

2011 Annual Programme
Financial Crime and Road Policing : 02-2011/1

1. Basic information

- 1.1 CRIS number:** 2011/022-939
1.2 Title: Financial Crime and Road Policing
1.3 ELARG statistical code: 01.24
1.4 Location: Kosovo*

Implementing arrangements

- 1.5 Contracting authority:** European Commission Liaison Office to Kosovo
1.6 Implementing agency: European Commission Liaison Office to Kosovo
1.7 Beneficiary:

Project activity	Beneficiary (institutions, target group etc)	Contact point responsible for project coordination
1. Support to the Agency for Managing of Sequestrated and Confiscated Assets (AMSCA)	Ministry of Justice and Agency for Managing of Sequestrated and Confiscated Assets(AMSCA)	Mr.Enver Krasniqi-Head of AMSCA; Hysen Beqa- MoJ,Senior Officer for IPA
2. Support to Kosovo institutions in combating financial and economic crime	MEF / Financial Intelligence Unit	Lulzim Rafuna, Head of the Legal Department, Ministry of Finance
3. Road Policing and Casualty reduction	Kosovo Police, Ministry of Education, Science and Technology and Ministry of Transport and Telecommunication	Mr. Shpend Maxhuni, Assistant General Director (Operations), Kosovo Police

Financing

- 1.8 Overall cost (VAT excluded):** EUR 4.5 million
1.9 EU contribution: EUR 2.0 million
1.10 Final date for contracting: 3 years after signing the financing agreement
1.11 Final date for execution of contracts: 2 years following the final date for contracting
1.12 Final date for disbursements: 1 year after the final date for execution of contracts

* Under UNSCR 1244/1999.

2. Overall Objective and Project Purpose

2.1 Overall Objective:

Support Kosovo authorities to strengthen the rule of law by further supporting general law enforcement and the overall fight against organized crime with a focus on financial and economic crime.

2.2 Project purpose:

1. To strengthen the administrative, policy making and legal drafting capacities of AMSCA (Agency for Management of Sequestrated and Confiscated Assets).
2. To strengthen the Financial Intelligence Unit and the Ministry of Economy and Finance and law enforcement agencies in the effective enforcement of a harmonized and comprehensive legal and other regulatory framework to combat financial crime.
3. To improve road safety through introducing a combined road safety programme including Education, Road Safety Engineering and Road Safety Enforcement.

2.3 Link with Accession Partnership / National Programmes for the Adoption of the Acquis/ European Partnership/ Stabilisation Association Agreement

Within the framework of the Stabilisation and Association Process, Kosovo has demonstrated enhanced efforts to tackle challenges in the Rule of Law sector. These efforts have been further given impetus by the prospective visa liberalisation process. Moreover, the 2008 Kosovo Study has allowed for the former SAP Tracking Mechanism (STM) to be advanced to the Stabilisation and Association Process Dialogue (SAPD), as of 2010. It provides a high level forum for policy and technical dialogue, complemented by technical sectoral subcommittees.

The European Partnership calls for:

- Ensuring full respect for the rule of law, human rights and protection of minorities and pursue a policy of zero tolerance against corruption, organised crime and financial crime.
- Enhancing the capacity of the Financial Investigation Unit within the Kosovo Police Service (KPS) organised crime directorate. Train specialised prosecutors and judges. Streamline competencies in the area of money laundering in the different institutions involved.
- Strengthening local capacities to investigate organised criminal activities.
- Strengthening judicial capacities to prosecute and try organised and financial crime cases.

Road Traffic Safety is a priority of the Transport sector policy and mentioned and the need to improve road safety is clearly highlighted in the Progress Report 2010. This can be achieved through cooperation of different institutions and the Kosovo Police will play an important role in enforcing traffic safety rules. Kosovo has adopted a Road Safety Strategy.

2.4 Link with MIPD

Rule of law has been defined as one of the three major sectors to be supported through Multi-annual Indicative Planning Document (MIPD) 2011-2013. The project follows the sector objectives, which are driven by a prospective visa liberalization approach, in particular through addressing requirements in the following areas: a) strengthening administrative capacities for implementation of readmission and reintegration legal and policy framework; b) further capacity building support to reforming the judiciary; c) support to fighting overall organized crime with a focus on enhancing local capacities to tackle money laundering; d) further enhancing

local capacities with the view to mutual legal assistance, as well as e) further support to addressing Kosovo's needs in the area of integrated border management.

2.5 Link with National Development Plan (where applicable)

The Medium Term Expenditure Framework (MTEF) 2011 – 2013 sets out an analysis of the macroeconomic environment of Kosovo, and outlines strategic policy priorities of the Government. It also presents a summary of the essential fiscal envelope or baseline against which the range of Government policy priorities will be assessed for funding.

In the Rule of Law sector, MTEF stresses enforcement of the laws on Kosovo Judicial Council and that on courts. It also underlines enforcement of the Law on Management of Confiscated and Sequestrated Assets, including setting up the institutional framework and enhancing the capacities, amongst priorities for the forthcoming period. On the Kosovo Judicial Institute, it states implementation of the both Beginners and Continuous Training Programmes. Concerning home affairs, it prioritizes provision of quality services for citizens, integrated border management, preventing and combating financial crime (including financial intelligence) and other forms of organized crime, migration and public security, mainly focusing on the dimension of enhancing human and technical capacities of respective institutions.

2.6 Link with national/sectoral investment plans (where applicable)

Support to the Agency for Managing of Sequestrated and Confiscated Assets

The project is linked to the draft Development Strategic Plan of Ministry of Justice 2011-2013. The functioning of the Agency is also mandated by the Law on Management of Sequestered and Confiscated Assets.

Support to Kosovo institutions in combating financial and economic crime

The project is partly linked to Kosovo's National Strategy against Organized Crime 2009-12. Also, the functioning of the Kosovo's Financial Investigation Unit is mandated by the Law on Combating Money Laundering and Financing of Terrorism. Moreover, the project is linked to the roadmap for handing over responsibilities from EULEX to MoF, which is part of a Memorandum of Understanding between the two.

Road Policing and Casualty reduction

The project is linked to the Kosovo Police Strategic Plan 2010-2015 and the Road Safety Strategy.

3. Description of project

3.1 Background and justification:

Activity 1. Support to the Agency for Managing of Sequestrated and Confiscated Assets

Kosovo is continuing its efforts in fighting organized crime with the creation of the Agency for Management of Sequestrated and Confiscated Assets (AMSCA). The role and mandate of AMSCA is regulated by Law no 03/L141 (administration of sequestered or confiscated assets) and the details of its organizational structure are regulated by Administrative Instruction No. 1/2010. The director of the agency has been appointed and 11 out of total 17 staff members of AMSCA have been recruited. The recruitment process should be finalized by mid 2011.

The main responsibilities of the AMSCA are to store and manage the sequestered and confiscated assets (in coordination with the prosecution office, courts or other competent authorities), to support the execution of the seized or confiscated assets as requested by the competent bodies and to enable the sale of sequestered or seized property. Furthermore, AMSCA will assess the property and preserve the value of property or engage appropriate experts to assess the value of the property and preserve the sequestered or confiscated items. AMSCA will manage the data associated with sequestered or confiscated assets in a centralized computer system.

Considering that AMSCA is a newly established institution, there is a need to develop its internal administrative and procedural rules and to build its capacities. This will include the support to determine the standardized

mechanisms for coordination and cooperation, with judicial and law enforcement institutions and to develop mechanisms for exchange of information and experience with relevant institutions/agencies. In short, the project will assist AMSCA with their institutional set-up and external dealings.

