

TRAFFIC LIGHTS REPORT 2016 KOSOVO*

Monitoring report against the EU Guidelines for the EU 2016 Progress Report

Note:

Following report contains information about the situation and consequent progress along the indicators of the Results Framework of the 'Guidelines for EU support to civil society in enlargement countries, 2014-2020' (EU Guidelines). The Results Framework encompasses elements that look for the progress in areas related to: legal and policy framework for existence, functioning and sustainability of the CSOs; CSOs involvement in decision making processes; and organisational development of the CSOs.

In addition to the representatives of the EU, elements of the Results Framework and its monitoring system have been developed since 2013 throughout 55 different regional and national events encompassing approximately 900 CSOs and 120 government representatives (Offices for cooperation with CSOs, Ministries for EU integration and other relevant resource ministries and agencies) from the countries of the Western Balkan and Turkey.

Main features of the monitoring system include:

- Unified approach in methodology in all countries of the region.
- Regional comparison and track of national progress.
- Majority of indicators are composite that are broadly defined assessing quality; therefore, for the monitoring purposes following had to be taken into consideration: existence of particular legal and policy frameworks, practice in implementation of the legislation, and perception of quality of the legislation and its consequent implementation of those who are affected by the legislation.
- Some indicators specifically call for measuring of perception.
- For majority of indicators there is no data available from reliable sources of information in the region; therefore, to acquire objective understanding of particular phenomenon, the perception was taken into account, where the perception of CSOs about the sector vs. perception of CSOs of their individual organisation and practice was assessed. In some cases, this was also complemented by the perception of general population about the same phenomenon.
- All of the information that are needed to assess the situation in a country are synthesized in this report. More elaborative data can be obtained from the accompanying country needs assessment report developed by TACSO and its Resource Centres, as well as from the narrative reports from the surveys.
- Sound and reliable research methodology and innovative and participatory approaches.

Methodology:

Information collection

- Information collected for this report, therefore for TACSO needs assessment reports, comes from following sources:
 - Desk study - review of legislation collection of information from some of the public institution, review of other related and relevant documents and reports (mainly for the part related to the legal and policy framework and cooperation between CSOs and governments).
 - In-depth interviews with representatives of relevant institution (10 different institutions) for information validation (mainly for the part related to the legal and policy framework and cooperation between CSOs and governments).
 - CSO survey - Sample universe is mainly unknown due to the lack of accurate data in majority of the countries, sample size is 180-250 per country, type of sample is convenience quota sample, where quotas are defined by region and main area of activity with the aim to maximise the dispersion. The most relevant CSOs are included. Data collection is based on combined method - F2F, CAWI, CATI. (Information from the survey is used throughout all indicators of the report, and is the main source of information for the indicators related to the organisational capacities of the CSOs.)
 - General population survey (GP survey) - sample universe is population of the country 18+, sample size of at least 1000 respondents per country. Type of sample - stratified random sample, representative for country population. Data collection in all countries F2F except in Albania, Macedonia and Turkey (CATI). Post-stratification was done by gender, age and education. (Findings from this survey were used for some indicators and for the correlation.)

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.

Measuring change

- In order to quantify composite and all indicators, index has been developed. Results Framework consists of 6 broad objectives that are divided into 23 indicators:
For the purpose of index formation, indicators were operationalized by items and each of them is in fact operationalized benchmark from the EU Guidelines. At the end, 138 of items were analyzed. All of the steps related to calculation of indexes are incorporated into the macro document that can be easily used for the next years of monitoring, i.e. there is no need to go through the development of the metrics (mathematics for recalculation) beyond this stage. Simple entering of information and data can be recalculated in the macro document for the next year. Precise methodology for index calculation can be obtained from TACSO.
- It is important to mention that apart from obtaining information from the experts or TACSO Resource Centers, CSO survey and GP survey on the situation in the civil society sector in the country, one more measure was obtained – measure of importance of each of the items. In each country, various experts from the civil society sector have been evaluating the importance each of the items on the scale from 0 to 100.
- Unique measure of importance for each item, per country, was obtained by calculating average importance of all provided values from evaluators. Importance of these items significantly differs between the countries, which mean that each country received different weight for each of the items. Therefore, same answers on certain items in different countries may lead to different overall score for certain indicator, which finally can result in different colors in indexes. This aspect enabled preservation of national specificities and priorities identified by those concerned.
- Recalculated answers on the items were multiplied with average importance given for that item in the respective country.
- After that, all items belonging to one indicator were summed up in order to obtain one measure per indicator/sub-objective. This score was categorized to five categories:
 - 15% – green, the best evaluated in the region
 - 15% – light green, the second best evaluated in the region
 - 40% – yellow, middle positioned in the region
 - 15% – orange, the second worst evaluated in the region
 - 15% – red, the worst evaluated in the region

	ALB	BIH	KOS	MAC	MNE	SRB	TUR
1. An enabling legal and policy environment, for the exercise of the rights of freedom of expression, assembly and association	Green	Green	Light Green	Green	Green	Light Green	Yellow
2. An enabling financial environment, which supports sustainability of CSOs	Yellow	Orange	Yellow	Yellow	Yellow	Yellow	Orange
3. Civil society and public institutions work in partnership through dialogue and cooperation	Yellow	Yellow	Yellow	Light Green	Light Green	Yellow	Yellow
4. Capable, transparent and accountable CSOs	Yellow	Yellow	Yellow	Green	Light Green	Yellow	Orange
5. Effective CSOs	Yellow	Yellow	Yellow	Light Green	Light Green	Light Green	Yellow
6. Financially sustainable CSOs	Red	Red	Red	Green	Red	Orange	Red

These thresholds are provisional and can be adjusted based on the preferences of the EU. In general, all indexes will be cross-checked in September because in some countries there will be updated information available for 2015 (notably Turkey).

