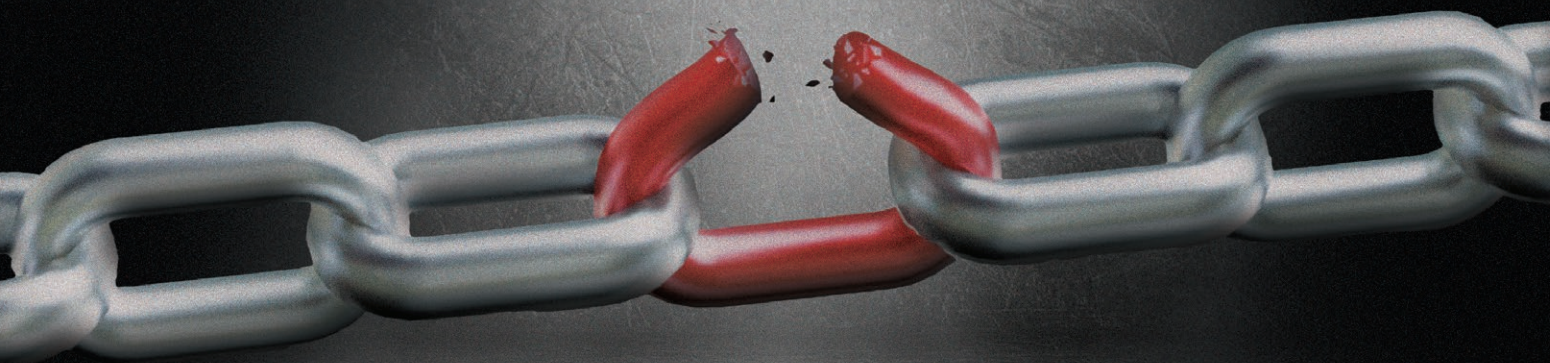


UNVEILING WEAKNESSES:

A Critical Review of Kosovo's
Political Integrity Regulations



February, 2025



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Assessing Political Integrity Rules in Kosovo

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LIST OF ABBREVIATIONS

APC	Agency for Prevention of Corruption
CEC	Central Election Commission
CSO	Civil Society Organization
CSV	Comma-Separated Values
EU	European Union
FIU	Financial Intelligence Unit
KDI	Kosova Democratic Institute
JSON	JavaScript Object Notation
LPP	Law on Public Procurement
NAO	National Audit Office
NGO	Non-Governmental Organization
OGP	Open Government Partnership
PEPs	Politically Exposed Persons
PPRC	Public Procurement Regulatory Commission
XML	Extensible Markup Language



INTRODUCTION

Kosovo is navigating a critical phase in its governance and political development, with transparency, accountability, and integrity at the forefront of national and international priorities. As a country striving to align its legal and institutional frameworks with European Union standards, Kosovo has made significant strides in regulating asset declarations, political finance, and public procurement. Key legislative frameworks include the Law on Declaration, Origin, and Control of Assets and Gifts, the Law on Financing of Political Parties, and the Law on Public Procurement, which collectively aim to promote integrity, prevent corruption, and ensure fair competition. However, despite these efforts, enforcement challenges, regulatory gaps, and limited resources hinder the effective implementation of these laws.

The research presented in this report addresses critical questions about the effectiveness of Kosovo's political integrity regulations. It examines the extent to which existing frameworks prevent conflicts of interest, ensure equitable political competition, and bolster public trust. Particular attention is given to the mechanisms for recording, reporting, verifying, and publishing financial and asset declarations, as well as the accountability of political entities and public officials in managing public resources. These questions are particularly relevant given the increasing complexity of governance in Kosovo, where issues such as political favoritism, unregulated lobbying, and weak enforcement of donation limits continue to pose significant risks.

The objective of this study is to identify gaps in Kosovo's political integrity frameworks and provide actionable recommendations to strengthen their implementation. By analyzing the legal, institutional, and technological dimensions of these frameworks, this report seeks to offer solutions that enhance transparency, accountability, and compliance, ultimately fostering greater public confidence in governance.

This research is significant for policymakers, civil society organizations, and international partners working to combat corruption and improve governance in Kosovo. The report is structured to provide a comprehensive assessment of the legal frameworks, highlight vulnerabilities, and propose recommendations to address existing challenges.

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EXECUTIVE SUMMARY

The purpose of this report is to evaluate Kosovo's legal and institutional frameworks for political integrity, focusing on asset declarations, political finance, and public procurement. It aims to identify regulatory gaps, enforcement challenges, and areas requiring reform to align with EU standards and enhance transparency and accountability. The study examines the scope and effectiveness of laws, oversight mechanisms, and technological tools across the three above mentioned pillars. By highlighting vulnerabilities and proposing actionable recommendations, the report contributes to strengthening governance and combating corruption in Kosovo.

1. Assets and Interest Declarations

Kosovo's legal framework for asset declarations and conflict of interest management is comprehensive, promoting transparency and accountability among public officials. Key laws, such as the Law on Declaration, Origin, and Control of Assets and Gifts, require officials to annually declare assets, income, and interests, covering both themselves and immediate family members. The Agency for Prevention of Corruption (APC) monitors these declarations, conducts audits, and investigates discrepancies. Public access to declarations enhances scrutiny, allowing civil society to detect potential corruption. The framework mandates detailed reporting of financial interests, including real estate, valuable movable property, and secondary employment, with annual updates required. Conflict of interest provisions, especially in public procurement, ensure officials recuse themselves when conflicts arise. Integrity plans within public institutions also help manage corruption risks. Politically Exposed Persons (PEPs) and senior officials are comprehensively covered by these requirements, ensuring that high-risk individuals are subject to enhanced oversight.

However, Kosovo's legal framework for asset declarations and conflict of interest management has several vulnerabilities. There is a lack of explicit regulation on the "revolving door" phenomenon, with no cooling-off periods or detailed disclosure requirements for officials transitioning between public and private sectors. The capacity of the Agency for Prevention of Corruption (APC)

is limited by insufficient resources, affecting the thoroughness and frequency of audits and investigations. The framework does not mandate the use of open data standards for asset declarations, as they are typically published in non-machine readable formats like PDFs, limiting detailed analysis. Additionally, indirect interests held by close associates or through complex financial instruments are not explicitly addressed, making it harder to detect hidden conflicts of interest. While conflict of interest provisions exist for public procurement, there is no formal requirement for sworn declarations of no-conflict at the onset of contracting or licensing processes, leaving room for potential oversight.

2. Political Finance

Kosovo's political finance regulations offer key strengths aimed at promoting transparency and preventing undue influence in elections. The legal framework mandates financial reporting for political parties and independent candidates, covering income, donations, and expenditures. Public funding for political entities is designed to ensure a fair distribution of resources based on election results. Current regulations require the disclosure of donors' preventing undue influence from foreign or illicit sources. The prohibition of donations from criminal entities and foreign contributors strengthens the integrity of political financing. Political parties are also required to manage their finances through dedicated bank accounts,

ensuring transparency. Oversight by the Central Election Commission (CEC) ensures that financial reports are submitted and made publicly available, supporting public scrutiny. Furthermore, laws regulating political party financing and public procurement help prevent conflicts of interest between political entities and government contractors or licensees.

Meanwhile, Kosovo's political finance regulations also face several vulnerabilities, primarily due to weak enforcement and resource limitations. The Central Election Commission (CEC) and Agency for Prevention of Corruption (APC) struggle with inclusive verifications and administrative investigations and a lack of capacity to thoroughly monitor and enforce compliance. Loopholes exist in the regulation of third-party organizations leaving room for unregulated spending. Enforcement of donation limits is inconsistent, and political parties have under-reported donations and expenditures. The framework does not adequately address online platforms, leaving political advertising on social media largely unregulated. Additionally, there is limited cross-checking of financial reports with procurement records and business registries, making it harder to detect illicit contributions or conflicts of interest. Weak penalties for violations further undermine the effectiveness of the system, allowing potential circumvention of the political finance rules.

3. Favouritism in Public Contracting

Kosovo's public procurement framework provides a strong regulatory foundation aimed at ensuring the ethical conduct of officials and promoting transparency in procurement processes. The Law on Public Procurement (LPP) and its amendments include provisions that mandate officials to declare conflicts of interest, particularly when they or their family members are connected to bidding entities. These safeguards help ensure impartiality in procurement decisions. Additionally, officials involved in procurement must adhere to a Code of Ethics, emphasizing transparency, objectivity, and fairness throughout all procurement phases.

The LPP discourages the tailoring of technical specifications to benefit specific bidders and promotes competitive bidding as the preferred method, helping to maintain a level playing field. Moreover, procurement officials are subject to anti-corruption rules under the Law on Preven-

tion of Conflict of Interest and the Agency for Prevention of Corruption, which provide oversight and guidelines for identifying and mitigating corruption risks. The e-procurement platform, *e-Prokurimi*, further enhances transparency by providing public access to procurement-related information in real time, from planning through contract implementation, helping ensure scrutiny and accountability.

Nevertheless, Kosovo's public procurement framework faces several vulnerabilities, particularly regarding enforcement and oversight. While the Law on Public Procurement (LPP) requires officials to declare conflicts of interest, enforcement is often weak, and there are gaps in monitoring compliance. Political influence in procurement processes remains a concern, especially in the preparation of technical criteria and non-competitive procedures, which can be exploited to benefit politically connected individuals or companies. The Law on Strategic Investments and the classification of certain projects as "secret" allow some contracts to bypass regular procurement rules and the transparency requirements of the Law on Public-Private Partnerships, increasing the risk of corruption and favoritism. Post-award contract implementation and monitoring are less regulated, leaving room for unethical practices. Oversight bodies like the Public Procurement Regulatory Commission (PPRC) and internal auditors often lack the resources and skilled personnel to conduct thorough inspections. Additionally, loopholes in regulations, such as inadequate protections against revolving door practices, allow former officials to leverage their positions for private sector gain. Finally, Kosovo lacks robust implementation mechanisms on corporate political donations, particularly from companies involved in public procurement, leading to concerns about the influence of donations, with an emphasis on indirect donations to political party campaigns, on contract awards and public spending.

Overall Recommendations

Based on the aforementioned challenges, with the aim to enhance transparency, accountability, and alignment with EU standards, Kosova Democratic Institute recommends the Government of Kosovo should strengthen the legal framework by drafting a Code of Conduct for public officials, aligning legal definitions with EU directives, and expanding the scope of asset declarations to

include detailed information on assets, liabilities, beneficial ownership, and close relationships. The Agency for Prevention of Corruption (APC) should regulate the revolving door phenomenon by implementing a mandatory two-year cooling-off period for senior officials transitioning between public and private sectors, alongside enforcing post-employment lobbying restrictions. Reporting systems should be modernized through a fully automated, web-based platform for asset declarations, coupled with an Open Data Law mandating publication in machine readable formats. Verification processes should be enhanced by amending the asset declaration law to include unique identifiers for public officials, enabling better cross-dataset analysis, and allocating resources to strengthen APC's verification, auditing, and enforcement capabilities. Finally, APC should bolster advisory services by providing training, clear guidance, and helpdesk support to ensure compliance and reduce errors in declaration processes.

Furthermore, the research shows that in order to enhance transparency and accountability in political financing, the Central Election Commission (CEC) and the Agency for Prevention of Corruption (APC) should enforce stricter mechanisms to uphold donation limits and prevent undue influence from large donors on political parties. The Kosovo Assembly should expand regulations to include third-party organizations and political consulting services within the political finance reporting framework, ensuring comprehensive reporting obligations. To address online political advertising, the Assembly should introduce regulations requiring transparency and reporting for political advertisements on digital platforms and social media. The CEC should implement real-time reporting mechanisms, such as interim updates during election campaigns, to strengthen oversight. Additionally, the Government of Kosovo and the CEC should collaborate to develop a digital reporting platform for political finance, integrating it with financial oversight bodies to streamline reporting and improve monitoring.

Also, to strengthen integrity and accountability in public procurement and political finance, the Government of Kosovo should urgently finalize the public procurement reform, focusing on tightening non-competitive procedures, enhancing accountability, and implementing mandatory cooling-off periods for officials transitioning between the public and private sectors. Oversight bodies, including the Public Procurement Regulatory Commission (PPRC), Agency for Prevention of Corruption (APC),

and Central Election Commission (CEC), should enhance enforcement mechanisms for conflict of interest through improved resources, regular audits, and targeted training for procurement officials. Transparency in non-competitive procurement should be increased by requiring public justifications and external reviews to prevent abuse and favoritism. The PPRC should also adopt open data standards for post-award monitoring, allowing real-time updates and public access to contract amendments, progress reports, and outcomes. Finally, the APC, CEC, and PPRC should work collaboratively to ensure comprehensive disclosure of procurement processes, political donations, and lobbying activities, supported by clear regulations and open data platforms for enhanced public scrutiny.

Conclusion

The findings and recommendations outlined in this report highlight critical vulnerabilities and opportunities to strengthen Kosovo's frameworks for asset declarations, political finance, and public procurement. Despite significant progress in promoting transparency and accountability, challenges such as weak enforcement mechanisms, limited resources, regulatory gaps, and the absence of robust digital and open data systems undermine the effectiveness of these frameworks. Addressing these gaps is crucial to reducing corruption risks, ensuring fair competition, and enhancing public trust in governance. By implementing key reforms, such as adopting EU-aligned definitions, modernizing reporting systems, regulating the revolving door phenomenon, enhancing oversight capacities, and fostering collaboration among oversight bodies, Kosovo can significantly improve transparency and accountability. Furthermore, introducing regulations for third-party organizations, online political advertising, and non-competitive procurement processes will ensure a more comprehensive and transparent governance structure. These measures are essential not only for aligning with international standards but also for fostering public integrity, preventing undue influence, and ensuring ethical conduct in public administration, political finance, and procurement processes.



METHODOLOGY

The methodology for this assessment is based on the Integrity Watch framework developed by the Transparency International Secretariat (TI-S). It is designed to evaluate the political integrity regulations in selected countries, with a specific focus on asset and interest declarations, political finance, and public contracting and licensing. The aim is to identify regulatory gaps, assess the effectiveness of existing frameworks, and provide actionable recommendations to improve transparency and accountability.

1. Data Collection



- The assessment relies on both primary and secondary sources of data:
- **Primary Data:** Collection of laws, bylaws, rulings, and decisions applicable to political integrity, including asset declarations, political finance regulations, and public contracting rules. This includes the most recent legislative amendments and their practical implications.
 - **Secondary Data:** Reports, analyses, and databases, especially from Integrity Watch's own platform and datasets and government portals, were reviewed to supplement factual data on political integrity.

