### ANNEX 5

# to the Commission Implementing Decision on the financing of the annual action plan in favour of Kosovo\* for 2021

## **Action Document for "EU for Trade and Internal Market"**

## 1. SYNOPSIS

## 1.1. Action Summary Table

|   | in of Vocava* for 20                                     |                   | Action 05. EU for Trade and Internal Market |  |  |  |  |
|---|--|-------------------|---|--|--|--|--|
| CDIC number 1042 450/5  | IPA III Annual Action Plan in favour of Kosovo* for 2021 |                   |   |  |  |  |  |
|   |  |                   |   |  |  |  |  |
| Basic Act Financed under the Instrument for                           | or Pre-accession A                                       | ssistance (IPA II | I)  |  |  |  |  |
| Team Europe No  |  |                   |   |  |  |  |  |
| Initiative  |  |                   |   |  |  |  |  |
| 0   | The action shall be carried out in Kosovo                |                   |   |  |  |  |  |
| from the action   |  |                   |   |  |  |  |  |
| <b>Programming</b> IPA III Programming Framework                      | ζ  |                   |   |  |  |  |  |
| document  |  |                   |   |  |  |  |  |
| PRIORITY AREAS AND SE   | CTOR INFORM  | IATION            |   |  |  |  |  |
| Window and Window 4: Competitiveness and                              |  |                   |   |  |  |  |  |
| <b>thematic priority</b> Thematic Priority 2: Private sector          |  |                   | d innovation                                |  |  |  |  |
| Sustainable Main SDG (1 only): SDG 8 – Dece                           |  |                   |   |  |  |  |  |
| <b>Development Goals</b> Other significant SDGs (up to 9) an          |  | , targets:        |   |  |  |  |  |
| (SDGs) SDG 5 – Gender Equality and wom                                |  |                   |   |  |  |  |  |
| SDG 9 – Industry, Innovation and I                                    |  |                   |   |  |  |  |  |
| SDG 12 - Responsible Consumption SDG 17 - Revitalise the global parts |  | ala davalanmant   |   |  |  |  |  |
| DAC code(s) 331 – Trade Policies & Regulation                         |  | ore development   |   |  |  |  |  |
| Main Delivery Main channel: 12000 – Recipien                          |  |                   |   |  |  |  |  |
| Channel   | government   |                   |   |  |  |  |  |
| Markers (from DAC   General policy objective                          | Not targeted   | Significant       | Principal                                   |  |  |  |  |
| form)   | 110t targetea  | objective         | objective                                   |  |  |  |  |
| Participation development/good  |  | ⊠                 |   |  |  |  |  |
| governance  |  |                   |   |  |  |  |  |
| Aid to environment  |  | $\boxtimes$       |   |  |  |  |  |
| Gender equality and women's   |  |                   |   |  |  |  |  |
|   |  |                   |   |  |  |  |  |
|   | and girl's empowerment                                   |                   |   |  |  |  |  |
|   | Trade development  |                   |   |  |  |  |  |
|   | Reproductive, maternal, new-                             |                   |   |  |  |  |  |
|   | born and child health                                    |                   |   |  |  |  |  |
| Disaster Risk Reduction   | ⊠  |                   |   |  |  |  |  |
| Inclusion of persons with   | $\boxtimes$  |                   |   |  |  |  |  |
| Disabilities  |  |                   |   |  |  |  |  |
| Nutrition   | $\boxtimes$  |                   |   |  |  |  |  |

<sup>\*</sup> This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence

|   | RIO Convention markers  | Not targeted       | Significant objective | Principal objective |  |  |
|---|---|--------------------|-----------------------|---------------------|--|--|
|   | Biological diversity  | $\boxtimes$        |                       |                     |  |  |
|   | Combat desertification  | $\boxtimes$        |                       |                     |  |  |
|   | Climate change mitigation   |                    |                       |                     |  |  |
|   | Climate change adaptation   |                    |                       |                     |  |  |
| Internal markers                            | Policy objectives   | Not targeted       | Significant           | Principal           |  |  |
|   |   |                    | objective             | objective           |  |  |
|   | Digitalisation  |                    | ×                     |                     |  |  |
|   | Migration   | $\boxtimes$        |                       |                     |  |  |
|   | Covid-19  | $\boxtimes$        |                       |                     |  |  |
|   | BUDGET INFOR  | MATION             | •                     |                     |  |  |
| Amounts concerned Budget line: 15.020201.02 |   |                    |                       |                     |  |  |
|   | Total estimated cost: EUR 5 500 00                                      | 00                 |                       |                     |  |  |
|   |   |                    |                       |                     |  |  |
|   | Total amount of EU budget contribution EUR 5 500 000                    |                    |                       |                     |  |  |
|   | MANAGEMENT AND IM   | PLEMENTATI         | ION                   |                     |  |  |
| Type of financing                           | Project Modality  | ·                  |                       |                     |  |  |
| and method(s) of                            | Direct management through: Proc   | curement           |                       |                     |  |  |
| implementation                              |   |                    |                       |                     |  |  |
| Relevant priorities                         | Priorities: Private Sector Suppo  |                    |                       | and Economic        |  |  |
| and flagships from<br>Economic and          | Integration, Digital Transition, Inne Flagships: IX Support Competitive |                    |                       |                     |  |  |
| Investment Plan for                         | riagships. IX Support Competitive                                       | ness               |                       |                     |  |  |
| the Western Balkans                         |   |                    |                       |                     |  |  |
| [only for the Western                       |   |                    |                       |                     |  |  |
| Balkans]                                    |   |                    |                       |                     |  |  |
| Final Date for                              |   |                    |                       |                     |  |  |
| conclusion of                               | At the latest by 31 December N+1  |                    |                       |                     |  |  |
| Financing Agreement                         |   |                    |                       |                     |  |  |
| Final date for                              | 3 years following the date of conclusions                               | usion of the Fina  | nncing Agreement      | , with the          |  |  |
| concluding                                  | exception of cases listed under Arti                                    | icle 114(2) of the | e Financial Regula    | ation               |  |  |
| contribution /                              |   |                    |                       |                     |  |  |
| delegation                                  |   |                    |                       |                     |  |  |
| agreements,                                 |   |                    |                       |                     |  |  |
| procurement and grant contracts             |   |                    |                       |                     |  |  |
| Indicative                                  | 76 months following the conclusion                                      | n of the Financir  | ng Agreement          |                     |  |  |
| operational                                 | 6   |                    | 8 8 11 1              |                     |  |  |
| implementation                              |   |                    |                       |                     |  |  |
| period                                      |   |                    |                       |                     |  |  |
| Final date for                              | 12 years following the conclusion of                                    | of the Financing   | Agreement             |                     |  |  |
| implementing the                            |   |                    |                       |                     |  |  |
| Financing Agreement                         |   |                    |                       |                     |  |  |
|   |   |                    |                       |                     |  |  |

### 1.2. Summary of the Action

The action will support Kosovo to further develop its capacities to create the basis for a sustainable institutional environment to complete the transition into a functioning market economy in line with the economic Copenhagen criteria, the EU *acquis* and the Stabilisation and Association Agreement (SAA) requirements. This action will improve the internal market of Kosovo and prepare it for the European Single Market through the following areas of support:

- 1. Trade policy
- 2. Quality infrastructure, in line with the EU requirements.
- 3. Market surveillance and consumer protection, in line with the EU requirements.

The action will support the improvement of production processes and increase the compliance, quality, and safety of products for all women and men, in order to make them competitive and available on domestic and European markets.