	Alb	BiH	Kos	Mac	Mne	Ser	Tur
1.1.a. Quality of existing legislation and policy framework	Green	Yellow	Green	Yellow	Green	Yellow	Yellow
1.1.b. Progress with the adoption and implementation of relevant legislation	Green	Yellow	Green	Yellow	Green	Yellow	Yellow
1.2.a. Number of employees in CSO (permanent and part-time)	Red	Red	Red	Red	Red	Red	Red
1.2.b. Number of volunteers in CSOs	Yellow	Orange	Yellow	Yellow	Yellow	Yellow	Yellow
1.2.c. Quality of legislative framework	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
1.3.a. Quality of the enabling environment for grass-roots organisations and/or civic initiatives	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
2.1.a. CSOs' perception of the ease and effectiveness of financial rules and reporting requirements	Yellow	Orange	Orange	Yellow	Yellow	Yellow	Yellow
2.1.b. Quality of financial rules (with the focus on built-in mechanisms)	Yellow	Orange	Orange	Yellow	Yellow	Yellow	Yellow
2.2.a. Quality and applicability/practice of the legal framework for individual and corporate giving	Yellow	Orange	Orange	Yellow	Yellow	Yellow	Yellow
2.3.a. Quality of the system of tax benefits for the CSOs' operational and economic activities	Red	Red	Red	Red	Red	Red	Red
2.4.a. Increase of public funding for CSOs	Red	Red	Red	Red	Red	Red	Red
2.4.b. Quality of state funding frameworks for civil society organisations (focusing on procedural document)	Red	Red	Red	Red	Red	Red	Red
3.1.a. Percentage of laws/bylaws, strategies and policy reforms effectively consulted with CSOs	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
3.1.b. Quality of structures and mechanisms in place for dialogue and cooperation between CSOs and public institutions	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
4.1.a. Percentage of CSOs publishing their governance structure and internal documents	Green	Green	Green	Green	Green	Green	Green
4.1.a. External perception of importance and impact of CSOs activities.	Green	Green	Green	Green	Green	Green	Green
4.3.a. Percentage of CSOs making their (audited) financial accounts and annual reports publicly available	Green	Green	Green	Green	Green	Green	Green
4.4.a. Share of CSOs that monitor and evaluate their projects and programmes using baselines and quality indicators	Green	Orange	Yellow	Yellow	Orange	Green	Green
5.1.a. Share of CSOs which have developed strategic plans including human resources development activities	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
5.2.a. Number of CSOs' who use adequate argumentation and analysis for achieving advocacy goals	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
5.3.a. Share of CSOs taking part in local, national, regional and international networks	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
6.1.a. Percentage of CSOs that confirm that they are able to raise funds according to their strategic plans	Red	Red	Red	Red	Red	Red	Red
6.2.a. Diversity in CSO sources of income	Red	Red	Red	Red	Red	Red	Red

1.1.a. Quality of existing legislation and policy framework

Freedom of speech is explicitly guaranteed in legislation; all individuals and legal entities can express themselves freely, assemble peacefully and establish, join and participate in formal and non-formal organizations. All these rights are guaranteed by the Constitution, while the freedom of assembly and freedom of association are guaranteed by specific laws.

Legislation requires prior notification for exercising freedom of assembly. When no response is provided by authorities in due time (48 hours prior to public gathering), the public gathering can take place without any restriction. For any restrictions following the notification for public gatherings, the organizers can appeal to court through a fast-track procedure.

Maximum number of days needed for registration of CSOs is 60.

There are no registration costs.

In terms of legislative standards:

- 1. There is a legal framework according to which any person can establish associations and foundations for any purpose. Other types of non-profit, non-governmental entities (e.g., non-profit company) are not explicitly allowed by current legislation.*
- 2. The legal framework allows both individual and legal persons to exercise this right without discrimination (age, nationality, legal capacity, gender etc.).*
- 3. The primary legislation provides guarantees against state interference in internal matters of associations and foundations. However, the Article 18 of the Administrative Instruction GRK – No: 02/2014 on Registration and Functioning of NGOs allows for interference of an administrative body (NGO Department) in the operation of NGOs, by allowing this body to suspend the operation of NGOs without a court ruling. In addition, the Law on prevention of money-laundering and financing of terrorism allows for direct interference in internal matters of associations and foundations, by imposing suspension or termination of NGOs for failing to fulfil administrative requirements.*
- 4. The legal framework is based on international standards and provides the right for freedom of assembly for all without any discrimination.*
- 5. The legal framework does not specifically restrict counter-assemblies, although specific provisions imply that if another protest is announced in a same or nearby location, this can serve as a ground for refusing the permission for organizing a protest/public gathering.*
- 6. Freedom of expression for all is a constitutional right. However, there is no specific law on freedom of expression, while different provisions on this matter are present in a number of related laws.*
- 7. Restrictions, such as limitation of hate speech, imposed by legislation are clearly prescribed and in line with international law and standards.*

19% of surveyed CSOs are negative about the legal regulation which regulate work of CSOs, and 70% of them are positive.