AMSCA is currently being supported by DFID on developing Internal Rules that will further define the specific responsibilities and tasks of AMSCA.

Activity 2. Support to Kosovo institutions in combating financial and economic crime

The Assembly of Kosovo has adopted the Law on Prevention of Money Laundering and Financing of Terrorism on 30 September 2010. This law regulates the measures, responsible authorities and procedures for detecting and preventing money laundering and financing of terrorism, including entities (both public and private) responsible to report and their specific obligations. At the level of institutions, this law establishes the Financial Intelligence Unit (FIU), as an executive agency linked to the Ministry of Economy and Finance (MEF) as the central institution responsible for requesting, receiving, analyzing and disseminating to the competent authorities and disclosures of information which concern potential money laundering and financing of terrorism. This law also establishes the FIU Management Board (chaired by the Minister of Economy and Finance, and also consisting of the Minister of Internal Affairs, the Chief State Prosecutor, Director-General of the Kosovo Police, Director-General of Kosovo Customs, Director of the Tax Administration of Kosovo and the Governor of Central Bank of Kosovo).

Kosovo authorities have carried out preparations for establishing the institutional framework responsible for combating financial crime, starting from the handover of responsibilities in this field from EULEX to Kosovo authorities. The result of these preparations is a Memorandum of Understanding between the Head of EULEX and the Minister of Economy and Finance (signed on 15 June 2010), which also contains a roadmap with a timeline of handover of responsibilities by the end of 2011.

Secondary legislation implementing the Law on Prevention of Money Laundering and Financing of Terrorism still has to be developed and adopted, as well as the other regulatory framework needed to effectively enforce this law. Moreover, the legal framework needs to be reviewed and fully harmonized with existing legislation and standards on prevention and combating of financial crime. Responsibilities of the relevant institutions have to be clarified, as well as the relevant rules of reporting by public and private entities. At the level of institution-building and enforcement, capacities of all the relevant institutions (FIU, law enforcement agencies, judiciary) to effectively detect, investigate and prosecute financial crime need to be further strengthened, whereas the awareness of other public and private entities on these issues also needs to be increased.

Activity 3. Road Policing and Casualty reduction

Road safety is a significant concern to modern day society not only in terms of loss of human life and bodily injuries sustained but also the economic impact borne by the health authorities in treating those injuries within the country. According to a recent analysis of road traffic related issues in Kosovo the level of road safety is deteriorating. The number of persons who die or are injured as a result of road traffic accidents continues to increase at an unacceptable level with 2010 being one of the worst in recent years.

From 2002 to the end of 2010, 118 585 road traffic accidents have been recorded, 26221 accidents with bodily injuries, 91 136 with material damages, whereas 1 211 had fatal consequences, resulting in the death of 1 388 persons and 38 127 persons injured

Road Safety and accident reduction is a political priority in the Ministry of the Interior agenda. It is recognized that other government departments have a role to play, i.e. Ministry of Education, Science and Technology and Ministry of Infrastructure. Currently, there is no strategic forum coordinating effort in this regard. This project shall assist the relevant institutions in creating such a coordinating body with potential to involve also the Ministry of Justice and Community Safety Fora thus engaging communities to be involved in providing some of the solutions. With regard to the latter, there is an opportunity e.g. for community members to become involved in school crossing patrols supported by the Ministries of Infrastructure and Education.

KP Officer training with focused activity on road safety education packages and enforcement tactics will be developed and delivered at the Kosovo Centre for Public Safety and Education Development targeting inappropriate driver behavior and speeding reduction.

Existing legislation requires to be strengthened to broaden enforcement opportunities – the greater number of checks made by KP provides greater opportunities for detection of crimes across the complete range of criminality and act as a deterrent. The development of a Vehicle Rectification Scheme regarding the quality of vehicles on Kosovo's roads would be a major step forward and contribute to an increase in overall road safety standards.

3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact (where applicable)

Activity 1. Support to the Agency for Managing of Sequestrated and Confiscated Assets (AMSCA)

The project will support efforts in combating crime, in particular financial and economic crime and corruption. Hence, it will build on previous project interventions. It will enable Kosovo authorities to enforce confiscations of unlawfully gained assets and to manage these assets in a proper manner. It will thereby assist in closing a missing link in the enforcement of measures applied against unlawful gain of assets.

Activity 2. Support to Kosovo institutions in combating financial and economic crime

This project will further strengthen the Financial Intelligence Unit and hence build on previous project interventions (CARDS, IPA 2010). It will also build on EULEX activities in this regard. Through building capacities of the FIU Kosovo authorities will be in a position to investigate financial and economic crime and cooperate with other law enforcement agencies.

Activity 3. Road Policing and Casualty reduction

This project will support the Kosovo Police in strengthening its road traffic policing. Through necessary cooperation with relevant institutions such as the Ministry for Education, Science and Technology and the Ministry of Infrastructure it will address traffic incidents and their heavy impact in a comprehensive manner. Raising awareness at an early stage in schools also through the inclusion of crossing guards combined with speed reduction measures at hot spots will improve the traffic safety in a sustainable manner.

3.3 Results and measurable indicators:

Activity 1. Support to the Agency for Managing of Sequestrated and Confiscated Assets

Expected Results:

1. The organisational structure developed through the development of internal administrative and procedural rules
2. Coordination and cooperation mechanisms between judicial/law enforcement institutions and AMSCA are developed.
3. Information exchange between relevant institutions/agencies is regulated.

Measurable indicators:

1. Administrative and procedural rules in place and implemented.
2. Enhanced inter institutional coordination and cooperation.
3. The Agency staff implementing the administrative procedural rules capable of performing their duties and responsibilities.
4. AMSCA implements its responsibilities by using the information and support of the relevant law enforcement institutions.

Activity 2. Support to Kosovo institutions in combating financial and economic crime

Expected Results:

1. A comprehensive legal and regulatory framework (including procedural rules determining responsibilities of the relevant public and private entities) to combat financial crime completed and harmonized.
2. Capacities of FIU and law enforcement agencies to combat financial crime strengthened.
3. Awareness of law enforcement agencies, the relevant private entities and the wider public on combating financial crime increased.

Measurable indicators:

1. Secondary legislation for the implementation of the Law on Preventing of Money Laundering and Financing of Terrorism adopted.
2. Regulatory framework regulating public and private entities (Laws, Administrative Instructions, Regulations, SOPs, ToRs, JDs, etc) reviewed and harmonized with the framework and implementing legislation on combating financial crime.
3. FIU fully functional.
4. Strategic documents aimed at enforcement of the legal and other regulatory framework adopted.
5. 5 Workshops for law enforcement agencies on the legal and other regulatory framework and its enforcement (including their responsibilities in this regard) conducted.
6. 5 workshops with private entities on the legal and other regulatory framework and its enforcement (including their responsibilities in this regard) conducted.
7. Public awareness material published.

Activity 3. Road Policing and Casualty reduction

Expected results:

1. Reduction in the overall number of traffic accidents, thus reducing the number of people killed and injured on Kosovo's Roads, with a particular focus on children and young people.
2. Improved legislative framework to support effective policing on road traffic issues (including regulation of pedestrians)
3. Mandatory education programme focusing on pre-schools, primary schools and secondary schools through the enhancement of School Liaison Officers introduced.
4. Improved standards of driving on Kosovo's roads, through improved safety and conditions of vehicles, improved driving education and safer road designs.