The action aims at contributing to Kosovo's eventual participation in the EU internal market with the elimination of unjustified technical barriers to trade, and strengthening the position of Kosovo economic operators in domestic and external markets.

#### 2. RATIONALE

#### 2.1. Context Analysis

One of the major challenges being confronted by Kosovo is the fragility of its external accounts generated mainly by the growing deficit in the trade in goods. The sources of financing of the current account, mainly remittances and a surplus in both the trade in services and in grants, cannot be guaranteed in the long term.

Kosovo has taken substantial steps in liberalising its economy and foreign trade, and progress has been achieved in aligning trade policies with the rules and regulations of the multilateral trading system. The Central European Free Trade Agreement (CEFTA) membership and the signing of the Stabilisation and Association Agreement with the EU, have been important steps in that direction. Furthermore, the Free Trade Agreement with Turkey has been ratified, and entered into force on 1 September 2019; and negotiations of a Free Trade Agreement with the United Kingdom have been concluded. Additionally, the Joint Declaration on Cooperation with European Free Trade Association (EFTA) States was signed in November 2018. However, Kosovo is still neither a member nor an observer of the World Trade Organisation (WTO), due to status issues.

Quality infrastructure is a key component of international trade facilitation. The Ministry of Trade and Industry (MTI) with its quality infrastructure agencies, as well as a number of line ministries dealing with specific rules on various groups of products, are gradually in the process of fulfilling the obligations of the Stabilisation and Association Agreement (SAA), as well as the Multi-annual Action Plan for a Regional Economic Area in the Western Balkans. Up to now a horizontal legislative basis has been established in function of the free movement of goods, a sizable set of vertical regulations partially aligned with the EU *acquis* have been issued and the quality infrastructure institutions were established. However, further development and strengthening of the pillars of quality infrastructure remains a challenge. The implementation of Kosovo's legislation in the field of standardisation, metrology, accreditation, and technical regulation and conformity assessment needs further support. The **Common Regional Market initiative** for the Western Balkans that was launched in November 2020 will further facilitate the alignment of rules and regulations with the core principles governing the EU Internal Market based on the four freedoms approach (free movement of goods, services, capital and people), and thus presents an important preliminary to integrate the region more closely with the EU Single Market already before accession.

There are few designated Conformity Assessment Bodies (CAB) and Market Surveillance Bodies operating at central level. Further support for increasing capacities of both Conformity Assessment and Market Surveillance Bodies on designation/notification and on surveillance in the field of *Acquis* Chapter 1 is needed. Kosovo is fully aware that its Conformity Assessment Bodies will cover only a minimal part of the services needed in the fields of testing, calibration, inspection and certification according to EU rules. The missing services in Kosovo are going to be substituted by a robust system of recognition of foreign documents of conformity. But saying this, there is still room for further development of Conformity Assessment Bodies' capacities in Kosovo where this is economically feasible. Additionally, all institutions

in Kosovo that are working in the field of Quality Infrastructure are facing difficulties in joining the relevant organisations at the European and international level, which is crucial for their efficient functioning.

Consumer protection is guaranteed under the Kosovo Constitution and regulated with more than 30 laws. As noted in the Commission Kosovo Report 2021, Kosovo is at an early stage of preparation in regards to consumer protection yet some progress was achieved in this area over the past year. Whereas some sub-legal acts were adopted, the Law on consumer protection needs to be amended to remove the most problematic articles and increase awareness on consumers' rights and traders' obligations so notwithstanding the sub-legal acts.

However, while the legal framework is gradually improving, the enforcement of consumer rights protection continues to be limited since the reform of the market inspectorate is still pending. At the same time, civil society is becoming more active and five independent consumer rights organisations were added to the Consumer Protection Council, which enhances transparency and dialogue with civil society.

Rules and laws governing these sectors in the European Union are in continuous change and considering Kosovo's commitment in implementing EU *acquis* as it evolves, it is crucial that Kosovo closely monitors developments in the EU and builds its capacities to adopt the new emerging rules in its trading regime and the internal market *acquis*. Foreseeing additional support in this regard is crucial to ensure continuation of progress and positive impact and in this context, further support is needed in the trade and internal market sectors.

#### 2.2. Problem analysis by areas of support

#### **Areas of support:**

- 1. Trade policy
- 2. Quality infrastructure, in line with the EU requirements
- 3. Market surveillance and consumer protection, in line with the EU requirements

#### **Problem analysis for area of support 1 – Trade policy**

Despite all the efforts undertaken in order to achieve a functioning market economy and the capacity to cope with competition and market forces, Kosovo has still not been able to secure the sustainability of its external accounts, as one of the most conspicuous and alarming facts in Kosovo's economic aggregates is the large and continuously growing trade deficit, casting doubts if the sources of external financing of the current account, which have allowed the relative stability of the Kosovo economy, could be sustained in the future. The overall trade deficit, in goods and services, stood at 31% of GDP during 2019. The overall trade deficit reflects the bad performance on trade in goods, which in 2019 registered a deficit equal to 44.5% of GDP, with exports representing only 5.4% of GDP, while imports amounted to 50% of GDP. The impact of the Covid-19 crisis on Kosovo's trade has been mixed. There was a marked decrease in the import of goods and a slight increase in the export of goods. At the same time, the export of services declined, albeit less, marking an overall improvement in the trade deficit. Still, the import of goods is certain to increase once aggregate demand picks up again and so this improvement is not sustainable.

#### Problem analysis for area of support 2 – Quality infrastructure, in line with the EU requirements

Quality Infrastructure presents one of the main challenges for the Kosovo market to be integrated into the global economy. The lack of Conformity Assessment Bodies in certain product areas results in the assessment of meeting the requirements of harmonised standards by local producers is not done to the required extent, preventing them from being competitive in the market. In particular, there is a need to further increase the policy coordination in regard to the quality infrastructure with the strengthened role of the Quality Infrastructure Division at the Ministry of Trade and Infrastructure. Another challenge remains the membership of the Accreditation Directorate and Kosovo Standardisation Agency (KSA). The Accreditation Directorate is working on getting the membership at the European Accreditation Cooperation and has organised the management system according to the new standard ISO/IEC 17011:2017. The activities of Kosovo Standardisation Agency are still hampered due to the fact that it is not a member of European and international organisations (CEN/ CENELEC/ETSI and ISO/IEC/ITU).

# Problem analysis for area of support 3 – Market surveillance and consumer protection, in line with the EU requirements

There is a lack of capacity in the area of market surveillance dealing with control of product safety based on the risk management methodology, as well as a lack of capacity of market inspectors to conduct market surveillance (including in the e-commerce of goods and services). There is a need for further alignment and up-date of the Kosovo legislation since the new legal act for consumer protection came into force in 2018. These are to be further defined by the new

Programme for Consumer Protection (2021-2026). The idea is to ensure the confidence in an honest and competitive market, and consumers are an active part of that market by exercising their rights and powers of well-informed choice. However, there is a lack of transparency of the market and trading practices on protection of economic interests of consumers, and a lack of access to complaints and consultations.

#### Stakeholder analysis for area of support 1 – Trade policy

The main beneficiary will be the Ministry of Industry, Entrepreneurship and Trade (Trade Department); the private sector and the Agency for Gender Equality will be other beneficiaries.

Officials in the Ministry, including the Gender Equality Officer, will be important stakeholders of the action. Besides the Trade Department, stakeholders most affected are other relevant institutions such as: Kosovo Customs, the Food and Veterinary Agency, the Agency for Medical Products, the Market Inspectorate, the National Trade Facilitation Committee and the National Committee on Trade in Services, Ministry of Agriculture, Ministry of Infrastructure, Ministry of Foreign Affairs and Chambers of Commerce.

