption-related offences.

The Project attended regularly coordination meetings with other Rule of Law EU projects and it is maintaining efficient coordination and regular communication with the EU Office. At the same time, most of the international community's representatives have attended Project activities.

Moreover, cooperation with the civil society continued to be a priority of the Project. Overall, relevant civil society organisations took active part in the most important activities organised by the Project which covered issues of interest such as the review of integrity system, whistleblowing and AC and AML/CFT assessment processes and related on-site visits. Furthermore, the Project participated in different activities organised by civil society organisations and contributed to actions related to their role.

8 VISIBILITY

During the reporting period, the Project remained committed to ensure visibility of the EU contribution at all stages of its activities. The EU/CoE Joint Programme logo, disclaimer and all Project's related documents and deliverables acknowledged that actions had been carried out "with funding from the European Union". They were appropriately displayed during activities, communication and meetings, including on banners, hand-outs, publications and issued materials. Furthermore, folders, notebooks, pens, bags and USB keys with the Project title and logo were regularly distributed to all beneficiaries during the events organised by the Project, and the Project banner was displayed in conference rooms.

Project news, upcoming events, relevant Project documents and other links of relevance to the Project were regularly published on the Council of Europe Economic Crime and Cooperation Division website (www.coe.int/corruption) at the section exclusively dedicated to the PECK II Project (www.coe.int/peck2). Moreover, specific Project activities are also featured on the website of the Council of Europe Office in Pristina (www.coe.int/pristina)¹³. Important relevant activities are posted as well on the Council of Europe [website](#).

The Project undertook consultation and coordination aiming at producing visibility materials for other beneficiary institutions other than KAA and FIU-K. This included Kosovo Prosecutorial Council and State Prosecutor's Office. However, no further steps were pursued due to the difficulty of accommodating existing logos and labels of respective institutions and the co-existence of the footnote as required by contractual terms.

The Project is permanently continuing to pay special attention to the visibility of its actions and results.

9 DIFFICULTIES/RISKS ENCOUNTERED DURING IMPLEMENTATION

The Project did not encounter any major difficulty or risk during the implementation of its activities for the reported period. Some minor delays occurred in the AC and AML/CFT assessment processes in receiving required replies and needed information, however these were duly mitigated by the Project team.

In some specific occasions, the Project coped with the tight deadlines set by beneficiary institutions in providing required support and assistance. Adjustment of required assistance to the political agenda was effectively ensured by reaching the expected outcome. An example of this would be the finalisation of the legal initiative on protection of whistleblowers and adoption of the draft Law on Protection of Whistleblowers.

Some beneficiaries (including the KAA) which have staff paid from other non-EU projects, sometimes prioritize or split technical assistance between projects in an unpredictable and inconsistent manner.

¹³ Specific Project activities and results have been also regularly reported on websites of beneficiary counterparts (KAA, FIU, MoJ) and related annual reports of both key beneficiaries.

In light of previous overlapping noted in 2017 with the UNDP Project SAEK, the PECK II has been attentive to overcome such risk of duplication and ensure complementarity.

The implementation of activities during the reporting period highlighted absorption capacities' constraints from beneficiary institutions. In addition to other factors and reasons, this is in particular due to consumed resourced and intensive level of interaction within the AC and AML/CFT assessment processes that are conducted by the Project. Moreover, initial discussions with key beneficiaries confirm these complications, which arise in addition to other reporting obligations of Kosovo authorities which continue to expand.

In light of this situation, consideration of a no-cost extension of the Project was mentioned as a necessity to ensure continuity of ongoing and required reforms resulting from findings and recommendations of both assessment processes. The Project team will further discuss this necessity with key counterpart institutions and would bring its discussion and formal endorsement at the forthcoming Steering Committee Meeting before suggesting any formal action in this regard.

10 CONCLUSIONS

During the reporting period tangible progress has been achieved towards implementation of planned activities and delivery of a number of important outputs thus providing a high impetus for the ongoing and future reforms on economic crime in Kosovo. Implementation of planned activities has proceeded according to the Workplan, with rational use of resources. In general, tangible impact has been achieved through various Project outputs, whereas positive engagement for continuing cooperation has been noted throughout the reporting period by beneficiary institutions.

Technical expertise provided by the Project with regard to drafting of various pieces of legislation such as the Criminal Code, Law on Protection of Whistleblowers, Law on Implementation of International Sanctions and adoption of the Law on Prevention of Conflict of Interest shows major involvement of the Project in influencing, assisting and supporting legislative and policy developments in Kosovo in the AC and AML/CFT areas.