Measurable indicators:

1. Relevant legislation adopted in close co-ordination with relevant Government bodies and in line with EU principles and standards.
2. Enhanced Programme of Road Safety Education targeted at all schools implemented.
3. Upgrading of advanced warning signs including road markings and demarcation in particular of pedestrian crossings.
4. High visibility signage, road markings and speed reduction measures at schools and other known accident hot spots installed.
5. Reduction in number of accidents and injuries.
6. Number of violations detected.
7. Identification of alternative use of human resource in terms of increased effectiveness and efficiency.
8. Amount of fines generated.
9. Savings in terms of medical treatment and intervention.

3.4 Activities:

Activity 1. Support to the Agency for Managing of Sequestered and Confiscated Assets (AMSCA)

This activity shall be implemented via one service contract. Through the service contract the establishment and functionality of the AMSCA will be supported. The experts will assist AMSCA to develop their organisational structure including administrative and procedural rules. Staff should be in a position to fill their positions in an efficient manner. Therefore, procedures for receiving and transporting of sequestered or confiscated assets, procedures for evaluation and conservation of asset value, storage and disposal criteria, procedures for granting use and disposal of sequestered or confiscated assets (by giving them for use, renting or giving them for free), for collecting and administration of incomes, determining rules for treating specific cases of sequestered or confiscated assets (sensitive assets, paintings, animals etc.), procedures for administration of information related to sequestered or confiscated assets in a centralized computer system need to be established. Further to this, the project will develop coordination and cooperation mechanisms with the judiciary and other law enforcement agencies including rules for information exchange.

The project will be implemented over a period of 24 months.

Activity 2. Support to Kosovo institutions in combating financial and economic crime

This activity shall be implemented via one service contract. In close coordination with EULEX the experts will review the legal framework based on international standards and in particular based on Council of Europe recommendations in this area. The Financial Intelligence Unit needs to be strengthened through further capacity building and through further improving the coordination, cooperation and information exchange with other relevant agencies.

The project will be implemented over a period of 24 months.

Activity 3. Road Policing and Casualty reduction

This activity shall be implemented via a service contract and at least one supply and one works contract, all fully co-funded by the Kosovo Government. The consultants will in close partnership with the Kosovo Police and the Ministry of Infrastructure and the Ministry of Education, Science and Technology develop a comprehensive programme addressing road safety issues. This will need to include broad measures such as an education programme focusing on hot spots such as schools involving school liaison officers,, road improvement measures and speed reduction as well as vehicle rectification measures. Also, the legislative framework will need to be reviewed and improved. The project will assist the relevant institutions in implementing and enforcing the measures addressing road traffic safety.

The project will be implemented over a period of 24 months.

3.5 Conditionality and sequencing:

Generally, project implementation is hampered by either insufficient qualified staff and resources allocated to (newly established) institutions or insufficient operational funds available in the government budget to allow for appropriate implementation of the mandate of the concerned department. Often timelines for the adoption of legal instruments are not respected, leading to delays in implementation and causing difficulties in project implementation. Although there has been focus on establishing the legal frameworks in Kosovo still the capacity to enforce the laws has received insufficient attention. An additional constraint is the lack of cooperation among different competent institutions to coordinate responsibilities, enforcement of legislation and efforts in the fields. Full commitment of the national authorities is required to work towards the achievements of the project objectives.

The project includes the following conditionalities:

Activity 1. Support to the Agency for Managing of Sequestered and Confiscated Assets

- Ongoing political support.
- Law enforcement agencies are willing to cooperate with AMSCA.
- Suitable premises/facility is available for the Agency.
- AMSCA fully staffed by the time of project start.

- Co-financing available.
- Office space made available for the experts.
- Agency employees are available for trainings and free from their daily tasks.

Activity 2. Support to Kosovo institutions in combating financial and economic crime

- Financial Intelligence Unit is established and fully operational.
- Adequate budget allocated to FIU.
- Handover of responsibilities from FIC/EULEX to FIU is completed.
- Relevant private entities fully cooperate with FIU in completing the regulatory framework.
- FIU, law enforcement agencies and judiciary institutions have sufficient absorption capacities.
- Operations of FIU free of political interference.

Activity 3. Road Policing and Casualty reduction

- Relevant governmental institutions identified and willingness to coordinate activities.
- Co-funding made available to fund the project activities.
- Strong project management at senior level in place.
- Government provides financial and political support to the beneficiary institutions.
- Beneficiaries' commitment to the project and allocation of sufficient and appropriate staff.

In the event that the above mentioned conditions are not met, the European Commission Liaison Office to Kosovo reserves itself the right to suspend or cancel the Project.

3.6 Linked activities

Key stakeholders and important players in the sector of the rule of law include:

The European Union Rule of Law Mission in Kosovo (EULEX) is the largest civilian mission ever launched under the Common Security and Defence Policy (CSDP). The central aim is to assist and support the Kosovo authorities in the rule of law area, specifically in the police, judiciary and customs areas. The mission is not in Kosovo to govern or rule. It is a technical mission which will monitor, mentor and advise whilst retaining a number of limited executive powers. EULEX works under the general framework of United Nations Security Resolution 1244 and has a unified chain of command to Brussels.

The CSDP mission will assist the Kosovo authorities, judicial authorities and law enforcement agencies in their progress towards sustainability and accountability. It will further develop and strengthen an independent and multi-ethnic justice system and a multi-ethnic police and customs service, ensuring that these institutions are free from political interference and adhering to internationally recognised standards and European best practices. The mission, in full co-operation with the European Commission Assistance Programmes, will implement its mandate through monitoring, mentoring and advising, while retaining certain executive responsibilities.

USAID is in the procurement process for the Effective Rule of Law/EROL project, which will provide assistance to the Kosovo justice system. The EROL's program aims to strengthen the operational capacity of the justice sector institutions including the courts, the Kosovo Judicial Council, the Ministry of Justice and the Kosovo Judicial Institute. The program activities will aim at: (1) strengthening the KJC's ability to fulfill its oversight, discipline and management roles; (2) improving MOJ's capacity to handle international legal assistance and represent the Government of Kosovo in legal matters; (3) streamlining and modernizing court operations; and (4) enhancing KJI's ability to train judges, prosecutors and court personnel. Furthermore, USAID/EROL assistance will also be focused on building the institutional capacity of the Kosovo Prosecutorial Council; establishment of and legislative assistance for the Chamber of Notaries; development of a training program for the Constitutional Court judges and its legal advisors and assistance to the office of the President of Kosovo on development of rules and procedures for appointment of judges and prosecutors. Assistance will also be provided to civil society organizations through a grant program to increase citizens' knowledge of and engagement in the justice system.

International Criminal Investigative Training Assistance Program (ICITAP) under the US Department of Justice's plan for continuing support includes providing experts to the Ministry of Internal Affairs and the Kosovo Police. Technical assistance is offered to Integrated Border Management, Anti-trafficking in Human Beings, Financial Crime Investigations, policing across ethnic lines and to the Kosovo Centre for Public Safety Education. A major program aimed at providing an IT network for the Kosovo Police is under preparation. ICITAP are also providing trainings to the Police and Prosecutors.

Organization for Security and Cooperation in Europe OSCE represents the largest international civilian presence in Kosovo charged with the promotion of human rights and good governance. The Mission is responsible for institution- and democracy-building, and the promotion of human rights and the rule of law.