#### Stakeholder analysis for area of support 2 – Quality infrastructure, in line with the EU requirements

The main beneficiary will be the Ministry of Trade, Entrepreneurship and Industry (Quality infrastructure Division), the Agency for Metrology of Kosovo (KMA), the Kosovo Standardisation Agency (KSA), the General Directorate for Accreditation of Kosovo (DAK), the Ministry of Health (Agency for Medicines and Medical Devices), the Ministry of Economy and Environment, the Ministry of Agriculture, the Ministry of Infrastructure, the Ministry of Internal Affairs, the Regulatory Authority of Electronic and Postal Communications, the Food and Veterinary Agency, Kosovo Customs, the Market Inspectorate, , the Ministry of Foreign Affairs and the Chambers of Commerce. Officials of all these institutions, including the Gender Equality Officers, will be important counterparts. The private sector, civil society and the Agency for Gender Equality will be additional beneficiaries. Capacity building is needed of all stakeholders.

# $Stakeholder\ analysis\ for\ area\ of\ support\ 3-Market\ surveillance\ and\ consumer\ protection\ ,\ in\ line\ with\ the\ EU$ requirements

The main beneficiary will be the Ministry of Industry, Entrepreneurship and Trade, the Ministry of Health, the Ministry of Economy, the Ministry of Environment, Spatial Planning and Infrastructure, the Ministry of Agriculture, Forestry and Rural Development, the Regulatory Authority of Electronic and Postal Communications, the Food and Veterinary Agency, Kosovo Customs, the Market Inspectorate, the Chambers of Commerce and the Consumer Protection Council. Officials of all these institutions, including the Gender Equality Officers, will be important counterparts. The private sector, civil society and the Agency for Gender Equality will be additional beneficiaries. Capacity building is needed of all stakeholders.

#### Complementarity with strategies/policies (all areas of support)

The objectives of the action are to i) increase the contribution of trade in goods and trade in services to a growth-enhancing transformation of Kosovo's economy, for both women and men, ii) improve production processes and increase compliance, quality, and safety of products and iii) further align Kosovo legislation with the EU legislation in the field of consumer protection. As such, the action will support the objectives and measure specified in the **Economic Reform Programme 2021-2023** (V. Trade Related Reforms). The action will support the **National Plan for the implementation of the SAA**, in which the government took significant commitments in the area of trade. It also contains a special chapter on consumer protection, respectively, chapter 28: Consumer and Health.

Regarding CEFTA, Kosovo aims to implement its commitments concerning ratification and implementation of **CEFTA Additional Protocol 5** on trade facilitation and **Additional Protocol 6** on trade in services. The negotiating team for **CEFTA Additional Protocol 7** on Dispute Settlement Mechanism is already approved, and technical assistance would contribute to the establishment of a dispute settlement framework that will be operational and in line with Kosovo's interests. Also, the government has begun a new chapter in **trade relations with EFTA States**, and the first Joint Committee between Kosovo and EFTA States took place in November 2020, where the examination of a free trade agreement was proposed by Kosovo. In these areas, further technical assistance would be appropriate and beneficial.

The **Consumer Protection Programme** which currently is in the drafting process (period 2021-2026) envisages the effective implementation of the legislation, respectively the further harmonisation with EU Law directives in relation to consumer protection.

In addition, the National Development Strategy, pillar 3 "Competitive Industries", activity "Upgrading SMEs to activities with higher added value", and the Government Programme 2020-2023, section of Economic Development, 3.1.6 "Trade Policies" will be supported by this action. The action is also in line with the Kosovo Programme for Gender Equality, Pillar I on Economic Empowerment and Social Welfare.

## 2.3. Relevance and complementarity with strategies supported by key stakeholders

At the global level, the proposed intervention aims at enhancing the integration of the Kosovo economy into the rules based multilateral trading system, which is a collective goal of all trading nations. This will be achieved by assuring that the Kosovo trade regime is fully compatible with the obligations emanating from the WTO agreements and ensuring compliance with the standards and safety rules of the EU *acquis*.

At the regional level, the intervention aims at assisting Kosovo in fulfilling its obligations under **Central European Free Trade Agreement (CEFTA)** and under the Regional Economic Area. The intervention will support both the implementation of the adopted obligations and the support to the different negotiations initiatives under these two frameworks.

#### 2.4. Relevance and complementarity with EU policy and EU and other donors' assistance

The action is targeting IPA III thematic priority 2 "private sector development, trade, research and innovation". It addresses the specific objectives to improve the business environment and investment climate and to enhance the competitiveness of the economies of the beneficiaries. Supporting private sector development and trade is key to achieving fully functioning and competitive market economies.

The proposed intervention will assist Kosovo in implementing the economic accession criteria following up on the policy guidance and Commission assessment of the **Economic Reform Programme**. It is also aligned with the 4 pillars of the European Consumer Agenda: Promoting consumer safety, enhancing knowledge of consumer rights, strengthening the enforcement of consumer rules and integrating consumer interests into key sectorial policies. Finally, the Commission Communication on an Economic and Investment Plan for the Western Balkans of 6 October 2020, also clearly indicates that better connecting the economies of the Western Balkans - within the region and with the EU is a priority. This requires a strong commitment from the Western Balkans to implementing fundamental reforms, deepening regional economic integration and developing a common regional market on the basis of the EU acquis in order to make the region a more attractive investment area. The EU is also particularly committed to support the implementation of the Western Balkans Agenda for Innovation, Research, Education, Culture, Youth and Sport launched at the EU-Western Balkans Summit in Brdo 2021, which the proposed intervention will complement. The action is also aligned with several objectives of the Gender Action Plan (GAP III) under the area "Promoting economic and social rights and empowering girls and women". In the Commission Kosovo Report 2021 it is stated that although Kosovo has some level of preparation on the free movement of goods and made some progress by adopting implementing legislation on standardisation, metrology and accreditation, the administrative capacity of quality infrastructure institutions needs to be further strengthened and their structural weaknesses addressed, implementing legislation on technical requirements for products and conformity assessment needs to be adopted, and the enforcement capacity of quality infrastructure, in particular in the area of conformity assessment and market surveillance bodies, needs to be strengthened. Kosovo is at an early stage of preparation in the trade area. Efforts need to continue in view of Kosovo's international and regional trade commitments and on identifying and removing trade barriers to the right of establishment and freedom to provide services.

The action is in line with **the 2030 Agenda for Sustainable Development** (adopted also by the Assembly of Kosovo), especially SDG targets: 17.10 (promotion of a rules-based multilateral trading system under the WTO), 17.11 (significantly increase the exports of developing countries) and 17.12 (duty-free and quota-free market access for all least developed countries). The action is also related to the goals decent work and economic growth, resilient infrastructure, sustainable industrialisation and innovation and women's empowerment, responsible consumption and production. Consumer protection is considered to be at the centre of UNCTAD's contribution to sustainable and inclusive development rights.

The action will also assist Kosovo in supporting the **European Green Deal**'s<sup>†</sup> new growth strategy which requires a mobilisation of all policy tools, including trade policy, which must be modernised to become the European Green Deal's

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<sup>&</sup>lt;sup>†</sup> COM(2019) 640 final

external dimension. In this regard, trade policy can be a powerful tool in encouraging or enforcing more sustainable practices, and this intervention will be carefully designed in this regard.