Moreover, there is an expectation still to be confirmed by beneficiary institutions for potential involvement of the Project in other key legislation such as the Law on Asset Declaration and the Law on KAA.

The Project has strived to ensure sustainability of its support through outcome oriented outputs and ensuring adequate follow-up combined with tailor made activities and active engagement of beneficiary institutions. The Project has pursued its efforts in terms of visibility as well as guidance and awareness-related activities in particular for the AC and AML/CFT assessment processes modeled on the FATF/MONEYVAL and GRECO assessment methodologies.

The Project has been successful in maintaining productive working relations and coordination with other international stakeholders in Kosovo.

Overall, PECK II continues to be seen by beneficiary institutions as a reliable project which provides substantive and high quality outputs, as has been reiterated on several high-level occasions by representatives of the beneficiary institutions and the government in Kosovo.

Ardita Abdiu

Head of Economic Crime and Cooperation Division
Action against Crime Department, DGI

Date:

PECK II VISIBILITY



Assessment of the integrity system of the central administrative bodies in Kosovo
26 January 2018, Pristina, Kosovo



Training on reporting and monitoring corruption risks in Kosovo prosecutorial system
22-23 January 2018, Pristina, Kosovo



Fourth Project Steering Committee Meeting
1 February 2018, Pristina, Kosovo



Working Group Meeting on targeted financial sanctions
8-9 February 2018, Peja, Kosovo



Marking the International Whistleblower Day and initiating drafting process of the new Law on Protection of Whistleblowers
26 March 2018, Pristina, Kosovo



Regional roundtable on protection of whistleblowers
12-13 April 2018, Tirana, Albania



Working Group on drafting the Law on Protection of Whistleblowers
2-3 May 2018, Pristina, Kosovo



Presentation and discussion of the Technical Paper on the draft Law on Protection of Whistleblowers
7-8 June 2018, Pristina, Kosovo



Introductory Meeting on AML/CFT assessment process
25 January 2018, Pristina, Kosovo



Coordination Meeting on AML/CFT assessment process
10 May 2018, Pristina, Kosovo



Explanatory Meeting on assessment for anti-corruption (AC) and anti-money laundering/combating the financing of terrorism (AML/CFT) components
19-21 February 2018, Strasbourg, France



On-site visit of the Anti-corruption Assessment Team
21-25 May 2018, Pristina, Kosovo



On-site visit of the AML/CFT Assessment Team
18-28 June 2018, Pristina, Kosovo

Screenshot of the Project website


COUNCIL OF EUROPE

Action against economic crime and corruption

[Home](#)
[Approach](#)
[Programmes](#)
[Ongoing projects](#)
[Completed projects](#)
[Bilateral Activities](#)
[Countries](#)

You are here: [Action against economic crime and corruption](#) > [Ongoing projects](#)

Project against Economic Crime in Kosovo * Phase II (PECK II)





Corruption remains a serious challenge for Kosovo. According to a number of surveys conducted by national and international organisations, control of corruption has proved to be scarce. In the field of money laundering and terrorism financing, there is a need for continuous legislative and organisational reforms to bring Kosovo in line with European and international standards. The joint EU/CoE Project against Economic Crime (PECK I) implemented during 2012-2015 for the first time in Kosovo introduced and structured assessments of the Anti-corruption (AC) and Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) frameworks and measures vis-à-vis relevant international and European standards. However, there is a need to continue to support Kosovo institutions in carrying out comprehensive assessments and moreover provide assistance in implementing specific recommendations from the previous assessment cycles conducted within PECK I.

In view of this PECK II will:

- build on the results and lessons learned from PECK I and aims to support reforms tailored to prevent and combat economic crime;
- assist Kosovo authorities with the implementation of specific recommendations issued within PECK I;
- carry out a second phased assessment of AC and AML/CFT frameworks vis-à-vis evolving international and European standards.

As a result an IPA 2014 Contribution Agreement as a Joint Programme was signed in December 2015 between the Council of Europe and the European Union Office in Pristina. The PECK II Project started on 1 January 2016, with a duration of 36 months and a budget of 2,225,000 Euro (EU funds: 89.89% and CoE funds: 10.11%).

The Project's overall objective is to contribute to the democracy and the rule of law through the prevention and control of corruption; money laundering; and the financing of terrorism in Kosovo. The Project's purpose is to strengthen institutional capacities to counter corruption; money laundering; and financing of terrorism in Kosovo in accordance with European standards through targeted technical assistance and assessments for improving and streamlining economic crime reforms. The Kosovo Anti-Corruption Agency (KAA) and the Financial Intelligence Unit (FIU) are the main counterpart institutions for this Project.