To help Kosovo's judicial institutions better protect human rights and improve the quality of their services, the Mission monitors and reports on proceedings in the administrative, civil and criminal justice systems. The reports focus on their compliance with Kosovo law and international human rights standards and suggest concrete remedial actions for observed shortcomings. The Mission also organizes workshops with judges to analyse reports and discuss recommendations for remedial actions. Similarly, the Mission proactively monitors the work of the police service. The legal system reports and the police conduct reports jointly provide a comprehensive overview of human rights compliance from arrest to adjudication.

Security and public safety institutions in Kosovo were created from scratch following the 1999 NATO intervention and the adoption of the UN Security Council Resolution 1244. At that time, the OSCE was responsible for training the new police service that would uphold human rights and democratic policing principles. To do so, it created an institution - the Kosovo Police Service School - that eventually evolved into the Kosovo Centre for Public Safety Education and Development. The Centre now caters for the educational and training needs of the police, border, correctional, and fire and rescue services, offering basic to advanced courses. The OSCE gradually handed over responsibility for training and the Centre's management to local stakeholders, although it still supports the delivery of human rights and advanced training programmes. The Mission is also assisting the Centre in the process of obtaining the accreditation as an educational institution. In parallel with training and helping to improve safety in local communities, the OSCE also proactively monitors the work of the police for their adherence to international human rights standards, and advises police structures on how to improve their practices. The Mission issues periodic reports that are presented to and analysed with all relevant officials, including high ranking police officers and representatives of the Kosovo ministry of internal affairs. Together with the Mission's legal system monitoring, security sector monitoring provides a comprehensive overview of human rights accountability in the justice and police sectors.

Department for International Development (DFID) - The overall purpose of DFID's Kosovo programme is to deliver support in four key areas related to state-building and good governance: public administration reform, public financial reform, decentralisation and the rule of law. Although their programme would end by the end of 2012, DFID is still very active in the area of Rule of Law and as result is currently supporting the Agency for Management of Sequestered and Confiscated Assets in Kosovo, on development of internal procedures that would support the Agency to operate up to standards.

The United Nations Development Programme UNDP approach to the reform of security and rule of law, traditionally focused on police, judiciary and emergency preparedness, has been broadening in the recent years. Working in co-operation with the Kosovo Judicial Institute, UNDP has developed a programme to support the judicial education in Kosovo (Dutch financed). In an attempt to bring a more unified approach to the law, the project is providing commentaries on existing laws that will help judges in their work. On the job training and dedicated training courses are also planned to improve Kosovo's judicial service.

Complementing these activities, additional UNDP programmes target Rule of Law in Kosovo. The Access to Justice Programme provides legal aid, information and awareness at community level. It also supports the establishment of new court structures and the monitoring capacities of civil society actors. The Rule of Law institutional capacity building Programme aims to provide support to capacity building of judicial and

policing institutions as well as support professionalism and reform of overall practices in the justice sector. It focuses on Ministry of Justice, Kosovo Judicial Institution, Kosovo Judicial Council and Kosovo Chamber of Advocates. Support to Security Sector Development Programme deploys capacity-building advisors to provide policy advice and management support to government stakeholders, including on law drafting.

Another linked activity is the ongoing **Multi-Beneficiary IPA 2008** “Police Cooperation: Fight against organised crime, in particular illicit drug trafficking, and the prevention of terrorism” DET ILECUs II (CN 2009/222-617) is linked with its following objectives: to improve and promote both strategic and operational regional and international cooperation capacities within the region and between the region and the EU, to improve cross-border intelligence collection systems and exchange, criminal intelligence capacities, to enhance and further develop more effective strategies and instruments on the trail, freezing and confiscation of terrorist assets and organised crime-related proceeds and to strengthen and consolidate International Law Enforcement Coordination Units (ILECUs).

The IPA 2011 programme builds on previous EC assistance to the Rule of Law sector, particularly the following projects funded under the Instrument for Pre-Accession:

Name of project	Start End	Activities/Results
Standards for the Ministry of Justice	2009-2011	This Twinning project builds on the activities carried out under previous EAR projects. The overall objective of this project is to strengthen the administrative, policy making and legal drafting capacities within the Ministry of Justice and to reduce the backlog of cases in courts by setting up mechanisms for alternative dispute resolution, introducing arbitration proceedings and increasing the performance of the probation and correction services.
Support to the Anti-Corruption Agency	2008-2009	This project aimed at the development and enforcement of anti-corruption policies and a legal framework in line with EU standards, strengthening inter-agency cooperation together with increased public awareness, to effectively and systematically combat corruption in Kosovo’s institutions.
Fight against economic crime	2011-2013	This projects aims to strengthening institutional capacity to counter corruption, money-laundering and financing of terrorism in Kosovo in accordance with European standards based on thorough assessments and recommendations for improving and streamlining of reforms targeting economic crime. The project will be implemented by the Council of Europe.
Improved education in the Public Safety and Security Sectors	2010 – 2012	This twinning project aims at improving the basic and advanced training for police, customs, fire fighters and penitentiary staff and will support the accreditation of the Kosovo Centre for Public Safety and Education, including setting up of a higher education institution in line with the requirements of the Bologna process.
Support to the Kosovo Judicial and Prosecutorial Councils	2011-2014	The overall objective of this Project is to continue supporting the efforts to develop the Kosovo Judiciary in line with EU standards by increasing its independence and

		improving its performance. The purpose of this Project is to develop and strengthen the independence, performance, professionalism and efficiency of the Kosovo Judicial Council and the Kosovo Prosecutorial Council to the level expected from a country on its way towards full participation and membership to the European Union. Further on to provide strategic support to the said Councils to develop their organisational capacities and professional capabilities to execute their mandates according to the new relevant legislation.
Improvement of the penitentiary system in Kosovo	2011-2014	The overall objective of this project is to strengthen Rule of Law in Kosovo through a increasing the detention capacities of the Kosovo Correctional Service that will enable the Kosovo authorities to cope with a potential increase of the convictions in courts due to the readmission of an increased number of persons with a criminal background from the EU Member States, thus minimising the risk for public security.

3.7 Lessons learned

Although the overall impact realised through previous assistance is satisfactory, a number of challenges remain: the important donor assistance delivered to some of the beneficiaries in the past could, due to insufficient absorption capacities, not always be used to the best potential extent. The simultaneous presence of several donors (in particular non-EU donors) with sometimes different agendas did not always lead to the necessary synergies. Also, the delivering of Technical Assistance through consultants, rather than civil servants, contributed to focussing on achieving short-term results rather than on sustainable capacity building.

4. Indicative Budget (amounts in EUR million)

			SOURCES OF FUNDING									
			TOTAL EXP.RE	IPA EU CONTRIBUTION		BENEFICIARY CONTRIBUTION					PRIVATE CONTRIBUTION	
	IB (1)	INV (1)	EUR (a)=(b)+(c)+(d)	EUR (b)	% (2)	Total EUR (c)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional/ Local EUR (y)	IFIs EUR (z)	EUR (d)	% (2)
ACTIVITIES												
Activity 1 - Support to AMSCA			1.0	1.0	100							
contract 1 Service	X		1.0	1.0	100							
Activity 2 – Further support to combating financial and economic crime			1.0	1.0	100							
contract 2 Service	X		1.0	1.0	100							
Activity 3 – Road Safety and Casualty Reduction			2.5			2.5	100	2.5				
contract 3.1 – Services	X		1.5			1.5	100	1.5				
contract 3.2 – Supply		X	0.5			0.5	100	0.5				
contract 3.3 - Works		X	0.5			0.5	100	0.5				
TOTAL IB			3.5	2.0	57	1.5	43	1.5				
TOTAL INV			1			1	100	1				
TOTAL PROJECT			4.5	2.0	44	2.5	56	2.5				

NOTE: Amounts net of VAT

(1) In the Activity row use "X" to identify whether IB or INV

(2) Expressed in % of the **Total** Expenditure (column (a))

5. Indicative Implementation Schedule (periods broken down per quarter)

Contracts	Start of Tendering	Signature of contract	Project Completion
Contract 1 - Service	Q1 2012	Q2 2012	Q2 2014
Contract 2 - Service	Q3 2012	Q4 2012	Q4 2014

6. Cross cutting issues (where applicable)

Human rights and in particular minority rights and participation, as well as gender issues will be mainstreamed within all activities and project deliverables. Planning and policy development in the Rule of Law sector planning must encompass the protection of human rights, the fight against corruption, trafficking in human beings, and discrimination.

