

Annual  
Report

2015



## Message from the Executive Director



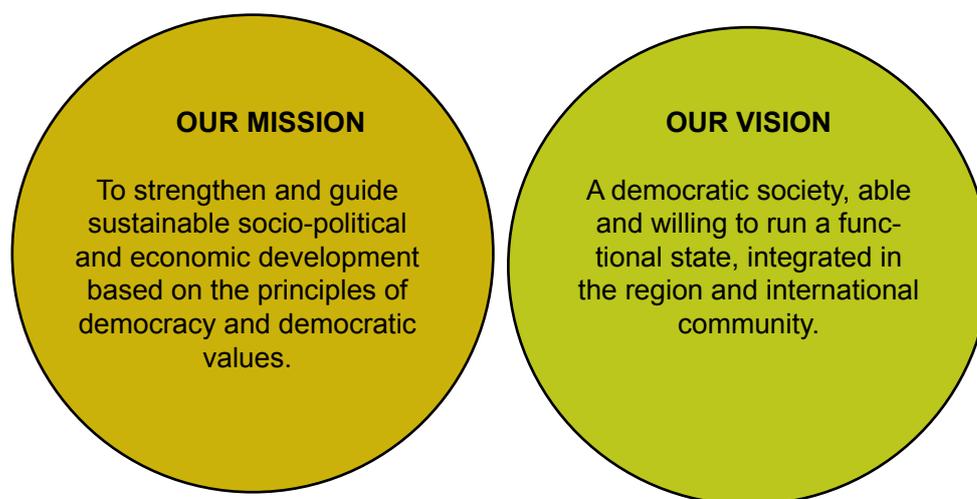
2015 marked the fourth anniversary for INDEP and certainly the most successful year since the think tank's establishment. During this year, through more than 10 implemented projects, we have maintained our profile as a source of policy solution. Tackling issues, like energy efficiency, vocational training, migration, public enterprises and independent agencies, etc., all of which fall within the framework of our three core operational programs, we have set another cornerstone of our strategically oriented institute. Driven by the idea to integrate sustainable development and democratic governance principles in the national policy making mind set, we have committed ourselves towards the implementation of projects which directly contribute in this regard. Similar to the years before, we have as well pushed for the promotion of these values through the incorporation of a regional component, aiming to stimulate regional cooperation at all levels. We take pride in having had the chance to advocate for and promote energy efficiency measures at the central and the local level, and for the first time, having had the chance to cooperate directly with the business community by offering them grants for investments in Energy Efficiency measures. The profound importance of this action lies in the fact that our activities had directly contributed to a significant increase of awareness on the benefits deriving from investments in energy efficiency. We shall remember this year as the inception of a joint coalition of forces of three major civil society organizations in their efforts to combat politics interferences in the democratic processes in the country such as is the case of the election of the boards of public enterprises and independent agencies in Kosovo. Through a series of direct actions and reactions with re-

gard to most current policy affairs, INDEP has been instrumental in synergising civil society forces and managed to halt, amend and correct a number of important policies. We are happy to have maintained our position of the most influential think tank, through our strategy of working directly with both the democratically elected institutions and the public, through media and civil society. This year saw the expansion and intensification of our work with the Parliamentary Committee for Economic Development, Industry, Trade and Infrastructure (CEDITI), as part of which we have continued to offer professional independent policy suggestions, oversee the work of the Assembly and monitor the implementation of the national laws in the area of economic development. In addition to our parliamentary work, we have reached a sound relationship with the Ministry of Labour and Social Welfare, having evaluated the performance of its agencies, particularly in vocational training area. Our long-term engagements have expanded both in terms of depth and reach, having conducted practical and analytical overviews of migration, trade, and unemployment in Kosovo, whilst expanding our networks and partnership internationally. This year's success we owe to a large number of partners, supporters, donors and officials, who have joined us in our venture towards building a sustainable and democratic policy cycle in Kosovo. Yet, it is the success of an incredible team of young researchers and analyst whom I have the honour to lead. Jointly, we look forward to an intensive year ahead!

**Burim EJUPI**  
Executive Director

## Who are we?

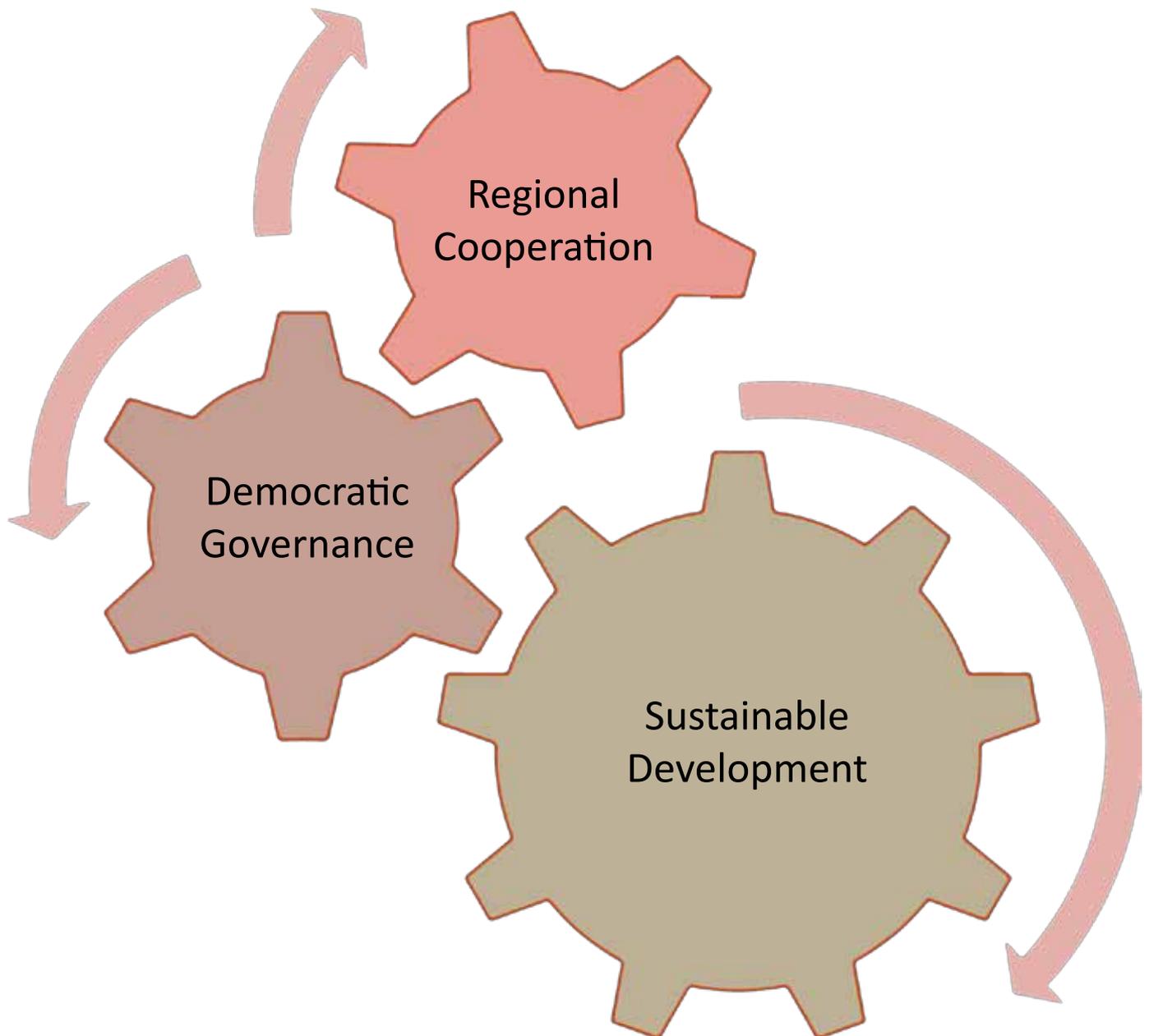
The Institute for Development Policy (INDEP) is a research Institute and an advocacy centre established in 2011 with the goal of providing independent research-based policy solutions. The Institute functions as an association of policy analysts, researchers and civil society activists, who are committed to provide regional policy guidance to countries aiming Euro-Atlantic integration. In Kosovo, where it is based, the Institute has a special focus on strengthening democratic governance, enabling sustainable development, fostering regional cooperation and plays the role of a public policy watchdog.

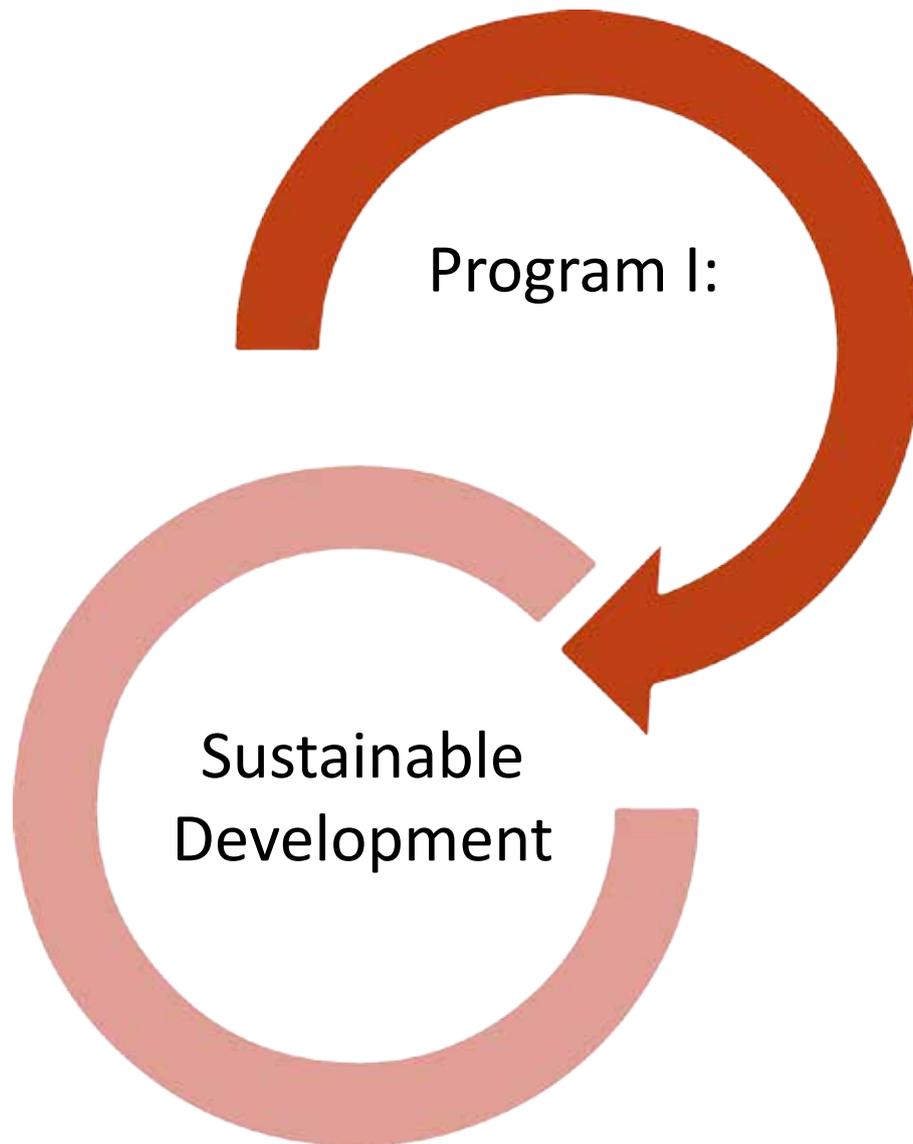


INDEP applies a two-folded approach in its policy work: responsive and creative. Our responsive work is based on the policy agenda of the government, parliament and other state institutions. By keeping a close watch of the government's policy activity and by being directly involved in parliamentary life, we try to maximise our efforts in providing an independent civil society input to policy. In the past years of its operations we have used mostly responsive approaches to policy. Our creative work is the independent policy development in fields and areas that derive from our daily activities. We are committed to bring together our creativity and experience in drawing policy solutions that would maximise societal needs. We use our direct and indirect advocacy efforts to push for recommendations that derive from our research. Except for regularly published works, INDEP has prepared a significant amount of legal research and analysis, comparative studies, memos, policy reactions, op-eds, etc. that have been drafted for specific purposes in specific projects or as a response to political happenings in the country.

## Operational Structure

INDEP's framework of activities is based on three different yet interrelated programmes, which serve as the pillars of the Institute's operational structure.







## #Sustainable development

is a programme through which INDEP promotes economic development that advances social and political causes whilst preserving the environment. The programme focuses on the future of economy and energy projects in Kosovo and the region. Realizing the importance of the development of the private sector for long term and sustainable economic development, the focus of the programme is now mainly in providing technical and research based support towards the advancement of this sector. Generally, INDEP applies the principles of sustainable development in every policy work, thus combining the outcomes of this programme with the rest of our work

## Achievements in the Sustainable Development Programme for 2015

### 4 research papers

Ever since its inception, INDEP has been known for the wide public as the think tank which promotes intensively sustainable development as the leading concept for the country's long term development. This year as well, INDEP focused heavily in pushing forward the sustainable development agenda. Additionally to the work done thus far, INDEP has widened its scope of action and reached out to the local communities through various projects targeting the local governments and random citizens living in the selected municipalities. Throughout the year, the primary concentration of our work was the promotion of energy efficiency as the most effective and convenient tool to reduce energy consumption levels while in return contributing to enhanced economic development. While previously we tended to focus in working almost exclusively with the institutions at the central level, we have now embraced the local governments, the business and the NGO community, and have committed to invest in coordinating all these relevant stakeholders in their attempts and responsibilities towards meeting the national energy efficiency goals.