#### 2.5. Lessons learned and links with previous financial assistance

This intervention has been designed on the basis of the lessons learnt during the implementation of the EU funded projects "Further support to the development of trade in Kosovo" and "Support to the Free Movement of Goods in Kosovo" and on the basis of all the research done under that project. It is closely following the recommendations of the projects concerning needs and gaps to be addressed by future actions.

With the support of the previous project on trade, the Ministry of Trade and Industry staff's autonomy was significantly increased. Reports and analyses improved, meetings became more efficient and negotiation skills enhanced. The capacity of the Ministry to support traders has improved, through further analysis and exploration of services sectors, and through improved mechanisms such as the Trade in Services Database and the Monitoring Tool of Trade Facilitation. Finally, the project was able to support the drafting of three new laws, one of which has already been adopted by the Assembly (the Law on Safeguards Measures). The Law on Internal Trade and Law on Foreign Trade are pending assembly and government procedures.

As regards the free movement of goods, key lessons learned from past and ongoing projects include: the need for adequate and comprehensive coordination of all relevant stakeholders during the life-cycle of the action, make sure capacity building and awareness raising have specific and measurable purposes and ensure sufficient administrative capacity and expertise in the development and implementation of sustainable, results-oriented interventions in order to optimise the absorption of available funds. Kosovo institutions shall constantly assess if the provided advice from different donors contributes to the development of a coherent legal and institutional system. There have been instances when in parallel two very different systems were built up. The result of such incoherence and the readiness of Kosovo institutions to follow through different approaches could result in a blockade.

Additionally, a generic lesson learned through previous assistance to institution building in Kosovo relates to the fact that introduction of new legislation requires substantial efforts to be accepted and respected. Involving socio-economic partners (private sector representative organisations, civil society organisations etc.) should play an important role for dissemination of project results and respect of a newly adopted legal frame.

This intervention has been designed on the basis of the lessons learnt from the implementation of the USAID Regional Economic Growth Project and IFC/World Bank Trade Facilitation Support Programme. With their support the Trade Department staff collected data and prepared the list of fees and charges for the export, import and transit procedures. This list is published on the Ministry's website and notified to the CEFTA Secretariat as one of the obligations to be completed according to CEFTA Additional Protocol 5. These two projects started in January 2018 and terminated in October 2019.

#### 3. DESCRIPTION OF THE ACTION

#### 3.1. Planned results and intervention logic

Overall impact: To contribute to Kosovo's achievement of the EU's economic accession criteria of existence of a functioning market economy and capacity to cope with competitive pressure and market forces within the Union.

#### **Area of Support 1: Trade policy**

Outcome 1: The contribution of trade in goods and trade in services to a growth-enhancing transformation of Kosovo's economy, for both women and men, is increased.

Output 1: Improve the adoption of informed policy decisions in the area of trade policy and economic restructuring, in particular concerning impact assessment, regulatory audits, application of trade defence measures, and generate knowledge concerning major trends of the global trading system, trade theory and international trade law.

- Output 2: Trade negotiation capacities are improved and objectives of negotiations achieved.
- Output 3: Capabilities for implementation of trade policies and instruments are strengthened.
- Output 4: A stronger institutional framework for coordination on policy decisions and implementation.

This area of support anticipates that by improving the adoption of informed decisions, improving trade negotiation capacities, strengthening the capacities for trade policy implementation and strengthening the institutional framework for policy coordination, this will increase the contribution of trade to the economy.

Assumptions include: Collective actions at the regional level are feasible. All participating stakeholders are interested and effectively participate in different activities. The COVID-19 pandemic does not have a long lasting effect that would compromise Kosovo's trading possibilities.

#### Area of Support 2: Quality infrastructure, in line with the EU requirements

Outcome 1: Improved production processes and increased compliance, quality, and safety of products for the benefit of women and men and protection of the environment in place that will support integration in EU internal market and elimination of unjustified technical barriers to trade.

- Output 1: Quality Infrastructure and free movement of goods legislation in line with EU acquis.
- Output 2: Designated Conformity Assessment Bodies operating in compliance with requirements of EU legislation (regulation and directives).
- Output 3: Certified products, certified women and men personnel and management systems in compliance with EU standards.
- Output 4: Established and strengthened Conformity Assessment Bodies covering all areas of legal metrology, and acting in accordance with EU directives.
- Output 5: Strengthened metrological legal control and EU directives (Measuring Instrument Directive, Non-Automatic Weighing Instruments Directive, Pre-Packaged-Product and Measuring Container Bottles) implemented.
- Output 6: Designated Institutes, Development of Quality Management System for laboratories of Kosovo Metrology Agency (KMA) and accreditation of metrology laboratory according to standard 17025 and inspection bodies according to standard 17020.
- Output 7: Adoption of European standards and euro codes with national annexes.
- Output 8: Membership of Kosovo Standardisation Agency (KSA), General Directorate for Accreditation of Kosovo (DAK) and Kosovo Metrology Agency (KMA) in European and International Organisations.
- Output 9: Awareness of role and importance of standards, accreditations and metrology among interesting parties increased. This area of support anticipates that by aligning legislation and the operations of conformity assessment bodies, ensuring compliance of products and personnel with EU standards, strengthening legal controls, aligning with control standards, adopting euro codes, ensuring membership in European and international organisations and raising the awareness of standards, this will improve production processes and increase the compliance, quality, and safety of products.

Assumptions include: Coordination of activities between the stakeholders participating in the project is ensured. Reliable partners are available since relevant expertise will be requested for very specific fields. Trained staff of the beneficiary institution will retained. Adequate administrative absorption capacities are in place.

#### Area of Support 3: Market surveillance and consumer protection, in line with the EU requirements.

- Outcome 1: The institutional capacity to enforce and improve implementation of legislation, enable increased involvement of the civil society in consumer protection and consumer rights awareness among women and men, and implement efficient, effective, non-discriminatory enforcement and protection of consumer economic rights is enhanced.
- Output 1: Improved capacity of relevant national authorities for efficient, effective, non-discriminatory, and gender equal market surveillance of compliance and safety of non-food products and protection of consumer economic rights.
- Output 2: Enhanced knowledge of consumer rights among men and women; informed and educated women and men consumers participate fully in the single market.
- Output 3: Civil society, including Women's Rights Civil Society Organisations, involved in consumer protection and consumer rights.
- Output 4: Consumer safety improved through enhanced product identification and traceability, measures reinforcing safety in the food chain and the new (EU) rules on the safety of cosmetic products.
- Output 5: Simple, fast and low-cost out-of-court procedures for consumers developed as a result of the directive on alternative dispute resolution (2013) and the regulation on online dispute resolution (2013). This area of support anticipates that by improving capacities and knowledge of consumer rights, involving civil society, enhancing product

identification and traceability and developing simple, fast and low-cost out-of-court procedures for consumer, this will improve institutional capacities to enforce and improve the implementation of legislation on consumer protection.

Assumptions include: The required legislative framework is in place. Progress towards approximation with the EU *acquis* is achieved. Government's institutions are willing to cooperate on realisation of joint programmes and activities

#### 3.2. Indicative type of activities

Trade policy – Outcome 1 - The contribution of trade in goods and trade in services to a growth-enhancing transformation of Kosovo's economy, for both women and men, is increased.