6.1 Equal Opportunity

The project will ensure that men and women will have equal access to all project deliverables. The Law on Gender Equality in Kosovo nr. 2004/2 provides for the equal participation for both females and males “in legislative, executive, judicial bodies of all levels and in public institutions.” According to the Article 3.2 of this Law, the equal gender participation of both females and males is achieved in cases where the participation of the particular gender in the institutions, bodies or at the level of authority is 40%.

6.2 Environment

The project is expected to have a neutral environmental impact. The Project’s infrastructure component will be consistent with Environmental implications as set out in relevant Regulations consistent with the Law on Environmental Protection. This project intends to promote also environmental improvements through energy savings through implementing energy efficiency measures in building, including the use of alternative sources of energy.

6.3 Minorities

Failure to integrate Kosovo’s minorities can lead to further violations of human rights. Therefore, this project will aim to contribute to the establishment of multi-ethnic representation in the institutions benefiting from the project, which will address the ethnic groups fairly and equitably under the law, as well as other marginalized groups.

ANNEXES

- 1- Log frame in Standard Format
- 2- Amounts contracted and Disbursed per Quarter over the full duration of Programme
- 3- Description of Institutional Framework
- 4 - Reference to laws, regulations and strategic documents
- 5- Details per EU funded contract (*) where applicable

ANNEX 1: Logical framework matrix in standard format

LOGFRAME PLANNING MATRIX FOR Project Fiche		Programme name and number:	2011
Financial Crime and Road Policing		Contracting period expires: Ref to section 1.10	Disbursement period expires: Ref to section 1.12
		Total budget: EUR 4.5 Million	IPA budget: EUR 2 Million
Overall objective	Objectively verifiable indicators	Sources of Verification	
Support Kosovo authorities to strengthen the rule of law by further supporting general law enforcement and the overall fight against organized crime with a focus on financial and economic crime.	Ability of the institutions to comply to the European Partnership and the EP Action Plan	EC Progress Reports	
Project purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
<ol style="list-style-type: none"> 1. To strengthen the administrative, policy making and legal drafting capacities of AMSCA. 2. To strengthen the Financial Intelligence Unit and the Ministry of Economy and Finance and law enforcement agencies in the effective enforcement of a harmonized and comprehensive legal and other regulatory framework to combat financial crime. 3. To improve road safety through introducing a combined road safety programme including Education, Road 		<ul style="list-style-type: none"> • Publications of Ministries including MOJ, MIA, MEI and agencies including Kosovo Police. • Non-Governmental and Parliament sources. • Donors' relevant reports including OSCE, Europol, Council of Europe and UNHCR. 	<ul style="list-style-type: none"> • Political will to establish and strengthen the institutions. • Envisaged legislation adopted and enacted. Necessary legislation reviewed, amended and introduced, including secondary legislation and SOP. • Adequate budget allocated to supported institutions. • Full commitment of the beneficiaries to work towards the achievements of the project

<p>Safety Engineering and Road Safety Enforcement.</p>		<ul style="list-style-type: none"> • Respective statistics (MOJ, KJC, MIA statistics...). • Regular EU assessment missions and reports. • MS reports. • EC Progress Report. • EULEX reports. • Project reports. 	<p>objectives.</p> <ul style="list-style-type: none"> • .Adequate cooperation between all stakeholders. • Envisaged Cooperation Memoranda between stakeholders signed. • High level of retention of trained/qualified personnel ensured. • Co-financing has been made available.
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Results	Objectively verifiable indicators	Sources of Verification	Assumptions
<p>Activity 1. Support to the Agency for Managing of Sequestrated and Confiscated Assets</p> <p>a. The structure and efficiency of AMSCA is strengthened, allowing the institution to effectively perform their tasks.</p> <p>b. Internal administrative and procedural rules are established.</p> <p>c. Coordination and cooperation mechanisms between judicial/law enforcement institutions and AMSCA is improved.</p>	<ul style="list-style-type: none"> • Administrative and procedural rules in place and implemented. • Staff of AMSCA trained. • Enhanced inter institutional coordination and cooperation. • The Agency staff implementing the administrative procedural rules capable of performing their duties and responsibilities. • AMSCA implements its responsibilities by using the information and support of the relevant law enforcement institutions. 	<ul style="list-style-type: none"> • AMSCA annual reports • Project implementation reports • EULEX reports • EC Progress reports 	<ul style="list-style-type: none"> • Ongoing Political Support • Law enforcement agencies are willing to cooperate with AMSCA • suitable premises/facility is available for the Agency • AMSCA fully staffed • Agency employees are available for trainings and free from their daily tasks • Readiness for inter-agency cooperation and information exchange • AMSCA decisions enforced