### 4 informative brochures

On the other hand, we have further consolidated our cooperation with the Assembly of Kosovo, specifically the Committee for Economic Development, Infrastructure, Trade and Industry (CEDITI). Similar to what we did thus far, INDEP continued to support the committee towards drafting and approving efficient, sustainable and transparent development policies which are rather viable in the longer run as well as derived out of democratic processes. In doing so, INDEP staff prepared a series of reaction, position and research papers which have been presented to the Committee and in most cases to the public as well.

Another way in which INDEP operates is through direct contribution to changing

policies. We have been part of working groups for drafting and amending legislation as well as national action plans. During 2015, INDEP became part of two working groups for drafting and amending laws. On amending the Law on Energy Efficiency, we have provided our recommendations and advocated the inclusion of the findings from our monitoring of the Energy Efficiency law conducted in 2012. Due to our contribution in this working group, INDEP became part of the working group to draft Kosovo's new law for the Energy Performance in Buildings (EPB). The draft law on EPB is now published in the website of the Energy Community Treaty.

## 6 roundtables

In line with INDEP's nature of work, we have continued to promote sustainable development policies in the country, advocating for them at the high institutional level and push for their incorporation in the final policy regulations and national strategies.

This year marked an interesting as well as a challenging period for the developments in the energy sector in Kosovo. While the procurement process for the project Kosovo C made the main headlines, energy efficiency and the higher integration of renewables in the energy mix constituted two areas of major interest for the Government, the Civil Society and all the relevant stakeholders.

On the other hand, this was the year when the citizens of Hade and Obiliq submitted a claim to the World Bank Inspection Panel, claiming that they have suffered serious harms from the way in which resettlement of the Shala neighbourhood was planned and implemented as a result of the proposed Kosovo Power Project Kosova e Re. In this process, the citizens of the community have been supported by all member organizations of KOSID, including INDEP.

Last year INDEP also focused on Vocational Training, Migration and Climate Change, three topics highly relevant for our Sustainable Development Agenda. As far as Vocational Training is concerned, INDEP became a strategic partner for the Ministry of Labour and Social Welfare, offering it independent and professional evaluation of the Vocation Training sector in the country. The aim of the collaboration was to identify major challenges and opportunities and offer a set of practical and realistic recommendations for revitalising the sector. On the other hand, in response to the migration exodus of late 2014 and beginning of 2015 that happened in Kosovo, we have published a thorough analysis of the probable roots and the potential consequences, a research analysis presented to the public through a roundtable organized in cooperation with main stakeholders in the area.

## 13 trainings

Ultimately, as a follow up to the Conference of Parties (COP21) held in Paris in December, the last part of the year was focused in tracing Kosovo's commitments after the conference and evaluating the progress marked thus far, which findings are to be reflected in a research policy paper to be published next year.

## Main activity highlights

#Energy

### Kosovo still not ready for a liberalised electricity market



“The process of liberalising the electricity market is a lengthy and continuous one. Kosovo has stalled to implement such a process effectively due to two crucial barriers – that of a legislative framework and technical know-how.”

Visar Azemi, KOSID

“There are around 470 thousand non-eligible household customers that were supposed to be able to switch suppliers by the 1st of January 2015 yet no supplier to switch to, nor a standardised procedure that outlines exactly how this is done... If a distribution system operator has its own retail arm it will not have incentives to make consumer switching easier”

Highlights from “The Prospects for an Energy Market in Kosovo: The Case of Electricity”

The Institute for Development Policy (INDEP) in collaboration with the Kosovo Civil Society Consortium for Sustainable Development (KOSID), held a press conference in May 2015 where the study “The Prospects for an Energy Market in Kosovo: The Case of Electricity” was published. The paper reflects the present state of the electricity market in Kosovo, specifically the rocky road towards liberalisation. It does this through a comparative framework, which evaluates the liberalisation processes found in neighbouring countries and juxtaposes these with Kosovo’s case.

Reforming Kosovo’s electricity sector in line with the European model is a convoluted task. There is, however, a purported exigency assigned to this task by the European Community Treaty, signed by UNMIK on behalf of Kosovo in 2005.

With a single electricity supplier, Kosovo’s consumers cannot take advantage of their legal right to choose the entity they wish to buy from. Based on empirical findings, it took the countries considered in this study, especially the more developed ones, minimum nine years to effectively open their energy markets to competition, domestically and/or internationally. Furthermore, a well-functioning competitive electricity market necessitates a strong regulator that supports competition, monitors the market, and dismantles emerging cartels.

Transparency is a proven strong instrument to ensure continuous development towards a more effective and stable liberalised electricity market. Within the electricity market there are four segments, of which two are considered natural monopolies – Transmission and Distribution – and those that can be considered potentially competitive, that is the production and supply of electricity. These market segments have to be unbundled adequately, the purpose of which is the protection of competition and elimination of discrimination against new entrants.

In Kosovo, consumers are hindered from having a genuine choice as a result of the fact that the distribution system and end-user supply are both owned by the Turkish LIMAK Holding & ÇALIK Holding consortium. Accordingly, INDEP listed this as a clear barrier towards the development of a free and liberalised electricity market in Kosovo,

particularly as new supply entrants are automatically at a disadvantage.

Furthermore, the Energy Regulatory Office (ERO) has maintained its regulatory role with only three board members (in contravention of the Law on the Energy Regulatory) and has failed to facilitate a legislative framework that supports the introduction of competition in Kosovo's electricity market, particularly for new supply entrants.

The study contains a number of practical recommendations in relation to key institutional actors, which can be considered as necessary prerequisites for a healthy and sustainable free electricity market. Kosovo has to liberalise its electricity market, as this would facilitate the opportunity for its citizens to have a degree of choice from whom to buy, which in turn would allow for lower electricity prices and security of supply.

### **INDEP marks the International Day for Energy**

In October 2015, marking the International Day for Energy, INDEP in collaboration with Balkan Green Foundation (BGF), and under the auspices of the Kosovo Civil Society Consortium for Sustainable Development (KOSID) organised a roundtable discussion on the topic of "Developing the Potential for Renewable Energy." In the presence of the Deputy Minister of Economic Development, business representatives, civil society and media, the discussion revolved around the conditions, procedures, and potential for investing in a range of renewable energy sources in Kosovo, as well as the required steps to lessen the economic burden of those seeking to use renewable energy in Kosovo.

The Deputy Minister of Economic Development stressed the priority of the ministry to lessen the procedural burdens with regard to obtaining licenses under the sponsorship of the initiative "One Stop Shop" for renewable energy sources; indeed, this has been identified as an important matter in the "Doing Business" evaluation conducted previously in Kosovo. While the business community expressed concern in particular with the long procedures and waiting times associated with gaining a licence, which are counter-productive and shying away foreign investors. Correspondingly, during the roundtable it was also stressed that there is an exigency for projects and/or supportive schemes that strengthen and help the private sector companies utilising biomass as a measure to produce energy. Such measures would contribute to the production of solar panels and subsequently lower the



total energy consumption in Kosovo.

Among the main recommendations was an emphasis on what the Government's role and decisions should be beyond 2020, in a manner to foreshadow and allow businesses to invest in renewable energy sources as well as fulfil investments in areas where there is the largest demand but also potential for sustainability. Further recommendations included awareness raising in order to promote collective investment in solar power, as is the case in many corners of the world. Another recommendation focused on uplifting barriers set by KEDS for renewable energy producers – private or public – to connect with the grid as well as setting of feed-in tariffs for small private energy producers. During the discussion, the need to harmonise renewable energy legislation and functionalise this in practice was emphasised.

## #EnergyEfficiency

### INDEP – beneficiary of the European Union Regional Economic Development grant scheme

**5 beneficiary municipalities**

**48 beneficiary businesses of EE grants**

**€ 97,343.75 invested in EE measures**

**13 supported businesses led by women**

**25 stakeholder meetings**

**10 trainings**

**245 trained officials, business and NGO representatives**

**5 municipal EE progress reports**

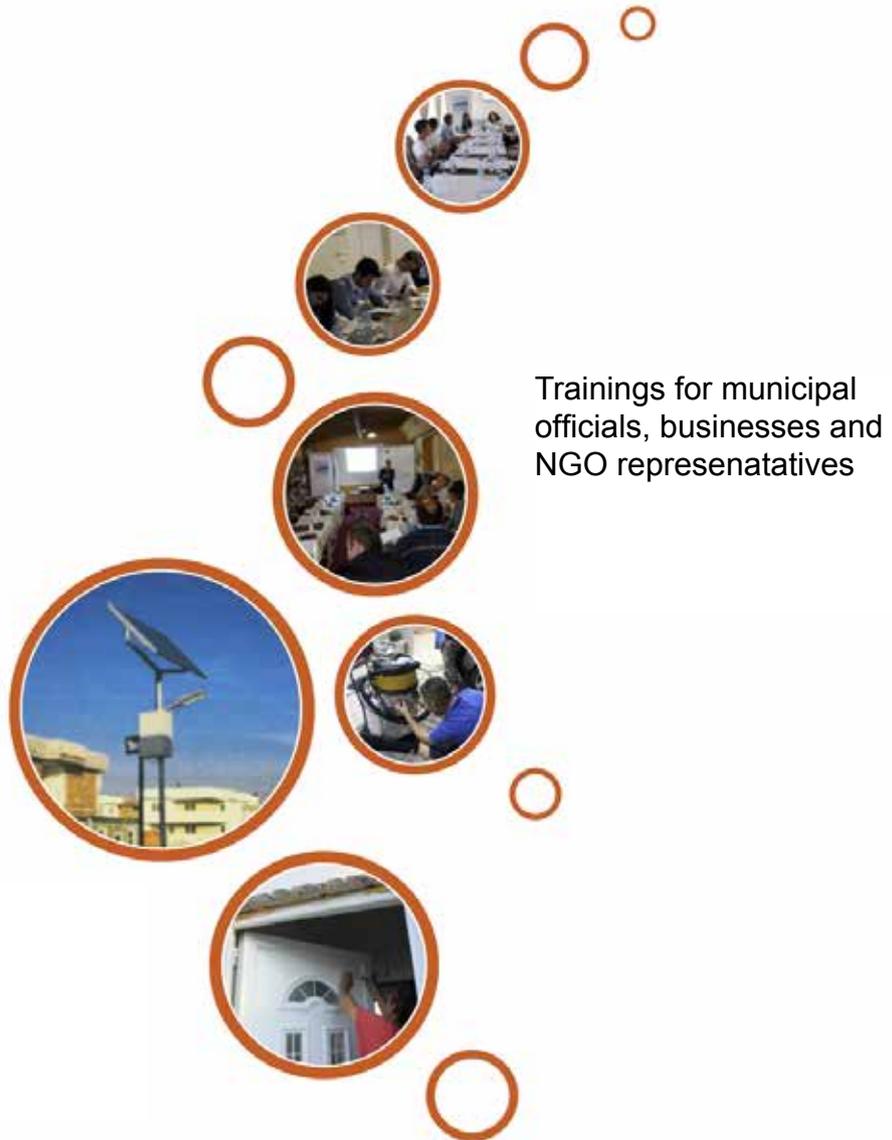
INDEP is a beneficiary of the EU Regional Economic Development Grant Scheme through which it implemented the project 'Support Energy Efficiency Implementation and Capacity Building Measures in the Private and Public Sector in the Region Centre.'

'Energy Efficiency for Development' has been designed with the idea to offer a multi-stakeholder perspective as well as a three dimensional approach to the developments in the area of Energy Efficiency in the country. As such, the project is being implemented in three separate yet interrelated phases.

In the first phase of the project we invested in educating the business community on the importance of implementing EE measures. As a result, we have designed a grant scheme and the grants for investment in EE measures have been selected as a tool to increase awareness amongst the business community with regards to the positive outcomes deriving from investments in this field.

The second phase was focused in capacity building of the municipal officials responsible for the management of local energy efficiency issues through the provision of a 2-module training program, where joining them were representatives of businesses as well as the civil society sector. The overall aim of this project's component was to support different layers of society (policy makers, business people, and the civil society representatives) in understanding the benefits of EE measures and identifying joint measures to move forward towards the attainment of the national EE targets.

Ultimately, the project had one general mission, which was to increase the level of awareness amongst all key stakeholders on the benefits deriving from the adaptation of EE measures. Through an intensive awareness raising campaign, we will mark the third phase of the project and commit to providing consistent and practical information to various target groups with regards to EE, the related challenges and opportunities.



EE grants for  
businesses

Trainings for municipal  
officials, businesses and  
NGO representatives

## INDEP advocates for Energy Efficiency Fund to become a priority for the Government and Kosovo's energy sector

“The Government has two primary objectives with regard to the energy sector, which are: a sustainable supply of energy and instilling affordable energy prices for all consumers. A core element of the above is the implementation of energy efficiency measures.”