- Development of tools and capacity building on impact assessment. Activities include training, on-the-job coaching, placements and peer-to-peer advisory services for women and men;
- Enhancing capabilities of the Trade Defence Division of the Trade Department to apply laws and regulations in conformity with EU standards and World Trade Organisation rules. Activities include training, on-the-job coaching, placements and peer-to-peer advisory services for women and men;
- Reinforcing capacities of the Trade Department to monitor and analyse trends in trade in goods and services through specific training and coaching sessions for women and men;
- Strengthening negotiations on mutual recognition of professional qualifications, dispute settlement framework, further liberalisation of trade in services and regional disciplines on domestic regulations on services. Activities include targeted training and coaching for women and men, organisation of and attendance at workshops, roundtables and conferences;
- Strengthening the National Committee on Trade in Services and the National Trade Facilitation Committee through advisory services and coaching activities;

Quality infrastructure, in line with the EU requirements - Outcome 2 - Improved production processes and increased compliance, quality, and safety of products for the benefit of women and men and protection of the environment in place that will support integration in EU internal market and elimination of unjustified technical barriers to trade

- Support establishment and strengthen Conformity Assessment Bodies covering all areas of legal metrology through training, on-the-job coaching, workshops and peer-to-peer learning for women and men;
- Development of the Standardisation Management Information System. Activities include purchase of hardware, software development, maintenance and upgrade, training on the use and further development of the System;
- Alignment of legislation with EU acquis through provision of advisory services and workshops;
- Support certification of products, certified personnel (women and men) and management systems in compliance with EU standards through assessment of current system, quality assurance, targeted advisory services;
- Support the development of a Quality Management System for all laboratories of Kosovo Metrology Agency and accreditation of metrology laboratory in accordance with ISO IEC 17025: 2017, and accreditation of inspection bodies in accordance with standard ISO IEC 17020. Activities include assessment, quality assurance, training and advisory services;
- Adoption of European standards and euro codes with national annexes Further streamlined adoption of standards and among them especially euro codes (national annexes) for the needs of building regulations.
- Facilitate Kosovo Standardisation Agency (KSA), General Directorate for Accreditation of Kosovo (DAK) and Kosovo Metrology Agency (KMA) in obtaining the membership of European and International Organisations by providing advisory services, assessments, quality reviews, workshops and attendance at international conferences.
- Innovation support measures. These could include training and education, establishment of financial support schemes, participation at fairs, internships, advisory services (including on intellectual and industrial property rights);
- Fostering Academia business cooperation and technology transfer through organisation of and attendance at B2B events, internships/placements, establishment of cooperation mechanisms and business hubs;

Market surveillance and consumer protection — Outcome 3 - The institutional capacity to enforce and improve implementation of legislation, enable increased involvement of the civil society in consumer protection and consumer rights awareness among women and men, and implement efficient, effective, non-discriminatory enforcement and protection of consumer economic rights is enhanced

- Awareness raising campaigns. Activities include video productions, leaflets, social media campaigns, website and newsletters, organisation of and participation at local, regional and international events;
- Establishment of an effective system of alternative dispute resolution and online dispute resolution through on-the-job coaching, peer-to-peer learning and possibly targeted study visits and placements, for women and men.

3.3. Risks and assumptions

| Risks  | Risk level<br>(H/M/L) | Mitigating measures  |
|--|-----------------------|--|
| Lack of political support and changing priorities of the government  | Н                     | Undertake advocacy actions.  |
| COVID 19 endangers the health of citizens and has an impact on the free movement of goods between countries. | Н                     | General Directorate for Accreditation of Kosovo (DAK) will conduct remote assessments; Quality Infrastructure Division (QID) will deliver online consultations/workshops/trainings with interest parties for technical legislation; Kosovo Standardisation Agency (KSA) will organise online meetings with technical committees. |
| Difficulties in becoming member of European and other International Organisations                            | H                     | Signing Memorandum of Understanding (MOU) with homologue organisations.  |
| Lack of coordination of activities   | Н                     | Establishing coordination system.  |
| Lack of expertise within the specific fields/difficulty retaining staff                                      | M                     | Setting clear goals and bring EU expertise; capacity needs assessment and capacity building; development of regional cooperation.  |

#### Assumptions (to be reflected in the Logical Framework Matrix above) – grouped by outputs and outcomes

Outcome 1, Area of Support 1: Collective actions at the regional level are feasible. All participating stakeholders are interested and effectively participate in different activities. The COVID-19 pandemic does not have a long lasting effect that would compromise Kosovo's trading possibilities.

Outputs 1 to 4: Political commitment and effective actions are undertaken. Close coordination with all stakeholders. Human and financial resources available are adequate to undertake all the required actions.

Outcome 1, Area of Support 2: Coordination of activities between the stakeholders participating in the project is ensured. Reliable partners are available since relevant expertise will be requested for very specific fields. Trained staff of the beneficiary institution will retained. Adequate administrative absorption capacities are in place.

Outputs 1 to 9: Commitment of beneficiaries to EU Harmonisation; commitment of Quality Infrastructure bodies to common approach; high importance of accreditation in giving confidence in traded goods; support of national administrations to laboratory development; willingness and ability to participate in training courses; relevant stakeholders available and interested in improving knowledge.

Outcome 1, Area of Support 3: The required legislative framework is in place. Progress towards approximation with the EU *acquis* is achieved. Government's institutions are willing to cooperate on realisation of joint programmes and activities.

Outputs 1 to 5: Commitment of beneficiaries to EU Harmonisation; willingness and ability to participate in training courses; relevant stakeholders available and interested in improving knowledge.

#### 3.4. Mainstreaming

How does this Action contribute to Gender Equality and Women's and Girls' Empowerment (in line with the EU gender equality strategy 2020-2025)?

Overall, Kosovo lacks in-depth gender analysis regarding consumer protection and gender equality, as well as the overall impact of trade on gender equality, however, some key data exist. In 2019, women owned 646 (25.2%) of all enterprises

in Kosovo, men owned 1 846 (71.9%), while 74 (2.9%) were jointly owned by men and women. In 2017, businesses owned by women were oriented largely towards trade, production sectors and services. While the ratio of registered enterprises of women to men is one to six, women-owned enterprises receive 25 times less funding through subsidies, which is heavily disproportionate. One of the main reasons is that fewer women-owned enterprises are able to provide co-funding due to women's overall more difficult economic situations, but also that fewer women apply in the first place due to insufficient gender-sensitive outreach methods, difficult application procedures that may particularly hamper women from rural areas. Only approximately 12% of women who own businesses have used commercial bank loans compared to 52% of businesses in general.

Women's unemployment rate is 34.4% compared to 22.6% for men, while women's labour market inactivity rate is 78.9% compared to 40.3% for men. Reasons for women's and men's inactivity in the labour market differ substantially. One of the main factors contributing to women's low participation in the labour force is unpaid care work at home, mostly child-care.

As regards consumer rights, evidence indicates that due to women and men's differing roles and responsibilities, particularly within the household, they have different needs and priorities as consumers. The definition of product safety, by itself, may vary substantially between men and women. Certain electrical appliances, among others, are operated largely by women. This disproportionate usage of certain products, combined with ill-information on safety precautions warrants a specific focus on women when it comes to all actions related to consumer protection.

In light of the situation, and in line with the Law on Gender Equality, the Kosovo Programme on Gender Equality and GAP III, the intervention will mainstream a gender perspective, and include measures to promote gender equality and women's economic empowerment.

#### How does this Action address Environment and Climate change?

Environmental effects of trade related measures and also environmental goods and services will be considered. Attention will be paid to the trade-environment relationship also concerning digital trade and e-commerce, which should in principle be positive.