Suggestions for further improvements under the indicator 1.1.a are

Small improvements are needed in the legal framework on the freedom of assembly. The spontaneous and counter-assemblies shall be explicitly allowed.

Serious improvements are needed in secondary legislation on freedom of association. Restrictive provisions in the Administrative Instruction GRK – No: 02/2014 on Registration and Functioning of NGOs, which allow for suspension of NGOs by the NGO Department, shall be removed immediately.

Substantive improvements are needed in the legislation against money-laundering and financing of terrorism. NGOs should be removed from the scope of the law.

1.1.b. Progress with the adoption and implementation of relevant legislation

There are gaps in legislation and policy framework regarding CSO.

*The legislation on the **freedom of association** is adopted in 2011 and in general is in line with international standards and principles. The majority of the surveyed CSOs consider the legal environment that regulates the work of the CSOs to be mainly good. The requirements for registration, operation and internal governance are general and not burdensome, while it allows also the Public Benefit Status for NGOs. Nevertheless, there are a number of gaps which either allow for ambiguity or are restrictive. The sub-legal act for Public Benefit Status is not adopted, not detailing the procedures for granting and continuing this status. The secondary legislation is not in line with the primary legislation with regards to suspension of NGOs. Associations and foundations are the only legal forms allowed for registration. There is no sub-legal act on the remaining assets of the terminated NGOs. The legislation against money-laundering and financing of terrorism is highly restrictive for NGOs and is not in line with the special legislation on freedom of association in NGOs. All of these provisions are not in line with international standards and best practices.*

*The legislation on **freedom of assembly** is generally in line with the international standards. The Law 03/L-118 on Public Gathering allows for restriction of public gatherings when they endanger order, peace and public security, with regard to freedom and rights of other people, moral and public health, while the right to participate or speak at a public gathering can be restricted in cases when public gatherings are used to incite violence, inter-ethnic or religious hatred or other incitement forbidden by the Law. However, although the Law 03/L-118 on Public Gathering does not specifically restrict counter-assemblies, specific provisions imply that if another protest is announced in a same or nearby location, this can serve as a ground for refusing the permission for organizing a protest/public gathering.*

*The **freedom of expression** is guaranteed to all, based on the Constitution. However, no specific legislation exists on freedom of expression. However, a number of laws contain provisions related to the freedom of expression, such as Civil Law Against Defamation, Law on Informants, Law on Access to Public Documents, Law on Protection of Journalistic Sources, Law on Protection of Personal Data, etc.*

Legislation and policy framework regarding CSO are moderately implemented.

*There are a number of gaps in implementation of legislation related to CSOs. First, the Law on **Freedom of Association** in NGOs is not properly implemented by the NGO Department, as this body requires additional information and documents during the process of registration of NGOs (such as an additional list of 5 members for associations, additional documents or clarifications with regards to the purpose and program of the NGOs, etc.). Furthermore, based on the Administrative Instruction GRK – No: 02/2014 on Registration and Functioning of NGOs (through its Article 18), 13 NGOs have been suspended in 2015. The current Law on Prevention of Money Laundry and Financing of Terrorism is implemented only partially, as the majority of registered NGOs do not fulfil the obligations deriving from this law, which at the other hand are very restrictive. This law is currently in the amendment process.*

*In general, there were no reports from civil society activists and organizations on restriction of **freedom of assembly** during 2015. However, counter-assemblies are not common and it is difficult to assess whether the same standards would be applied if counter-assemblies are held. In general, there were no reports from civil society activists and organizations on excessive use of force exercised by law enforcement bodies, including pre-emptive detentions during 2015. Nevertheless, in assemblies/protests organized by political parties such cases have been common.*

*In general, there were no reports from CSO representatives, including those from human rights and watch dog organizations on exercising their right to **freedom of expression** on matters they support and they are critical of. While there are no reports from CSO representatives on any direct restriction on exercising their right to freedom of expression, there are reports on indirect restrictions for some organizations which were critical to*

respective state institutions. In addition, there are some reports of threats to journalists. In general, the freedom of press was assessed as mainly good by the majority of surveyed citizens.

There is no change in gaps in legislation and policy framework regarding CSO. Although a number of laws or policies regulating the CSOs are in the process of amendment or drafting, no legislation has changed during 2015.

There is the same number of gaps in implementation of legislation and policy framework regarding CSO as last year. No change on the level of implementation of legislation and policy framework regarding CSOs has been reported during 2015.