Blerand Stavileci, Minister of Economic Development

In September 2015, the Institute for Development Policy (INDEP) in collaboration with the Kosovo Civil Society Consortium for Sustainable Development (KOSID) organised the roundtable “Funding Energy Efficiency in Kosovo – Benefits and Barriers,” where a policy paper was presented discussing the topic at hand. The policy paper highlights the current state of affairs of the energy sector and positions Energy Efficiency as a top priority for energy policy in Kosovo.

The Minister of Economic Development stressed the importance of the roundtable and its timely discussion, especially as the Ministry has emphasised the implementation and operationalization of the Energy Efficiency Fund. The Minister also mentioned two specific projects – financed by World Bank and KfW – that have sought to improve the energy efficiency of public buildings.

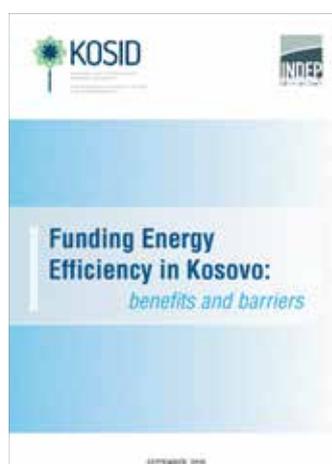
Subsequently, he pointed out that the Energy Efficiency Fund would be a more suitable alternative to cover the residential, commercial, and private sector.

Participants highlighted that the notion of an Energy Efficiency Fund has existed for quite some time but it did not have sufficient institutional backing to become a real prospect.

Moreover, the benefits from investments in energy efficiency have been addressed, ranging from sustainable economic development and job creation to environmental protection and climate mitigation. Hence it was requested that the establishment of an Energy Efficiency Fund be a priority of the Government and the energy sector.

Considering that Kosovo's energy demand is on an ever-increasing trajectory, there is an exigency to take concrete steps that would facilitate the implementation of energy efficiency measures, better use of energy by the general population, and a betterment of the current energy situation in Kosovo.

The study offers relevant information and contains concrete recommendations on how to operationalize an EE Fund in Kosovo's context. One of the main recommendations included the presentation of a conceptual model for the functionalization of the EE Fund in Kosovo. Among other things, INDEP recommends that the Energy Efficiency Fund be a revolving fund, which enjoys its own legal and independent status. The creation of an EE Fund would precipitate two immediate measures, a mechanism to deliver energy efficiency services and a mechanism to monitor and evaluate the savings achieved.



## #VocationalTraining

### INDEP gets two grants by the British Embassy in Pristina

Two contracts have been signed (in two distinct ceremonies) between INDEP and the British Embassy that enable INDEP to move forward with its projects in collaboration with the Parliamentary Commission for Economic Development, Industry, Market and Infrastructure, and the Ministry of Labour and Social Welfare.

The first project focuses on mobilizing and coordinating more effectively the institutional capacity of those responsible for monitoring the workings of Kosovo's Assembly, something that INDEP seeks to achieve through its collaboration with the Commission for Economic Development, Industry, Market and Infrastructure, and other relevant and interested parties.

While, the second project 'Promoting Vocational Training as an effective tool for fighting unemployment in Kosovo through enhancing inter-institutional cooperation' marks a new beginning for INDEP in its pursuit to engage, promote, and create an environment for vocational and professional training. This new project focuses on the promotion of professional and vocational training in Kosovo as a fast measure in tackling increasing unemployment.

The essence of the project is to enable a close collaboration between key stakeholders, such as the Ministry of Labour and Social Welfare, Vocational training centres, as well as the business community and civil society, with the aim of establishing and creating a political roadmap that facilitates a reciprocal environment that is conducive to the needs of the marketplace – in terms of employment – and the actual developmental reality on the ground.

In response to this, a thorough research paper on Vocational Training in Kosovo, its features, relationships and problems is to be published in the beginning of 2016 in the presence of all relevant stakeholders.

## #Migration

### "Why do Kosovars migrate?"

"This roundtable is highly important, specifically as it reflects the all-encompassing nature of migration through multiple viewpoints and as such seeks to understand and represent the phenomenon of migration in Kosovo as a multifaceted issue."

FES, 2015

In July 2015, the Institute for Development Policy (INDEP) and Friedrich Ebert Stiftung (FES) organised the roundtable "Why do Kosovars migrate?" where two research based studies were presented, each conducted separately by both organisations. Those present at the roundtable were high representatives of the Minister of Labour and Social Welfare, of local and international organisations, as well as a large number of media outlets.

Population shifts in a time of globalisation are inevitable and in fact could facilitate and promote internal development for Kosovo. The most worrisome aspect of this is illegal migration that should be our pivotal focus, as should be the case for the political elite as well. Furthermore, it was underscored that there is an exigency to present concrete and feasible measures to tackle the issue of employment by the Kosovo government in order to restore some hope to the country's citizens.

“MPMS’s main aim is to manage the migration. Indeed, MPMS is dedicated to finding new legislative alternatives that create opportunities for employment outside of Kosovo, identifying new avenues of bilateral collaboration for employment, and finally to tackle and decrease the issue of illegal migration

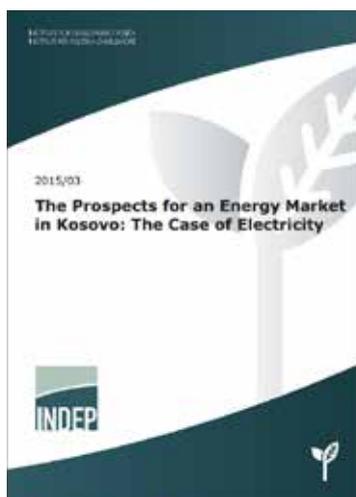
Michael SAUER, Advisor of the Minister of Labour and Social Welfare (MPMS)

The paper “An overview of migrations of Kosovars into the EU – Migration as a Multifaceted Phenomenon,” outlines the historic context as well as presents other crucial information pertaining to the forces that spurred the immigration flow from Kosovo. It also reflects on the immigration episode during the period of 2014-2015. The study’s findings suggest that there has been an increased tendency to migrate since the end of the war. In terms of gender, it is clear that males are more likely to leave the country in pursuit of employment and, in the case that employment is found, bringing their entire family on board. Additionally, individuals that are between the ages of 18 to 34 have migrated the most, particularly with the hope of finding a job. Based on statistical evidence, it is clear that those migrating from Kosovo are mostly aiming to enter Germany and/or Switzerland. Furthermore, it is interesting to find that the latest wave of migration coincides with interesting EU demographics, namely, and according to EUROSTAT, more than half of EU’s population is above the age of 41, whereas the dominant age of those migrating from Kosovo is between 18 to 34 years old.

Similar to INDEP’s policy paper, FES’s study “The Kosovo torrent to EU: People, reasons and ways” unravelled the latest migration trends through an interview-based methodology involving individuals that were part of the migration route during the period of 8-14 February, as well as those that were present in the refugee camps in Germany during the month of February, whom were part of the migration wave commencing during the period of January-February. Part of this presentation also involved a discussion of concrete experiences and unique issues faced by Kosovo’s citizens whom migrated during the latest flux.

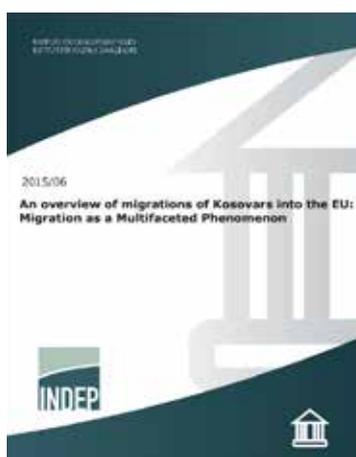


## Publications



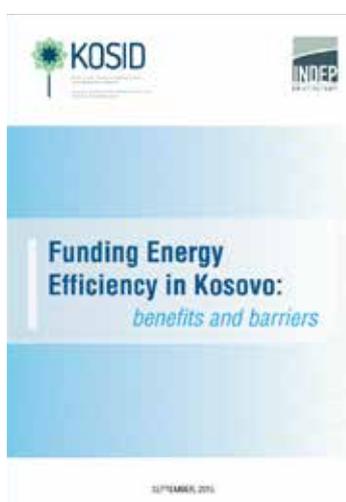
### **The Prospects for an Energy Market in Kosovo: The Case of Electricity**

The aim of this policy paper is twofold: 1) to explore whether the Energy Community Treaty guidelines and electricity market model is appropriate in Kosovo at this stage; 2) to investigate, through a comparative framework, Kosovo's implementation strategy and contemporary electricity market. The purpose is to highlight present barriers towards a free electricity market and come up with practical policy recommendations to overcome them. There is a long path ahead before Kosovo's electricity sector can enter into a liberalised state. In theory, there has been some progress in terms of the legislative framework governing the structure and rules of the electricity market, this is especially seen with the deal struck between Kosovo's KOSTT and Serbia's EMS over the Northern energy dispute. In practice, however, there is little to show for.



### **An overview of migrations of Kosovars into the EU Migration as a Multifaceted Phenomenon**

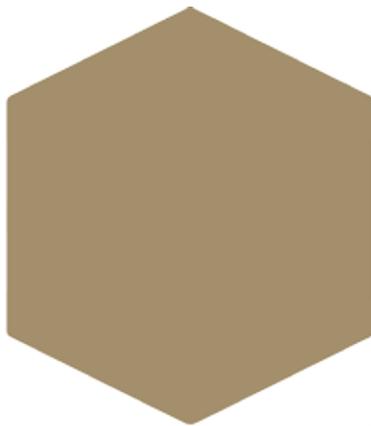
This paper shall provide a historical context as well as background information on the driving forces of Kosovo's migration and focuses in analysing the period of 2014-2015. Furthermore, the paper will elaborate the contribution of Kosovo's diaspora, the international labor migration, and remittance contributions with regard to human development and welfare improvement, and how this relates to the recent wave of migrants. Finally, the paper shall provide policy recommendation on both enhancing the benefits of the current diaspora and preventing the illegal immigration by improving the welfare of the country. Migration as a force has had a significant impact in shaping and reshaping the Kosovar society. As a result we have today a large Kosovar diaspora, which throughout the history has played a crucial role in the development of the country. Currently, the Kosovar diaspora contributes to human development in diverse and substantial ways. Moreover, remittances from diaspora have been, and still are, utilized as a safety valve from Kosovar citizens, especially from those who are unemployed and live a life below poverty line.



### **Funding Energy Efficiency in Kosovo: benefits and barriers**

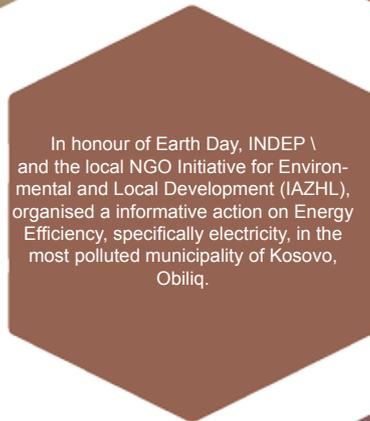
The recommendations of this policy paper highlight a step-by-step procedure in establishing a revolving energy efficiency fund that is cognizant to Kosovo's electrical energy landscape. For such a fund to be created it requires some amendments to Kosovo's legislation. Following this, it requires funding, which is sought after through earmarked taxes, international development institutions, etc. and a objective, a target market, and a structure of governance (the proposed structure is a board and a management team). Thereafter, it is necessary to recruit the management staff, define the specificities of the services provided, the financing options available, and the technical staff that will peddle these to the public and private sector. Administratively speaking, it is important to establish clear regulations and eligibility criteria, develop the marketplace for such services, and reduce costs once everything has been set up, specifically by standardising the procedure for later projects. The steps presented are a reflection of the best practices and the lessons learned from past experiences in the European continent that are applicable to Kosovo's case.

## Field activities

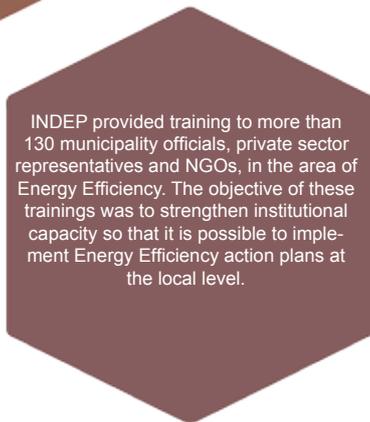
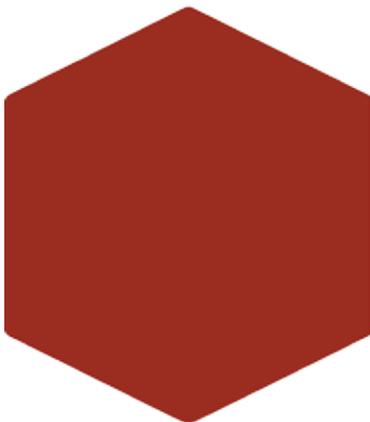
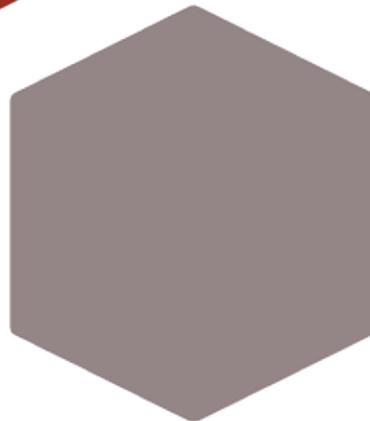


Special emphasis was given to how each of us can contribute to Energy Efficiency and the benefits we gain as a result of the implementation of Efficiency measures. INDEP drafted informative brochures for Energy Efficiency for Households, Youth and Business sector, which were later distributed in training sessions to specific target groups in three municipalities: Kastriot, Fushë Kosovë and Drenas.