#### How does this Action address the Rights Based Approach?

The project will emphasise the gender impact assessments of trade and trade policies, and also the environmental impact of trade. Special attention will be paid to trade on environmental goods and services.

### How does this Action promote the systematic engagement with Civil Society?

Besides the specific results and activities aimed at empowerment and involvement of civil society organisations, the systematic engagement of civil society will be an integral component of all the activities to be undertaken in the project.

Others (such as Resilience and Conflict Sensitivity, Roma, people with disabilities and other vulnerable groups) Not relevant.

#### 3.5. Conditions for implementation

No conditions identified for this action.

3.6. Logical Framework

| Re | esults | Results chain:                     | Indicators              | Baselines | Targets | Sources of data   | Assumptions |
|----|--------|------------------------------------|-------------------------|-----------|---------|-------------------|-------------|
|    |        | Main expected results (maximum 10) | (at least one indicator | (year)    | (year)  | (1 per indicator) |             |
|    |        |                                    | per expected result)    |           |         |                   |             |

| T4              | T (1-4 ) K 1 1 4  |                               | T 1. 1. C 1.                               | T 1 . C                           | NIDICAA                 | N, 1. 11                    |
|-----------------|---|-------------------------------|--|-----------------------------------|-------------------------|-----------------------------|
| Impact          | To contribute to Kosovo's achievement of the EU's economic accession criteria | -Decline of the trade deficit | Trade deficit in goods 44.5% of GDP (2019) | Trade deficit in goods 35% of GDP | -NPISAA<br>- Commission | Not applicable              |
|                 | of existence of a functioning market  | аелси                         | Surplus in trade in                        | (2025)                            | Kosovo Report           |                             |
|                 | economy and capacity to cope with   |                               | services – 13.3% of                        | Surplus in trade in               | -Statistical data from  |                             |
|                 | competitive pressure and market forces  |                               | GDP (2019)                                 | services – 20% of                 | Kosovo Statistic        |                             |
|                 | within the Union.   |                               | Total trade deficit –                      | GDP (2025)                        | Agency, Customs         |                             |
|                 | within the Olion.   |                               | 31.2% of GDP (2019)                        | Total trade deficit –             | and Central Bank of     |                             |
|                 |   |                               | 31.270 01 OD1 (2019)                       | 26% of GDP (2025)                 | Kosovo                  |                             |
|                 |   | -Expansion and                | Number of products                         | 20% of GDI (2023)                 | - Regional              |                             |
|                 |   | diversification of Kosovo     | exported HS <sup>1</sup> 10 digit          | 2,750 new products                | Economic Area           |                             |
|                 |   | exports bases and             | were 2,362 different                       | (2025)                            | measures                |                             |
|                 |   | destination markets of        | products (2018)                            | (2023)                            | -Annual trade           |                             |
|                 |   | goods and services            | Products with exports                      | 125 new products                  | reports                 |                             |
|                 |   | goods and services            | above 500,000 Euros                        | (2025)                            | Top orts                |                             |
|                 |   |                               | are 91 products (2019)                     | ()                                |                         |                             |
|                 |   |                               | Number of export                           | 125 export trading                |                         |                             |
|                 |   |                               | trading partners is 107                    | partners (2025)                   |                         |                             |
|                 |   |                               | (2019)                                     |                                   |                         |                             |
| Outcome 1 for   | The contribution of trade in goods and  | - Export propensity of        | 2016-2018: 0.24%                           | 2025: 0.30%                       | -Kosovo Statistic       | Collective actions at the   |
| Area of Support | trade in services to a growth-enhancing                                       | female- and male-owned        |  |                                   | Agency                  | regional level are          |
| 1               | transformation of Kosovo's economy,   | manufacturers                 |  |                                   |                         | feasible. All participating |
|                 | for both women and men, is increased.   |                               |  |                                   | -Ministry of Trade      | stakeholders are            |
|                 |   |                               |  |                                   | and Industry Reports    | interested and effectively  |
|                 |   |                               |  |                                   |                         | participate in different    |
|                 |   |                               |  |                                   | -IPA annual reports     | activities. The COVID-19    |
|                 |   |                               |  |                                   |                         | pandemic does not have a    |
|                 |   |                               |  |                                   | -Commission             | long lasting effect that    |
|                 |   |                               |  |                                   | Kosovo Report           | would compromise            |
|                 |   |                               |  |                                   |                         | Kosovo's trading            |
|                 |   |                               |  |                                   |                         | possibilities.              |

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<sup>&</sup>lt;sup>1</sup> TARIC disaggregation on the basis of the Harmonised System (HS) for codification of products which is used by all countries in the world to register export and import data.

| 0                                     |  |  |  | 3. 1 0  | 77 0 1   |   |
|---------------------------------------|--|--|--|---|--|---|
| Outcome 1 for<br>Area of Support<br>2 | Improved production processes and increased compliance, quality, and safety of products for the benefit of women and men and protection of the environment in place that will support integration in EU internal market and elimination of unjustified technical barriers to trade               | Number of certified products (construction) accessing the domestic and international market; Harmonised and non-harmonised legislation in the area of Free Movement of Goods aligned with the EU acquis; Number of laws and policies where recommendations made by women's rights organisations have been taken on board by regional, national and local government bodies during the drafting or revision process (specifically related to the EU consumer law and gender equality acquis). | Four (4) construction products certified.  Eight (8) EU Directives & Regulations (new approach) are transposed and implemented partly        | Number of certified products (construction) competitive for export increased by 60%;  18 EU Directives & Regulations are transposed and implemented partly; Implementation of 80% of Action Plan (34-36 TFEU) | -Kosovo Statistic Agency -Ministry of Trade and Industry Reports -IPA annual reports -Commission Kosovo report   | Coordination of activities between the stakeholders participating in the project is ensured. Reliable partners are available since relevant expertise will be requested for very specific fields. Trained staff of the beneficiary institution will retained. Adequate administrative absorption capacities are in place. |
| Outcome 1 for                         | The institutional capacity to enforce  | Aligned legislation with   | Although most of the   | The legislation has   | -Annual Reports in   | The required legislative  |
| Area of Support 3                     | and improve implementation of legislation, enable increased involvement of the civil society in consumer protection and consumer rights awareness among women and men, and implement efficient, effective, non-discriminatory enforcement and protection of consumer economic rights is enhanced | EU acquis;  The enforcement of consumer rules through coordinated action against breaches of EU consumer law in the form of checks of websites by networks of national consumer protection authorities;  Number of laws and policies where recommendations made by women's rights  | relevant EU directives have been transposed into Kosovo legislation, certain modifications are needed, because of existing legal gaps (90%). | been adopted and enforced (100%).   | relation to the implementation of the Programme for Consumer Protection 2021-2026 -Consumer Protection Department statistics -IPA annual reports -Commission Kosovo report -National Programme for | framework is in place.  Progress towards approximation with the EU acquis is achieved. Government's institutions are willing to cooperate on realisation of joint programmes and activities.  |