Practice standards

- 1. Every individual or legal entity in practice can form associations and foundations offline or online. Other types of non-profit, non-governmental organizations cannot be registered.*
- 2. There are cases of state interference in internal matters of associations and foundations. 13 NGOs have been suspended by the NGO Department in October 2015, based on the requests from security institutions, based on the Article 18 of the Administrative Instruction GRK – No: 02/2014 on Registration and Functioning of NGOs. The suspension is indefinite, until the next decision is taken by the NGO Department. Furthermore, there are continuous reports of restrictive interpretations from the NGO Department officials on the clarity and specificity of missions, purpose and types of activities of registered NGOs. This does not imply inability to get engaged on any type of activity/purpose, rather it requires from the NGOs to be very specific on the types of activities they intend to get engaged from the moment of registration. In practice, this is assessed as an interference to the autonomy of NGOs in their internal matters. Moreover, one commercial bank suspended the bank accounts of a number of NGOs without prior notice and without any legal basis, while responsible state institutions were not able to protect these NGOs from this interference. This was considered as a direct interference by third parties and inability of the state to prevent such interference.*
- 3. There are no cases of encroachment of the freedom of assembly, and any group of people can assemble at desired place and time, in line with the legal provisions. In general, there were no reports from civil society activists and organizations on restriction of freedom of assembly during 2015.*
- 4. Restrictions are justified with explanation of the reason for each restriction, which is promptly communicated in writing to the organizer to guarantee the possibility of appeal. In general, there were no reports from civil society activists and organizations on restriction of freedom of assembly during 2015.*
- 5. Simultaneous, spontaneous and counter-assemblies can take place, and the state facilitates and protects groups to exercise their right against people who aim to prevent or disrupt the assembly. Counter-assemblies are not common.*
- 6. No excessive use of force is exercised by law enforcement bodies, including pre-emptive detentions of organizers and participants. In general, there were no reports from civil society activists and organizations on excessive use of force is exercised by law enforcement bodies, including pre-emptive detentions during 2015. Nevertheless, in assemblies/protests organized by political parties such cases have been common.*
- 7. CSO representatives, especially those from human rights and watch dog organizations enjoy the right to freedom of expression on matters they support and they are critical of. In general, there were no reports from CSO representatives, including those from human rights and watch dog organizations on exercising their right to freedom of expression on matters they support and they are critical of.*
- 8. There are no cases of encroachment of the right to freedom of expression for all. While there are no reports from CSO representatives on any direct restriction on exercising their right to freedom of expression, there are reports on indirect restrictions for some organizations which were critical to respective state institutions. In addition, there are some reports of threats to journalists.*
- 9. There are cases where individuals, including CSO representatives would be persecuted for critical speech, in public or private. There are fines imposed by the court or termination of employment contract against a number of individual whistle-blowers. Concretely, the public broadcaster and EULEX Mission respectively have*

fired their employees who have publicized corruption allegations, while the court fined 5,000 EUR an ex-employee of a commercial bank for publishing financial data that shed light on a corruption affair.

26% of surveyed CSOs believe that the circumstances for development of CSOs have worsen in comparison to the last year, where 21% of them believe that circumstances have improved.

62% of surveyed citizens in Kosovo find freedom of press good, and 31% bad.

Suggestions for further improvements under the indicator 1.1.b are

Serious improvements are needed in secondary legislation on freedom of association. Restrictive provisions in the Administrative Instruction GRK – No: 02/2014 on Registration and Functioning of NGOs, which allow for suspension of NGOs by the NGO Department, shall be removed immediately.

Small improvements are needed in the legal framework on the freedom of assembly. The spontaneous and counter-assemblies shall be explicitly allowed.

Serious improvements are needed with regards to protection of whistle-blowers. Whistle-blowers should be better protected by the state, and the legislation on this shall be improved.

1.2.a. Number of employees in CSO (permanent and part time)

There are neither accurate data on the number of permanent nor part-time employees in CSO. The only data that can be generated are those from the Kosovo Pension Trust, which however do not represent the details of employment in civil society sector in Kosovo.

The data on the number of employees in CSO are not available on the annual level (permanent, part-time, both type of employees). The Kosovo Pension Trust publishes annual reports with employment data on all sectors in Kosovo, including NGOs. However, the data presented for NGOs do not contain the details of permanent, part-time or one-time employment in civil society sector in Kosovo.

The situation on availability of the data on the number of employees in CSO is not better now than it was a year ago. No changes in collection and/or reporting of data on the number of employees in CSOs have occurred during 2015 from the side of state institutions.

2.58% of all employed is employed in CSO sector. However, this is not a fully accurate number, as this number may include also those who are employed in two sectors (one of them being CSOs) or those who have worked even a single day for a CSO.

62% of surveyed CSOs stated that they have full-time employees, and 38% of them stated that they have part-time employees. On average, surveyed CSOs have 6.3 employees.

Suggestions for further improvements under the indicator 1.2.a are

Substantive improvement is needed in collection, processing and publishing of data related to employment in CSO sector. Concretely, the Kosovo Tax Administration, Kosovo Pension Trust and Kosovo Agency for Statistics should cooperate with civil society in designing a proper system for collection, processing and publishing those data, in accordance with international/ILO standards.

Moderate improvement is needed in processing and publishing the data from the Kosovo Pension Trust. Concretely, the Kosovo Pension Trust should design specific templates to differentiate between the permanent/full time, part-time and single-time workers in the CSO sector.

1.2.b. Number of volunteers in CSOs

There are neither accurate data on the number of volunteers in CSO, nor the number of volunteers in CSO are not available on the annual level. Therefore, neither total number of volunteers in CSO in 2015 is not known, nor it is possible to estimate change in the number of volunteers in CSO in terms of an increase, decrease, or no change in comparison with the last year.