INDEP in collaboration with the municipality of Obiliq and Initiative for Environmental and Local Development (IAZHL), under the guise of the project "Doing more with less", has organised to switch inefficient light bulbs with ones that are energy efficient for twenty families receiving social welfare assistance.

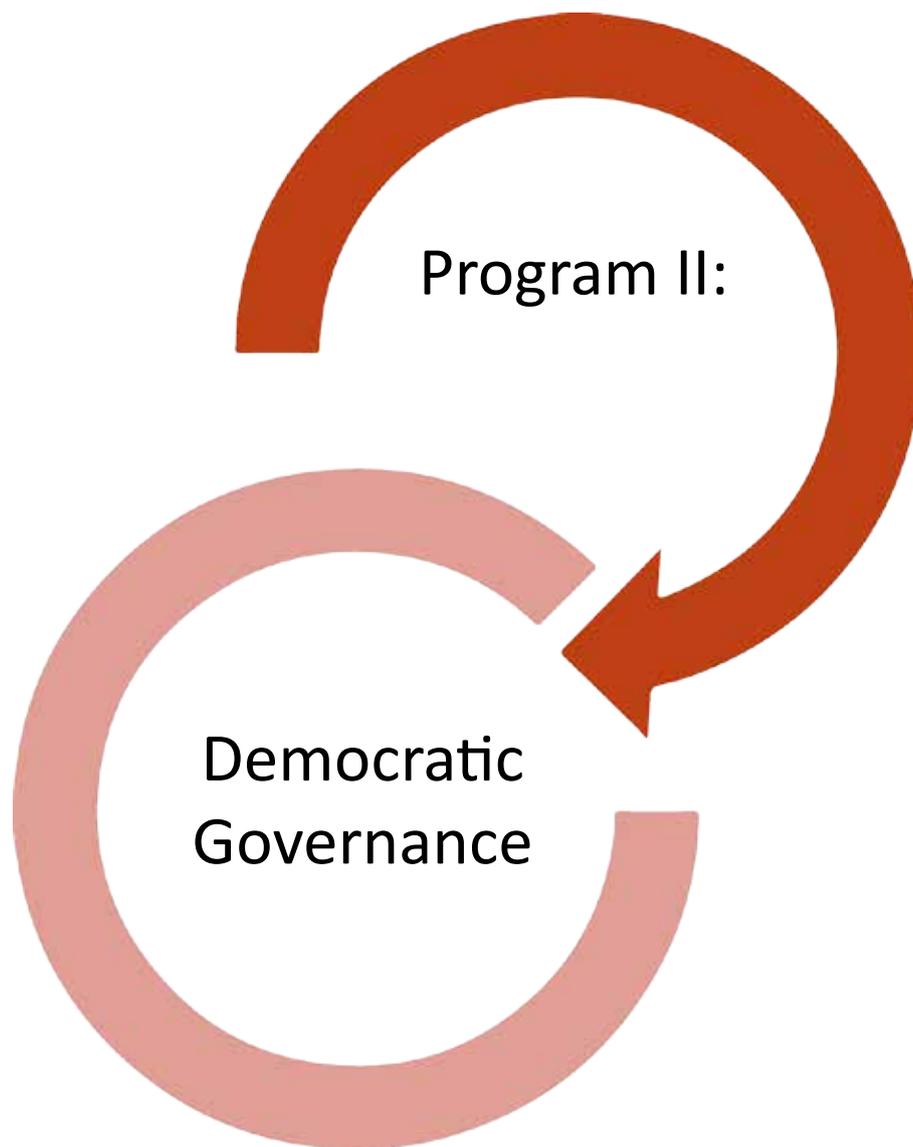


In honour of Earth Day, INDEP and the local NGO Initiative for Environmental and Local Development (IAZHL), organised an informative action on Energy Efficiency, specifically electricity, in the most polluted municipality of Kosovo, Obiliq.



INDEP provided training to more than 130 municipality officials, private sector representatives and NGOs, in the area of Energy Efficiency. The objective of these trainings was to strengthen institutional capacity so that it is possible to implement Energy Efficiency action plans at the local level.

INDEP with the support of the European Commission disperses grants with an exclusive focus on energy efficiency investment. These grants are distributed with the aim of creating incentives for businesses to invest in energy efficient measures as well as raise awareness regarding the advantages of such investments in terms of revenue for the business.





## #DemocraticGovernance

is a programme where policy research is combined with strong advocacy with the aim of developing responsive institutions and processes that promote development. The scope of activities includes, but not limited to, strengthening the rule of law, free and fair elections, advancing the freedom of the media and aiding the democratization of political parties. Our general focus is to work in strengthening the checks and balances between democratic institutions and make them sustainable in the longer run.

### Achievements in the Democratic Governance Program for 2015

#### 14 monitored laws

Throughout this year, as a result of our on-going partnership with the Committee for Economic Development, Industry, Trade and Infrastructure (CEDITI), we have managed to create a highly professional network and establish a positive reputation as one of the leading organizations in the area of promoting democratic governance. The main highlights of this collaboration are the advancement of legislative quality, the improved parliamentary oversight and supervisory capacities of CEDITI, the initiation of a new debate on the role and regulation of the independent agencies and the de-politicization of public enterprises.

#### 73 working sessions

We witnessed the introduction of a number of legislative initiatives to the Assembly, some of which were new to Kosovo's legal framework. The third package of energy legislation was of utmost importance for us and also constituted one of the most serious undertakings for CEDITI. Hence, intensive work was done towards adopting the third package of legislation in Kosovo in the field of energy. INDEP worked closely with CEDITI to address the findings of the previous roundtables and other activities. The main changes were made to the Law on Energy Regulator, which now suggests a different voting procedure for the board members of the regulatory. Moreover, as per INDEP's recommendation, for the first time in this area accountability measures are introduced to be applicable in case the annual report of the Energy Regulatory Office is not approved for two years in a row. INDEP also insisted on more transparency of the regulatory body and also more protection for the environment. Additionally, INDEP continuously supported the initiative for drafting the Law on Safety in Mining Activities that was directly initiated by CEDITI. What's more, INDEP assisted CEDITI not only with research analysis but also in organizing workshops and other meetings. Ultimately, INDEP together with the committee staff contributed towards the finalization of the law.

#### 13 research analysis

## 2 monitoring of implementation of laws

It is important to stress that a large part of the success of our undertakings was due to the continuous work and partnership with the Committee, which began back in 2012. One example of this stable and consistent partnership is the implementation of the Law on Standardisation. The vast majority of the recommendations made by the working group of CEDITI were exactly the same as the ones offered in the analysis and recommendations provided by INDEP. In particular, as per the analysis and discussion made in the Assembly, it was found that the conformity assessment competence should be returned to the jurisdiction of Standardisation Agency. This was one of the requirements put forward by INDEP since 2012, when the same competence was removed from the agency. A new law on standardisation is expected to come in the Assembly in 2016.

## 7 public hearings

As for advocacy activities, INDEP managed to establish a partnership with GAP Institute and Group for Legal and Political Studies in the campaign for the protection of the Law Nr. 03/L-087 for Public Enterprises and their de-politicisation. In a series of reactions, INDEP and its partners were able to bring up in public discourse the importance of protecting the rights and independence of public enterprises. Finally, as a result of our persistence, the Anti-Corruption Agency issued a legal opinion according to which the Government is expected to revoke its illegal decisions. Additionally, INDEP established a partnership with the Kosovo Democratic Institute (KDI) and we have jointly

## 3 working groups

addressed the election procedure for the appointment of the new judges to the constitutional court.

The Assembly recognized INDEP's contribution and invited us in working groups for drafting

"CEDITI expresses special thanks to INDEP, which has helped the Committee with independent research and analysis, in organizing activities such as roundtable discussions, workshops, etc."

(Annual Report of the Assembly for 2015)

## 6 papers

of the Assembly's Strategy and monitoring the process of electing members to the Constitutional Court. The Assembly also acknowledged the contribution of INDEP in the Annual Report for 2015.

## 4 roundtables

Ultimately, INDEP participated twice in the working group on the implementation of the Assembly's Strategy 2015-2020. During these meetings INDEP proposed and supported the inclusion of the component for an environmental management assessment for the assembly. Furthermore, INDEP insisted for higher participation of civil society organizations in the works of the Assembly. On the other hand, INDEP also participated in the meetings of the working group for the implementation of the Declaration on Partnership Between Civil Society Organizations and Parliament. The Declaration, passed in the Parliament in 2014 was considered to be as one of the most important steps towards ensuring more cooperation on legislative processes. Finally, INDEP also participated in the meetings of the working group to implement the Universal Declaration on Parliamentary Transparency.

## 2 media conferences

## 6 workshops

## #DemocraticInstitutions

*\*Flow of series of reactions on the need to de-politicise the process of electing board members and judicial appointments in the public institutions*

In February **2015**, the Government opened the public call for applications to fill vacancies in 15 public enterprises boards.

In **2012**, INDEP advocated to emphasize and clarify the terms “political appointee and elected member” in the Law on Public Enterprises.

The decisions to appoint former political party candidates and holders of high positions in political parties were contrary to the Law No. 03/L-087 on Public Enterprises.

The final decisions for the selected board members started to become public. In cooperation with our partner NGOs, Institute GAP and Group for Legal and Political Studies, we reacted in a series of press releases, meetings and other advocacy activities.

On the **15th of October**, the Secretary of the Office of Prime Minister answered our letter saying that his office only analysed the documents that applicants submitted and did not undertake any background check procedure. Moreover, according to the article 15.13 of the Law, he informed us that all the candidates had to sign an Under-Trust Declaration through which they would declare of not being politically involved in the past 36 months as per the legal requirements.

On **October 9, 2015**, INDEP, GAP Institute and GLPS publicly reacted to these decisions by sending a letter to all MPs, main embassies and the cabinet of the Prime Minister stating that they are violating the Law No. 03/L-087 on Public Enterprises – the issue was also discussed with CEDITI members.

After we took this answer we compiled a list of people that were appointed in violation of the law and we sent this list to the government again. On this matter, we managed to draft an additional letter and handed it over to the Government on to aid the process and provide a list of candidates whose appointments was in direct breach of the Law. Not only has the government ignored our response but also it continued to appoint members who were clearly politically active in one of the ruling parties. At the 54th Government meeting, 18 new members were elected to the boards of public enterprises.

On the other hand, in the second round for the appointment of judges to the Constitutional Court, INDEP expressed a deep concern about the nomination of identical persons for further proceedings. Hence, on, INDEP publicly submitted that continuously sending the same candidates for voting in the Assembly session is a form of pressure towards deputies.

On **November 11th** we issued a press release claiming that the government continues to violate the law by politicising the public enterprises through selecting politicised members to the boards of such enterprises. This was further confirmed in the 54th government meeting at which a list of political appointees to the several boards of public enterprises expanded even further. Such decisions are a serious concern for the integrity of our institutions and have been reflected as such in the Progress Report.

On **November 20th**, we released the next press release 'Politicisation in public enterprises released its roots' stressing that the politicisation of public enterprises is bringing its first consequences. Now that the Kosovo government filled the public enterprises boards with political people, the process of politicisation of public enterprises continues from within. The newly appointed board members have started to make room for other militants of political parties, risking the complete partisan capture of these public institutions.

On **November 10th** we compiled a press release making clear that the government was continuing to appoint members with political background and was taking no action to revoke the previous decisions for which we offered proof of directly violating the law. The logic of politicization of all spheres of government through the sharing of all positions among coalition members not only undermines managerial independence of these enterprises, but it also stifles their opportunity to provide public services and safeguard the country's economic growth.

We contacted the Anti-Corruption Agency and on **November 17th** INDEP met with the Director of the Department for Investigations at the Anti-Corruption Agency premises. An official investigation had begun. According to the Law on Anti-Corruption Agency, the Government is obliged to follow the recommendations of the Agency in case the latter concludes that an administrative body has taken any decision against the law.

On **December 2nd**, INDEP and KDI reacted to the election of the judges in the constitutional court. The election of the two judges to the Constitutional Court is illegal and politically dishonest. The ruling parties, based on their coalition agreement, have chosen to impose the separation of the positions of judges of the Constitutional Court on 50/50 basis. It was highlighted that the most important institution of the judicial system in the country is being politicized by figures that are closest to the ruling political parties. There can be no independence in the functioning of the court, if the independence is discredited with the election of its members in the first place. Judges should be independent in the exercise of their duties and cannot be related to political parties or be their former candidates either.