2. Scope of Analysis



- Three main topics were selected for analysis:
- **Asset and Interest Declarations:** This involves evaluating the comprehensiveness of rules requiring public officials to declare assets and interests, with particular focus on high-risk officials such as Politically Exposed Persons (PEPs).
 - **Political Finance:** This includes examining regulations governing political donations, campaign financing, and the influence of third parties in elections and political decision-making.
 - **Public Contracting and Licensing:** This area focuses on the potential for conflicts of interest in public procurement processes and the role of political connections in the issuance of licenses.

3. Assessment Dimensions



- The questionnaire assesses each set of regulations across 12 dimensions, categorized into three main groups:
- **Extent:** Evaluates the existence and scope of the regulations.
 - **Transparency:** Examines the accessibility, comprehensiveness, and reliability of the disclosed information.
 - **Accountability:** Assesses the strength of compliance mechanisms, enforcement agencies, and sanctions for breaches of political integrity.





4. Evaluation Criteria



Each aspect of the regulations is rated on a four-point scale:

- **Not at all**
- **Some extent**
- **Most extent**
- **Full extent**

This scale allows the assessment to measure the level of implementation and effectiveness of regulations, considering both the written laws and their application in practice.

5. Validation



To ensure the accuracy of the assessment, all findings were cross-referenced with relevant stakeholders and publicly available data sources. Peer consultations were conducted where necessary to substantiate findings, and recommendations were formulated based on the results.

6. Recommendations



For each dimension assessed, at least three recommendations are provided. These recommendations target regulatory improvements, practical enhancements in enforcement mechanisms, and strategies to close existing loopholes. Each recommendation is addressed to the appropriate agency, such as the oversight bodies or lawmakers.

7. Regional Comparisons



The methodology allows for a comparative analysis across countries in the region, and in the member countries of the European Union, identifying best practices and weaknesses in political integrity regulations. This comparative approach aims to foster a shared learning environment for the adoption of robust anti-corruption measures.





LIST OF INDICATORS AND SUB-INDICATORS

Pillar 1: Asset and Interest Declarations

Main Indicators:

- 1. Extent
 - Existence of regulations governing asset and interest declarations.
 - Goals of the regulations (e.g., conflict of interest prevention).
 - Scope of regulations (e.g., high-risk officials, family members).
- 2. Transparency
 - Comprehensiveness of declarations (e.g., disclosure of assets, employment, secondary income).
 - Reliability (e.g., updates, inclusion of family interests).
 - Timeliness (submission deadlines and publication requirements).
 - Openness (public access, centralized platforms, searchability).
- 3. Accountability
 - Compliance systems (support for accurate reporting, electronic submission).
 - Empowered agencies (independent oversight and verification).
 - Verification mechanisms (audits, cross-referencing with other data).
 - Deterrence (sanctions for non-compliance, effectiveness of enforcement).

Sub-Indicators:

- Laws and bylaws relevant to asset declarations.
- Compliance with updates (e.g., frequency, family members' inclusion).
- Existence of public access to asset declarations.
- Presence of a dedicated agency for overseeing declarations.



Pillar 2: Political Finance

Main Indicators:

1. Extent

- Existence of regulations for political finance (laws, dates of enforcement).
- Goals (leveling the playing field, curbing undue influence).
- Scope (reporting obligations for parties, candidates, legal entities).

2. Transparency

- Comprehensiveness (reporting of income, expenses, donations).
- Reliability (bookkeeping, financial controls, audit reports).
- Timeliness (campaign and annual reporting deadlines).
- Openness (public access to political finance reports, centralization).

3. Accountability

- Compliance systems (facilitation of accurate reporting).
- Empowered agency (functional independence, funding for enforcement).
- Verification (audits, third-party collaboration for cross-checks).
- Deterrence (sanctions for breaches, complaint mechanisms).

Sub-Indicators:

- Laws on financial transparency for political parties.
- Requirements for timely submission of campaign finance reports.
- Accessibility of political finance data to the public.
- Presence of sanctions for non-compliance with political finance rules.



Pillar 3: Favouritism in Public Contracting and Licencing

Main Indicators:

- 1. **Extent**
 - Existence of regulations for ethical public procurement.
 - Restrictions on officials (conflict of interest rules, revolving door policies).
 - Influencing (disclosure of political engagement by contractors).

- 2. **Transparency**
 - Comprehensiveness (disclosure of procurement details, contractor contributions).
 - Timeliness (publication of procurement information in open formats).

- 3. **Accountability**
 - Verification (cross-checking procurement declarations with political finance data).
 - Deterrence (sanctions for non-compliance, redress mechanisms for breaches).

Sub-Indicators:

- Laws on public procurement/licencing ethics.
- Disclosure obligations for contractors (e.g., political donations).
- Existence of procurement oversight agencies.
- Sanctions for conflict of interest violations in procurement.



ASSESSMENT RESULTS





TOPIC 1:

ASSET AND INTEREST DECLARATIONS

1.1. Extentⁱ

Kosovo has developed a comprehensive legal framework governing the collection, reporting, verification, publication, and accountability of asset and interest declarations, particularly in the context of managing conflicts of interest and public contracting. Key laws, such as Law No. 06/L-011 on Prevention of Conflict of Interest in Discharge of Public Function, mandate public officials to declare their assets, interests, and liabilities to prevent conflicts of interest. The Agency for Prevention of Corruption (APC) plays a central role in verifying these declarations, conducting audits, and investigating discrepancies under Law No. 08/L-017 and Law No. 08/L-108 on Declaration, Origin, and Control of Assets and Gifts, which also enhance public transparency by requiring declarations to be publicly accessible.

The framework extends to ethical standards and accountability for public officials under Law No. 08/L-197 on Public Officials, which provides mechanisms for sanctioning non-compliance and misconduct. To ensure organizational efficiency and transparency, Law No. 06/L-113 and Law No. 06/L-081 on Access to Public Documents further mandate the disclosure and accessibility of public documents. For administrative investigations, Regulation No. 03/2023 outlines procedures within the APC for addressing corruption and enforcing compliance.

In the context of public procurement, Law No. 04/L-042 on Public Procurement, with its amendments, introduces measures for transparency and conflict of interest management in contracting processes. The Integrity Plan Methodology, led by the APC, reinforces these efforts by promoting institutional integrity through tailored anti-corruption strategies.

While these laws collectively provide a strong foundation for promoting transparency and accountability, challenges remain in enforcement, technological modernization, and the adoption of open data standards to facilitate deeper analysis and cross-referencing of declared assets. This framework demonstrates Kosovo's commitment to aligning with international best practices while addressing governance and corruption risks.

Goals

Assessment questions:

To what extent do the regulations provide for the following goals:

- a. prevention of conflicts of interests.
- b. detection of variations in wealth of the senior, high-risk, elected and appointed public officials (e.g. PEP); and
- c. increasing public scrutiny and bolstering confidence in the integrity of public officials?
- d. Prevent "revolving door"



Kosovo's legal framework provides a robust structure for preventing conflicts of interest, detecting unexplained wealth among senior public officials, and enhancing public scrutiny to ensure integrity. Key laws, such as the Law on declaration, origin and control of assets and gifts¹ and the Law on Public Officials², and Law on Prevention of Conflict of Interest in Discharge of Public Function³ require senior public officials to declare assets, income, and interests annually. The Agency for Prevention of Corruption⁴ monitors these declarations and investigates discrepancies to detect unexplained wealth.

Potential Areas of Contradiction between Law No. 06/L-011 and Law No. 08/L-017:

- Law No. 06/L-011 places the responsibility for resolving conflicts of interest directly on individual institutions or superior officers, while Law No. 08/L-017 gives this responsibility solely to the Agency, there could be overlap or ambiguity in enforcement.
- Law No. 06/L-011 prescribes specific enforcement mechanisms for managing conflicts of interest (e.g., disciplinary actions) that differ from or conflict with the mechanisms outlined in Law No. 08/L-017, this could create legal uncertainty or challenges in enforcement. (KDI)

The Law on Public Officials mandates that public officials⁵ avoid conflicts of interest, declare potential conflicts to superiors, and recuse themselves from decisions where conflicts exist.

Integrity Watch Kosovo finding:

On December 26, 2022, the Prime Minister of Kosovo re-appointed Mr. Arben Vitija in the position of Minister for Health (<https://kryeministri.rks-gov.net/blog/kryeministri-kurti-emeron-arben-vitija-minister-per-shendetesi-2>). However, Minister Vitija comes from the private sector, namely OLIVE MEDICAL GROUP LLC, a health institution licensed by the Ministry of Health according to Law no. 04/L-125 for health, Article 42 Licensing and Accreditation.

According to the Law no. 06/L-011 on the prevention of conflict of interest, Article 18 paragraph 1.1, The senior official does not have the right: "To be employed or appointed, for a period of up to two (2) years after the end of the public function, in the position leading or managerial, or to be involved in the control or audit of public and private institutions and their subordinate institutions that have business relations with the institution where he exercised his public function, if his duties during the two-year period before the end of the exercise of his public function have been directly related to the supervision, control or sanctioning of their activity;"

Meanwhile, according to Law no. 04/L-125 for Health, Article 9 Leadership and Regulatory Role "1. The leading and regulatory functions of the Ministry include: 1.4. the supervision of the implementation of the standards from sub-paragraph 1.3, paragraph 1. of this article, including inspection and other services, as necessary;" are activities carried out by the Health Inspectorate, which reports directly to the Minister of Health (<https://msh.rks-gov.net/wp-content/uploads/2021/09/organogrami.png>).

¹ Law No. 08/L-108 on declaration, origin and control of assets and gifts

² Law No. 08/L-197 on Public Officials

³ Law No. 06/L-011 on Prevention of Conflict of Interest in Discharge of Public Function

⁴ Law No. 08/L-017 on the Agency for Prevention of Corruption

⁵ Law No. 08/L-017 on the Agency for Prevention of Corruption, Article 3, paragraph 1.3, "Senior official – means senior public officials defined according to the relevant Law on the declaration, control and origin of wealth."; and paragraph 1.4 "Official person – means any other person elected or appointed in a state body as well as the official persons defined according to the Criminal Code of the Republic of Kosovo who exercise public duties and who are not included in sub-paragraph 1.3. of this article."

However, while the framework is comprehensive in these areas, it lacks specific regulation of the “revolving door”⁶ phenomenon, where officials move between public and private sectors.

While there are provisions from when a public official moves from the public sector to the private sector, there are no explicit restrictions, cooling-off periods or detailed disclosure requirements for officials transitioning from the private sector, particularly in industries under their oversight and regulation⁷. This gap increases the risk of conflicts of interest and corruption.

EU PRACTICES:

- **FRANCE:** France imposes strict post-employment restrictions on public officials, particularly those in high-level positions. There are mandatory cooling-off periods during which former officials cannot work in sectors related to their former government responsibilities. This helps to mitigate the risk of conflicts of interest.
- **GERMANY:** Germany has established a comprehensive legal framework that includes cooling-off periods for senior public officials before they can move into private sector roles related to their former duties. additionally, there are requirements for former officials to seek approval from a regulatory body before accepting certain private sector positions.
- **UNITED KINGDOM:** The UK's advisory committee on business appointments (ACOPA) enforces cooling-off periods and requires that former ministers and senior civil servants obtain approval before taking up new roles in the private sector. the cooling-off period typically lasts for one to two years, depending on the seniority of the position.
- **NETHERLANDS:** The Netherlands has implemented a system where former public officials are prohibited from accepting certain roles in the private sector for a specified period after leaving government service. this helps to prevent the undue influence of former officials in industries they previously regulated.
- **IRELAND:** Ireland's legal framework includes strict disclosure requirements for public officials moving to the private sector. this includes mandatory reporting of any potential conflicts of interest that could arise from their new roles. the disclosures are made public, ensuring transparency and accountability.

Additionally, the Law on Public Procurement⁸ outlines conflict of interest provisions in public procurement, prohibiting officials from participating in decisions where they have a direct or indirect interest. Contracting authorities must ensure that all participants in the procurement process, including evaluators, bidders, and officials, are free from conflicts that could affect the outcome. Also, the offerors are required to submit a “declaration under Oath” that includes provisions pertaining conflict of Interest.

As of November 2022, Kosovo does not have a Code of Ethics for public administration⁹ as the previous Code of Ethics (2015) for Public Officials was abolished by the Government¹⁰. The Law¹¹ obligates all public institutions (central, local

⁶ The concept of the “revolving door” refers to the movement of individuals between roles in the public sector and positions in the private sector, particularly when those roles are in areas where they have had regulatory or oversight responsibilities. This movement can lead to conflicts of interest and the potential for corruption if not adequately regulated.

⁷ Law No. 06/L-011 on Prevention of Conflict of Interest in Discharge of Public Function

⁸ Law No. 04/L-042 on Public Procurement of the Republic of Kosovo, Amended and Supplemented with the Law No. 04/L-237 and Law No. 05/L-068

⁹ Date of the assessment 16 August 2024

¹⁰ Government of Kosovo (GoK) Decision 10/109, 23.11.2022

¹¹ Law No. 08/L-017 on the Agency for Prevention of Corruption, Article 25

and independent agencies) to self-assess risks and draft their integrity plans which includes dispositions for prevention of conflict of interest in the respective agency. Furthermore, the Agency for prevention of corruption shall help with drafting of the plans, and also assess their implementation¹².

Scope

Assessment questions:

To what extent do regulations unambiguously define the responsibility for officials at the most at-risk agencies and positions to submit interest and asset declarations, including:

- a. At-risk high-level officials (PEPs)
- b. Elected officials (national, subnational)
- c. Family: partners, children
- d. Associates

Kosovo's legal framework¹³, mandates various public officials, including Politically Exposed Persons (PEPs), to submit detailed interest and asset declarations. This includes senior government officials, heads of agencies, judiciary members, and other high-risk public servants. The law requires these officials to declare their assets, interests, and any significant changes in their financial status. Elected officials at both national and subnational levels are also covered, with regular submission and updates mandated. The Agency for Prevention of Corruption is responsible for monitoring and verifying these declarations.

Integrity Watch Kosovo finding:

- During KDI's 2024 dataset compilation for the Integrity Watch Kosovo Platform, 468 broken links and 368 duplicate declarations were identified on the APC website, demonstrating the risks of irregularities without and advanced digitalized platform for declarations and the real-time public datasets. (communicated to APC on August 5th, 2024. APC took immediate actions to correct the broken links and finalized these corrections on August 12th, 2024), (KDI)

The law explicitly includes family members in the declaration requirements, though it is less explicit about associates. However, broader anti-corruption provisions address potential conflicts of interest arising from close associates or business partners, particularly in public procurement and contracting. While not as rigorously enforced as family declarations, officials are expected to declare associations that might influence their decision-making.