There are neither accurate data on the number of voluntary hours implemented in CSO, nor the number of voluntary hours implemented in CSO are not available on the annual level. Therefore, total number of voluntary hours implement in CSO in 2015 is not known.

27% of surveyed CSOs believe that CSOs in their countries engage volunteers, 77% of those surveyed stated that they have engaged volunteers during 2015, and average volunteering working hours per week is 12.5. 35% of surveyed CSOs stated that they have engaged the same number of volunteers during 2015 as during 2014, 38% engaged more than 2014, and 25% less than in 2014.

General population have stated that 12% of them have been engaged in volunteering during 2015, on average of 5 weeks, and 20 hours of volunteering work per week.

Suggestions for further improvements under the indicator 1.2.b are

Substantive improvement has to be made on measuring the volunteer work in CSOs. Concretely, the Kosovo Agency of Statistics shall cooperate with other public institutions and civil society to design modalities in data collection, processing and publishing with regards to the volunteer work in CSOs.

1.2.c. Quality of legislative framework related to employment in CSOs and volunteers

There are no discriminative articles for CSOs in labour legislation (including active employment policy).

CSOs are treated equally with other sectors in the labour legislation, including the Law 03/L-212 on Labour. However, the equal treatment does not necessarily ensure a fair treatment for CSOs, as there are a number of specificities in the sector that need to be reflected in the labour legislation (such as maternity leave provisions, project related contracts, etc.).

Legislative framework is not simulative towards promotion of volunteering. With exception of the Law 03/L-145 on Youth Empowerment and Participation, there is no legal framework on volunteering. The Law on Youth Empowerment and Participation entails some obligations for registration of youth volunteers. Other types of volunteering and not addressed in the legislative framework.

There is no legal framework that enables tax-free reimbursement of travel expenses of volunteers.

There is no legal framework that enables tax-free per diems to volunteers.

16% of surveyed CSOs find the legal solutions stimulating for volunteering, and 65% of them find legal solution not stimulating.

Suggestions for further improvements under the indicator 1.2.c are

Substantive improvement is needed in the policy framework on volunteering. A comprehensive policy on promotion of volunteering should be designed by the state, in cooperation with civil society, which would address the necessary regulations, programs and mechanisms for promotion, recognition and tax treatment of the volunteer work, including the volunteers in civil society.

1.3.a. Quality of the enabling environment for grass roots organisations and/or civic initiatives

Registration of grass-roots is not mandatory. The legal framework does not recognize the category of grass-roots. However, exercising the freedom of association without the need to register an organization is a constitutional right, stipulated also by the primary and secondary legislation. Thus, everyone can establish an organization, including grass-roots, without the need to register.

Unregistered organizations can freely operate. There are no reports of any restriction in operation of non-registered organizations.

Unregistered organizations cannot receive financial support. With exception of very few donor schemes, the majority of other donors, both domestic (including state institutions) and international, do not allow funding for non-registered organizations.

Suggestions for further improvements under the indicator 1.3.a are

N/A

2.1.a. CSOs' perception of the ease and effectiveness of financial rules and reporting requirements (disaggregated by type / size of CSO)

Financial (including tax) rules are moderately reasonable for implementation. According to the Law 03/L-222 on Tax Administration and Procedures, tax reporting rules are identical to businesses. Financial reporting regulated through the Law 04/L-014 on Accounting, Financial Reporting and Audit does not specifically address CSO, although in practice same standards are applied also by CSOs.

Financial (including tax) rules are moderately clear. According to the Law 03/L-222 on Tax Administration and Procedures, tax reporting rules are identical to businesses. Financial reporting regulated through the Law 04/L-014 on Accounting, Financial Reporting and Audit does not specifically address CSOs.

Financial (including tax) rules are not proportionate to CSO turn-over. Most of the provisions of the tax reporting rules are not scaled according to the turnover or size of the business/CSO. According to the Law 04/L-057 on Freedom of Association in NGOs, Public Benefit Organizations with an annual turnover of more than 100,000 EUR shall audit their annual financial statements.

There is a moderate support system when it comes to implementation of financial (including tax) rules. While there have been continuous appeals from civil society to the Tax Administration of Kosovo to increase their capacities in dealing with the civil society sector.

Support system provides somewhat clear instructions regarding implementation of financial (including tax) rules. Reports on clarity of instructions for implementation of financial rules vary, with cases of both positive and negative experiences. The latter is mostly present at the level of field inspectors.

Financial public officers within support system are somewhat knowledgeable.

Out of surveyed CSOs only 57% are positive about how clear and understandable, only 49% are positive how simple to implement, and 56% are positive how reasonable are prescribed financial rules, obligation of bookkeeping and accounting that refer to their organisation.

19% of surveyed CSOs completely agree and 47% mainly agree that there is efficient support system within the institutions CSOs are obliged to report to. 16% of surveyed CSOs completely agree and 42% mainly agree that support system within these institutions provide clear instructions regarding implementation of financial (including tax) rules. 10% completely agree and 40% mainly agree that these institutions are providing support services in standardised manner with competent and knowledgeable staff on the matter in hand.

Suggestions for further improvements under the indicator 2.1.a are

Moderate improvements are needed in addressing the specifics of the civil society sector in the financial reporting regulations.