On **December 16th** we met the Secretary of the Office of Prime Minister. In this meeting we were informed that the Secretariat did administrate the process but was limited in only compiling the list of recommended candidates from whom the political level chooses the preferred ones. However, we agreed to institutional instruments to address the issue.

On **December 18th**, INDEP, GAP AND GLPS issued the press release claiming that the Government has politicised the Kosovo Private Agency (KPA) board and has violated the law and procedures in place. At its plenary session on December 14, the Parliament passed two readings in a day for the Law on KPA. The political appointments made to the KPA board are a straightforward example of the consequences of the coalition agreement made between PDK and LDK. INDEP, GAP Institute and GLPS expressed deep concerns about such practices by the Kosovo government, which is ultimately breaking the law and is undermining the independence of institutions and ignoring the competences of the Kosovo Assembly.

## Activity Highlights

### **INDEP presented the policy making cycle to the local business representatives in Kosovo**

In February 2015, as a part of the series of activities that INDEP organized within its program for democratization focusing on strengthening the oversight role of the Parliament, we organized the workshop “The policy cycle and business participation in policy making in Kosovo.” The workshop was designed for representatives of the local businesses. In this event, through an interactive discussion and specifically designed presentation, the policy cycle in Kosovo was presented. This presentation demonstrated through graphics the cycle that a law follows from its initiation through the concept note until its entry into force, including the monitoring process of the implementation of the law.

Business representatives welcomed the workshop and expressed their willingness to exploit the opportunities offered by the current legal and constitutional basis in order to address their demands. Moreover, the workshop was considered as very useful to ensure their greater commitment and higher involvement in the policy-making processes in the future. The workshop was considered a good inception point to make businesses be willing to raise their voice for necessary legal changes in the country.

“Changes are possible, all you need to know is the policy cycle and it also requires serious engagement in lobbying and advocacy and INDEP did a great job in this regard.”

Armend ADEMAJ, CEDITI Coordinator.

During this workshop, the participants had the chance to learn more about the E-participation platform. The platform represents a great example of how to utilize the advantages that technology offers in facilitating the public consultation process of different interest groups with the Government.

## #governmental incentives



### **INDEP study finds: Problems prevalent in the dairy industry beyond the demands of its producers**

In September 2015, INDEP participated in the roundtable organised by the Parliamentary Commission for Economic Development, Infrastructure, Trade, and Industry, to discuss matters highlighted by the association of dairy producers. During the roundtable, INDEP presented the policy paper titled “The Dairy Market and Kosovo’s Opportunities to Develop.”

According to the findings of the paper, it was stressed that there is a need to treat the problem as an overall public policy issue instead of focusing, as has been the case till now, only on the producer’s demands. Moreover, the necessity to strengthen our domestic producers, especially in offering quality products that are competitive rather than insisting on barricading our domestic market from foreign products, was emphasized.

INDEP’s research also brought to attention the unattractive nature of subsidies offered in this market, stressing the need for a form of subsidy that not only incentivises but also promotes higher quality products, which ultimately has an impact on business investment, and supports cooperation between dairy producers (promoting farms larger than three acres). INDEP also recommended a series of rehabilitating policies for landmass, increased regulation for imported goods, subsidies, and, the need for educating farmers.

INDEP informed the Commission that Kosovo’s Customs Authority did not elucidate nor provide information on the content of imported products categorised as “other”, which incidentally make up 36% of all imported goods for last year as well as the first three months of this year. The Commission took it upon itself to request this information directly from Kosovo’s Customs Authority. Finally, those present agreed that the Assembly should amass a list of recommendations that would address not only the present problems associated with the dairy industry but also help strengthen this crucial industry in the long-term.



## #MediaIndependence

**INDEP in cooperation with Parliamentary Committee on Public Administration, Local Government and Media presented the findings of the paper: “Freedom of expression and the practice of the profession of journalism in Kosovo”**

“This roundtable discussion will contribute in identifying possible legal gaps that need to be filled in the existing legislation. Indeed, the journalists are very specific community that we must collaborate closely with and thus create a better environment for them and their profession”.

Zenun PAJAZITI, Chairman of CPALGM

“For us, the problem of non-professionalism in media is becoming a phenomenon. The institutions in remaining neutral towards solving this problem.”

Shqipe Pantina, Member of the Parliament

INDEP in cooperation with the Parliamentary Committee on Public Administration, Local Government and Media (CPALGM) organized the round table “The legal framework that determines the freedom of expression in Kosovo”.

During this roundtable, INDEP’s paper “Freedom of expression and the practice of the journalist profession in Kosovo” was presented. The paper addressed the constitutional and legal framework governing the media in Kosovo using a comparative approach with regional and European Union countries. The workshop was attended, among others, by Committee members, journalists, representatives of NGOs, Ombudsman, etc.

Moreover, the defamation was addressed as a disturbing phenomenon. Participants in the discussion agreed that its categorisation in the civil code helps journalists not to be subject to

“I am glad that will not have to address legislative loopholes considering that the findings of the paper indicate that the existing laws are sufficient and the legislative package is complete, the problem that persists pertain to the lack of the commitment to implement these laws in practice.”

Sadri Ferati, Deputy Chairman of CPALGM

the prosecution based on penal provisions. However, the reinforcement of self-regulatory mechanisms so that their decisions are binding was seen as necessary. Moreover, they also noted that there is a problem with the judicial system, which is discouraging the development of professional media.

Ultimately, for institutions it was recommended to look if there is a necessity in amending the law on the Independent Media Commission (IMC), so that the process of selecting board members can enable the functionality of the IMC board. Another recommendation was

### **INDEP: There is political meddling in the media**

In May 2015, on World Press Freedom Day, INDEP published “The State of the Media in Kosovo 2015”. INDEP has published its yearly report on the state of the media in Kosovo on World Press Freedom Day. The 2014 report lists some positive legislative improvements while the political grope on RTK and coercive pressure on journalists are listed as continuous problems.

In this year’s issue, the report has also focused on the financial incapability and sustainability of media outlets in Kosovo’s scene. The report stressed the lack of modern methodologies utilised by media management businesses, which continues to have a serious impact on their independence and transparency.

It was highlighted that it is of paramount importance that our media outlets reach financial sustainability as a means of securing their independence, transparency, and truly remain unbiased in Kosovo's climate. This would be a first step towards side-lining and removing the political grip on RTK and some other privately owned media outlets.

Regularly published since 2012, the report offers an analysis of the limitations and progress found in the media sector in Kosovo. Through this report, INDEP aims to create an exigency towards solving the major problems associated with the freedom of the press and the freedom of speech in Kosovo. Previously, INDEP has focused on aggravated assaults on journalists and the extent to which the hand of political sophistry has played in swaying regulatory organs and the public transmitter, among other things.

The regulatory organs overlooking the media in Kosovo operate under inadequate capacity and continuous political meddling in their internal affairs, the report states. This problem has plagued these institutions for quite a while, which require a strong political and legislative will that find it necessary to repair this issue.

Additionally, the report highlights that the legislative framework has not been implemented properly and is inefficiently maintained. In order for it to reach a functional and effective level it must secure the implementation of laws that focus on aggravated assaults directed against the freedom of the press.

## #Employment

### INDEP presented three measures for the creation of approximately 20,000 jobs

“We hope that through this analysis, and subsequent recommendations reached, we will be able to strengthen and spearhead further debates and a deeper understanding of the issue at hand, in order that the proposed measures be transformed into a plan of action with the support of key institutions, whether that is in terms of infrastructure or legislation, that would provide the necessary force to implement such a programme.”

Besa Luzha, FES

“Kosovo’s government has to prioritise the issue of unemployment, a plague that has sickened Kosovo’s social and economic environment year in year out. As such, there is an exigency for concrete measures that are practical and impactful and, most importantly, that are contrary to the vague and general strategic plans that have not had any empirical results.”

INDEP, 2015

In June 2015, INDEP in collaboration with Friedrich Ebert Foundation (FES) held a press conference where a number of recommendations were presented in light of the short political analysis titled “Unemployment in Kosovo: 3 measures for the creation of 20,000 jobs.”

Unemployment in Kosovo represents one of the permanent issues faced by citizens as well as politicians. There is divergent statistical evidence regarding the rate of unemployment, however, according to the Kosovo Agency of Statistics, unemployment for 2014 stands at 35.1%. The statistical evidence becomes more worrying considering the fact that in the nation of “the Young Europeans”, around 49% of Kosovo’s population is under the age of 25, unemployment for this strata of Kosovo’s population stands at 55.3%. This policy analysis comes as a result of the chronic unemployment issue plaguing this country and the lack of opportunity and wilful action afforded to this problem.

Acknowledging the fact that the Kosovo government has to take immediate steps towards this issue, INDEP proposed three concrete measures that would contribute towards the creation of approximately 20,000 vacancies, focusing specifically on the younger generation of workers.

The first recommendation requires that the retirement age be lowered from 65 to 60 years old in the public sector. Based on the aforementioned anecdotes as well as considering Kosovo’s demographic composition, there is a need to lower the retirement age. Based on the empirical evidence from Kosovo’s Pension Trust, in 2014, 17,479 employees working in public institutions are above the age of 60. The implementation of the aforementioned measure would create a gap so that new workers can be employed, practically hiring around 17,000 individuals that are unemployed. Furthermore, the above measure would also result in a revitalised and reformed public bureaucracy, infusing a fresh wave of professionalism. Indeed, this would create new innovative and modern developments in this sector.

The second recommendation is that multiple employments in the public sector should be prohibited. According to AKK, in 2014, 1,555 individuals were employed in two positions, 312 in three, 31 persons held four official positions, 10 had five positions, and 1 individual holds six positions in the public sector. Based on a simple calculation and considering the empirical evidence from the AKK, by implementing the aforementioned measure we would witness approximately 2,000 new jobs that could be filled by the staggering number of unemployed youth.

Finally, the third recommendation presents the idea of restructuring the income tax. Moving away from the already exhausted method of stimulating businesses, through a cash flow, to create new employment opportunities by providing, INDEP suggests that for any business which effectively creates three vacancies and hires three individuals within a fiscal year, whether that is a Kosovo company or a foreign one, to gain a tax exemption calculated and based upon the paid wages of the three hired employees. Included in this scheme, businesses that would provide the opportunity to employ persons that have been unemployed for over 6 months or have a special status, would diversify the labour market and move closer towards a platform that offers equal opportunity for all individuals.



INDEP indicates that the three measures proposed would not only have a positive impact on the creation of new opportunities for employment but would also advertently have positive implications for the national budget. Consequently, in order to compensate for the financial strain the aforementioned measures would imply, INDEP proposes: a) Increase the income tax on secondary employment, b) Present new income tax ceiling on monthly salaries, c) Reorganize the working hours for official institutions, d) Reduce and manage official expenditure compensation in a transparent and accountable manner as well as level the public sector wages and e) Annul the Cadre Fund Scheme.

The recommended measures are addressed to the Government of the Republic of Kosovo and the interested and decision-making political actors that are attempting to curtail the chronic disease that is unemployment.

## #EmpoweringCivilSociety

### INDEP is a beneficiary of the Civil Society Facility grant scheme

#### 1 online platform for CSOs – Government communication

More than 6,000 contacted CSOs

More than 2,000 registered CSOs

INDEP, in partnership with NGO Lens, implemented the project 'Kosovo Basic e-Participation Project.' Our organisations have cooperated with the Prime Minister's Office, specifically, the Good Governance Office which is in charge of civil society issues as well as with the line ministries. The project was well accepted and the PMO support has made for a very good cooperation.

The project was implemented in four stages. During the first stage, relevant stakeholders were interviewed within the CSO community and state institutions involved in the project, the NGO Registration Department at MPA as well as Good Governance Office. Methodology for selecting active CSOs was developed and the database of registered organisations was crosschecked with existing lists before the research began. Each of the CSOs in the database have been contacted several times to verify the details before they were allocated a username and password to access their panel where they have the option to expand further the information available to the visitors and users. The resulting list after the research is to this day the most comprehensive and accurate database of active CSOs in Kosovo. The ICT team has also managed to develop the core web-based application into which the database was fed. During the inception phase, the ICT development team will begin designing and building the eParticipation tool. The tool will enable CSOs, regular citizens, and government officials to communicate, identify issues, and collaboratively solve problems.

Beyond this, INDEP continued with the Capacity Building Phase, was focused on resource creation (training materials and manuals) and capacity building activities. We developed a set of five capacity building trainings to strengthen the policy making, lobbying, advocacy, networking and communications skills along with strengthening the abilities of CSOs selected from all regions in Kosovo through a public call, to utilise the web-based tool and leverage other ICT tools – social networks in particular. Concepts for the five video training sessions have been developed and discussed with stakeholders, Steering Committee and Good Governance Office before they were incorporated into the Training Module of the application. Video tutorials have been produced, in both languages Albanian and Serbian, and they remain online after several upgrades

The pre final stage of the project related to the practical usage of the key competencies transferred during capacity building trainings in order to advance and mainstream specific and relevant societal issues identified by the project (focal areas identified in the initiation phase). As a result, a big workshop took place in Prishtina whereby CSOs from all major municipalities

## 5 online trainings/videos

## 7 regional CSO fairs

partook and were instructed on how to best use the platform.