The legal framework is clear in defining the responsibilities of officials and their families in submitting comprehensive declarations. In practice, the Agency for Prevention of Corruption audits these declarations and investigates discrepancies, such as undeclared properties, which could lead to penalties or criminal charges. Additionally, the law provides for the publication of declarations, enabling civil society and media scrutiny, which helps detect unexplained increase¹⁴,

¹² Law No. 08/L-017 on the Agency for Prevention of Corruption, Article 5

¹³ Law No. 08/L-108 on declaration, origin and control of assets and gifts

¹⁴ Law No. 06/L-081 on access to public documents, Article 4.2

these plans must be published in the respective institution's web site, however, there is no centralized platform where the public is served with aggregated information pertaining all public institutions.

Recommendations:

When comparing Kosovo's legal framework and practices concerning conflict of interest, asset declarations, and transparency to EU directives and examples from EU countries, several recommendations can be made to strengthen both the legal framework and its practical implementation.

1. **The Government of Kosovo** should draft and approve the Code of Conduct for public officials and servants with the highest priority;
2. **Government of Kosovo** should further align its legal definitions, especially around key concepts like "conflict of interest," "Politically Exposed Persons (PEPs)," and "assets," with those used in EU directives. The EU's Directive 2014/24/EU on Public Procurement and Directive 2014/23/EU on the Award of Concession Contracts provide clear definitions and standards that Kosovo can adopt to ensure consistency.
3. **The Agency for Prevention of Corruption** should expand the asset declaration regime to include more detailed information about the assets, liabilities, and interests of public officials and their families, including beneficial ownership in companies, trusts, and other financial vehicles. This would help close potential loopholes where assets might be hidden or undeclared.
4. **The Agency for Prevention of Corruption** should expand the legal framework to explicitly include a broader range of associates and close relationships in the asset declaration requirements. This would cover business associates, close friends with financial ties, and others who might present a conflict of interest.
5. **The Agency for Prevention of Corruption** should amend the existing Law No. 06/L-011 on Prevention of Conflict of Interest in Discharge of Public Function on specifically regulating the "revolving door" phenomenon. This law should include:
 - Mandatory Cooling-Off Periods: In conjunction to cooling-off requirement from public institutions to private sector, the law should clearly require a cooling-off period of 2 years for senior public officials before they can take up roles from the private sector to a public position, particularly in industries they previously regulated or had oversight responsibilities.
 - Post-Employment Restrictions: Prohibit former public officials from lobbying or engaging in activities that could create conflicts of interest with their prior government duties during the cooling-off period.
 - Approval Process: Establish a mandatory approval process where former public officials must seek clearance from an independent body before accepting private sector positions related to their former roles.

1.2. Transparency

Comprehensiveness

Assessment questions:

To what extent are reporting obligations sufficiently comprehensive to enable the detection of:

- a. ...conflicts of interest, by requiring declaration of secondary employment; prior remunerated positions in companies and other outside activities; shares and stocks in companies, beneficial ownership in companies, securities, and others relevant?
- b. ...unexplained variation of wealth, by requiring the value of bank deposits, cash, immovable assets; movable assets, including art, stocks, securities, and gifts, among others relevant?

EU PRACTICES:

- In EU countries such as Germany and France, there are more explicit requirements for public officials to disclose previous employment and affiliations, especially if these could create conflicts of interest in their current roles. For example, officials may be required to disclose past roles in industries they now regulate or have influence over.

Kosovo's legal framework is designed to detect conflicts of interest and unexplained wealth among public officials through comprehensive reporting obligations. Law¹⁵ mandates that officials declare secondary employment, prior remunerated positions, and outside activities that could create conflicts of interest, such as board memberships, consultancy roles, and other paid positions. Officials must also declare shares, stocks, and other equity interests, including beneficial ownership, ensuring transparency in their financial dealings. Additionally, securities like bonds, options, and other financial instruments that might influence their public decisions must be reported.

While these obligations cover a broad range of financial interests and activities, their effectiveness can be limited by the accuracy of the information provided and the capacity of monitoring bodies to verify the declarations. A notable gap exists in the declaration of indirect interests, such as those held by close associates or through complex financial instruments that are difficult to trace. Furthermore, enforcing these declarations and verifying their accuracy is challenging due to limited resources and insufficiently rigorous audit processes.

Public officials are also required to declare the value of their bank deposits, including digital currencies, and significant amounts of cash to detect illicit income or corruption. The law mandates accurate reporting and valuation of immovable assets like land, buildings, and real estate, including any changes in ownership or value. Reporting obligations extend to movable assets such as vehicles, valuable art, jewelry, and other significant personal property exceeding certain value thresholds. Additionally, officials must declare securities, stocks, and significant gifts, especially if these could influence their decisions. These comprehensive reporting requirements aim to capture any significant increases in wealth that could indicate corruption.

¹⁵ Law No. 08/L-108 on declaration, origin and control of assets and gifts



Assessment questions:

Are information on previous employment, affiliations, ownership, relationships, and interests of contracting and/or licencing authorities required to be disclosed as part of regular Asset and Interest declaration?

In Kosovo, the legal framework for asset and interest declarations primarily addresses the financial aspects of public officials' lives, such as assets, income, and financial interests. The Law¹⁶ requires officials to disclose current secondary employment and outside activities but does not explicitly mandate detailed disclosure of previous employment or affiliations unless they relate to ongoing financial interests or conflicts. Officials must declare ownership stakes in companies, particularly if they might contract with or seek licenses from the government. However, there are no specific provisions targeting contracting and licensing authorities for additional disclosure beyond general requirements.

The law also requires officials to declare financial interests and assets held by close family members, such as spouses and dependent children. However, it does not explicitly require the disclosure of relationships like business partners or close friends unless these relationships directly influence the official's public duties or create a conflict of interest. Relationships affecting decisions in contracting or licensing should be disclosed under general conflict of interest provisions, but the requirement is more implicit and may not fully capture all relevant connections unless tied to a direct financial interest.

The legal framework does not specifically require public officials to disclose interests that are directly tied to contracting or licensing authorities unless those interests fall under the broader categories of financial assets, beneficial ownership, or potential conflicts of interest.

If a public official has an interest in a company that regularly bids for government contracts, either directly or through subcontracting, or seeks licenses, this should be declared under the existing asset declaration requirements. However, there is no separate, explicit requirement to disclose such interests specifically in relation to contracting and licensing authorities beyond the general asset and interest declarations.



EU BEST PRACTICES

- **FRANCE:** In France, public officials involved in procurement or licensing procedures are often required to submit formal declarations of interest, including any potential conflicts, at the beginning of these processes. This includes submitting sworn statements to ensure transparency and accountability.
- **GERMANY:** In Germany, officials are required to disclose any potential conflicts of interest before participating in procurement or licensing decisions. This often includes a formal declaration process, ensuring that all potential conflicts are documented and addressed before decisions are made.
- **ITALY:** Italian public procurement laws require detailed declarations of no-conflict by all officials involved in the procurement process. These declarations are formalized and can include sworn statements that must be submitted before the process begins.

¹⁶ Ibid



Assessment questions:

Are contracting and/or licencing authorities required make ad hoc declarations of no-conflicts of interests (sworn statements, affidavits, etc.) on the relationships they have with specific bidders or applicants at the onset of contracting and licencing procedures, as appropriate?

In Kosovo, the legal framework for managing conflicts of interest in contracting and licensing processes includes provisions aimed at prevention, but it lacks a robust requirement for ad hoc declarations of no-conflict of interest at the onset of these procedures, such as sworn statements or affidavits. The Law No. on Prevention of Conflict of Interest in Discharge of Public Function¹⁷ establishes a general framework, requiring public officials to avoid conflicts between their private interests and official duties. However, it does not mandate specific declarations at the beginning of contracting or licensing processes.

Similarly, the Law on Public Procurement¹⁸ includes requirements to avoid conflicts of interest during procurement procedures and expects officials to recuse themselves if conflicts arise. However, it does not explicitly require a sworn declaration or affidavit of no-conflict at the start of each process. Thus, while the obligation to avoid conflicts of interest is clear, the legal framework does not formalize the process of declaring no-conflict at the beginning of contracting or licensing procedures. In practice, officials may declare potential conflicts informally or as part of ethical standards, but this is not a formal legal requirement involving a sworn statement or affidavit.

Reliability**Assessment questions:**

To what extent do regulations provide for the collection and re-orting of...

- a. information to be submitted by public officials themselves?
- b. regular updates of significant changes in assets or interests?
- c. declarations to include assets and interests of family (e.g. spouses) and other associates?

Kosovo's legal framework governing the collection and reporting of information by public officials, particularly regarding conflicts of interest, asset declarations, and transparency, is rooted in several key laws and regulations. The most pertinent of these is Law on declaration, origin and control of assets and gifts¹⁹, which mandates public officials to submit detailed declarations encompassing a wide range of financial interests and potential conflicts. These declarations must include real estate, valuable movable assets like vehicles and art, bank accounts, securities, income, debts, business interests, and gifts exceeding a certain value. The scope of this law is quite comprehensive, ensuring that various financial aspects are reported. However, the accuracy and detail of the information provided depend heavily on the diligence of the public officials and the enforcement rigor by the Agency for Prevention of Corruption.

¹⁷ Law No. 06/L-011 on Prevention of Conflict of Interest in Discharge of Public Function

¹⁸ Law No. 04/L-042 on Public Procurement of the Republic of Kosovo, Amended and Supplemented with the Law No. 04/L-237 and Law No. 05/L-068

¹⁹ Law No. 08/L-108 on declaration, origin and control of assets and gifts

EU BEST PRACTICES

- In some EU countries, the legal framework is more explicit about the inclusion of associates beyond immediate family members. For example, in Italy and France, there are detailed requirements for the disclosure of any significant relationships that could influence an official's decision-making process, including business partnerships and other non-family relationships.

In terms of keeping these declarations up to date, the law requires public officials to submit annual updates and report any significant changes within 30 days of their occurrence. Such changes might involve acquiring or disposing of property, significant alterations in bank balances, receiving large gifts or inheritances, and changes in business ownership or income-generating activities. The intent of this requirement is to ensure that the financial disclosures of public officials remain current and reflective of any significant developments in their financial situations. However, the effectiveness of this provision hinges on the Agency for Prevention of Corruption's capacity to monitor and enforce compliance, as well as to verify the accuracy of the updates submitted. Ensuring timely reporting of all significant changes can be challenging and is a critical aspect of maintaining the integrity of the system.

Moreover, the law explicitly mandates that public officials must include the assets and interests of their immediate family members in their declarations. This includes spouses and dependent children, whose assets, income, and financial interests must be reported. This provision is crucial for detecting potential conflicts of interest or unexplained wealth held by family members. However, the inclusion of "other associates," such as business partners or close friends, is less clearly defined. While there is an expectation that conflicts involving close associates should be disclosed, this is not as rigorously enforced as it is for immediate family members. The regulations focus primarily on immediate family, and although associates could fall under broader conflict of interest provisions, this area would benefit from further clarification and strengthening to ensure comprehensive transparency and accountability in public service.

Timeliness

Assessment questions:

To what extent do regulations set clear and reasonable timelines for:

- a. the submission of declarations?
- b. their publication?
- c. declaration and publication of regular updates?

Kosovo's legal framework provides structured guidelines²⁰ for the submission, publication, and updating of asset and interest declarations by public officials, though the clarity and enforcement of these timelines vary.

Public officials²¹ must submit initial asset and interest declarations within 30 days of assuming office, a timeline that is both clear and reasonable²². Annual declarations, typically due by March 31st each year²³, allow officials sufficient

²⁰ Law No. 08/L-108 on declaration, origin and control of assets and gifts

²¹ Law No. 08/L-108 on declaration, origin and control of assets and gifts, Article 4 & 5

²² Law No. 08/L-108 on declaration, origin and control of assets and gifts, Article 8

²³ Law No. 08/L-108 on declaration, origin and control of assets and gifts, Article 9

time to compile and report their financial status for the previous year. These deadlines align with international best practices, ensuring officials have ample time to fulfill their reporting obligations. The law also mandates that all declarations are submitted electronically to the online platform provided and administered by the Agency for Prevention of Corruption²⁴.

The law mandates that these declarations be publicly accessible within 30 days of the last deadline for submission²⁵. The declaration shall remain publicly available for three (3) years from the deadline for submission²⁶.

According to the Law on State Archives, the public materials are archived in the same condition/format as received by the agency²⁷, respectively in digital format for the asset declarations as the law on asset declarations prompts for digital submission through the online platform. Furthermore, according to the current legislation on office work administration²⁸, Asset Declarations should be stored permanently²⁹.

Openness

Assessment questions:

1. Does an agency, public or otherwise, effectively publish the information thus received 1) online, 2) in a centralised location so that it is easily located, in formats that are 3) downloadable, 4) comparable, and 5) searchable by the public, in 6) user-friendly platforms, and 7) free-of-charge manner?
2. To what extent the exceptions to the publication of the information are minimal and well justified?

While Kosovo's system for publishing asset declarations has strengths, particularly in centralization and free access, there is room for improvement in areas like data format flexibility, search functionality, and user interface³⁰.

The effectiveness of Kosovo's publication and accessibility of asset and interest declarations by public officials can be evaluated across several key areas:

- 1. Online Publication:** The Agency for Prevention of Corruption of Kosovo is responsible for making asset and interest declarations available online. While these declarations are generally accessible to the public, the consistency and timeliness of updates could be improved to ensure the latest data is always available.
- 2. Centralized Location:** The declarations are centralized on the Agency for Prevention of Corruption's website, which is essential for easy access. However, the website's navigation and structure could be enhanced to improve user experience.
- 3. Downloadable Formats:** Declarations are typically available for download in PDF format, allowing for offline review. However, offering data in more flexible formats like CSV or Excel would facilitate more detailed analyses.
- 4. Comparability:** While the data is somewhat standardized, variations in detail and format can make comparisons between officials or across different years challenging. More consistent formatting and detailed breakdowns could improve comparability.