|                        |   | anaguigationa lama la                     |   |   | Implementation -f                       |  |
|------------------------|---|---|---|---|---|--|
|                        |   | organisations have been taken on board by |   |   | Implementation of the Stabilisation and |  |
|                        |   | regional, national and                    |   |   | Association                             |  |
|                        |   | local government bodies                   |   |   | Agreement                               |  |
|                        |   | during the drafting or                    |   |   | (NPISAA)                                |  |
|                        |   | revision process                          |   |   | (11116/1111)                            |  |
|                        |   | (specifically related to                  |   |   |   |  |
|                        |   | the EU consumer law                       |   |   |   |  |
|                        |   | and gender equality                       |   |   |   |  |
|                        |   | acquis).                                  |   |   |   |  |
| <b>Outputs related</b> | Output 1: Improve the adoption of                                 | -Number of female and                     | No ex-ante assessment                       | 80 staff to be trained                      | -Minutes of the                         | Political commitment and                       |
| to outcome 1 of        | informed policy decisions in the area of                          | male staff trained.                       | is made.                                    | in trade related areas.                     | meetings.                               | effective actions are                          |
| Area of Support        | trade policy and economic   | -Number of assessment                     |   |   |   | undertaken. Close                              |
| 1                      | restructuring, in particular concerning                           | tools used.                               |   | Impact assessment                           | -Reports by the                         | coordination with all                          |
|                        | impact assessment, regulatory audits,                             | -Number of analytical                     |   | developed (2025)                            | Trade Department.                       | stakeholders. Human and                        |
|                        | application of trade defence measures,                            | studies with a gender                     |   | 10.5 1:                                     |   | financial resources                            |
|                        | and generate knowledge concerning                                 | perspective undertaken                    |   | 12 5 policy oriented                        | -Outputs produced.                      | available are adequate to                      |
|                        | major trends of the global trading                                |   |   | research outputs                            |   | undertake all the required                     |
|                        | system, trade theory and international trade law.                 |   |   | (2025)                                      |   | actions.                                       |
|                        | Output 2: Trade negotiation capacities                            |   |   |   |   |  |
|                        | are improved and objectives of                                    |   |   |   |   |  |
|                        | negotiations achieved.  |   |   |   |   |  |
|                        | Output 3: Capabilities for  |   |   |   |   |  |
|                        | implementation of trade policies and                              |   |   |   |   |  |
|                        | instruments are strengthened.                                     |   |   |   |   |  |
|                        | Output 4: A stronger institutional                                |   |   |   |   |  |
|                        | framework for coordination on policy                              |   |   |   |   |  |
|                        | decisions and implementation.                                     |   |   |   |   |  |
| Outputs related        | Output 1: Quality Infrastructure and                              | 14 EU Directives &                        | Legislation on market                       | At least nine (9) new                       | -Minutes of the                         | Commitment of                                  |
| to outcome 1 of        | free movement of goods legislation in                             | Regulations are                           | surveillance and other                      | EU<br>Diagrafia a facilitati                | meetings;                               | beneficiaries to EU                            |
| Area of Support 2      | line with EU acquis.  | transposed;                               | technical legislation is                    | Directives/regulation transposed by the end | Danasta by 41                           | Harmonisation;                                 |
| 4                      | Output 2: Designated Conformity<br>Assessment Bodies operating in | Number of certified products manufactured | not fully transposed;<br>Sub-legal acts for | of 2023;                                    | -Reports by the<br>Ministry of Trade    | commitment of Quality Infrastructure bodies to |
|                        | compliance with requirements of EU                                | in Kosovo according to                    | different construction                      | Framework                                   | and Industry;                           | common approach; high                          |
|                        | legislation (regulation and directives).                          | EU harmonised                             | products not                                | legislation for                             | and moustry,                            | importance of                                  |
|                        | Output 3: Certified products, certified                           | standards;                                | harmonised;                                 | Market Surveillance                         | -Outputs produced;                      | accreditation in giving                        |
|                        | women and men personnel and                                       | ,   | Four (4) construction                       | enforced;                                   | F2000000,                               | confidence in traded                           |
|                        | management systems in compliance                                  |   | products certified;                         | Product Contact                             | -Project Reports;                       | goods; support of national                     |
|                        | with EU standards.  |   | -   | Point under 515/2019                        |   | administrations to                             |
|                        |   |   |   | established;                                |   | laboratory development;                        |

|                 | Output 4: Established and strengthened Conformity Assessment Bodies covering all areas of legal metrology, and acting in accordance with EU directives.  Output 5: Strengthened metrological legal control and EU directives (Measuring Instrument Directive, Non-Automatic Weighing Instruments Directive, Pre-Packaged-Product and Measuring Container Bottles) implemented.  Output 6: Designated Institutes, Development of Quality Management System for laboratories of Kosovo Metrology Agency (KMA) and accreditation of metrology laboratory according to standard 17025 and inspection bodies according to standard 17020.  Output 7: Adoption of European standards and euro codes with national annexes.  Output 8: Membership of Kosovo Standardisation Agency (KSA), General Directorate for Accreditation |                      |                         | 25 sublegal acts for construction products drafted; Implementation of Action Plan under TFEU 34-36 (70%) Number of products manufactured in Kosovo is increased by 30% with focus on construction products; | -Commission<br>Kosovo report;<br>-Official gazette; | willingness and ability to participate in training courses; relevant stakeholders available and interested in improving knowledge. |
|-----------------|--|----------------------|-------------------------|---|---|--|
|                 | Standardisation Agency (KSA),<br>General Directorate for Accreditation<br>of Kosovo (DAK) and Kosovo<br>Metrology Agency (KMA) in  |                      |                         |   |   |  |
|                 | European and International Organisations. Output 9: Awareness of role and importance of standards, accreditations and metrology among interesting parties increased.   |                      |                         |   |   |  |
| Outputs related | Output 1: Improved capacity of   | Number of women and  | 50% of capacities for   | Capacities for  | -Project Reports;                                   | Commitment of  |
| to outcome 1 of | relevant national authorities for  | men benefitting from | efficient and effective | efficient and   | 1 Toject Reports,                                   | beneficiaries to EU  |
| Area of Support | efficient, effective, non-discriminatory,  | trainings;           | market surveillance of  | effective market  | -Commission   | Harmonisation;   |
| 3               | and gender equal market surveillance   | 0.47                 | compliance and safety   | surveillance of   | Kosovo report;                                      | willingness and ability to   |
|                 | of compliance and safety of non-food   |                      | of non-food products    | compliance and  | * '   | participate in training  |
|                 | products and protection of consumer  | Number of complaints | and protection of       | safety of non-food  | -Quarterly and                                      | courses; relevant  |
|                 | economic rights.   | received in the      |                         | products and  | annual reports of the                               | stakeholders available   |

| Output 2: Enhanced knowledge of           | Consumer Protection     | consumer economic       | protection of          | Department for        | and interested in    |
|---|-------------------------|-------------------------|------------------------|-----------------------|----------------------|
| consumer rights among men and             | Department,             | rights have been built; | consumer economic      | Consumer              | improving knowledge. |
| women; informed and educated women        | disaggregated by gender |                         | rights further         | Protection;           |                      |
| and men consumers participate fully in    | of complainant;         | The number of unsafe    | developed (100%);      |                       |                      |
| the single market.                        |                         | products removed from   | -                      | -National             |                      |
| Output 3: Civil society, including        |                         | the market, based on    | An increased           | Programme for         |                      |
| Women's Rights Civil Society              |                         | customer complaints,    | participation of       | Implementation of     |                      |
| Organisations, involved in consumer       |                         | is not satisfactory.    | citizens on the        | the Stabilisation and |                      |
| protection and consumer rights.           |                         | -                       | complaint platform;    | Association           |                      |
| Output 4: Consumer safety improved        |                         |                         |                        | Agreement             |                      |
| through enhanced product                  |                         |                         | Number of unsafe       | (NPISAA).             |                      |
| identification and traceability,          |                         |                         | products identified in |                       |                      |
| measures reinforcing safety in the food   |                         |                         | the market, and        |                       |                      |
| chain and the new (EU) rules on the       |                         |                         | notification of the    |                       |                      |
| safety of cosmetic products.              |                         |                         | public increased       |                       |                      |
| Output 5: Simple, fast and low-cost       |                         |                         | (100%).                |                       |                      |
| out-of-court procedures for consumers     |                         |                         |                        |                       |                      |
| developed as a result of the directive on |                         |                         |                        |                       |                      |
| alternative dispute resolution (2013)     |                         |                         |                        |                       |                      |
| and the regulation on online dispute      |                         |                         |                        |                       |                      |
| resolution (2013).                        |                         |                         |                        |                       |                      |

#### 4. IMPLEMENTATION ARRANGEMENTS

#### 4.1. Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with Kosovo.

#### 4.2. Implementation modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures<sup>4</sup>.

#### 4.2.1. Direct Management (Procurement)

The whole action (all outcomes) will be implemented via procurement.