The project was finalized with a series of 7 CSO fairs in 7 major municipalities, respectively in Peja, Gjakova, Ferizaj, Gjilan, Mitrovica, and Prizren. The final CSO fair took place in Prishtina whereby more than 20 CSOs participated.

This fairs brought together active NGO's in Pristina, with the intention of presenting to the citizens the work of civil society sector, hence using this opportunity to meet with and talk to them.

Overall, the platform will make possible local representation and local dissemination of action's activities bringing raising awareness efforts to the final beneficiaries on all levels: national and local. Furthermore, eParticipation also contributed in raised awareness of stakeholders and the general public on the role of CSO's in citizen participation and good governance principles in general. The project, using social media and the IP online platform, provided an excellent channel for information distribution.

### A new era for Government – Civil Society cooperation



Projects like this and supported by the EU office, show the commitment of the European Union to contribute to improving the quality of the work done by civil society organizations in the country to contribute significantly improve relations between the Government and Civil Society.

Philip Mellish,  
Representative of EU Office  
in Kosovo

In July, the Institute for Development Policy (INDEP) and NGO Lens, organized the closing event on the occasion of the finalization of the project “e-Platform for basic participation.”

Through this project, supported by the European Commission and the Dutch Embassy, INDEP and NGO Lens have developed the web application [www.e-konsulta.net](http://www.e-konsulta.net) aimed to strengthen civil society in Kosovo. The project's goal was to facilitate the involvement of civil society organizations in decision-making processes in Kosovo through the use of information technology.

Present in this even were representatives from the Office for Good Governance within the Prime Minister's Office, Office of the European Union in Kosovo, representatives of civil society organizations and local media.

This platform will certainly play an important role as it will facilitate and advance communication between civil society and government, offering a sophisticated model of cooperation

Valdete Idrizi, CIVIKOS

While this event marked the completion of the project, it indeed marks only the beginning of work at the Government level for embracing the e-Platform and utilise it for the primary purpose of institutionalizing relations between civil society and government.

Habit HAJREDINI, Office for Good Governance, Office of the Prime Minister

This project was conducted in conformity with the objectives of the Government Strategy for Cooperation with Civil Society 2013-2020 and aims to promote and improve relations between the two parties. Furthermore the platform will contribute to increasing the transparency of organizations and Government and will provide equal opportunities for all NGOs to provide input on the decision-making process in Kosovo. The platform is also in accordance with the standards set out in the Government Guidelines for Public Consultations as it provides an efficient and effective pathway for the implementation of public consultations.

According to the Office for Good Governance representative, this platform will be included in the new administrative instruction on the organization of public consultations, which will make mandatory for government bodies to use the e-Platform. Moreover the Office for Good Governance will carry a monitoring role through its Secretariat that, among others, will collect and publish data regarding the six-month public consultation and the level of civil society contribution made through e-Platform.

On this occasion the participants were introduced to the cycle of policy-making in government and how the e-Platform can be used for strengthening the role of civil society organizations as well as ensure their direct contribution in decision-making processes in the country.

It is worth mentioning that the project started in December 2013 and it has undergone through various stages, including: the identification of all active non-governmental organizations in the country, designing the online platform, registration of NGOs in the platform, active communication and cooperation with the Government and relevant ministries, organising of training for capacity building of NGOs and the organization of fairs 7 NGO fairs in major centers in Kosovo.

## Publications



### **Balancing independence and accountability : Existing practices and recommendations for parliamentary oversight of independent agencies**

This analysis addresses the issue of strengthening the oversight and accountability of independent agencies in the Assembly of the Republic of Kosovo. The paper explores the problem based on the practices of the Parliamentary Committee for Economic Development, Industry, Trade and Infrastructure and independent agencies which report this committee. The research analyzes the constitutional and legal basis, and the actual practices of Assembly in parliamentary oversight of the independent agencies. It also presents the scope of work of independent agencies and their relationship with the Parliament. As a result, the research offers recommendations based on best practices of countries in transition and the current contextual relationship between the Assembly and the independent agencies. The latest listed recommendations aim the improvement of the legal framework and practices of parliamentary oversight in Kosovo considering the need for full functionality of independent agencies of the independent agencies.



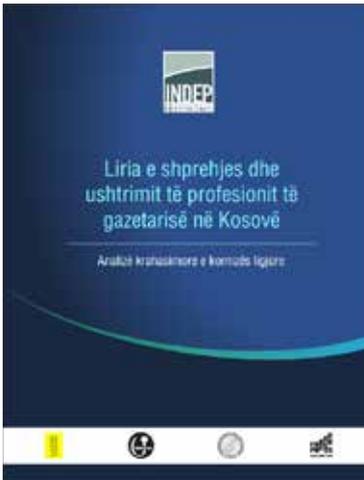
### **The dairy market and Kosovo's opportunities for development**

This paper is split into four main chapters which elaborate the problems of the dairy industry in Kosovo. It initially elaborates on the dairy market and its products, with special emphasis on the economic demand, the number of the operating manufacturing businesses and the legal basis which regulates this sector. Through INDEP's gathered data, a map of the imported dairy products has been designed and presented jointly with the dairy products which are imported the most. The paper also lists the requests of the local producers while elaborating each of them separately accompanied with the potential response of the current system to them. While the last part presents the responses of the governments of the countries of the region towards the requests of their local producers. It tackles the subsidies provided by the government and then seeks to offer a response to the fact whether there is a correlation between the presented data.



### **An overview of migration of Kosovars into the EU: Migration as a Multifaceted Phenomenon**

For decades migration has been shaping the Kosovar society. Labour migration, socio-economic and political interactions with Kosovo's diaspora have had a major impact on the economic opportunities and the improvement of the welfare of Kosovar citizens. This paper shall provide a historical context as well as background information on the driving forces of Kosovo's migration and focuses in analysing the period of 2014-2015. Furthermore, the paper will elaborate the contribution of Kosovo's diaspora, the international labor migration, and remittance contributions with regard to human development and welfare improvement, and how this relates to the recent wave of migrants. Finally, the paper shall provide policy recommendation on both enhancing the benefits of the current diaspora and preventing the illegal immigration by improving the welfare of the country.



**Freedom of expression and exercise of profession of journalism in Kosovo**

In Kosovo, the profession of a journalism is quite challenging. This paper breaks down the legal framework to applicable to the profession of journalists in Kosovo by using a comparative approach. It reflects on the legal situation pertaining to the freedom of media and press, as well as the legal and institutional frameworks that complement this system. The importance of this research lies in understanding the rights and limitations of journalists in Kosovo. It also offers a comparative overview between Kosovo and countries of the region extending to the EU countries as well. Working with a set of predefined indicators enabled us to recognize the legal and constitutional limits on the freedom of media in Kosovo vis-à-vis the general state of working conditions for reporters .



**The state of the media in Kosovo 2015**

The State of the Media in Kosovo is a yearly report released by the Institute for Development Policy since 2012. The report analyzes the persistent issues affecting the freedom of speech and the media sector in Kosovo specifically. Year on year, the report evidences advances that have been made on the most pressing issues in the country during the year and continuing and new issues. Additionally, the report qualitatively assesses trends identified by other more widely focused reports on the freedom of the media globally. This year’s report focuses on the aforementioned issues, causes and potential solutions to the problems with an aim to address these issues in the long term.



**Unemployment in Kosovo: 3 measures for creating 20,000 jobs**

Unemployment in Kosovo represents one of the main challenges faced by citizens and policy makers in the country. Statistics on unemployment are different, but according to the Statistics Agency of Kosovo, it is reported that the unemployment rate in the country for 2014 marked 35.1%. What is even more alarming in this case is the fact that the level of unemployment among young people aged up to 25 years is high and amounts to 55.3%. Put differently, this means that more than half of young people who are active and willing to work, don’t have the opportunity to do so. INDEP, in response to such a standstill in development in the country, lists a series of measures that would have empowered the government to create jobs for a genuine part of those who are currently unemployed. The measures outlined are in accordance with internal developments and are designed mainly based on best practices implemented in the region or beyond.

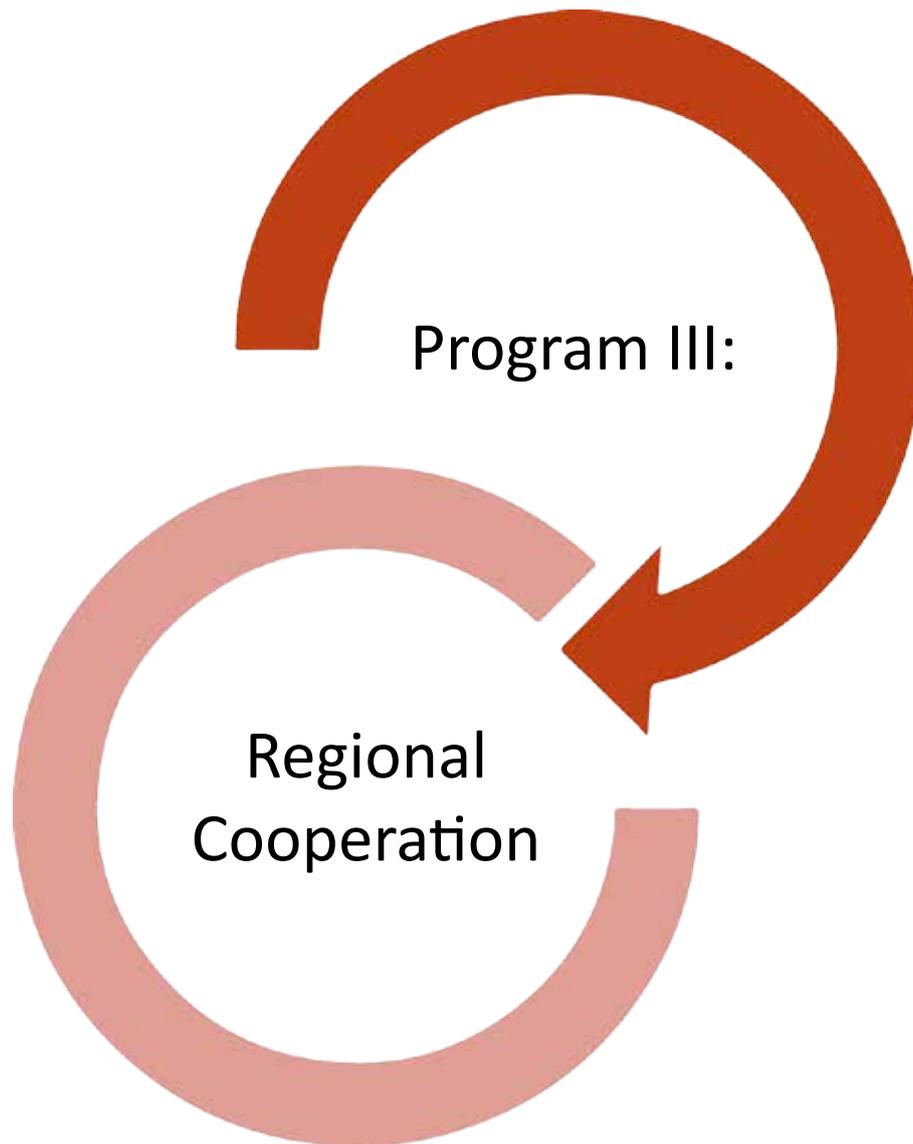
## Field Activities

### INDEP took part in the International Day of Democracy Fair

INDEP as part of its “Strengthening Parliamentary Oversight” with the Parliamentary Commission for Economic Development, Infrastructure, Trade, and Industry, took part in the fair for Civil Society Organisations on the International Day of Democracy. The fair was organised by the Kosovo Assembly.

### 1st NGO Fair in Prishtina organized by INDEP and NGO Lens

In June, the Institute for Development Policy (INDEP) and NGO Lens, with the support of the EU Office in Kosovo and the Netherland Embassy, organised the NGO Fair in Prishtina. At the fair, which was held at Zahir Pajaziti square, more than 20 local NGOs presented their papers, promotional material, and research work. This fair has provided an exemplary opportunity for non-governmental organisations to present their work and simultaneously discuss their findings and stamces with interested citizens. This was done by facilitating wider participation and standard methods of communication between civil society and government officials through strengthening their local capacities and empowering them to influence decision-makers.



## Field activities



### #RegionalCooperation

is a precondition for the countries of Western Balkans in their path to the European Union. INDEP aims to strengthen and promote this cooperation mainly in the fields of security and Euro-Atlantic integrations. The programme is seen as an ideal platform to build sound inter-regional cooperation with the aim of drafting policies that ultimately serve the common goal of these countries, i.e. Euro-Atlantic Integration. Despite our efforts, the activities of the Institute in this programme have been quite limited, mainly due to a lack of funds and resources for such activities.

### Achievements in the Regional Cooperation Program for 2015

In the area of regional cooperation, INDEP has focused predominantly in pushing forward joint action in the area of energy, regional trade, as well as, the cooperation between civil society and academia. While we have invested heavily in maintaining our previously established relationships, we have also initiated new actions and established new forms of cooperation with various partners at different stages.