Serious improvements are needed in increasing the capacities of the staff of tax administration and other institutions when it comes to dealing with CSOs regarding implementation of the financial reporting regulations.

2.1.b. Quality of financial rules (with the focus on built-in mechanisms that financial rules and obligations change as the turn-over and non-commercial activities change).

There are no different formats (different forms of reporting) according to CSOs' turn-over.

There is one format for reporting.

There was no change in number of different formats of reporting in comparison to one year ago.

Suggestions for further improvements under the indicator 2.1.b are

Serious improvement is needed in setting the financial rules which are proportionate to the turn-over and size of the CSOs.

2.2.a. Quality and applicability/practice of the legal framework for individual and corporate giving

Legislation provides stimulating tax incentives for corporate giving.

There is a tax relief in the amount of 10 % of taxable income for corporations. The Law 05/L-029 on Corporate Income Tax provide tax deductions for corporate donations 10% of their taxable income, if those donations are for humanitarian, health, educational, religious, scientific, cultural, environment protection or sports purposes. If determined with other laws, this tax relief can increase up to 20%. However, while the Law on Freedom of Association in NGOs allows for tax and fiscal benefits for Public Benefit Organizations, such benefits are ambiguous in the tax legislation and not harmonized with the Public Benefit chapter of the Law on Freedom of Association in NGOs.

Legislation provides stimulating tax incentives for individual giving.

There is a tax relief in the amount of 10 % of taxable income for individual persons. The Law 05/L-028 on Personal Income Tax provide tax deductions for individual donations 10% of their taxable income, if those donations are for humanitarian, health, educational, religious, scientific, cultural, environment protection or sports purposes. However, this tax relief can be applied only by a certain category of persons, namely those who maintain bookkeeping for their personal income.

Percentage of tax allocation for public benefit purposes is not applicable for Kosovo.

Data on the number of registered individual taxpayers who donated to CSOs is not available at all, so it is not available on the annual level too.

Data on the number of registered corporate taxpayers who donated to CSOs is not available at all, so it is not available on the annual level too.

There is neither data on percentage of corporations' taxpayers nor individual taxpayers donated to CSOs during the previous year.

Suggestions for further improvements under the indicator 2.2.a are

Moderate improvements are needed in the tax legislation to clarify the tax benefits of Public Benefit Organizations and harmonize them with the Law on Freedom of Association in NGOs.

Substantive improvements are needed in collecting, processing and publishing data on corporate and individual giving for CSOs.

2.3.a. Quality of the system of tax benefits for the CSOs' operational and economic activities

Income from CSOs mission-related economic activity is not tax free. There are ambiguities in the Law 05/L-028, in particular on the economic activities of CSOs which do not have the public benefit status. According to the Kosovo Tax Administration, the economic/commercial activities of PBOs are exempt from the corporate income tax if the income destination is solely for the public benefit purpose and up to a "reasonable level" of income. While the article

of the tax exemption mentions only the PBOs, another article on commercial activities talks about all registered CSOs whose “commercial or other activity shall be exclusively related to its public purpose up to a reasonable level of income”. This implies that the economic activity of any registered CSOs shall be directly linked to its mission and the income should be reasonable, and all other economic activities are subject to income tax.

Amount of income from CSOs mission-related economic activity that qualifies to be tax free is not specified

Suggestions for further improvements under the indicator 2.3.a are

Serious improvements are needed to clarify the provisions on tax treatment of economic activities of CSOs.

2.4.a. Increase of public funding for CSOs

Data on the amount of public funding of CSOs is available, so the data on the amount of public funding of CSOs is available on the annual level too.

Since there is no data on public funding for CSOs, it is not possible to have accurate estimation its increased, decreased or remained the same.

29% of surveyed CSOs believe that there has been decrease of the public funding to their organisation in comparison to one year ago., while 39% of CSOs believe that there has been no change.

Suggestions for further improvements under the indicator 2.4.a are

Substantive improvement is needed on transparency of public funding for CSOs. The state, both at national and local level, should immediately publish all funding disbursed to CSOs.

2.4.b. Quality of state funding frameworks for civil society organisations (focusing on procedural document)

Legal framework for public funding includes total of 1 positive statement out of 8 following:

1. Public funding is not decided on the basis of policy papers
2. There is no inclusion of beneficiaries in programing of the tenders
3. Clear criteria is not published in advance
4. There are no deadlines for decision
5. There are no merit decisions with arguments
6. There is no evaluation of achieved outputs and outcomes on the project and program level
7. There is possibility of prepayments
8. There is no possibility of multi-annual contracts

All the above statements are assessed based on the lack of regulation on this matter and as a general trend of practice. However, there might be cases of positive practice from specific institutions. In addition, a model on public funding for civil society was adopted by the Council for implementation of the Strategy, opening the way for more specific regulation on this area.

Suggestions for further improvements under the indicator 2.4.b are

Substantive improvements are needed in regulating the public funding for CSOs. Concretely, the government shall build on the recently adopted model for public funding for CSOs and design and implement the necessary regulation on this matter.

3.1.a. Percentage of laws/bylaws, strategies and policy reforms effectively* consulted with CSOs

Data on the draft laws/bylaws consulted with CSOs in accordance to national legislation is not available, so the data is not available on the annual level.