<p>Activity 2. Support to Kosovo institutions in combating financial and economic crime</p> <p>a. A comprehensive legal and regulatory framework (including procedural rules determining responsibilities of the relevant public and private entities) to combat financial crime completed and harmonized.</p> <p>b. Capacities of FIU and law enforcement agencies to combat financial crime strengthened.</p> <p>c. Awareness of law enforcement agencies, the relevant private entities and the wider public on combating financial crime increased.</p>	<ul style="list-style-type: none"> • Secondary legislation for the implementation of the Law on Preventing of Money Laundering and Financing of Terrorism adopted. • Regulatory framework regulating public and private entities (Laws, Administrative Instructions, Regulations, SOPs, ToRs, JDs, etc) reviewed and harmonized with the framework and implementing legislation on combating financial crime. • FIU fully functional. • Strategic documents aimed at enforcement of the legal and other regulatory framework adopted. • 5 Workshops for law enforcement agencies on the legal and other regulatory framework and its enforcement (including their responsibilities in this regard) conducted. • 5 workshops with private entities on the legal and other regulatory framework and its enforcement (including their responsibilities in this regard) conducted. • Public awareness material published. 	<ul style="list-style-type: none"> • EULEX reports • EC Progress Report • FIU Annual Reports • Number of investigations • Number of confiscations • MEF Reports • Council of Europe assessment reports 	<ul style="list-style-type: none"> • Financial Intelligence Unit is established and fully operational. • Adequate budget allocated to FIU. • Handover of responsibilities from FIC/EULEX to FIU is completed. • Relevant private entities fully cooperate with FIU in completing the regulatory framework. • FIU, law enforcement agencies and judiciary institutions have sufficient absorption capacities. • Operations of FIU free of political interference.
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<p>Activity 3. Road Policing and Casualty reduction</p> <p>a. Reduction in the overall number of traffic accidents, thus reducing the number of people killed and injured on Kosovo's Roads, with a particular focus on children and young people.</p> <p>b. Improved legislative framework to support effective policing on road traffic issues (including regulation of pedestrians)</p> <p>c. Mandatory education programme focusing on pre-schools, primary schools and secondary schools through the enhancement of School Liaison Officers introduced.</p> <p>d. Improved standards of driving on Kosovo's roads, through improved safety and conditions of vehicles, improved driving education and safer road designs.</p>	<ul style="list-style-type: none"> • Relevant legislation adopted in close co-ordination with relevant Government bodies and in line with EU principles and standards. • Enhanced Programme of Road Safety Education targeted at all schools implemented. • Upgrading of advanced warning signs including road markings and demarcation in particular of pedestrian crossings. • High visibility signage, road markings and speed reduction measures at schools and other known accident hot spots installed. • Reduction in number of accidents and injuries. • Number of violations detected. • Identification of alternative use of human resource in terms of increased effectiveness and efficiency. • Amount of fines generated. • Savings in terms of medical treatment and intervention 	<ul style="list-style-type: none"> • Published traffic statistic reports by Kosovo Police • Ministry of Health Statistics • Kosovo Police Annual Report • OSCE assessment reports • KP data analysis reports • Budget expenditure report • Budget revenue report for traffic fines • Media reports • OSCE reports • EULEX reports 	<ul style="list-style-type: none"> • Inter-ministerial coordination and working group in place • Inter-ministerial information exchange • Co-financing made available • Strong and dedicated project management at senior level in place • Political will to enforce road traffic safety measures • Participation of school liaison persons
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Activities	Means	Costs	Assumptions
<p>1. Support to the Agency for Managing of Sequestrated and Confiscated Assets</p> <p>2. Support to Kosovo institutions in combating financial and economic crime</p> <p>3. Road Policing and Casualty reduction</p>	<p>1. One service contract.</p> <p>2. One service contract.</p> <p>3. One Service contract and at least one supply and at least one works contract.</p>	<p>EUR 1.0 million</p> <p>EUR 1.0 million</p> <p>EUR 2.5 million fully co-funded by the Kosovo Government</p>	<p>Beneficiaries commit to the project with regard to budget allocations and staff</p> <p>Key legislation in place</p> <p>Organisational structure of beneficiary has been decided upon</p> <p>Co-financing ensured</p> <p>Continued political support</p> <p>Participation of staff in the implementation of the project</p> <p>Staff trained kept in service</p> <p>All necessary permissions are provided by the relevant authorities</p> <p>Coordination and cooperation mechanism in place</p> <p>Sufficient understanding between parties as to their respective roles and the extent of their authority</p> <p>Ownership of beneficiaries</p>

ANNEX II: amounts (in EUR million) Contracted and disbursed by quarter for the project

Contracted	2011	2012				2013				2014			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Contract 1 - Service			1.0										
Contract 2 - Service					1.0								
Cumulated			1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Disbursed	2011	2012				2013				2014			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Contract 1 - Service			0.5				0.5						
Contract 2 - Service					0.5				0.5				
Cumulated			0.5	0.5	1.0	1.0	1.5	1.5	2.0	2.0	2.0	2.0	2.0

ANNEX III : Description of Institutional Framework

Ministry of Justice

The Legal Mandate of the Ministry of Justice (MoJ) is mainly based on UNMIK Regulations 2005/53 and 2006/26. A number of Regulations and Laws adopted by the Assembly of Kosovo before and after the declaration of independence, in particular those related to the Execution of Criminal Sanction, Bar Exam, Notary, Mediation, Legal Aid, as well as the draft Laws on Management of Confiscated or Sequestered Assets Courts, as well as draft-laws on international legal cooperation in criminal matters, extradition and transfer of convicted persons; witness protection; criminal liability of legal person; free legal aid have and will expand the Ministry's mandate.

With the creation of the Kosovo Prosecutorial Council, the responsibilities of MoJ in the area of prosecution offices management and administration is in the process of being transferred to the newly established Council.

Overall, MoJ's functions can be summed up as in the following:

- Develop and implement policies and legislation within the area of responsibility;
- Develop international judicial cooperation;
- Oversee the execution of criminal sanctions;
- Provide legal services to Kosovo Government and Public Administration;

- Manage the notary system, mediation and bar examination
- Manage the sequestered and seized assets;
- Manage the legal medicine system and the identification of missing persons
- Provide assistance to the victims of crime, domestic violence and trafficking of human beings, as well as,
- Ensure equitable representation of Kosovo communities in the judiciary.

To carry out these functions, MoJ is organized as in the following:

- Department of Legal Affairs
- Department of Policy Coordination and European Integration
- Access to Justice Department
- Department of Missing Persons and Forensics (as well as the Forensic Institute operating separately)
- Correctional Service and Probation Service Departments
- Department of Central Administration,
- Agency of Management of Sequestered and Seized Assets

There are some other units that are being considered as departments although they have not been granted such status yet – such as the so referred Litigation Department, currently operating as Divisions under Legal Affairs and Central Administration Departments respectively. In addition to the departments there are offices attached to the General Secretary, such as the Public Information Office.

The MoJ's Department of Legal Affairs is organized in three divisions: Division on Legislation, Division on International Cooperation and Division of Judicial Integration. However, the MoJ's draft-Plan foresees that the Department contains the two former divisions, while the Division on Assistance to the Victims is moved to this Department from the Department of Access to Justice.

The Plan foresees that the Division of International Cooperation (currently under DLA) is upgraded to a Department with two Divisions: Division on Mutual Legal Assistance and Division on International Agreements.

The Office of European Integration has been upgraded into a Department for Policy Coordination and European Integration in March 2011, and its main functions involve overseeing the Ministry's policy initiation, drafting, monitoring and evaluation as well as coordination of its European integration policy and assistance frameworks. The department is yet to be fully staffed and made operational.

Currently the Department of Access to Justice is responsible for the treatment of victims of crimes and the minority integration in the justice system. There are two main divisions in this Department, the Division for the Protection of the Victims of Crime and the Division of Judicial Integration. The main functions of this department is assisting minorities to access the justice system, coordinating assistance to victims of violence and crime with the actual assistance provided by NGOs and other organizations. However, the draft MoJ Strategic Plan foresees that the Department is dissolved and its function of providing assistance to victims of crime is moved into the Department of Legal Affairs, while the functions of the Judicial Integration are moved to the Kosovo Judicial Council and Kosovo Prosecutorial Council, respectively.

Similar with many EU member States, Kosovo MOJ is responsible for correctional and probation policy and service. It delivers these functions through the Correction Service with more than 1700 employees (General directorate: six detention centres, the Correctional Centre for Juveniles and Women, and one high security prison with another one being planned and the Probation services with almost 70 employees (5 regional offices).

The Department on Legal Medicine is mandated to manage and maintain the legal medicine system, by ensuring legal medicine services and supportive services to the families of the missing persons. There are three divisions attached to this Department: the division on legal medicine, division on research and division on support and identification.

The Agency for Managing of Sequestered and Confiscated Assets

The Agency for Management of Sequestered and Confiscated Assets was created by the Law no 03/L141 (on Management of Confiscated or Sequestered Assets). The scope of responsibilities and the organisational structure of AMSCA are regulated in details by the Administrative Instruction No. 1/2010. The organisational structure of this agency consists of two departments: Department for Receiving, Maintaining the Value and Selling Sequestered and Confiscated Assets, and the Department of Administration. So far, the Director of the agency has been recruited, as well as 11 out of a total of 17 staff members foreseen by its organisational structure. The recruitment process should be finalized by mid 2011.