²⁴ Law No. 08/L-108 on declaration, origin and control of assets and gifts, Article 12

²⁵ Law No. 08/L-108 on declaration, origin and control of assets and gifts, Article 12.1

²⁶ Law No. 08/L-108 on declaration, origin and control of assets and gifts, Article 12.4

²⁷ Law. 04/L-088 for state archives, Article 10 and Article 11

²⁸ Law No. 04/L-184 on office work administration, Article 9.5

²⁹ Regulation (MIA) no. 05 /2020 amending and supplementing the regulation (MPA) No. 01/2015 on unique marks for classification of documents and their storage deadlines, Main Group 4, Subgroup 466

³⁰ "Political Integrity Data Scoping in Kosovo" (KDI 2023)

- |||||
- 5. **Searchability:** The website's search functionality is basic, allowing users to search for specific officials or declarations. More advanced search options, such as filtering by asset type or date, would greatly enhance usability.
 - 6. **User-Friendly Platform:** The platform is functional but could benefit from a more modern design and improved navigation. Enhancements would make it more accessible, especially to non-experts.
 - 7. **Free-of-Charge Access:** The information is accessible free of charge, aligning with best practices for transparency and public access.
 - 8. **Minimal and Well-Justified Exceptions:** While certain sensitive information is withheld for privacy or security reasons, these exceptions are generally minimal and justified. However, transparency would benefit from clearer explanations for withheld details.

Cross comparison and data quality

Assessment questions:

Is the regulation specific on open data standards that could allow detection of political corruption risk? For example, but not limited to:

- a. Minimum information required.
- b. Unique identifiers that for cross comparison with other datasets
- c. Open and machine-readable formats

Kosovo's legal framework³¹ emphasizes transparency and public access to information but lacks specific provisions for adopting open data standards that could enhance the detection of political corruption risks. This analysis evaluates the extent to which the current regulations align with key open data principles:

The law clearly defines the types of information that public officials must declare, including assets, income, financial interests, debts, and significant gifts³². This comprehensive approach supports transparency and the identification of potential conflicts of interest or unexplained wealth. However, the regulations do not explicitly mandate that this information be collected or published following open data standards, which would increase its utility for analysis and cross-comparison. Strengthening the law by framing these requirements within the context of open data standards would enhance the usability and cross-referencing of the data.

The current legal framework in Kosovo does not require the use of unique identifiers, such as standardized IDs for public officials, which are essential for cross-referencing data with other datasets like procurement records or company ownership databases. The absence of such identifiers limits the ability to systematically detect corruption risks, such as conflicts of interest in contract awards. Introducing unique identifiers would significantly improve the capacity for cross-comparison and advanced data analysis.

While the law mandates the public availability of asset declarations, these are typically provided in PDF format, which is not easily machine-readable. This format restricts automated analysis and data integration. The regulations do not require the publication of data in open, machine-readable formats like CSV or JSON, a gap that hinders the effective detection and analysis of political corruption risks. Implementing requirements for such formats would align Kosovo's regulations with open data best practices, facilitating more robust scrutiny.

31 Law No. 06/L-011 on Prevention of Conflict of Interest in Discharge of Public Function; Law No. 08/L-108 on declaration, origin and control of assets and gifts; Law No. 06/L-081 on access to public documents; Law. 04/L-088 for state archives

32 Law No. 08/L-108 on declaration, origin and control of assets and gifts, Chapter II

Recommendations

1. **The Government of Kosovo should introduce a new Open Data Law** that mandates the publication of all public data, including asset and interest declarations, in open, machine-readable formats. This law should require that data be published in formats such as CSV, JSON, or XML, which allow for easy analysis and integration with other datasets. This initiative can further align administration of public information in accordance with Open Government Partnership requirements and initiatives. Some of the key elements such a law should encompass are:
 - **Mandatory Open Formats:** All public declarations should be published in machine-readable formats.
 - **API Access:** Consider providing Application Programming Interface (API) access to allow real-time data queries.
 - **Centralized Platform:** Ensure the data is hosted on a centralized, user-friendly platform, with advanced search and comparison tools.
2. **The Government of Kosovo should amend the existing asset declaration law** (Law No. 08/L-108) to require the use of unique identifiers for public officials, such as a uniform identification number. This identifier should be used consistently across all public records, including asset declarations, procurement data, and company ownership databases. Unique identifiers would enable more effective cross-referencing of data across different datasets, allowing for the identification of conflicts of interest, undisclosed ownership interests, and other corruption risks. Key elements such an amendment are:
 - **Consistent Use of Identifiers:** Ensure that the unique identifier is used in all relevant public records.
 - **Cross-Dataset Analysis:** Facilitate the linking of data from different sources to detect and analyze corruption risks.
 - **Privacy Considerations:** Implement strong data protection measures to ensure that the use of unique identifiers does not compromise personal privacy.
3. **The Government of Kosovo should amend the existing asset declaration law** (Law No. 08/L-108) to require mandatory ad hoc declarations of no-conflict of interest to include financial and/or material benefactions from public resources such as public procurement (direct contracting and/or subcontracting), grants and subsidies, and other licenses and permits.

1.3. Accountability

Compliance systems

Assessment questions:

- 1. To what extent do existing systems facilitate reporting?
- 2. Do regulations empower an agency or official to facilitate tools for the accurate and timely reporting and publication of required data, through e.g. advisory services, electronic reporting and disclosure systems (clear formats, automatized, web-based)

Asset declarations are completed within a platform managed by the Agency for Prevention of Corruption (APC). These declarations are then printed into machine-readable PDFs and published on the APC's website³³. This approach improves the accessibility and transparency of the information compared to purely manual processes.

However, while the use of an internal platform and machine-readable PDFs represents progress, there remains room for further enhancement. The current system primarily relies on the publication of data in a PDF format, which, while machine-readable, does not fully leverage the potential of more dynamic, open data formats such as CSV or JSON. These formats would allow for more sophisticated data analysis, cross-referencing, and automated processing.

Moreover, the regulations do not explicitly empower the APC or other agencies to develop additional tools, such as fully web-based, automated reporting systems that could further streamline the reporting process. There is also no clear mandate for providing advisory services to assist public officials with the reporting process³⁴.

Empowered agency

Assessment questions:

To what extent do regulations clearly endow an agency with functional independence and a mandate to ensure monitoring the implementation of regulations, timely conduct of verifications, investigations and sanctioning in cases of non-compliance, as well as adequate funding to train and professionalize staff on the job and keep up appropriate technology?

Kosovo's current legal framework³⁵ and systems for asset and interest declarations provide a foundation for reporting, but there are several areas where the facilitation of reporting³⁶ and the use of technology could be significantly improved. There is an established a system for public officials to submit asset and interest declarations, primarily overseen by the Agency for Prevention of Corruption. The regulations give the Agency for Prevention of Corruption the authority to collect and publish asset and interest declarations, but they do not explicitly empower the agency to develop or implement advanced technological tools, such as automated electronic reporting systems, web-based platforms, or advisory services designed to assist officials with the reporting process³⁷.

33 Agency for Prevention of Corruption web site, Asset Declarations module: <https://apk-rks.net/index.php/deklarimi-i-pasurise/>
34 Law No. 06/L-011 on Prevention of Conflict of Interest in Discharge of Public Function;
35 Law No. 06/L-011 on Prevention of Conflict of Interest in Discharge of Public Function; Law No. 08/L-108 on declaration, origin and control of assets and gifts;
36 National Integrity System Assessment Kosova, Pillar 5 Public Sector, pg. 114-131 2024 KDI, <https://kdi-kosova.org/wp-content/uploads/2024/03/01-NIS-Report-Eng-Draft-06.pdf>
37 Law No. 06/L-011 on Prevention of Conflict of Interest in Discharge of Public Function;

There is no clear mandate within the regulations that requires or encourages the development of electronic or web-based reporting systems. While the agency has some discretion in how it manages the reporting process, the absence of specific legal provisions for technological development limits its ability to innovate and improve the reporting infrastructure.

The regulations do not explicitly require the agency to provide advisory services to public officials to help them navigate the reporting process. While such services might be offered informally, a lack of formalization in the law means there is no systematic approach to ensuring that officials receive the guidance they need for accurate and timely reporting.

The current regulations do not sufficiently empower the Agency for Prevention of Corruption or other relevant bodies to develop and implement advanced tools for reporting and disclosure, including public procurement, public private partnerships, licenses and permits and strategic investments. There is a need for legal provisions that specifically address the use of modern technologies and the provision of advisory services to enhance the reporting process.

The effectiveness of the verification process for asset and interest declarations in Kosovo involves the capacity and actions of the Agency for Prevention of Corruption in Kosovo (APC)³⁸, which is primarily responsible for overseeing this process. The APC has the necessary legal powers to verify declarations, request additional information, and conduct administrative investigation. However, the effectiveness of these activities is often constrained by resource limitations, which can lead to gaps in the verification process. Increased collaboration with other agencies and enhanced data-sharing mechanisms could improve the thoroughness of verification efforts.

Verification

Assessment questions:

1. Do(es) agency(ies) invest resources to verify declarations?
2. To what extent does the agency effectively verify the information received, request missing or additional information, conduct audits, and engage with other agencies or external parties to verify information received as necessary?

While the APC is tasked with verification, resource limitations can significantly impact the thoroughness and effectiveness of these efforts. Increased funding, staffing, and technological support are needed to enhance the agency's capacity to verify declarations effectively³⁹.

The APC has the authority to verify the information provided in asset and interest declarations. This process typically includes checking the accuracy of the data against other publicly available records, such as property registries, tax records, and company ownership databases. APC can request additional information or clarification from public officials if discrepancies or omissions are detected in their declarations. However, the extent and frequency of such requests can vary based on the agency's capacity and the volume of declarations it handles. APC has the power to conduct audits of declarations to ensure compliance with legal requirements. These audits can be random or targeted based on risk factors, such as significant unexplained changes in wealth or previous non-compliance. However, the frequency and comprehensiveness of audits may be limited by resource constraints. APC can collaborate with other governmental bodies, such as the tax authorities, property registries, and financial institutions, to cross-check the information provided in declarations. Such inter-agency collaboration is crucial for thorough verification, but it may be limited by bureaucratic challenges, data-sharing agreements, and coordination issues⁴⁰.

³⁸ Law No. 06/L-011 on Prevention of Conflict of Interest in Discharge of Public Function, Article 5

³⁹ "Political Financing in Kosovo: What after the recent legal changes?" (KDI 2022)

⁴⁰ "National Integrity System Assessment Kosovo 2024" (KDI 2024)

While administrative investigations are conducted, their frequency and depth can be variable, depending on the resources available to the APC. The agency's capacity to conduct comprehensive administrative investigation is crucial for maintaining the integrity of the asset declaration system⁴¹.

The APC conducts both random and targeted audits to verify the accuracy of declarations⁴² and also investigate reported allegations for conflict of interest⁴³. Targeted audits are usually based on risk indicators, such as substantial increases in assets, known affiliations with high-risk sectors, or previous non-compliance. Random audits provide a broader check on the system, though their frequency may be limited by resources⁴⁴. The depth of these administrative investigation can vary. In some cases, administrative investigation may be limited to surface-level checks, while in others, they may involve a more detailed investigation, including the review of financial records, bank statements, and property documents⁴⁵.

The APC does engage with other governmental bodies to verify the information in declarations⁴⁶. This includes working with tax authorities, financial regulators, and property registries. Effective engagement is essential for cross-referencing data and ensuring the accuracy of declarations. APC can also engage external auditors or experts when specialized knowledge is required, such as in the valuation of complex financial instruments or the assessment of international assets.

Kosovo's current legal framework for asset and interest declarations and the regulation of public procurement and licensing processes does not fully mandate the Agency for Prevention of Corruption (APC) or other relevant authorities to systematically cross-reference information from asset and interest declarations, or additional ad-hoc disclosures, with beneficial ownership and business registries of companies that are government suppliers, bidders, and licensing applicants. Below is an assessment of the extent to which such cross-referencing is mandated and implemented⁴⁷.

Assessment questions:

Do the regulations effectively mandate the agency to cross-reference information from Asset and Interest Declarations and/or additional ad-hoc disclosures by contracting authorities with beneficial ownership and business registries of companies that are government suppliers, bidders and licencing applicants?

The existing regulations do not explicitly mandate the Agency for Prevention of Corruption or other relevant bodies to systematically cross-reference information from asset and interest declarations with beneficial ownership data and business registries. While the APC has the authority to verify the accuracy of declarations, the requirement to actively and regularly cross-check this information against external databases, such as business registries or beneficial ownership information, is not clearly stipulated in the law.

41 APC Annual Report 2023, last accessed 8/16/2024, available at: https://apk-rks.net/index.php/ova_doc/raporti-vjetor-2023-agjencia-per-parandalimin-e-korrupsionit/

42 Non-declaration and false declaration of assets: 60 officials in the Prosecutor's Office, KOHA, 26 march 2022, <https://www.koha.net/arberi/317636/mosdeklarim-e-deklarim-i-rrejshem-i-pasurise-60-zyrtare-ne-prokurori>

43 Employment in KEK, Anti-Corruption Agency: We have started collecting and handling information: Telegrafi 6 April 2022: <https://telegrafi.com/punesimet-ne-kek-agjencia-kunder-korrupsionit-kemi-filluar-mbledhjen-dhe-trajtimin-e-informatave/>

44 APC Annual Report 2023, last accessed 8/16/2024, available at: https://apk-rks.net/index.php/ova_doc/raporti-vjetor-2023-agjencia-per-parandalimin-e-korrupsionit/

45 Agency for Prevention of Corruption, Decisions and Opinions, available at: https://apk-rks.net/index.php/cat_doc/legjislacioni/

46 Agency for Prevention of Corruption, News, available at: https://apk-rks.net/index.php/cat_doc/legjislacioni/

47 Law No. 06/L-011 on Prevention of Conflict of Interest in Discharge of Public Function;

There may be instances where the APC or other agencies perform cross-referencing on an ad-hoc basis, particularly during investigations or audits when discrepancies or potential conflicts of interest are identified. However, this practice is not standardized or required as part of a regular verification process⁴⁸.

The Agency for Prevention of Corruption (APC) generally implements regulations and operates a complaint system as mandated, but the credibility of these efforts is somewhat limited by resource constraints and potential gaps in public trust. The APC is tasked with implementing and enforcing the regulations related to asset and interest declarations in Kosovo. This includes receiving declarations, verifying their accuracy, conducting audits, and addressing potential conflicts of interest. Furthermore, APC has established procedures for verifying the information provided in declarations, although the thoroughness of these checks can be limited by resource constraints, including staffing and technological capabilities. Additionally, APC operates a complaint system that allows the public, civil society, and other stakeholders to report suspected violations or inconsistencies in asset declarations. The credibility of this system depends on the agency's ability to investigate complaints thoroughly and impartially⁴⁹.