This will contribute to Kosovo's achievement of the EU's economic accession criteria of a functioning market economy and capacity to cope with competitive pressure and market forces; and thus foster Kosovo's integration in the EU internal market with the elimination of unjustified technical barriers to trade and a strengthened position of Kosovo economic operators on domestic and external markets.

| Subject  | Indicative type (works, supplies, services) | Indicative trimester of launch of the procedure |
|--|---|---|
| Area of support 1 - EU 4 Trade                                       | Services                                    | Q4 2021   |
| Area of support 2 - EU 4 Quality Infrastructure                      | Services                                    | Q1 2022   |
| Area of support 3 - EU 4 Market surveillance and consumer protection | Services                                    | Q1 2022   |

# 4.2.2. Changes from indirect to direct management mode (and viceversa) due to exceptional circumstances (one alternative second option)

In exceptional circumstances and upon authorisation of the European Commission, changes form indirect to direct management mode (and vice versa) are possible, as well as other changes in the management and procurement modes. In addition, in some unpredicted and emergency situations, with prior approval of the European Commission, support to unforeseen and ad hoc actions may also be possible.

#### 4.3. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

<sup>&</sup>lt;sup>4</sup> www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

### 4.4. Indicative budget

|   | EU contribution<br>(amount in EUR)  | Indicative third party contribution, in currency identified |
|---|-------------------------------------|---|
| Output 1 - Increased contribution of trade in goods and trade in services to a growth-enhancing transformation of Kosovo's economy, for both women and men; composed of   | 2 000 000                           | N.A.  |
| Direct management (Procurement) – cf. section 4.2.1   | N.A                                 |   |
| Output 2 - Improved production processes and increased compliance, quality, and safety of products for the benefit of women and men and protection of the environment in place that will support integration in EU internal market and elimination of unjustified technical barriers to trade; composed of  | 2 500 000                           | N.A.  |
| Direct management (Procurement) – cf. section 4.2.1   | N.A                                 |   |
| Output 3 - Enhanced institutional capacity to enforce and improve implementation of legislation, enable increased involvement of the civil society in consumer protection and consumer rights awareness among women and men, and implement efficient, effective, non-discriminatory enforcement and protection of consumer economic rights; composed of | 1 000 000                           | N.A.  |
| Direct management (Procurement) – cf. section 4.2.1   | N.A.                                |   |
| Procurement – total envelope under section 4.2.1  | 5 500 000                           | N.A.  |
| Evaluation (cf. section 5.3)  | will be covered by another decision | N.A.  |
| Audit/Expenditure verification (cf. section 6)  | will be covered by another decision | N.A.  |
| Communication and visibility (cf. section 7)  | N.A.                                | N.A.  |
| Contingencies   | N.A.                                | N.A.  |
| Total   | 5 500 000                           | N.A.  |

#### 4.5. Organisational set-up and responsibilities

The actions will be implemented under direct management with the EU Office in Kosovo as Contracting Authority having the overall responsibility for contracting, monitoring and evaluation. It will be coordinated by the relevant beneficiary institutions and the National IPA Coordinator. In addition, the Sector Working Group will oversee the performance assessment, relation so the strategic framework and other interventions in the area (donor coordination and cooperation with the private sector and civil society is ensured through their active participation in the Sector Working Group).

### 5. PERFORMANCE/RESULTS MONITORING AND REPORTING

#### 5.1. Internal monitoring

The Contracting Authority will ensure internal monitoring in close cooperation with the stakeholders.

### 5.2. Roles & responsibilities for data collection, analysis & reporting

The Contracting Authority will work closely with the implementing partner and the beneficiary to make sure the action is implemented as planned and the target is met.

#### 5.3. Evaluation

Having regard to the nature of the action, a final evaluation will be carried out for this action or its components contracted by the Commission. It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the nature of the intervention. Monitoring and Evaluation for all components will be gender sensitive, and will track, monitor and evaluate indicators as disaggregated by gender, where possible.

The Commission shall inform the implementing partner at least one (1) month in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities. The evaluation reports shall be shared with the beneficiary and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the beneficiary, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Evaluation services shall be covered by another support measure.

#### 6. AUDIT

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

The financing of the audit shall be covered by another measure constituting a financing Decision.

### 7. COMMUNICATION AND VISIBILITY

Visibility of EU funding and communication about objectives and impact of Actions are a legal obligation for all Actions funded by the EU, as set out in the EU communication and visibility requirements in force.

In particular, the recipients of EU funding shall acknowledge the origin of the EU funding and ensure its proper visibility by:

- providing a statement highlighting the support received from the EU in a visible manner on all documents and communication material relating to the implementation of the funds, including on an official website and social media accounts, where these exist; and
- promoting the actions and their results by providing coherent, effective and proportionate targeted information to multiple audiences, including the media.

Visibility and communication measures shall be implemented, as relevant, by the administration (for instance, concerning the reforms linked to EU budget support), entrusted entities, contractors and grant beneficiaries. Appropriate contractual obligations shall be included, respectively, in financing agreements, delegation agreements, and procurement and grant contracts. The action will involve efforts to reach diverse women and men with information, considering gender differences.

The measures shall be based on a specific Communication and Visibility Plan, established and implemented in line with the EU communication and visibility requirements in force. The plan shall include, inter alia, a communication narrative and master messages for the Action, customised for the various target audiences (stakeholders, civil society, general public, etc.)

Visibility and communication measures specific to this Action shall be complementary to the broader communication activities implemented directly by the European Commission services and/or the EU Delegations and Offices. The European Commission and the EU Delegations and Offices should be fully informed of the planning and

implementation of the specific visibility and communication activities, notably with respect to the communication narrative and master messages.

# 8. SUSTAINABILITY

This action is aimed at improving beneficiaries' capacities in the areas of quality infrastructure, market surveillance, consumer protection and trade. It weighs heavily in capacity building of the various government institutions involved and relevant stakeholders and the results of the action related to capacity building will be present beyond the duration of the project. Furthermore, the legal instruments and the impact assessment tools developed under the project will become assets of the beneficiary to be utilised after the project ends. Sustainability of the action will be ensured through the involvement of all relevant actors, at all levels, and clear structures and roles for the implementation and monitoring.

The Green Agenda enables to create stronger links between climate and environment actions, policy reforms and EU approximation. This action will contribute to the mechanisms of implementation of the Green Agenda by ensuring policy coherence at all levels of governance which is essential to achieving better synergies between the economic, environmental, and social dimensions of sustainable socioeconomic development, and to reduce trade-offs between them. Lastly, trade drives economic growth, a key element of green growth and sustainable development.