The main responsibilities of the AMSCA are to store and manage the sequestered and confiscated assets (in coordination with the prosecution office, courts or other competent authorities), to support the execution of the seized or confiscated assets as requested by the competent bodies and to enable the sale of sequestered or seized property. Furthermore, AMSCA will assess the property and preserve the value of property or engage appropriate experts to assess the value of the property and preserve the sequestered or confiscated items. AMSCA will manage the data associated with sequestered or confiscated assets in a centralized computer system.

Kosovo Judicial Institute

In April 2006, the Special Representative of the Secretary General promulgated the Law on Establishing KJI adopted by the Kosovo Assembly in February 2006. The Law establishes KJI as an independent professional body and the judicial training institution within the judicial system of Kosovo that shall perform its functions based on principles of legality, impartiality and efficiency.

KJI's mandate is to train office holders and potential office holders in the judiciary (judges and prosecutors) which includes capacity building of these potential office holders. KJI promotes the level of training based on the needs of the judiciary. Kosovo Judicial Institute (KJI), within its activities may enter into working agreements, cooperation and scientific and professional activity with other local and international organizations.

In accordance with the law, Kosovo Judicial Institute is responsible for:

I. Preparatory Exam. KJI is responsible for the assessment and organisation of the preparatory exam for the persons who intend to become judges or prosecutors, who prior to their nomination shall be subjected to the preparatory exam and special training courses as a precondition for the selection.

II. Training of the potential office holders in judiciary: Initial Legal Education Program. This training program is dedicated to potential candidates who intend to become judges or prosecutors in the future who after the Preparatory Exam shall undergo the ILEP training program.

III. Training of the office holders in judiciary: Continuous Legal Education Program. This training program is dedicated to acting judges and prosecutors.

IV. Training courses for promotion of judges and prosecutors. This program is dedicated to judges and prosecutors who have been selected for promotion.

V. Training course for lay-judges. This training program provides for the lay-judges basic training courses.

VI. Training courses for other professional in the area of judiciary as identified by KJI. This program will include other professionals who are considered to be closely related and assist efficient functioning of judicial system.

Kosovo Judicial Council

The mandate of the Kosovo Judicial Council (KJC) is the development and maintenance of an independent judicial system which will provide services impartially to all citizens and which will be functional in all aspects of its organization and functioning.

This is to enable access to justice for all citizens, which should be fair and efficient. The KJC is responsible for an accountable court system operating under highest standards of honesty, integrity, professionalism and transparency.

Following the endorsement of the Constitution of Kosovo in Chapter VII, respectively in Articles 102 up to 108 of this chapter are defined powers, responsibilities and functions of the Judicial System in Kosovo such as:

- i. General Principles of the Judicial System in Kosovo,
- ii. Organization and Jurisdiction of the Courts,
- iii. Kosovo Judicial Council, which is responsible for determining the administrative policies, and providing management oversight for all courts;
- iv. Setting policy, issuing rules and guidelines for the judiciary,
- v. Recruitment, training, appointment, evaluation, promotion, transfer and discipline of judges and non-judicial personnel;
- vi. Exercise of responsibilities in relation to the appointment, development and training of judges,
- vii. Currently in the judicial system of Kosovo is initiated the process of appointment of judges and prosecutors from the Independent Judicial Commission and Prosecutorial Council of Kosovo as well as drafting of laws for KJC, Courts, and Prosecutorial Council and Attorney of the State, which will enable the organization and structuring of courts and prosecutors in Kosovo.

The Law on the Kosovo Judicial Council (Law No.03/L –223) was adopted regulating further the role and functions of the KJC

Kosovo Prosecutorial Council

The Kosovo Prosecutorial Council (KPC) is an independent institution established by the Constitution, Article 110, and the Law on the Kosovo Prosecutorial Council (Law No.03/L –224). The KPC is responsible for recruiting and selecting prosecutors to recommend for appointment to the President of the Republic of Kosovo, transfer of prosecutors, and for the administration of the prosecution offices and the budget for the state prosecution service.

Until the establishment of the KPC, the KJC was responsible for the recruitment, and selection of candidates to recommend for appointment as prosecutors to the President. Nevertheless, as a newly established institution the KPC will have to define its structure, policies and administration. Furthermore, the KJC and KPC will have to coordinate services that are run in common, whereas others will be established in a separate manner. These two institutions will have to establish internal procedural and organisational rules. Therefore, good practise, transparency and accuracy of the KJC/KPC's action is to be ensured through the definition of standard operating procedures. Currently the KPC is not fully functioning, up to a certain extent due to political reasons. A draft organisational diagram (organigram) for KPC including relevant job descriptions has been designed. An MoU yet to be signed with the KJC will regulate the smooth transfer of authority, assets and personnel from one Council to the other, covering the critical transitional period till the KPC is fully established and functional.

Ministry of Internal Affairs

The Ministry of Internal Affairs (MIA) is a large multi-sector ministry. Its importance is underlined by the fact that its role and tasks are defined not simply at the level of laws, but also in a number of Articles of the Constitution of the Republic of Kosovo. Since its establishment in 2005, MIA has already acquired all the competences in its remit, also completing the legal and policy framework in fields under its remit: citizenship, civil registration (including vehicle registration), personal documents, public law and order, public safety (including road and civil aviation safety, explosives and small arms and light weapons), migration, asylum, foreigners, as well as control and protection of state borders, police and anti-organized crime.

Moreover, the functional review, conducted between August 2008 and January 2009, has recommended that the organisational structure of this Ministry be structured in three levels: political, policy and supervision, and implementation. Based on this new structure recommended, the Minister of Internal Affairs has adopted the Administrative Instruction No. 16/2010-MIA on Internal Organisation and Structuring of MIA, The new organisational structure adopted thereby reflects these three levels. While the Coordination and European Integration, and Public Information Offices are part of the Minister's Office, the policy and supervision level consists of six departments:

- Legal Department
- Policy Development and Monitoring Development
- Department of Public Safety
- Department of Citizenship, Asylum and Migration
- Department of Central Administration, and
- Public Procurement, and Budget and Finance Departments.

The implementation level consists of six executive agencies:

- Kosovo Police
- Police Inspectorate of Kosovo
- Kosovo Centre of Public Safety, Education and Development (based in Vushtrri)
- Civil Registry Agency, and
- Emergency Management Agency.

In 2009, the Ministry has developed and adopted its Strategic Development Plan 2009 – 2013. This plan sets out the following four strategic objectives: maintaining public safety and order, protection of state borders and territory by ensuring control over movement and stay of foreigners and foreign nationals entering the territory illegally, ensuring safety of citizens in cases of emergency, and provision of high-quality services to Kosovo nationals.

As far as the sectoral policy framework under the remit of MIA is concerned, it has developed and is implementing national strategies and action plans on: migration, IBM, integrated emergency management and response, control and collection of small arms and light weapons, as well as those for preventing and combating ordinary crime and organized crime (crime prevention, against organized crime, against drugs,

against terrorism, and against trafficking in human beings). Most of them cover the timeframe 2009 – 2012, and therefore shall be revised in the course of 2012.

Kosovo Police

Functioning since 1999, Kosovo Police is currently comprised of its Operations, Investigations, Border, Operations Support, Administration Pillars and a Forensic Laboratory at its MHQ level. Activities are coordinated in two levels of organization: Central level and Local level (including Regional level). Police MHQ comprises of departments, directorates, units and support sections. The local level comprises regions, stations and sub-stations.