Deterrence

Assessment questions:

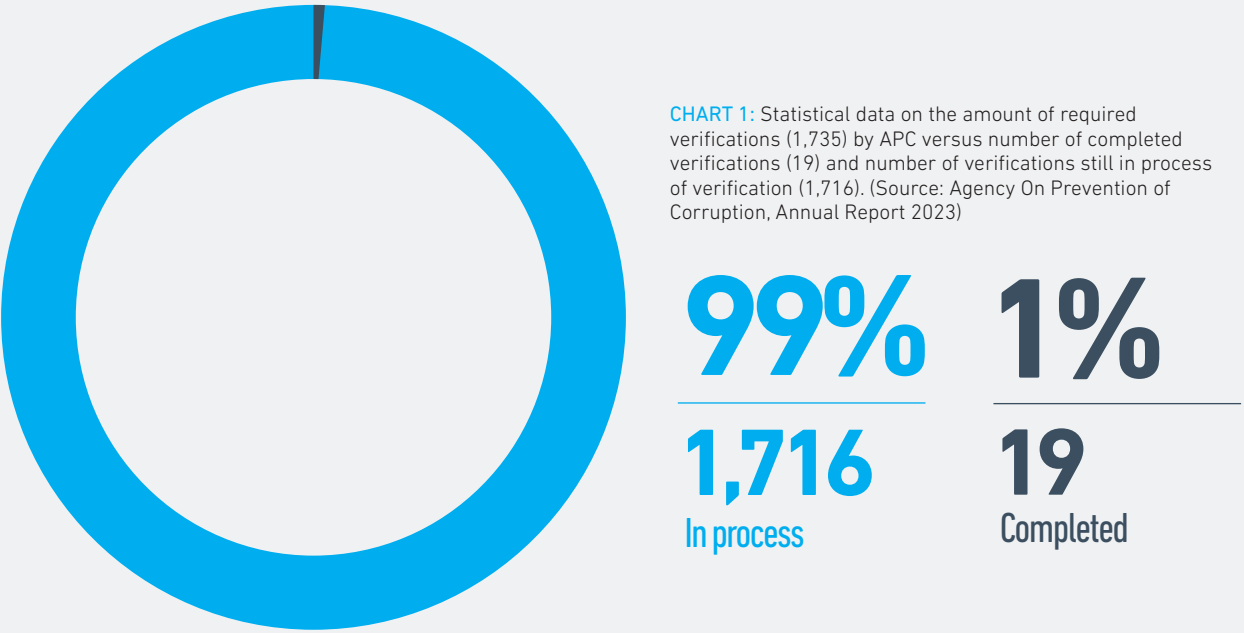
1. To what extent does the agency credibly implement regulations and complaint systems, verification and other scrutiny to foster compliance?
2. To what extent sanctions against public officials, both administrative and criminal, are proportionate to the gravity of the infringement detected?

The APC's implementation efforts are significantly impacted by limited resources, which restrict its capacity to thoroughly verify or inspect all declarations, potentially leaving some violations undetected. According to the APC's 2023 annual report, only about 1% of the legally required audits on the 1,708 declarations had been completed, with the remaining almost 99% still under verification by year-end. Additionally, the Agency handled 27 ex-officio reports, increasing the total workload to 1,735 verifications. As a result, 98.9% of the mandatory full verifications for 2023 have been carried over into 2024⁵⁰.

48 "National Integrity System Assessment Kosovo 2024" (KDI 2024)

49 APC Annual Report 2023, last accessed 8/16/2024, available at: https://apk-rks.net/index.php/ova_doc/raporti-vjetor-2023-agjencia-per-parandalimin-e-korrupsionit/

50 Agency for Prevention of Corruption, Annual Report January – December 2023, published March 2024 (https://apk-rks.net/wp-content/uploads/2024/05/Raporti-Vjetor-2023-Agjencia-per-Parandalimin-e-Korrupsionit_compressed.pdf)



Sanctions against public officials in Kosovo are generally designed to be proportionate to the gravity of the infringement, with administrative sanctions for minor violations and criminal penalties for more serious offenses. However, the effectiveness of these sanctions is sometimes limited by inconsistencies in enforcement and the judicial process.

In cases of serious violations, such as significant discrepancies in declared assets, unexplained wealth, or clear conflicts of interest, the APC can refer cases to the judiciary for criminal prosecution. In 2024, the Agency referred 38 criminal complaints to the prosecutor's office concerning non-compliance by public officials with the legal obligation to declare assets and interests. Additionally, four further criminal charges were filed for providing false information in asset declarations⁵¹.

Criminal sanctions can include imprisonment, dismissal from public office, and significant fines. The proportionality of criminal sanctions is designed to reflect the gravity of the infringement. However, the effectiveness of these sanctions depends on the judicial process⁵².

Redress

Assessment questions:

To what extent do rules enable adequate resolution of cases?

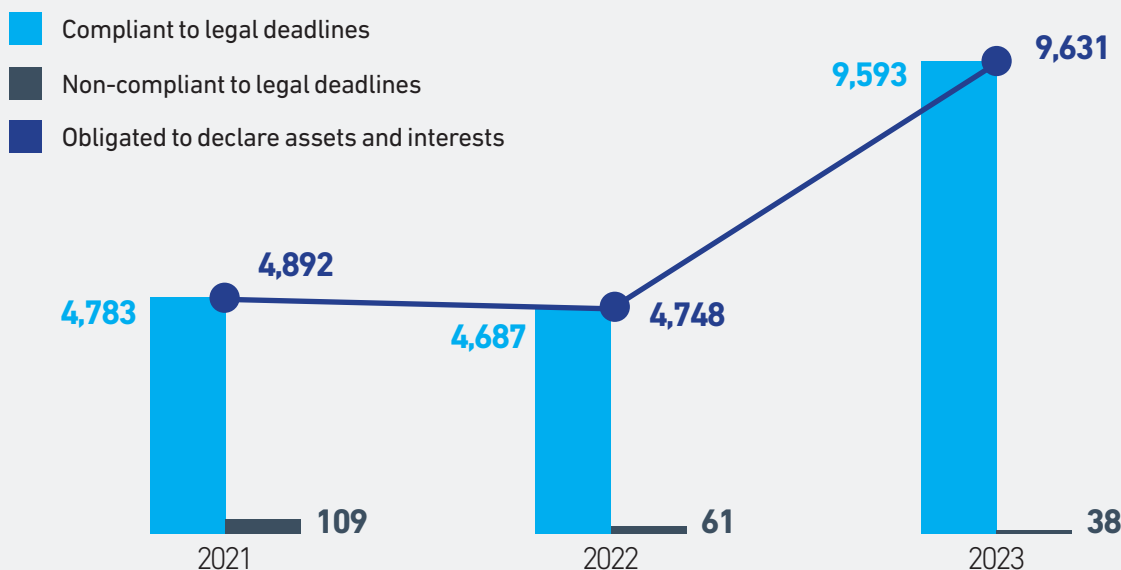
1. When there is failure to submit declarations, or when conflicts of interest are disclosed or detected, how adequate are the rules for managing them in practice?
2. When undeclared or unexplained changes in assets are detected, how adequate are the rules to investigate and prosecute them in practice?

⁵¹ Ibid

⁵² The court acquits Donika Gervalla of the charge of non-declaration of assets, Kallxo.com 19.11.2024



CHART 2: Statistical data on asset and interest declarations
(Source: Agency On Prevention of Corruption, Annual Report 2023)



Kosovo's legal framework provides a solid foundation for resolving cases related to asset and interest declarations, but practical implementation faces challenges. The rules require public officials to submit declarations within specific timeframes, with the Agency for Prevention of Corruption (APC) authorized to take administrative actions, including fines and disciplinary proceedings, for non-compliance. While these rules are generally followed, enforcement can be hindered by delays and political interference, particularly in cases involving high-ranking officials⁵³.

For investigating and prosecuting undeclared or unexplained changes in assets, the framework allows the APC to initiate investigations and refer cases to law enforcement if criminal activity is suspected. While the rules are adequate, the APC's ability to conduct thorough investigations is limited by resources and capacity, and prosecutions can be complicated by judicial challenges and political pressures.

The range of civil, administrative, and criminal sanctions available in Kosovo for addressing conflicts of interest and favoritism in public contracting and licensing procedures is generally adequate and proportionate to the severity of the

Assessment questions:

1. To what extent do measures such as recusal, resignation, divesture, reassignment, termination, etc. adequately help manage conflicts of interest by contracting authorities in public contracting and licencing procedures?
2. Are civil, administrative, and criminal sanctions -such as contracts null and void, fines, debarment, or recovery of funds, etc., adequate or proportionate to redress instances of favouritism or conflicts of interest in public contracting and licencing procedures?

⁵³ APC Annual Report 2023, last accessed 8/16/2024, available at: https://apk-rks.net/index.php/ova_doc/raporti-vjetor-2023-agjencia-per-parandalimin-e-korrupsionit/

infractions. Recusal is a common measure in Kosovo's legal framework to manage conflicts of interest. Public officials who have a personal or financial interest in a contracting or licensing decision are required to recuse themselves from the decision-making process⁵⁴. In more severe cases of conflict of interest, officials may be required to resign from their position or divest themselves of conflicting interests (e.g., selling shares in a company that is bidding for a government contract). These measures are typically used when the conflict is so significant that it cannot be managed through recusal alone.

In cases where a conflict of interest or favoritism is identified in the awarding of a public contract, the contract can be declared null and void⁵⁵. This is a strong measure that effectively invalidates any corrupt or biased decisions. However, this can also result in delays and increased costs if the contract needs to be re-awarded.

In more severe cases, public officials or companies can be subject to criminal prosecution, which may result in imprisonment, heavy fines, and the permanent barring of individuals from holding public office or participating in public contracts⁵⁶. Criminal sanctions are generally adequate and proportionate to the severity of the offense. However, the effectiveness of these sanctions is dependent on the judicial process, which may be influenced by political factors or hindered by bureaucratic inefficiencies⁵⁷.

Recommendations

- 1. **The Government of Kosovo** should amend the existing regulations to explicitly empower the Agency for Prevention of Corruption (APC) to develop and implement a fully web-based, automated reporting system for asset and interest declarations. This system should include features such as real-time data validation, error-checking, and automatic reminders to ensure accurate and timely submissions. Such a system would streamline the reporting process, reduce manual errors, and enhance the overall efficiency of data collection and publication.
- 2. **The Government of Kosovo** should engage to **enhance the Use of Open Data Formats: By** introducing legal requirements for the publication of asset and interest declarations in open, machine-readable formats such as CSV, JSON, or XML. While the current use of machine-readable PDFs is a step forward, open data formats would allow for more sophisticated analysis, cross-referencing, and integration with other datasets. This would greatly improve the usability of the data for researchers, journalists, and civil society organizations, leading to more effective oversight.
- 3. **The Agency for Prevention of Corruption should strengthen advisory services for public officials by** amend regulations to formally require the APC to provide comprehensive advisory services to public officials. These services should include clear guidance on completing declarations, regular training sessions, and a dedicated helpdesk for real-time support. Providing structured support would help ensure that officials fully understand their reporting obligations and reduce the risk of non-compliance due to errors or misunderstandings.
- 4. **The Government of Kosovo should allocate sufficient resources to** strengthen the APC's capacity for verification, enforcement, and technological support, enabling it to effectively oversee asset declarations and ensure compliance. This includes expanding the APC's ability to conduct thorough audits, administrative investigations, and inter-agency collaboration. Adequate resources are crucial for the APC to fulfill its mandate, particularly in verifying declarations, detecting conflicts of interest, and ensuring timely prosecution of non-compliance. Additionally, the adoption of a diagnostic tool to assess the effectiveness of existing rules could provide valuable insights and help refine enforcement strategies.

54 Law No. 06/L-011 on Prevention of Conflict of Interest in Discharge of Public Function;
55 Law No. 04/L-077 on obligational relationships, Article 98
56 "Non-declaration and false declaration of assets: 60 officials in the Prosecutor's Office" (Koha Ditore, 26 March 2022)
57 "Monitoring and Evaluation of the National Implementation Plan of the Stabilization and Association Agreement" (GLPS 2017)

TOPIC 2:

POLITICAL FINANCE

2.1. Extentⁱⁱ

Kosovo's legal framework governing political finance is comprehensive, addressing the recording, reporting, verification, publication, and accountability of political finance information across general and local elections. Key legislation includes:

1. **Law No. 08/L-228 on General Elections (2023):** This law regulates the financial management of political entities during general elections, emphasizing transparency, financial reporting, and oversight by the Kosovo Central Election Commission (CEC). It strengthens mechanisms to ensure compliance with political finance regulations.
2. **Law No. 03/L-174 on the Financing of Political Parties (2010; amended 2022):** This foundational law establishes guidelines for transparency and accountability in the financial operations of political parties. Amendments in 2022 enhanced sanctions for non-compliance and reinforced oversight to ensure stricter financial transparency.
3. **Law No. 03/L-072 on Local Elections (2008):** Governing local elections, this law incorporates financial regulations for campaign spending limits and transparency, harmonized with the provisions for general elections. It ensures public financing and compliance through the CEC.
4. **Law No. 05/L-096 on Prevention of Money Laundering and Combating Terrorist Financing (2016):** This law has implications for political finance by enforcing reporting requirements for financial transactions, including those tied to political parties, to prevent illicit activities. It emphasizes cooperation between the Financial Intelligence Unit (FIU), the CEC, and the Anti-Corruption Agency (APC).
5. **CEC Regulations on Financial Oversight (2024):** These regulations detail the responsibilities of political entities regarding timely financial reporting, including campaign finance monitoring and public accessibility. They outline auditing procedures to ensure compliance.

Oversight of political finances is primarily managed by the CEC, with additional roles for the Agency for Prevention of Corruption (APC) and the Financial Intelligence Unit (FIU). These bodies enforce compliance through audits, reporting reviews, and investigating suspicious financial activities. The legal framework ensures public access to financial reports, promoting transparency and accountability.

The framework aligns with international standards, addressing public financing, donation disclosures, and financial transaction monitoring. However, gaps remain in enforcement, the regulation of third-party organizations, and transparency in online political advertising. Enhancements in real-time reporting, technological integration, and open data standards would strengthen oversight and public accountability.



Goals

Assessment questions:

- Does the regulation adequately provide for, overall:
- a. ...levelling the playing field for political contestation for political parties and candidates --during and outside election periods?
 - b. ...curbing undue influence of vested interests (govt, private, foreign, criminal, etc) on election outcomes and policy decisions?

While Kosovo’s political finance regulations have some mechanisms to level the playing field and curb undue influence, the effectiveness of these measures is limited by enforcement challenges, loopholes, and a lack of rigorous oversight. Key areas, such as equitable access to media, misuse of state resources, and the influence of large donors, remain under-regulated. As a result, while the laws in theory aim to promote fair competition and limit undue influence, there is still room for improvement in terms of practical implementation and ensuring accountability.