One of the main highlights of this year was the collaboration with our partners in Albania, as part of which we have committed towards the analysis and evaluation of the trade relations between Kosovo and Albania. This was particularly relevant and it also took place at the eve of the second inter-governmental meeting between the two countries, a practice that has now turned into a regular activity. Driven by the developments in this field, we have jointly published a study that reflected on the potential, barriers and incentives available to both sides in order to promote interstate trade. The publication was released through a roundtable organized in Tirana whereby Ministers of both countries, Members of Parliament, business representatives, NGOs, and other relevant stakeholders were brought together in order to discuss the findings and suggest recommendations for improved relations and partnership in the future. This project is a mere example of how two organizations in the region can merge their forces to promote positive practices that ultimately contribute to a more informed society and interest groups, an action that leads to an informed decision making and higher transparency and accountability level.

On the other side, for the very first time in the region, a group of organizations, including INDEP, initiated a pattern of collaboration between the civil society organizations and academia, with the goal of promoting sustainable development practices. With the involvement of international

**3 roundtables**

**9 new partnerships**

## 2 network regional initiatives

partners, such as: University of Graz, University of Natural Resources and Life Sciences in Vienna, Leuphana University of Lüneburg and University of Limerick. These institutions have come together to establish a regional science-society network for sustainability innovations in Albania and Kosovo in order to strengthen the connection and collaboration of institutions in the field of higher education, research and practice. This year, they have even set the foundation for the creation of the official science-society network for sustainability innovations in Kosovo and Albania. It was through organized meetings and workshops that this network engaged in promoting mutual learning and innovative sustainability issues and methods in order to support capacity building as well as systemic and holistic thinking. It is due to this positive practice that INDEP is now collaborating closely with all the regional universities and, moreover, is seeking to establish an exchange platform whereby its research staff and the professors of the universities are brought together in order to share their knowledge and help each other to increase their individual intra institutional performance. Respectively, as of next year, INDEP staff members will start assisting universities in the Research Methodology classes whereby students will be given the opportunity of field and practical work. While, the professors, in return, will be engaged in direct support and reviews of the policy work of our researchers. It is joint actions like these that bring the cross-sectorial cooperation at a higher level, whereby the ultimate results are expected to have positive results impacting wider audiences.

For the first time, INDEP has also engaged in understanding the overlooked potential of the expanding service sector focused in providing accounting services from Kosovo to companies located in foreign countries. Results of the findings have been reflected in a published research paper.

## 2 research papers

Ultimately, one of the major highlights of the year was the participation of INDEP through the Balkan Green Foundation Network in the event hosted by the Vice President of the European Parliament, Ms. Ulrike Lunacek. The event 'Current challenges of in the Western Balkans energy sector', gathered together representatives of organizations from all countries of the region, respectively Kosovo, Albania, Bosnia and Herzegovina, Serbia, Macedonia and Montenegro, who addressed the main challenges in the energy sector of their individual countries yet focused in offering a joint perspective of the region and hence focusing on mutual challenges and the identified opportunities for regional cooperation in this area. The event is rather a starting point of a joint action that is to be undertaken by all these organizations through a structural and institutionalized manner, through which they seek to establish best practices in the area of energy in the region and their own countries.

Same as has been the case thus far, INDEP will continue to promote regional cooperation at all of its areas of action and will dedicate the next year in strengthening further these initiated partnerships while seeking to always expand its network and work in promoting other areas of interest as well.



### #Science-academiaCollaboration

**The consortium members of the CONSUS Tempus Project organized the workshop “Connecting Science Society Collaborations for Sustainable Innovations”**

In January 2015, after several workshops organised in Tirana and Peja, the consortium members of the CONSUS Tempus Project, Institute for Development Policy (INDEP), Universum College and Riinvest College organised the workshop “Connecting Science Society Collaborations for Sustainable Innovations”, at the premises of Innovation Centre Kosovo (ICK) in Prishtina.

Members of NGOs, research Institutes and other civil society organisations active in promoting sustainable development discussed about establishment of the Science Society network and challenges Kosovo faces in three areas: socio-economy, agriculture and environment. Participants in the workshop also discussed possible learning resources and activities that could be developed collaboratively to address these challenges.

During the workshop stakeholders also ranked challenges and resource ideas previously generated by the members of the consortium in Kosovo and Albania. This activity will be followed by a teachers’ workshop in each higher education institution, development of resources and the online platform, six training workshops and with concrete activities towards the establishment of the Science-Society Network.

### #TradeCooperation

**INDEP published the analysis on trade relations between Albania and Kosovo on the eve of the second inter-governmental meeting**

In March 2015, on the eve of the second joint meeting between the Government of Kosovo and that of Albania, INDEP conducted an assessment paper on trade relations between the two countries. The paper brings an assessment of progress made so far since the establishment of Kosovo as an independent state and also a reflection on events developed in terms of trade relations since the first joint meeting of two Governments held in January 2014.

Despite the increasing flow of bilateral trade since the declaration of independence, the value and quality of trade exchanges is very low and unsatisfactory. The trade exchange between Kosovo and Albania is dominated by basic products and raw materials, of which there is no particular added value. This is due to several reasons, among which the most prominent are the lack of domestic economic development and the low level of productivity. Moreover, while it may seem irrelevant, trading practices and history of business partnerships on both sides of the border have not been in favour of promoting trade relations between the two countries. Rather, the two countries have a consumer culture based and influenced by other neighbouring countries, where on the one hand Kosovo is historically linked with Serbia and Macedonia, on the other Albania is known



for close commercial relations with Italy and Greece. This has also led to lower demand in the market for the products of the two countries, that is, inter alia, a lack of awareness and knowledge of the products produced in Kosovo and/or Albania.

Moreover, despite the will and desire to improve bilateral trade relations and trade between Kosovo and Albania, numerous conflicts and misunderstandings have prevailed throughout the years. However, what stands out is that ultimately there is a more intense commitment at the government level as well as among the business community to combat these non-tariff barriers and to find modalities for solving the problem. While different voices call for creating a common economic market, what is seen as reasonable in these circumstances is that both sides focus on respecting and implementing existing agreements.

This paper is the result of the project “Albania and Kosovo in pursuit of our common future”, a project outcome of a successful cross border cooperation.

## # WesternBalkansEnergyPolicies

### Energy future for Western Balkans countries?

In July 2015, INDEP participated in the first regional event held in Brussels to cover the aspects of energy developments in this area from the perspective of the civil society rather than the Government. ‘Current challenges of in the Western Balkans energy sector’ was the first event of its kind to bring together NGOs of the region under one mission, which was to incorporate SD practices across all sectors.

The Balkan Green Foundation (BGF), with INDEP being one of its members, and the European Environmental Bureau (EEB) lead discussions at an event hosted by Ulrike Lunacek, Vice-President of the European Parliament, on the potential of the countries of the Western Balkans to modernize their economies and energy systems to make them fit-for-purpose in a future sustainable and renewable economy.

1 JULY 2015, 13 : 30 - 15 : 00 , EUROPEAN PARLIAMENT, ROOM NR ASP 5 G3

## CURRENT CHALLENGES IN THE WESTERN BALKANS ENERGY SYSTEM

The countries of the Western Balkans face tremendous challenges on their way to the EU and the transition of their energy systems into a renewable and sustainable future. Six regional journalists and energy experts will give hands-on reports on the difficulties and opportunities of their countries to phase out carbon-intensive energy infrastructure and reduce greenhouse gas emissions, save energy, fight corruption and protect nature.

**HOST & CHAIR:**  
**Ulrike Lunacek**  
 Vice-President of the European Parliament/  
 The Greens/EFA, Austria

**CO-CHAIR:**  
**Visar Azemi**  
 Balkan Green Foundation

Insights from:

- Pieter de Pous  
European Environmental Bureau
- Roderic van Voorst  
DG ENER International relations & Enlargement, European Commission
- Aleksandra Bujaroska  
Front 21/42, Macedonia
- Branko Cecen  
Center for Investigative Journalism, Serbia
- Darko M. Ivanovic  
Civic Alliance, Montenegro
- Leara Hollaj  
Institute for Development Policy, Kosovo
- Lela Bicakcic  
Center for Investigative Reporting, BiH
- Gjergj Erebara  
Balkan Investigative Reporting Network Albania, Albania

\*Sandwiches and drinks will be served after the event.

You are kindly invited to RSVP your presence by 24th June 2015 to [ulrika.lunacek@europarl.europa.eu](mailto:ulrika.lunacek@europarl.europa.eu) and provide all necessary details for the EP badge (name, surname, date of birth, nationality and ID number).

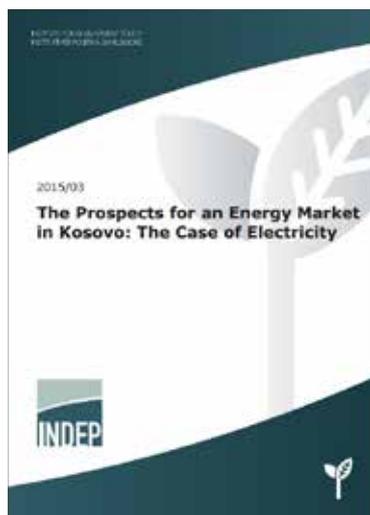
Vice-President of the European Parliament, on the potential of the countries of the Western Balkans to modernize their economies and energy systems to make them fit-for-purpose in a future sustainable and renewable economy.

For this occasion, six regional journalists and energy experts gave hands-on reports about the difficulties and opportunities of their countries in phasing out carbon-intensive energy infrastructures, reducing greenhouse gas emissions, saving energy, fighting corruption and protecting nature. Their reports explained the important role of energy efficiency, address the common problem of grid losses, highlight the role of renewables, underline on-going corruption problems, and insist on the need to better enforce existing legislation.

The aim of the event was to bring together experts from the region with Members of the European Parliament, decision makers and representatives of civil society to discuss the next necessary steps needed to tackle the current challenges.



## Publications



### **The Prospects for an Energy Market in Kosovo: The Case of Electricity**

The aim of this policy paper is twofold: 1) to explore whether the Energy Community Treaty guidelines and electricity market model is appropriate in Kosovo at this stage; 2) to investigate, through a comparative framework, Kosovo's implementation strategy and contemporary electricity market. The purpose is to highlight present barriers towards a free electricity market and come up with practical policy recommendations to overcome them. There is a long path ahead before Kosovo's electricity sector can enter into a liberalised state. In theory, there has been some progress in terms of the legislative framework governing the structure and rules of the electricity market, this is especially seen with the deal struck between Kosovo's KOSTT and Serbia's EMS over the Northern energy dispute. In practice, however, there is little to show for.



### **The overlooked potential of the expanding service sector: Providing accounting services from Kosovo to companies located in foreign countries**

This paper analyzes Kosovo's potential in back office outsourcing, namely the potential of providing accounting services from Kosovo to companies located in foreign countries. The paper starts with an examination of the service sector and its significant contribution to the development of a sustainable economy and the creation of decent jobs. These trends and findings, although backed up by hard data, seem to have not persuaded policymakers of Kosovo. This is inferred from the distribution of Kosovo's investment incentives, where services constitute an insignificant portion of the total incentives provided. Thus, this study pushes for a broader economic growth by exploring the potentials of one specific sector of the service industry, namely of accounting services.



## How we do what we do?

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4,035 likes

13 roundtables

Since our establishment, INDEP's communication and advocacy strategy has proven to be extremely satisfactory, not only in ensuring that our recommendations are taken into consideration by Kosovo institutions, but also by U.S. authorities, EU representatives and the World Bank.

INDEP follows a step-by-step elimination approach in this area. As each of our programmes requires close cooperation with, and monitoring of, policy makers, this is where our communication efforts are focused. During the law-drafting phase at the ministerial level, the Institute ensures that all of its recommendations are received, clarified and noted. Should INDEP's recommendations not be taken into consideration at the ministerial level, either partially or fully, we move our communication efforts to the parliamentary groups when the law moves to the Assembly. In the Assembly, we follow a multi-faceted advocacy approach, targeting all parliamentary groups rather than focusing on a single power entity – whether we need to initiate an issue or follow through with a ministerial draft law. If there are still unresolved recommendations that INDEP deems crucial, our communication shifts to working groups within functional committees in the parliament where communication is largely on a person-to-person basis. Finally, if issues still persist to this point, INDEP engages independent stakeholders and interest groups that share INDEP's perspective, as well as resuming full traditional and social media communication. This approach is enabled by INDEP's high reputation and close contact with media professionals, primarily due to background of the managerial and professional staff of INDEP.

In the programme for sustainable development, our work has been focused on the energy sector, whereby we advocate for energy production relying on alternative and renewable sources. While the strategy of the Government is focused on the production of energy exclusively based on coal, INDEP itself developed its communication strategy at multiple levels. First, our work was focused on educating the community and hence raising awareness through different workshops, one on one meetings, study visits, etc. on the consequences of an energy project completely based on coal. Secondly, we make use of individual and personalised letters to MPs and also roundtables whereby we publish our research findings on selected issues, to present the problems at different institutional levels. Ultimately, in cooperation with our partners, we also organise public gatherings and petitions to express our discontent with policy decisions that stand against the idea of sustainable development in the energy sector and beyond it.