Kosovo Police has recently completed an extensive review of their backbone structure which was approved by the Minister of the Interior. A Working Group was established on 6 December 2010 and was chaired by the Deputy Director General Resource Management with Advisors from EULEX involved from the beginning of the review process. The supporting infrastructure has still to be determined in terms of both Human Resource allocation and a sustainable Logistics Management Framework determined in accordance with Kosovo Police Strategic Plan 2011-2015.

In accordance with its Strategic Plan 2011-2015, the strategic goals of Kosovo Police comprise in fight and prevention of organized crime, strengthening of public safety and confidence (including traffic safety measures), fight against cross-border crime, performance driven development of the organization, strengthening of its technological capacities, strengthening of cooperation with international organizations, (*inter alia*, through membership in international organizations) as well as national law enforcement agencies.

In the area of fight against organized crime, KP plans to achieve its goals through a variety of measures, such as completion of the legal framework (mainly secondary legislation), internalization of the intelligence-led policing practice, institution-building with the view to its informants and cybercrime as well as through organizing awareness raising events.

With the view to strengthening public order and safety, the police plans to increase its patrolling but also organize a number of activities with the aim of controlling the traffic and educating the communities on traffic safety.

With regards to fight against cross-border crime, the KP envisages an accelerated implementation of activities as planned in the Integrated Border Management, while in relation to developing the organization in a performance driven fashion it plans a thorough needs assessment exercise, to be followed by a sound Human Resources management policy in place as well as merit based recruitment and promotion.

In relation to strengthening its technological capacities, KP plans a number of measures, such as the extension of its radio communication and overall IT capacities, enhanced encryption capabilities as well as installation of CCTV in the police stations.

With regards to increasing cooperation with international organizations, application procedures are foreseen to be initiated, while in relation to heightened cooperation with national law enforcement institutions, KP foresees a number of relevant SOPs and MoUs for such cooperation.

The achievement of these goals could be facilitated by the increase of salaries for KP employees as foreseen by the Kosovo draft Budget Law 2011.

The Financial Intelligence Unit

The Assembly of Kosovo has adopted the Law on Prevention of Money Laundering and Financing of Terrorism on 30 September 2010. This law regulates the measures, responsible authorities and procedures for detecting and preventing money laundering and financing of terrorism, including entities (both public and private) responsible to report and their specific obligations. At the level of institutions, it establishes the Financial Intelligence Unit (FIU) as an executive agency linked to the Ministry of Economy and Finance (MEF). The FIU will be the central institution responsible for requesting, receiving, analyzing and disseminating to the competent authorities and disclosures of information which concern potential money laundering and financing of terrorism. This law also establishes the FIU Management Board (chaired by the

Minister of Economy and Finance, and also consisting of the Minister of Internal Affairs, the Chief State Prosecutor, Director-General of the Kosovo Police, Director-General of Kosovo Customs, Director of the Tax Administration of Kosovo and the Governor of Central Bank of Kosovo).

Kosovo authorities have carried out preparations for establishing the institutional framework responsible for combating financial crime, starting from the handover of responsibilities in this field from EULEX to Kosovo authorities. The result of these preparations is a Memorandum of Understanding between the Head of EULEX and the Minister of Economy and Finance (signed on 15 June 2010), which also contains a roadmap with a timeline of handover of responsibilities by the end of 2011.

ANNEX IV : Reference to laws, regulations and strategic documents:

Link with AP/NPAA / EP/ SAA

Along with the rest of the region, Kosovo7 is embracing the European agenda, underpinned by the EU policy for the Western Balkans, the Stabilisation and Association Process (SAP). Almost all instruments under the Stabilisation and Association Process (SAP) are open to Kosovo. The SAP Tracking Mechanism (STM) provides a high level forum for policy and technical dialogue, complemented by technical sectoral workshops.

European Partnership calls for:

- Ensuring full respect for the rule of law, human rights and protection of minorities and pursue a policy of zero tolerance against corruption, organised crime and financial crime.
- Enhancing the capacity of the Financial Investigation Unit within the Kosovo Police Service (KPS) organised crime directorate. Train specialised prosecutors and judges. Streamline competencies in the area of money laundering in the different institutions involved.
- Strengthening local capacities to investigate organised criminal activities.
- Strengthening judicial capacities to prosecute and try organised and financial crime cases.

Link with MIPD

Rule of law has been defined as one of the three major sectors to be supported through Multi-annual Indicative Planning Document (MIPD) 2011-2013. The project follows the sector objectives, which are driven by a prospective visa liberalization approach, in particular through addressing requirements in the following areas: a) strengthening administrative capacities for implementation of readmission and reintegration legal and policy framework; b) further capacity building support to reforming the judiciary; c) support to fighting overall organized crime with a focus on enhancing local capacities to tackle money laundering; d) further enhancing local capacities with the view to mutual legal assistance, as well as e) further support to addressing Kosovo's needs in the area of integrated border management.

Link with National Development Plan (where applicable)

The Medium Term Expenditure Framework (MTEF) 2011 – 2013 sets out an analysis of the macroeconomic environment of Kosovo, and outlines strategic policy priorities of the Government. It also presents a summary of the essential fiscal envelope or baseline against which the range of Government policy priorities will be assessed for funding.

In the Rule of Law sector, MTEF stresses enforcement of the laws on Kosovo Judicial Council and that on courts. It also underlines enforcement of the Law on Management of Confiscated and Sequestered Assets, including setting up the institutional framework and enhancing the capacities, amongst priorities for the forthcoming period. On the Kosovo Judicial Institute, it states implementation of the both Beginners and Continuous Training Programmes. Concerning home affairs, it prioritizes provision of quality services for citizens, integrated border management, preventing and combating financial crime (including financial intelligence) and other forms of organized crime, migration and public security, mainly focusing on the dimension of enhancing human and technical capacities of respective institutions.

MTEF sector objectives in the field of law and order and the rule of law (Section 4.4):

1. Drafting of laws and bringing them into line with current European standards in all areas, especially harmonisation with the Constitution.
2. Strengthening the capacity for research, analysis and statistical reporting in relation to court cases.
3. Implementing legislation aimed at combating and preventing crime and securing the life and property of citizens.
4. Observing and investigating serious criminal acts and the possibilities for combating information technology crimes.

5. Improving human capacity, in particular in terms of combating money laundering, investigating narcotics and the ability to combat corruption, organised crime and terrorism.
6. Deploying the intelligence system at all levels, achieving the capacity necessary for legal eavesdropping of telecommunications.
7. Enhanced capacity to fight cross-border crimes.
8. Intelligence based policing implemented at all levels.

ANNEX V : Details per EU funded contract (*) where applicable:

Contracting arrangements:

Activity 1. Support to the Agency for Managing of Sequestrated and Confiscated Assets
One service contract.

Activity 2. Further support to combating financial and economic crime
One service contract.

Activity 3. Road Policing and Casualty reduction
One Service contract, at least one supply and at least one works contract (all co-funded by the Kosovo Government)

Project management and administration

The European Commission Liaison Office in Pristina will manage the procurement, implementation, quality control, reporting and coordination with EULEX and other donors. A Project Steering Committee will be responsible for the overall direction of the project and comprise of representatives from the beneficiary institutions and the Commission Office. Monitoring will be performed centrally by the Commission. The project may be evaluated at the interim or ex-post stages under the supervision of Commission's Evaluation Unit. The project may be audited by the Court of Auditors - in line with the standard European Commission procedures