Kosovo’s legal framework⁵⁸ aims to create an equitable environment for political parties and candidates by mandating financial transparency and regulating the sources of political funding⁵⁹. However, several factors indicate that the playing field is not entirely leveled. Public funding for political parties, which is distributed based on election results, can create an imbalance, particularly for new or smaller political parties⁶⁰. While larger parties receive more public funding, smaller or new parties rely more on private donations, which may not be sufficient to run competitive campaigns⁶¹. “Financing of Political Parties: Annual Financial Reports” (2020), Kosovo Democratic Institute (KDI), indirectly discusses disparities in campaign resources and media access, which are more accessible to better-funded political parties.

The legal obligations for political parties in Kosovo differ significantly between non-electoral and electoral periods, particularly in terms of financial reporting timeframes⁶². During non-electoral periods, parties are required to submit quarterly financial reports and also the annual financial report by March 1st of the following year, detailing their income, expenses, and contributions to ensure transparency and compliance with legal standards.⁶³ However, during electoral campaigns, additional obligations apply, including stricter spending limits and the acceptance of supplemental contributions for campaign purposes. Political parties must also submit a detailed financial declaration specific to the campaign within 30 days after the certification of election results, emphasizing enhanced oversight during election periods compared to regular annual reporting practices⁶⁴. NIS Report (2024), Kosovo Democratic Institute (KDI), also discusses the limited financial oversight outside election periods, pointing to the potential for political entities to engage in less-scrutinized fundraising activities between elections.

While the legal framework sets out financial rules, enforcement remains weak⁶⁵. There are concerns about the Central Election Commission (CEC) and the Agency for Prevention of Corruption (APC) capacity to effectively verify and enforce regulations, which allows for potential circumvention of spending limits and finance rules⁶⁶.

58 Law No. 03/L-174 on the Financing of Political Parties, Regulation No. 01/2021 on Financial Disclosure of Political Parties, and provisions in the Law No. 03/L-073 on General Elections

59 “Office for Supervision of Political Party Financing” (KDI 2021)

60 “National Integrity System Assessment Kosovo 2024” (KDI 2024)

61 “Financing of Political Parties: Annual Financial Reports” (KDI 2020)

62 Ibid

63 CEC Regulation no. 06/2024 - Management and Financial Supervision of Political Entities

64 CEC Electoral Regulation no. 07/2024 - Election campaign, election campaign monitoring and financial declaration

65 “Currency of Politics” (KDI 2023)

66 “Financing of Political Parties: Annual Financial Reports” (KDI 2020)



Kosovo's political finance laws and regulations include provisions to prevent undue influence from vested interests, but there are gaps in the framework's effectiveness in fully curbing such influences. Current regulations⁶⁷ mandate reporting of donations, including the identity of donors, which is intended to prevent undue influence.

The legal framework prohibits political donations from foreign sources or criminal entities⁶⁸. Also, the Law on Money Laundering and Terrorist Financing⁶⁹ works in conjunction with political finance laws to monitor illicit financial activities. However, effective monitoring of foreign or criminal interference remains a challenge due to weak enforcement mechanisms and potential conflicts of interest in oversight bodies⁷⁰. European Union Election Observation Mission (EU EOM) Reports for Kosovo (various years) critique the misuse of public resources by incumbent parties, pointing to legal and enforcement gaps in the political finance framework⁷¹.

Transparency International reports on political financing discuss the misuse of state resources by political entities for electoral gain, particularly highlighting the role of public procurement and the insufficient regulatory framework in addressing these issues⁷². While donation limits exist⁷³, there are no regulations in place to measure and verify the if value of the material donations is adhering to these regulations. Large donations from private businesses or interest groups may create a situation where these entities have disproportionate influence over political parties or candidates, potentially skewing policy decisions in their favor after the election⁷⁴. Additionally, the current legislation addresses the limits on donations by individuals (physical persons) however, it doesn't address self-financing by a candidate, with an emphasis on independent candidates.

Integrity Watch Kosovo finding:

- During the 2021 local elections, Independent Candidate for Mayor to Municipality of Skenderaj, Mr. Bekim Jashari, declared a self-donation of €8,000.00 to fund his electoral campaign, as reported in the audited electoral campaign financial reports by the Central Election Commission (CEC). This amount exceeds the €2,000.00 limit set for individual donations, as stipulated by Election Regulation No. 07/2024, Article 10, Paragraph 3.1. However, Article 10, Paragraph 6 of the same regulation provides that if a certified political entity receives financial resources exceeding the prescribed limits, it must return the excess funds to the original source via bank transfer within two weeks and inform the Office of the action. In this specific instance, compliance with the regulation would involve Mr. Jashari effectively transferring the excess funds back to his own account, raising practical questions about the application of this provision to self-donations. This situation underscores potential ambiguities in regulatory enforcement regarding self-funding by candidates.

⁶⁷ Law No. 03/L-174 on the Financing of Political Parties, Regulation No. 01/2021 on Financial Disclosure of Political Parties, and provisions in the Law No. 03/L-073 on General Elections; Election Regulation No. 06/2024 – Financial Management and Oversight of Political Entities; and, Election Regulation No. 07/2024 – Electoral Campaign, Monitoring of the Election Campaign and Financial Declaration

⁶⁸ Election Regulation No. 06/2024 – Financial Management and Oversight of Political Entities, Article 10, paragraph 1

⁶⁹ Law No. 05/L096 on the Prevention of Money Laundering and Combating Financing of Terrorism

⁷⁰ "Financing of Political Parties: Annual Financial Reports" (KDI 2020)

⁷¹ "EU Election Follow-up Mission Kosovo 2022 – Final Report" (EU EOM 2023)

⁷² Bringing the Receipts: Political Finance Transparency in the Western Balkans and Türkiye, (Transparency International 2023)

⁷³ Election Regulation No. 06/2024 – Financial Management and Oversight of Political Entities, Article 7, paragraph 4

⁷⁴ "National Integrity System Assessment Kosovo 2024" (KDI 2024)



Scope

Assessment questions:

Does the regulation’s scope establish reporting and disclosure obligations applicable to:

- a. Political parties (organisations)
- b. Candidates (party lists and independents)
- c. Third parties (un/coordinated)
- d. Legal entities making donations
- e. Media outlets (print, broadcast, online)
- f. Online platforms (search engines, social networks, messaging services, etc)
- g. Political consulting companies
- h. Others

Kosovo’s political finance regulations establish reporting and disclosure obligations for all political subjects, which include both political parties and independent candidates. Political subjects in Kosovo are required to submit detailed annual financial reports and campaign finance reports, covering income, donations, and expenditures. These reports must disclose all donations and campaign expenditures over 5,000 EUR, though complete transparency in reporting all expenditures, regardless of value, is encouraged to ensure full accountability.⁷⁵

Political parties, as well as independent candidates, must disclose all donations, including the identity of donors and the amount donated. While candidates associated with political parties are prohibited from receiving direct donations, requiring all donations to be channeled through the party structure, independent candidates are subject to direct reporting obligations as they are considered distinct political subjects. Therefore, independent candidates must directly report their income, expenditures, and donations, ensuring financial transparency⁷⁶. For instance, during the 2021 local elections, 24 independent candidates filed their expenditure reports as required, reinforcing the application of financial regulations across all political subjects.

The office for Financial Control within the Central (CEC) is responsible for collecting, reviewing, and auditing financial reports submitted by political subjects⁷⁷. However, Kosovo’s legal framework lacks specific provisions on third-party organizations and coordinated campaigning. As a result, third-party actors, whether individuals, organizations, or interest groups that may campaign independently while indirectly supporting a political subject, are not regulated. This absence of regulation leaves room for unmonitored spending and indirect campaign support without comprehensive reporting obligations⁷⁸.

Legal entities, such as businesses, with the exception of public vendors that have held public contracts in the past three years, are permitted to make donations to political subjects. These donations must adhere to specified limits, and political subjects are required to disclose all donations from legal entities in their financial reports, detailing the donor’s identity and the amount⁷⁹.

While media outlets are not directly obligated to report their involvement in political finance, Kosovo’s law restricts certain campaign-related uses, particularly paid political advertising during election periods. However, transparency in media spending remains insufficiently regulated; media outlets are not required to report income derived from political advertising directly⁸⁰. Typically, such media spending information is only included within political subjects’ campaign finance reports⁸¹.

75 Law No. 03/L-174 on the Financing of Political Parties
76 Election Regulation No. 06/2024 – Financial Management and Oversight of Political Entities, Article 10, paragraph 4
77 Ibid
78 “National Integrity System Assessment Kosovo 2024” (KDI 2024), “Indicator 7.3.1 Campaign Regulation” pg. 159-160
79 Ibid
80 “Financing of Political Parties: Annual Financial Reports” (KDI 2020)
81 “National Integrity System Assessment Kosovo 2024” (KDI 2024)



EU Best Practices

- A relevant EU best practice example that can serve as a model for strengthening enforcement mechanisms for donation limits to prevent the disproportionate influence of large donors is the approach used in Germany. Germany has a robust system for enforcing donation limits and ensuring transparency in political finance through clear regulatory mechanisms that involve multiple oversight bodies. Donations over €50,000 must be immediately reported to the President of the Bundestag (Parliament) and published in real time, ensuring instant transparency for large contributions. Donations from individuals or companies exceeding €10,000 must be reported annually and disclosed in financial reports submitted to the Bundestag.

The Bundestag Administration oversees the financial accounts of political parties, ensuring all donations and contributions are accurately reported and compliant with donation limits. Strict penalties are imposed for non-compliance, including fines and potential loss of public funding if political parties fail to adhere to donation limits or reporting obligations. Germany's political finance system relies on multiple layers of oversight, with independent auditors ensuring financial transparency, while the Federal Audit Office and Bundestag monitor compliance. This multi-agency oversight structure strengthens the enforcement of donation limits and ensures consistent application of the rules.

Online platforms, including social media and search engines, are not specifically addressed in Kosovo's political finance regulations. There are no rules requiring transparency or reporting on political advertisements placed through these platforms, leaving online political ad spending unregulated⁸².

The "NIS Report" (2024) by the Kosovo Democratic Institute (KDI) highlights significant regulatory gaps in Kosovo's legal framework, particularly regarding services rendered to political subjects, such as political consulting. Due to insufficient regulations, these services may not always be fully disclosed as campaign expenses. The "Office for Supervision of Political Party Financing" (2021), also by KDI, notes similar concerns, observing weaknesses in the reporting of campaign expenditures, suggesting that services like consulting might be underreported or omitted.

EU Best Practices*

- The UK's Political Parties, Elections, and Referendums Act (PPERA) of 2000 provides a strong regulatory framework for third-party campaigning and political consultancy services. Third-party organizations (including NGOs, trade unions, or interest groups) that spend above a certain threshold on campaigning must register with the Electoral Commission. There are strict spending limits on third parties during election periods. This prevents third-party actors from circumventing campaign finance rules and ensures transparency in independent political advocacy. Third parties must file detailed financial reports, disclosing their funding sources and itemized expenditures. This applies to any spending aimed at influencing elections, including advocacy campaigns, advertisements, and indirect support for political entities. Transparency in Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014 (also known as the Lobbying Act) introduces further requirements for political consulting and lobbying firms. Political consultants must register with the UK Register of Consultant Lobbyists if they undertake lobbying activities on behalf of clients aimed at influencing government ministers or senior civil servants. Consultants are required to provide clear records of their clients and services, disclosing the nature of their activities, thereby ensuring transparency in their political influence. The Electoral Commission oversees third-party spending and ensures that all registered organizations and consultants comply with reporting requirements. Failure to adhere to regulations results in penalties, including fines.

⁸² Ibid

Additionally, other entities, such as non-governmental organizations (NGOs) or individual influencers engaged in political advocacy, are not obligated to meet specific reporting requirements related to political finance. Although they are prohibited from making direct donations⁸³ or engaging in fundraising efforts for political subjects⁸⁴, their indirect involvement remains largely unregulated, allowing certain forms of political advocacy to go unreported.

Recommendations

- 1. **Central Election Commission (CEC)** should strengthen enforcement mechanisms for donation limits to prevent disproportionate influence of large donors on political parties.
- 2. **Kosovo Assembly** should expand the regulations to cover third-party organizations and political consultancy services, as well as transparency in media expenditures, ensuring comprehensive reporting obligations similar to those for all donors*.
- 3. **Central Election Commission (CEC)** should enhance the regulations pertaining to self-donations by political candidates.
- 4. **Kosovo Assembly and CEC** should establish transparency and reporting requirements for political advertisements on online platforms and social media**.

2.2. Transparency

Comprehensiveness

Assessment questions:

Do regulations establish that obligated subjects must timely record and report to a designated agency:

- a. Income transactions, both monetary and in-kind, with the identification of the sources of public subsidies and private donations, loans, discounts, credits, in kind and monetary, incl. beneficial owners in case of legal entities;
- b. distinguishing campaign periods;
- c. Itemised expenditure transactions with the identification of vendors against which expenditures are incurred, distinguishing campaign periods;
- d. the clear concept, date, and value (cash or in-kind) of each income and expenditure transaction (e.g. political consultancy, advertising, etc)

Kosovo’s political finance regulations cover some of the elements, but there are gaps in others. The law requires all political subjects to disclose all monetary and in-kind contributions. Political entities must report the source of donations, whether from private individuals, legal entities, or public subsidies⁸⁵. However, there are gaps in enforcement, particularly regarding identifying beneficial owners of legal entities that donate⁸⁶. Political parties are required to dis-

83 Election Regulation No. 06/2024 – Financial Management and Oversight of Political Entities, Article 10, paragraph 1
84 Law No. 06/L-043 on freedom of association in Non-Governmental Organizations, Article 34
85 Law No. 03/L-174 on the Financing of Political Parties and Regulation No. 01/2021 on Financial Disclosure of Political Parties
86 “Political financing in Kosovo: what after the recent legal changes?” (KDI 2022)

close sources of public subsidies, private donations, loans, and in-kind contributions, but enforcement of identifying beneficial owners is weak⁸⁷.

Kosovo's regulations focus on financial disclosure, particularly during election campaign periods, but the distinction between campaign and non-campaign periods in reporting is not always clear or strictly enforced⁸⁸. Most of the oversight is concentrated on election periods, but fundraising and spending outside of these periods are less scrutinized. The distinction between campaign and non-campaign periods is acknowledged, but the regulation and oversight for non-campaign periods remain weak⁸⁹.