When it comes to consultations with CSOs regarding draft laws/bylaws/strategies and policy reforms:

1. There is an adequate access to information (there is a legal obligation to publish draft laws on the Internet and drafts are regularly published). The Administrative Instruction (MPA) 01/2015 on the web-sites of public institutions obliges publication of the draft normative acts for the purpose of public consultations. In practice, drafts are published sometimes, but not regularly.
2. There is no sufficient time to comment (sufficient time to comment: minimum 15 working days). No specific provisions on the duration of public consultation are included in the Rules of Procedures of the Government 09/2011. In practice, CSOs have required for application of the deadline of minimum 15 working days, which however is not respected regularly.
3. There is no selection and representativeness / diversity of working groups (criteria for appointment of the representatives are transparent, open, inclusive and known in advance). No specific provisions on the selection of civil society representatives in different state bodies exist.
4. There is no an acknowledgement of input. With exception of the obligation to report on the consultation results at the Government meeting, no specific provisions exist on the feedback for the comments provided by CSOs or the public.
5. There is a degree to which input is taken into account
6. There is no a feedback / publication of consultation results (there is an obligation to publish a feedback report with a summary of consultation process, list of involved stakeholders, summary of received comments/proposals, their impact on the draft law and justification of rejected comments/proposals)

There is no information available in relation to percentage of laws/bylaws, strategies and policy reforms effectively consulted with CSOs.

35% of surveyed CSOs are not familiar with the state institutions, and 37% of the CSOs are familiar with such structures and mechanisms but they believe that structures and mechanisms have no use.

Out of surveyed CSOs, 10% of them have participated in IPA programming, 15% of them have stated that they have participated in development of policy documents and 16% of bylaws, 24% have participated in development of local action plans, 26.5% in development of local strategies, and 30% in development of specific laws.

2% of CSOs who participated in consultation process find that all of their inputs during consultation process have been considered, 19% find that most of their comments have been taken into consideration, and 52% believe that the comments were somewhat taken into consideration.

9% of surveyed CSOs who participated in consultation process stated that public administration provided detailed enough feedback, and consultancy results were easily available to all parties; 49% of surveyed CSOs who participated find that there was some feedback, and some consultancy results were published by the public administration bodies.

Suggestions for further improvements under the indicator 3.1.a are

Serious improvements are needed in implementing the legal requirements on public consultation process. Concretely, the already drafted regulation on Minimum Standards for Public Consultation process shall be adopted without further delay and implemented accordingly, so to ensure that public consultations are conducted effectively. Substantial improvements are needed in recording and reporting data on public consultation process. Concretely, as defined in the regulation on Minimum Standards, all government bodies and the Office of Prime Minister shall report and publish all details of public consultation processes.

	<p>3.1.b Quality* of structures and mechanisms in place for dialogue and cooperation between CSOs and public institutions</p>
--	--

Quality of structures and mechanisms in place for dialogue and cooperation between CSOs and public institutions in terms of:

- 1. CSO representation in general is good. The Government Strategy for Cooperation with civil society was drafted jointly with CSOs, and CSOs comprise the majority of members of the*
- 2. Council for implementation of this strategy. Representation of smaller/weaker CSOs poor. The majority of CSOs represented in the Council for implementation of the strategy are well-established CSOs.*
- 3. Its visibility and availability is good. CSOs are elected in the Council for implementation of the strategy through open and democratic procedures, where every CSO can nominate and vote for their preferred candidate. While most of the official information related to the Strategy is available on the website of the Secretariat of the Council, no proactive approach in outreaching the sector with regards to the implementation of the Strategy is being done.*
- 4. CSOs perception of structures and mechanisms is good.
There is a designated body, institution or contact point for dialogue between the Government and CSO: The Office for Good Governance of the Office of Prime Minister is the responsible body of the Government for cooperation with civil society.*

There is a designated body, institution or contact point for dialogue between Parliament and CSOs: An Officer for cooperation with civil society and donors is responsible for the Assembly communication with civil society.

No ministries or other central institutions, except Kosovo Prosecutorial Council, have designated contact points for civil society.

Only one local government (municipality) has designated body (Municipality of Mitrovica South) for continuous and constructive cooperation.

Due to lack of a bodies, institutions or contact points in the vast majority of institutions, data on designated bodies, institutions or contact points is not available in the transparent and accessible manner.

Mechanisms for dialogue are moderately clear.

Mechanisms for dialogue are moderately open.

Mechanisms for dialogue are moderately accessible. CSOs are elected in the Council for implementation of the strategy through open and democratic procedures, where every CSO can nominate and vote for their preferred candidate. While most of the official information related to the Strategy is available on the website of the Secretariat of the Council, no proactive approach in outreaching the sector with regards to the implementation of the Strategy is being done.

Mechanisms for dialogue are moderately efficient (issues are resolved in timely manner). In general, the issues related to the mechanisms for dialogue and cooperation between CSOs and the government are resolved without too much delay. However, most of the proposals on resolving specific issues come from CSOs and government lacks proactive initiative on this area.