Project Documentation & Deliverables

- Project Summary: ENG - ALB - SIB
- Description of Action (DoA)
- Workplan: ENG - ALB - SIB
- Reports
- Technical Papers

Useful Links

- PECK I - Kosovo*

Photo Gallery

- 2016 - 2017

Media Corner

- Videos on Corruption Awareness & Customs Awareness

Key documentation and information

- Technical papers and expert opinions
- Publications
- Legal standards
- Web resources

Anti-corruption digest



[To subscribe](#)

Highlights

- Annual Reports
 - 2013 - 2014 - 2015 - 2016 - 2017
- Activities annually
 - 2015 - 2016 - 2017

Contacts

Directorate General Human Rights and Rule of Law



PROJECT NEWS



On-site visit of the PECK II Assessment Team on AML/CFT measures

18-28 JUNE 2018 | PRISTINA, KOSOVO*

The on-site visit of Council of Europe experts to assess the anti-money laundering/combating the financing of terrorism (AML/CFT) framework took place in Pristina from 18 to 28 June 2018. During the visit, the Assessment Team conducted 68 meetings with a wide range of representatives of relevant...



PECK II supports Ministry of Justice in drafting and finalizing the law on protection of whistleblowers

7-8 JUNE 2018 | PRISTINA, KOSOVO*

On 7 and 8 June 2018, Council of Europe experts presented their findings and recommendations with regard to the draft law on protection of whistleblowers and its alignment with CM/Rec(2014)7 and other relevant international standards and good practice. The event was organized within the framework...

On-site visit of the Anti-Corruption Assessment Team to Pristina

21-25 MAY 2018 | PRISTINA, KOSOVO*

An on-site visit of Council of Europe experts to assess the anti-corruption (AC) framework took place in Pristina from 21 to 25 May 2018. The objective of the visit was to hold meetings with interlocutors and gather information to produce a qualified and balanced assessment on the compliance of...

[View all project news](#)

CONTACT

11 ANNEXES

11.1 Workplan

11.2 Calendar of Activities

Action No	Logframe Activity No	Name	Venue	Date
01	1.1	Training on monitoring and reporting corruption risks in Kosovo Prosecutorial Council	Pristina	22-23 January 2018
02	4.2	Introductory coordination meeting on assessment of compliance with international standards in the area of Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT)	Pristina	25 January 2018
03	1.6.1.2	Presentation of Study on Integrity System	Pristina	26 January 2018
04	n/a	Fourth Steering Committee Meeting	Pristina	1 February 2018
05	1.2.1	Working group meeting on targeted financial sanctions	Peja	8-9 February 2018
06	3.1.2, 4.1.2	Explanatory meeting on anti-corruption and anti-money laundering and combating financing of terrorism assessments for Kosovo authorities	Strasbourg	19-21 February 2018
07	1.2.1	Regional Roundtable on Protection of Whistleblowers	Tirana	12-13 April 2018
08	1.1.3	Working group meeting on drafting the Law on Protection of Whistleblowers	Pristina	2-3 May 2018
09	4.2	Coordination meeting on assessment of compliance with international standards in the area of Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT)	Pristina	10 May 2018
10	3.1.6	On-site visit of the Anti-Corruption Assessment Team to Pristina	Pristina	21-25 May 2018
11	1.2.1	Workshop on discussing amendments and supplements to the Law on Implementation of International Sanctions	Pristina	30-31 May 2018
12	1.2.1	Presentation and discussion of the Technical Paper/Legal Opinion on the draft Law on Protection of Whistleblowers	Pristina	7-8 June 2018
13	4.2	Information session related to the forthcoming Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) On-site visit	Pristina	11 June 2018
14	4.1.6	On-site visit of the AML/CFT Assessment Team to Pristina	Pristina	18 to 28 June 2018

11.3 List of Technical Papers

Date	Technical Papers	Languages
January 2018	Assessment of the integrity system of the central administrative bodies in Kosovo	Eng./Alb.
January 2018	Corruption Risk Management Action Plan of the Kosovo prosecutorial system	Eng./Alb.
February 2018	Legal Opinion on specific amendments to the Criminal Code and Criminal Procedure Code of Kosovo and their conformity with international standards	Eng./Alb.
June 2018	Legal Opinion on the Draft Amendments and Supplements to the Law on Implementation of International Sanctions of Kosovo (No. 03/L-183)	Eng./Alb.
May 2018	Suggestions on most relevant provisions of the Draft Law on Protection of Whistleblowers	Eng./Alb.
June 2018	Legal Opinion on the proposed draft Law on Protection of Whistleblowers	Eng./Alb.