EU Best Practices**

- Ireland's Electoral Reform Act 2022 is a leading example of regulating political advertisements on online platforms and social media. It ensures transparency, accountability, and the clear identification of political ads, helping to combat misinformation and undue influence in the digital space. Online platforms, including social media networks, are required to clearly label political advertisements, identifying who paid for the ad and who is benefiting from it. Platforms must maintain a publicly accessible database of political advertisements, detailing the content of the ads, the amount spent, and the sponsoring entities. This allows for public scrutiny of political campaigns conducted online. Political entities and third parties are required to report their spending on digital ads during elections. This ensures that expenditures on online political advertising are subject to the same transparency rules as traditional media. The Electoral Commission oversees the submission of spending reports by political parties, candidates, and third parties, ensuring they disclose detailed information about the costs and sponsors of online campaigns. The law prohibits anonymous political ads on online platforms. All political advertisements must clearly display information about the source of funding and the identity of the sponsor, making it illegal to run political ads without disclosing this information. Ireland established a new independent Electoral Commission to monitor compliance with these regulations. The commission has the authority to investigate violations, issue fines, and take action against entities that fail to comply with transparency and reporting rules.

Political subjects are required to report itemized expenditures over 5,000.00 Euro in their financial reports, including the identification of vendors and service providers⁹⁰. However, the enforcement of these requirements can be inconsistent, especially in non-campaign periods. The reports must identify who the expenditures were made to and what the expenditures were for. Political entities must provide itemized details of expenditures, including vendor information, but distinguishing between campaign and non-campaign periods is not always rigorously applied⁹¹.

Furthermore, Kosovo's laws mandate that all income and expenditure transactions must be recorded with clear identification of the date, value, and nature (cash or in-kind) of the transaction⁹². This includes services like political consultancy, advertising, and other campaign-related activities. However, gaps remain in the detailed reporting of certain services, such as political consulting, as these are not always fully disclosed. Political parties must provide detailed records of all income and expenditure transactions, including the concept, date, and value⁹³.

⁸⁷ "National Integrity System Assessment Kosovo 2024" (KDI 2024)

⁸⁸ Ibid

⁸⁹ "Financing of Political Parties: Annual Financial Reports" (KDI 2020)

⁹⁰ "Office for Supervision of Political Party Financing in Republic of Kosovo and Czech Republic" (KDI 2021)

⁹¹ "National Integrity System Assessment Kosovo 2024" (KDI 2024)

⁹² Ibid

⁹³ "Office for Supervision of Political Party Financing in Republic of Kosovo and Czech Republic" (KDI 2021)



Reliability

Assessment questions:

- Do regulations effectively compel to -at least- political parties, candidates and third parties to apply minimum controls, such as:
- a. essential bookkeeping (incl. by treasurers or accounting professionals);
 - b. manage cash flows through dedicated bank accounts;
 - c. due diligence checks before accepting the donations or expenditures;
 - d. audited financial reports

Kosovo’s political finance regulations address some aspects of minimum financial controls for political parties and candidates, but there are gaps, particularly concerning third-party organizations. Political parties are required to maintain financial records, including the reporting of income and expenses, but the law does not mandate the use of professional treasurers or accountants for bookkeeping⁹⁴. Financial reports are typically submitted, but there is no strict requirement for the involvement of accounting professionals. Law on the Financing of Political Parties requires political parties and candidates to manage their finances through dedicated bank accounts. All donations and expenditures must be processed through these accounts to ensure transparency⁹⁵.

The law mandates that all political finance transactions, including campaign contributions, must go through these bank accounts to facilitate monitoring by the Central Election Commission (CEC) and other authorities. All donations and expenditures must be processed through these accounts to ensure transparency⁹⁶.

Political parties are required to submit financial reports to the CEC, while the latter is obliged to audit them⁹⁷. These reports must include details of all income, expenditures over 5,000.00 EUR, and donations. The Law on the Financing of Political Parties stipulates that parties must undergo an audit. Parties are legally required to submit their financial reports, which must be audited⁹⁸, but third-party organizations are not subject to the same auditing obligations⁹⁹.

Timeliness

Assessment questions:

- Do regulations effectively provide for the submission of reports and their publication within reasonable time-lines, namely:
- a. Campaign interim reports for candidates, political parties and third parties, both income and expenditure incl. individual transactions (fortnightly or as possible as in real time in election campaigns.
 - b. Campaign period reports by candidates, parties and third parties (after election day);
 - c. Annual report incl. financial statements for political parties.

94 “Political financing in Kosovo: what after the recent legal changes?” (KDI 2022)
95 “National Integrity System Assessment Kosovo 2024” (KDI 2024)
96 “Currency of Politics” (KDI 2023)
97 Ibid
98 Audited Annual Financial Reports of Political Parties: <https://kqz-ks.org/sherbime-per-subjektet-politike/raportet-vjetore-financiare-te-audituar/>
99 “National Integrity System Assessment Kosovo 2024” (KDI 2024)



Kosovo's political finance regulations provide for the submission and publication of reports within 30 days from certification of election results¹⁰⁰. Kosovo's laws do not mandate real-time or fortnightly submission of campaign finance reports during the election period¹⁰¹. While there are expenditure limits¹⁰² and reporting requirements for political parties, there is no strict mandate for interim reporting during campaigns. The absence of real-time or frequent reporting requirements during election campaigns is a gap in the regulatory framework. Political parties are required to submit reports after the campaign period but there is no provision for interim reporting that would allow for timely public scrutiny of campaign finances as the election unfolds¹⁰³.

Kosovo's political finance laws require post-election reports to be submitted by political parties, detailing their income and expenditures during the election campaign, but the same does not apply to the candidates, as these donations must go through the political parties¹⁰⁴.

Furthermore, Political parties in Kosovo are required to submit annual financial reports, including detailed financial statements that cover both income and expenditures. These reports must be submitted to the CEC and are subject to public disclosure¹⁰⁵.

Openness

Assessment questions:

1. To what extent is political finance information publicly accessible to citizens?
2. Do regulations mandate the oversight agency receiving the reports to publish them in timely and accurate fashion, accessible online, centralised so that it is easily located, downloadable, comparable, and searchable in a user-friendly, and free-of-charge manner by the public?

Indicate if exceptions to the publication of comprehensive information are minimal and/or well justified, as well as whether political parties and campaigns are required to publish the information themselves.

Kosovo's political finance laws¹⁰⁶ require political entities to submit annual financial reports and post-election campaign reports to the Central Election Commission (CEC)¹⁰⁷. The parties must also submit to the Office a financial statement on the election campaign within 45 days after the end of the elections, which must be published no later than six months after the election. While reports are available free of charge on the CEC's website¹⁰⁸, they are often in PDF format, which makes them less searchable and comparable. The lack of a centralized, user-friendly database limits the ability of citizens and civil society organizations to easily access and analyse the data¹⁰⁹. The CEC is legally required to publish the financial reports of political parties and independent candidates. However, the law does not explicitly mandate that reports must be published in a searchable, centralized, and user-friendly format. While there are legal requirements for political entities to publish their financial reports on quarterly basis, there is no explicit requirement for political party candidates.¹¹⁰

¹⁰⁰ Election Regulation No. 07/2024 – Electoral Campaign, Monitoring of the Election Campaign and Financial Declaration, Article 15, paragraph 1

¹⁰¹ Election Regulation No. 07/2024 – Electoral Campaign, Monitoring of the Election Campaign and Financial Declaration

¹⁰² Election Regulation No. 07/2024 – Electoral Campaign, Monitoring of the Election Campaign and Financial Declaration, Article 3, paragraphs 2, 3 and 4

¹⁰³ Election Regulation No. 07/2024 – Electoral Campaign, Monitoring of the Election Campaign and Financial Declaration, Article 15, paragraph 1

¹⁰⁴ Law No. 03/L-174 on the Financing of Political Parties

¹⁰⁵ Ibid

¹⁰⁶ Law No. 03/L-174 on the Financing of Political Parties

¹⁰⁷ Ibid

¹⁰⁸ Law No. 03/L-174 on the Financing of Political Parties

¹⁰⁹ "Political integrity data scoping in Kosovo" (KDI 2023)

¹¹⁰ Law No. 03/L-174 on the Financing of Political Parties



Cross comparison and data quality

Assessment questions:

Is the regulation specific on open data standards that could allow detection of political risk, such as unique identifiers that for cross comparison with other datasets?

Kosovo’s political finance regulations do not specify open data standards that would allow for advanced cross-comparison with other datasets or facilitate the detection of political risk through mechanisms like unique identifiers. The legal framework mandates the reporting of financial information, but it does not adopt modern open data principles, such as the use of unique identifiers that could allow for cross-referencing with other datasets, such as business registries, procurement data, or beneficial ownership registries.

Recommendations

- 1. **Central Election Commission (CEC) and Agency for Prevention of Corruption (APC)** should enforce due diligence checks on donations to ensure transparency and prevent improper contributions.
- 2. **Kosovo Assembly** should introduce interim reporting requirements for real-time or fortnightly updates during election campaigns to enhance oversight*.
- 3. **Central Election Commission** should adopt open data standards with unique identifiers to enable cross-comparison with other datasets and enhance risk detection.

2.3. Accountability

Compliance

Assessment questions:

To what extent are there systems in place to facilitate reporting? To what extent does the relevant oversight agency facilitate accurate, timely reporting and publication through e.g. advisory services, clear formats, digital reporting, and disclosure systems, etc.

Kosovo has implemented certain systems to facilitate the reporting of political finance by political parties and candidates. However, these systems have limitations, and the extent to which the Central Election Commission (CEC) - the primary oversight agency - facilitates accurate and timely reporting is constrained by resource limitations and technological gaps. The CEC provides standardized templates for financial reporting, which political parties and independent candidates are required to use when submitting their annual and campaign finance reports. These forms are designed



to capture essential information on income, expenditures, donations, and in-kind contributions¹¹¹. While standardized forms are provided, they may not be sufficiently detailed to capture all necessary information, particularly for complex transactions. The lack of detailed instructions or examples can lead to inconsistent reporting practices among political entities.

The CEC issues guidelines outlining the reporting requirements, including deadlines, the types of financial activities that need to be reported, and the format in which data should be presented, but there is no dedicated advisory unit offering comprehensive assistance to political entities. Due to limited resources and staffing, the CEC struggles to offer proactive advisory services or training programs for political parties and candidates¹¹². However, these guidelines may lack detailed instructions on complex financial transactions, such as the reporting of beneficial ownership or third-party expenditures¹¹³.

As of November 2024, CEC has upgraded its platforms and political entities are required to submit their financial reports online. However, there are still no datasets available to the public.¹¹⁴

The CEC is responsible for publishing financial reports¹¹⁵. Although there is a centralized source where all financial reports are published, there is no centralized, user-friendly database where financial data is stored in an accessible and analysable format¹¹⁶.

Empowered agency

Assessment questions:

To what extent do regulations clearly endow an agency with functional independence and a mandate to ensure monitoring the implementation of regulations, timely conduct of verifications, investigations and sanctioning in cases of non-compliance, as well as adequate funding to train and professionalize staff on the job and keep up appropriate technology?

Kosovo's political finance regulations do endow oversight agencies with certain mandates and responsibilities for monitoring and enforcing compliance, but the functional independence and effectiveness of these agencies -particularly the Central Election Commission (CEC) and the Agency for Prevention of Corruption (APC) - are constrained by a number of factors, including funding limitations, technological capacity, and staff training.

The CEC is the primary agency responsible for monitoring political finance, including ensuring that political parties and candidates comply with reporting and disclosure requirements. The CEC's mandate includes the review of financial reports, auditing, and sanctioning non-compliance through fines or other legal actions.¹¹⁷ While the CEC is legally mandated to enforce compliance, its ability to do so in a timely and comprehensive manner is limited by its operational capacity.

¹¹¹ Law No. 03/L-174 on the Financing of Political Parties

¹¹² Central Election Commission web site, Services for Political Parties: <https://kqz-ks.org/sherbime-per-subjektet-politike/>

¹¹³ "Political financing in Kosovo: what after the recent legal changes?" (KDI 2022)

¹¹⁴ "Political integrity data scoping in Kosovo" (KDI 2023)

¹¹⁵ Law No. 03/L-174 on the Financing of Political Parties

¹¹⁶ "National Integrity System Assessment Kosovo 2024" (KDI 2024)

¹¹⁷ Law No. 08/L-228 for the general elections in the Republic of Kosovo, Article 12, paragraph 1

The Anti-Corruption Agency has a role in investigating potential conflicts of interest, and other violations related to political finance. However, its ability to conduct in-depth investigations and impose sanctions has been hindered by resource constraints¹¹⁸.

Both the CEC and APC have a degree of formal independence provided by law, particularly regarding the investigation of political finance irregularities. The CEC's independence is critical to its role in maintaining the integrity of elections. However, the independence is more formal than operational due to limitations in financial resources and the need for stronger political backing to carry out its mandate. In practice, these agencies' ability to act independently can be compromised by political interference and budgetary constraints, affecting their effectiveness in ensuring timely monitoring and enforcement of regulations¹¹⁹.

The CEC's budget is insufficient to cover the costs of thorough monitoring, verification, and auditing activities. This financial limitation affects the agency's ability to train staff, implement modern technology, and conduct timely investigations. The NIS Report Kosovo (KDI 2024) identifies inadequate funding as a significant barrier to both staff professionalization and the implementation of necessary technological tools to improve the agency's oversight functions.

There are no well-structured programs in place for continuous training and capacity building of CEC and APC staff. The lack of adequate training programs leaves staff ill-equipped to handle the complexity of financial audits, particularly for third-party expenditures or indirect campaign contributions¹²⁰.

The absence of modern digital reporting tools and electronic filing systems further hampers the agencies' ability to efficiently manage and verify the large volume of financial data submitted by political entities. The reliance on manual reporting and non-searchable formats (e.g., PDFs) makes it challenging to conduct real-time verifications and cross-check data against other public records¹²¹.

Effective verification

Assessment questions:

Do(es) agency(ies) invest resources to verify compliance with political finance rules? To what extent does the agency effectively verify reports, request missing or additional information, monitor undeclared income or expenditure, conduct audits, and engage other agencies or external parties to obtain additional information as necessary, in particular from public procurement and company registries?

Kosovo's oversight agencies, particularly the Central Election Commission (CEC) and the Agency for Prevention of Corruption (APC), are mandated by law to verify compliance with political finance rules, but their effectiveness in doing so is limited by resource constraints, technological gaps, and insufficient coordination with other government bodies. The CEC is responsible for reviewing the financial reports submitted by political parties and candidates. This includes verifying the completeness of income and expenditure reports and requesting missing or additional information when necessary. However, The CEC often struggles with delays in processing and auditing reports due to understaffing and limited resources. As a result, the agency's ability to identify discrepancies or request additional data is inconsistent¹²².