47% of surveyed CSOs find that the quality of mechanisms for cooperation between CSOs and government are good, and 27% of CSO find them to be bad. 65% of CSOs believe that representation of CSOs in structures and mechanisms is good, and 17% believe that representation is bad, 37% believe that representation of smaller CSOs is bad, 47% of CSOs believe that availability and visibility of the structures is good.

When it comes to mechanisms for dialogue 56% of surveyed CSOs find them clear, and 22% of CSOs find them not clear, 55% find them open, and 23% find them not opened. 51% of CSOs find mechanisms accessible, and 28% do not agree with it, and 37% of CSOs find mechanisms efficient, whereas 40% find them inefficient.

Suggestions for further improvements under the indicator 3.1.b are

Moderate improvement is needed in inclusion of smaller/weaker CSOs in the mechanisms for dialogue and cooperation between CSOs and the government.

4.1.a. Percentage of CSOs publishing their governance structure and internal documents (statutes, codes of conduct etc.)

71% of surveyed CSOs believe that decision making in CSOs is in compliance with the prescribed laws and rules of the organisation, and 94% of surveyed CSOs claimed that decision making in their organisation is in compliance with the prescribed laws and rules of the organisation.

38% of surveyed CSOs believe that decision in CSOs are made by key individuals and top management, and 35% believe that decision in CSOs are made by the top management in consultations with employees. Whereas 25% of surveyed CSOs claimed that decision in their organisations are made by the key individuals and top management making, and 42% claimed that decisions are by the top management in consultations with employees.

56% of CSOs claim that they publish their statute, 52% claim that publish their rulebook, 57% claim that they publish their annual activity report. Whereas, surveyed CSO claim that they believe that only 31% of the sector publishes their annual activity report.

4.2.a. External perception of importance and impact of CSOs activities.

CSO in Kosovo are moderately trustworthy (64% of CSO believe that people find them trustworthy, whereas 52% of general population find CSOs trustworthy).

Self-perception of the CSOs is that 5% of surveyed CSOs believe that people completely trust to CSOs in Kosovo; 59% believe that people mainly trust to CSOs, 25% believe that people mainly do not trust to people, and 2% believe that people do not trust to CSOs at all.

5% of surveyed CSOs believe that CSOs are too often present in public, 35% believe that they are just right present in public, 55% believe that CSOs are not present enough in public, while 5% did not say anything.

52% of citizens trust in civil society organisations, and 50% of citizens have perception that the CSOs are committed to solve the problems.

7% of citizens believe that they are very well informed about the activities of the CSOs in their countries, 46% are somewhat well informed, 26% somewhat not informed, and 21% not informed at all.

86% of citizens use media as a main source of information about CSOs and their activities, and 20% use social media.

5% of citizens believe that cooperation between CSOs and government is very good, 41% believe it is mainly good, 18% believe it is mainly bad and 8% that it is very bad.

4.3.a. Percentage of CSOs making their (audited) financial accounts and annual reports publicly available

53% of CSOs said they make their financial reports available to the public, and 44% of them stated that they make their financial statements that are audited also available to the public.

Nevertheless, CSO believe that only 27% of all organisations make their financial reports publicly available, and only 23% of the organisation make audited financial statements available to the public.

4.4.a. Share of CSOs that monitor and evaluate their projects and programmes using baselines and quality indicators

63% evaluate their programs as to learn lessons for the next cycle and to assess the quality, while the rest of 29% does the pro forma evaluation.

80% of CSOs stated that they have an established system for assessment of efficiency of implementation of projects. 47% of CSOs use internal evaluation when evaluation their projects. 62% of surveyed CSOs stated that they have established efficient system for assessment of efficiency of implementation of their strategic plans. 22% of CSOs use external and 59% use internal evaluation when evaluating efficiency of implementation of their strategic plans.

5.1.a. Share of CSOs which have developed strategic plans including human resources development activities

28% has human resources plan. 58% of surveyed CSO stated that they have a strategic plan. 64% of CSOs claimed that they have established system for staff performance appraisal. 11% of CSOs claimed that they do the staff performance appraisal externally, and 70% of them do it internally.

5.2.a. Number of CSOs' who use adequate argumentation and analysis for achieving advocacy goals

Out of surveyed CSOs who are active in the area of public advocacy 21% stated that they use it always, 28% use often, 24% sometimes, 19% rarely, and 8% never use analyses and/or research results for their advocacy activities.

5.3.a. Share of CSOs taking part in local, national, regional and international networks

Data on CSO networks active in Kosovo is not available.
it is not known how many active CSO networks there are.

6.1.a. Percentage of CSOs that confirm that they are able to raise funds according to their strategic plans

52% of organisations claim that they stick to the strategic plan when fundraising for their organisations, while 26% of them stated that they mainly stick to the organisation's mission. Nevertheless, they believe that only 29% of CSOs stick to the organisation's strategic plan when fundraising for their organisation, 31% stick to the organisation mission, and 41% of CSOs believe that CSOs mainly adapt to the donors' priority. 50% of those that have strategic plan, acquire funds in accordance with it.

6.2.a. Diversity in CSO sources of income

On average, CSOs in Kosovo have 2.3 sources of financing per CSO. The largest part is funded from local self-government and / or regional administration 40%, 39% of CSOs declared to have received funding from government / ministries / state administration bodies, 38% of CSOs declared to have received funding from other foreign private or state resources (for example embassies).