## More than 50 stakeholder meetings

On the other hand, the communication strategy in the area of regional cooperation is rather adapted to different projects we implement. However, regional initiatives are heavily dependent on the willingness and cooperation of policy makers both to incorporate and reflect on our research findings and to be present in roundtables and conferences organised by civil society organisations. As such, we mostly rely on panel discussions to bring together government representatives from the involved countries in the projects, representatives of business associations, civil society, media, and all relevant stakeholders.

It is worth mentioning that our think tank has also utilized extensively round tables and discussion panels to present our work and policy recommendations. These have been vital to each of our programmes and have led to increased integration of relevant stakeholders in the work we do as well as contributed to a higher promotion of the Institutes work.

## Approximately 50 media appearances

Generally, we have used all of the above, in addition to the common communication methods such as website, social media, press releases, media appearances as well as direct communication throughout our work. The level of our engagement combined with our limited resources has, however, made us conclude that we are not fully able to communicate our work to the stakeholders and especially to specific clusters of the wider public. Since we currently don't have a staff member engaged specifically in the role of the communications officer, this part of the work is then distributed evenly amongst current staff members. While we have had no major problems with their work and performance in this regard, this extra mile of work is many times causing disruption from their focus in research work. Despite managing and handling the projects they each are responsible for, they also have to draft and prepare press releases, invitations, agendas, etc. which somehow directly influence their ability to commit thoroughly to researching activity



## #StaffCapacityBuilding

**Investment in staff capacity building is essential for the successful performance of the organization. During this year, INDEP's staff participated in the following trainings and workshops:**

### #Environmental Campaigns

In July 2015, one of our researchers attended the ETNAR seminars Solta, Croatia in order to gain an insight and understanding into the multitude of environmental campaigns happening in the region. It was an excellent experience that highlighted the common regional struggle regarding coal, hydropower, and the necessity for alternative sources of energy. Among many attending, there were also international organizations (Friends of the Earth, Green Peace, and Bank Watch) which brought an array of experiences, case studies, new perspectives, and a volume of data to the table. Through several exercises, the ETNAR seminar invited sharing of knowledge related to energy in general and coal in particular.

### #Nonewcoal

In September 2015, one of INDEP's researchers attended the SEE campaigners meeting held in Belgrade, Serbia. SEE campaigners stand against new coal projects in the Balkans and are committed to organize anti coal campaigns. The idea of the meeting was to start new partnerships and seek for potential new initiatives and future plans in this regard. Organizations from all Western Balkans 6 countries were present in the event.

### #Vocational Training

In September 2015, our executive director, participated in a study visit in Helsinki and Turku, Finland as a member of the visiting study group lead by the Kosovo Minister of Labour and Social Welfare. The purpose of this visit was to identify best examples of inter stakeholder cooperation for the advancement of the Vocational Training sector in the country. Since engagement in the area of Vocational Training has been one of our priorities throughout the past year as we are implementing a joint project with the Ministry of Labour, the study helped us identify best practices and modalities that could be adopted and integrated in the current VT system in Kosovo.

### #Renewable Energy

In October 2015, one of our researchers attended the workshop organized by the International Cooperation and Development Foundation (ICDF) which was held in Taipei, Taiwan. The theme of the workshop were Green Energy Developments. Taipei as a leader in Solar PV and also a model country for green energy policies was the ideal host to showcase to all the participants coming for 25 different countries of the world the best governmental practices and grassroots initiatives, which could as well be copied at their respective countries. As part of this conference, Learta presented the case of Kosovo and the country developments in the area of green energy.

## #Energy Efficiency

Our researcher participated in the third phase of the Life Academy's training program on Efficient Energy Use and Planning held in Karlstad, Sweden from 18 May to 12 July 2015. The training module consisted on both theoretical lectures as well as practical visits and meetings with relevant actors. The learning schedule included tools for better energy efficiency, energy efficiency planning and managing the projects related to energy efficiency, energy modeling for efficiency etc.



## INDEP Income Statement for 2015

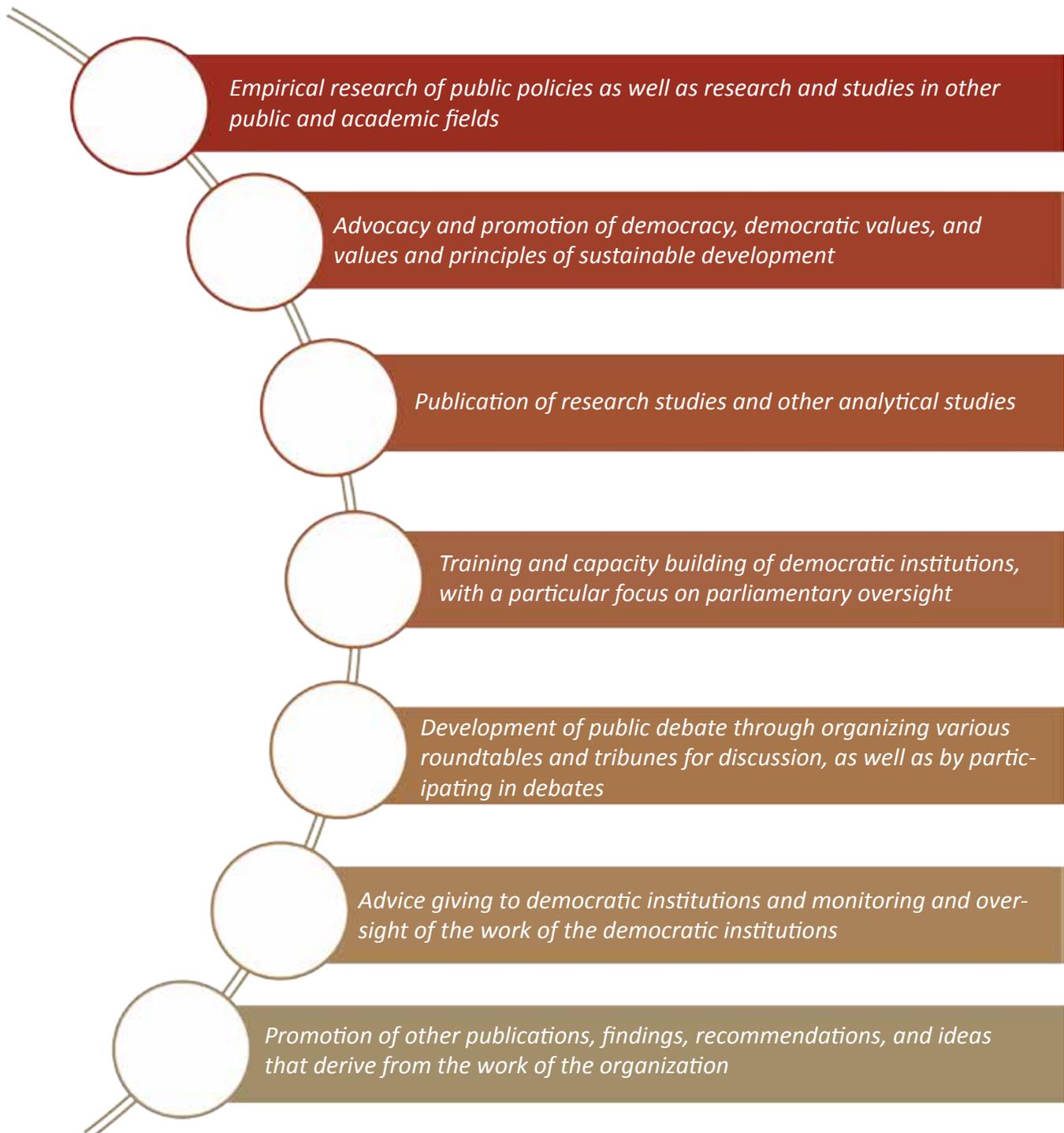
### Institute for Development Policy - Indep Statement of Revenue and Expenditures For the year ended December 31, 2015

Income	Notes	Year ended December 31, 2015 (in EUR)	Year ended December 31, 2014 (in EUR)
Grant Incomes	8	559,193	241,313
<b>Total Incomes</b>		<b>559,193</b>	<b>241,313</b>
<b>Expenditure</b>			
Staff salaries and benefits	9	141,935	68,750
Advocacy	10	14,848	20,137
Research	11	48,728	52,923
Translation, editing		13,916	6,995
Printing		3,771	2,575
Communication (phone, internet)	12	3,954	5,432
Representation		7,561	6,393
Office supplies		3,000	4,449
Utilities		3,053	1,504
Equipment and furniture		4,014	3,769
Fellowship, Internship		1,072	3,439
Travel expenses		24,248	9,535
Accommodation		244	2,036
Legal review		15,993	11,030
Rent		5,521	5,934
Website design, maintenance		3,615	2,710
EE Capacity Building for NGO's	13	1,500	1,500
Audit fee		320	1,000
Partner Organization expenses	14	27,380	25,958
Returned amount to donator	15	-	2,896
Subgrants	16	120,813	-
Visibility		2,682	-
Capacity building		2,945	-
Consultancy		59,876	-
Awareness Campaign		20,001	-
Events, workshops		4,633	-
Depreciation		3,024	-
Other expenses		20,176	1,421
Bank charges		371	927
<b>Total Expenditure</b>		<b>559,193</b>	<b>241,313</b>
<b>Net (Deficit)/surplus for the year</b>		<b>-</b>	<b>-</b>



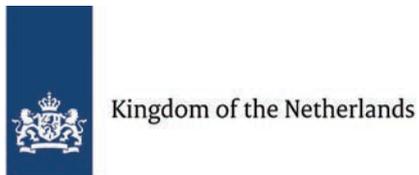
## Looking Forward

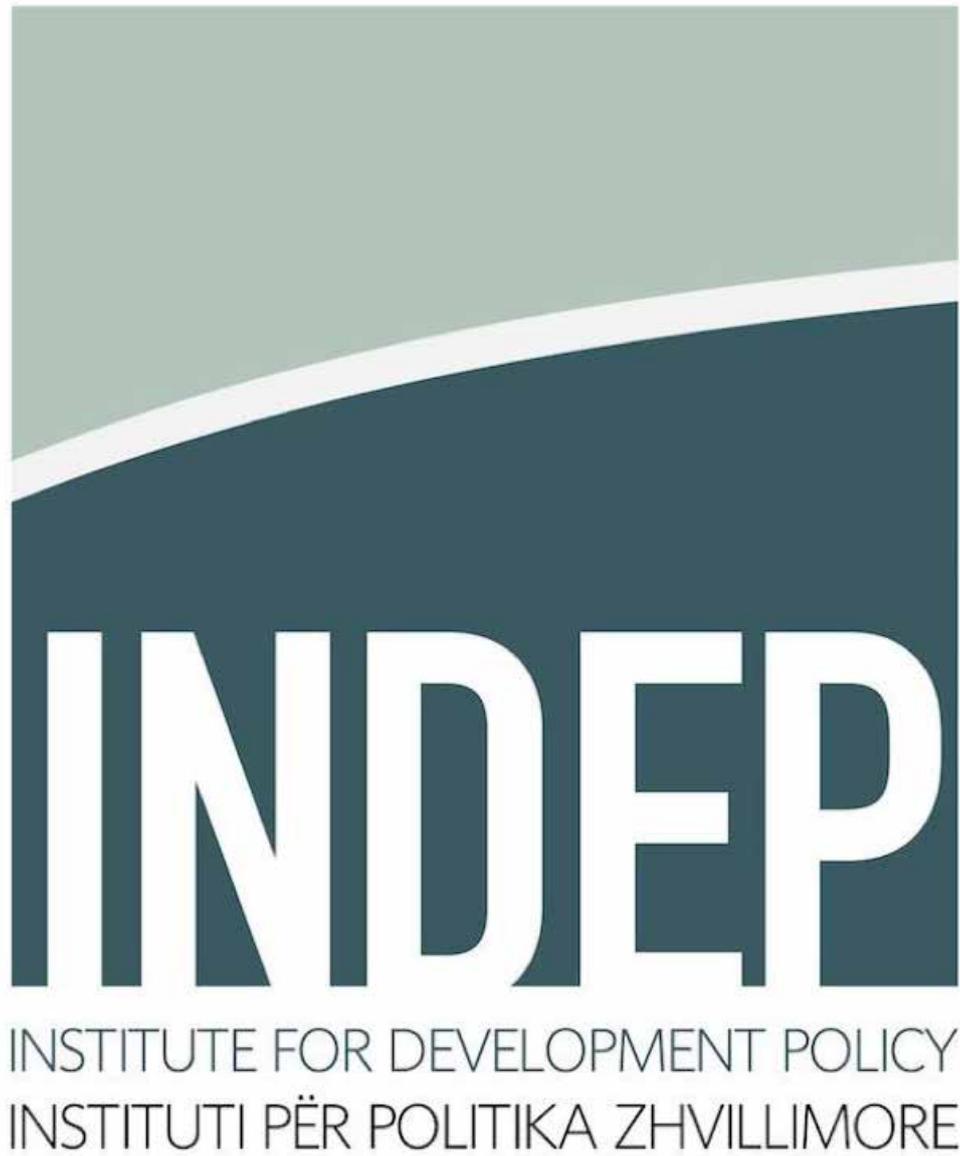
To meet its goals, for the period 2-13-2017, the organization is bound (but not limited to) to undertaking the following activities:





## List of Donors





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