118 Ibid

119 "Political financing in Kosovo: what after the recent legal changes?" (KDI 2022)

120 "Currency of Politics" (KDI 2023)

121 "Political integrity data scoping in Kosovo" (KDI 2023)

122 "Currency of Politics" (KDI 2023)

EU Best Practices*

- France has implemented robust mechanisms for real-time and interim reporting during election campaigns, overseen by the National Commission for Campaign Accounts and Political Financing (CNC-CFP). Political parties and candidates are required to submit regular reports during the election campaign, detailing income and expenditures. These reports are submitted fortnightly or at specific milestones during the campaign period, ensuring real-time oversight by the CNC-CFP. The interim reports provide real-time insights into how political parties and candidates are financing their campaigns, allowing the public and oversight bodies to detect potential issues before election day. Spending limits and donation caps are closely monitored, with the CNC-CFP ensuring compliance throughout the campaign period. France also mandates that these financial reports be made publicly accessible in a transparent and searchable format, ensuring that citizens and civil society organizations can analyse campaign financing in real-time. Penalties for non-compliance or late submissions are strictly enforced.

Additionally, the current legal framework in Kosovo does not provide for systematic third-party involvement in monitoring or auditing political finance. The lack of coordination between the CEC and other agencies, such as those responsible for public procurement or company registries, is noted as a significant gap. This weakens the CEC's ability to cross-check financial data and verify the authenticity of donations or expenditures, particularly those linked to business interests¹²³.

Even when non-compliance is detected, the CEC and APC are often unable to effectively sanction political entities due to weak enforcement mechanisms and a lack of political will¹²⁴. Fines or penalties are rarely imposed, and there are few follow-up actions to ensure that violations are corrected¹²⁵.

Deterrence

Assessment questions:

1. To what extent are breaches of political finance regulations detected and sanctioned?
2. To what extent does the agency implement complaint systems, investigations, and proportional sanctions on infringements, including administrative and criminal liabilities?

The detection and sanctioning of breaches in Kosovo's political finance regulations by the Central Election Commission (CEC) and the Agency for Prevention of Corruption (APC) are limited due to weak enforcement mechanisms and resource constraints¹²⁶.

The CEC is responsible for reviewing financial reports submitted by political parties, but it struggles to perform timely audits and identify breaches due to staffing shortages and limited technological resources¹²⁷. Manual processes for report submission and review, as well as a lack of cross-referencing tools (e.g., with public procurement and company registries), hamper the CEC's ability to detect undeclared donations or irregularities in expenditures. According to the

¹²³ "Wallets of Parliamentary Political Entities 2.0" (KDI 2023)

¹²⁴ "Bringing the Receipts" (Transparency International 2023)

¹²⁵ "Currency of Politics" (KDI 2023)

¹²⁶ "Bringing the Receipts" (Transparency International 2023)

¹²⁷ "Political financing in Kosovo: What after the recent legal changes?" (KDI, 2023)

KDI, breaches are often detected long after the violations occur, particularly because audits are frequently delayed for up to three to four years. This undermines the relevance of the audits and makes real-time detection of breaches impossible¹²⁸.

When breaches are detected, the sanctions imposed are generally weak and rarely proportional to the violation¹²⁹. Fines are rarely imposed, and follow-up actions to ensure compliance are limited. Both the “Currency of Politics” (KDI, 2024) and the “Office for Supervision of Political Party Financing in Republic of Kosovo and Czech Republic” (KDI, 2021) emphasize that while fines and penalties are available under the law, they are seldom enforced¹³⁰.

Assessment questions:

To what extent are there effective preventive measures in place to reduce the risk of illegal contributions (monetary or in-kind) by suppliers, bidders or licence applicants, directly or through third parties?

Kosovo has some legal provisions in place to reduce the risk of illegal contributions, the effectiveness of these preventive measures is compromised by weak enforcement, delayed audits¹³¹, and the absence of robust cross-checking mechanisms with procurement, asset declarations and business registries¹³². The lack of regulation for third-party donations further exacerbates the risk of illegal contributions from suppliers, bidders, or license applicants. Kosovo’s political finance regulations do not adequately address third-party donations, which could serve as a conduit for suppliers, bidders, or license applicants to indirectly contribute to political campaigns. This lack of regulation creates a significant loophole that increases the risk of hidden or illegal contributions¹³³.

The Law on Financing of Political Parties explicitly prohibits political donations from entities with active public procurement contracts, as well as from foreign donors, criminal organizations, and certain legal entities. This prohibition aims to prevent conflicts of interest where suppliers or bidders could use donations to influence political decisions and gain preferential treatment in public procurement processes¹³⁴.

Integrity Watch Kosovo finding:

- During KDI’s 2024 dataset compilation for the Integrity Watch Kosovo Platform, KDI identified 10 companies that either donated money or materials to a political party while being public procurement contractors or were awarded a public procurement contract within three years of making the donation. This violates Article 10 of CEC Regulation no. 06/2024 on the Management and Financial Supervision of Political Entities, which prohibits private enterprises from providing financial aid to political entities while in a contractual relationship with institutions of the Republic of Kosovo or for three years after the conclusion of such contracts (“1.6. private enterprises while they are in a contractual relationship for the provision of goods and the performance of services with the institutions of the Republic of Kosovo and three (3) years after the end of the contractual relationship”).

128 “Wallets of Parliamentary Political Entities 2.0” (KDI, 2023)
129 “Bringing the Receipts” (Transparency International, 2023)
130 Ibid
131 “Wallets of Parliamentary Political Entities 2.0” (KDI, 2023)
132 “Political integrity data scoping in Kosovo” (KDI, 2023)
133 “Bringing the Receipts” (Transparency International, 2023)
134 Law no. 04/L-212 on amending and supplementing the Law no. 03/L-174 on the financing of political parties, amended and supplemented by Law no. 04/L-058, (August 2023), Article 6, Paragraph 1

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POLITICAL PARTY DONOR	PARTY
1. SCHEHAM SH.P.K	LËVIZJA PËR BASHKIM
2. Uje Rugove	PARTIA SOCIALDEMOKRATE
3. Meridian Express	LËVIZJA VETËVENDOSJE!
4. ADEA GROUP SH.P.K	LËVIZJA VETËVENDOSJE!
5. K Ing Sh.P.K.	LËVIZJA VETËVENDOSJE!
6. Visualmedia	LËVIZJA VETËVENDOSJE!
7. Petrol Company	LËVIZJA VETËVENDOSJE!
8. Ex Fis	LËVIZJA VETËVENDOSJE!
9. Hib Petrol Sh.P.k.	ALTERNATIVA
10. Dukagjini Sh.P.K.	ALTERNATIVA

Despite these legal prohibitions, the enforcement of these rules is weak, as highlighted in the. There are no clear mechanisms to ensure that all donations are scrutinized for potential links to suppliers or license applicants, and third-party donations remain largely unregulated, providing a loophole for indirect contributions¹³⁵.

Kosovo's law requires that all political contributions (both monetary and in-kind) be processed through dedicated bank accounts. This is designed to ensure transparency and provide an audit trail for donations. This is one of the more effective measures in place, as it makes it harder for illegal or untraceable contributions to be made without being recorded in the banking system.

The absence of digital reporting platforms makes it difficult to track illicit contributions or detect unusual financial patterns that might indicate illegal contributions, especially during critical periods like election campaigns¹³⁶.

The law prohibits anonymous donations and requires the disclosure of donor identities, but enforcement of this provision is weak. Donations from entities such as shell companies or companies with undisclosed beneficial owners remain a risk¹³⁷.

There is also limited regulation of self-financing by candidates and in-kind contributions, which are sometimes under-reported or not captured effectively in financial disclosures¹³⁸.

¹³⁵ "Wallets Of Parliamentary Political Entities 2.0" (KDI 2023)

¹³⁶ Law No. 03/L-174 on the Financing of Political Parties

¹³⁷ "Wallets of Parliamentary Political Entities 2.0" (KDI 2023)

¹³⁸ Ibid

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Recommendations

1. Kosovo should development and implementation of a digital reporting platform for political finance*:
 - 1.1 **Central Election Commission (CEC):** Should lead the development and implementation of a digital reporting platform for political finance;
 - 1.2 **Kosovo Assembly:** Needs to legislate the requirement for digital reporting systems and allocate funding for the system's development.
 - 1.3 **Ministry of Finance:** Should support the CEC in integrating the system with national financial oversight bodies for transparency**.



EU Best Practices*

- Estonia's National Electoral Committee has implemented a comprehensive e-Reporting platform where political parties, candidates, and third-party actors are required to submit real-time reports on campaign financing. The system includes automated checks, allowing for enhanced transparency and real-time monitoring of political donations and expenditures. The key features of the system are automated error detection, public access to real-time data, integration with national tax systems.



EU Best Practices**

- Italy has implemented cross-agency collaboration between its Electoral Commission and the Ministry of Economy and Finance to monitor political party financing. The collaboration allows the Electoral Commission to cross-reference political donations with tax records, improving the ability to detect illicit contributions. The key features of this collaboration are integration of financial data with other governmental databases, cross-checking tax records with political donations. This collaboration amongst different institutional datasets has significantly contributed to improved detection of undeclared donations, and reduced risk of money laundering or illegal contributions.

2. Kosovo should enhance the legislation on Third-Party Organizations in Political Finance***:
 - 2.1 **Kosovo Assembly:** Must pass legislation that includes third-party organizations in the political finance reporting framework.
 - 2.2 **Central Election Commission (CEC):** Should expand its regulatory scope to monitor and enforce the reporting of third-party campaign expenditures.
 - 2.3 **Agency for Prevention of Corruption (APC):** Should assist in the monitoring of third-party organizations' compliance with political finance regulations.



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EU Best Practices***

- The UK's Political Parties, Elections, and Referendums Act (PPERA) includes comprehensive regulations for third-party organizations involved in political campaigns. Third-party groups are required to register with the Electoral Commission if they spend above certain thresholds and must submit detailed reports on campaign expenditure. The key features of the system are registration thresholds, spending limits, and stringent reporting requirements for third parties, which in turn have contributed to enhanced transparency of independent political campaigning and prevention of undue influence through third-party channels.

3. Kosovo should enhance the legislation on disclosure of Beneficial Ownership****:

3.1 Kosovo Assembly: Should amend existing law on political party financing to require the disclosure of beneficial ownership for all legal entities donating to political parties or campaigns.

3.2 Agency for Prevention of Corruption (APC): Should conduct investigations and enforce compliance regarding the beneficial ownership of donors.

3.3 Central Election Commission (CEC): Should require political parties to report the beneficial owners of any legal entities making contributions.

EU Best Practices****

- France's Sapin II Law (2016) mandates the disclosure of beneficial ownership for entities making political donations. This law aims to improve the transparency of political financing and prevent the use of shell companies or anonymous entities to circumvent donation regulations. The key features of the law are mandatory disclosure of the beneficial owners of all legal entities making political donations, public access to beneficial ownership data. In return, these regulations have contributed to reduced influence of anonymous or opaque entities in political financing and improved tracking of potentially illicit donations.

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TOPIC 3:

FAVOURITISM IN

PUBLIC CONTRACTING

PUBLIC PROCUREMENT, CLASSIFIED AWARDS AND STRATEGIC INVESTMENTS

3.1 Extent

Goal

Assessment questions:

1. Does the public procurement framework contain rules or guidance for ethical discharge of duties by officials involved in public procurement procedures (pre-award, solicitation, tendering and post-award phases)?
2. To what extent do public procurement regulations establish protections from undue influence by politically connected individual and entities on contracting preparation, tailoring technical specifications, selection criteria, non-competitive procedures and other conflicts of interests?

The public procurement framework in Kosovo provides a regulatory foundation aimed at ensuring the ethical discharge of duties by officials involved in procurement processes. However, its effectiveness, particularly concerning protections from undue influence, varies across different stages of the procurement cycle.

Kosovo's Law on Public Procurement (LPP) No. 04/L-042 (and its amendments) includes provisions that aim to safeguard the integrity of public procurement processes and ensure that officials act ethically. The law obligates officials to declare any conflicts of interest, particularly if they or close family members are connected to bidding entities, thus seeking to avoid partiality in procurement decisions.

Additionally, the code of Ethics for Public Procurement define that public officials involved in procurement must adhere to a code of conduct, which emphasizes transparency, objectivity, and impartiality in decision-making throughout all phases: pre-award, solicitation, tendering, and post-award.

Procurement officials are subject to anti-corruption rules under the Law on Prevention of Conflict of Interest and Law on the Anti-Corruption Agency, which provide oversight and guidelines for identifying and addressing corruption risks in procurement.

The LPP explicitly discourages the tailoring of technical specifications to benefit a particular bidder. However, the enforcement of these rules can be challenging, and concerns over political influence on technical criteria preparation persist.

While competitive bidding is the preferred method under the LPP, there are mechanisms to resort to non-competitive procedures in specific circumstances (e.g., minimal value purchases, small value awards, single/sole source procurement and negotiated



procedures without prior publication). This can create opportunities for politically connected individuals or entities to influence decisions.

Safeguards exist, such as the requirement for written justification for non-competitive procedures, but they may not be robust enough to fully prevent abuse, as it's in the contracting authority's discretion to follow PPRC's opinion or continue at its own choosing¹³⁹. There are loopholes within the non-competitive procedure rules that could allow for tailored contracts benefiting politically connected companies.

Loopholes to the Law on Public Procurement 04/L-042 (and its amendments) that allow for misuse of public procedures in favouring specific companies, conflict of interest and political influence.

- 1 Negotiated Procedures Without Prior Publication (Article 35):** The negotiated procedure without prior publication allows contracting authorities to directly negotiate with a bidder without publishing a call for tender. This is permitted in certain situations, such as 1) Emergency situations: When there is an urgent need due to unforeseen circumstances that make it impossible to conduct a normal tendering process, 2) Technical reasons: When only a specific supplier can fulfil the contract requirements, either due to exclusive rights, proprietary technology, or expertise, and 3) Failed competitive procedures: When a competitive procedure has been conducted but yielded no acceptable or viable offers, or no bids were submitted.
Loophole: While these conditions are meant to be exceptional, they can be easily exploited. For instance, authorities may exaggerate the urgency of a situation or manipulate the conditions to claim "technical reasons" as a pretext for avoiding competitive bidding. This can lead to contracts being awarded to politically connected firms that are predetermined to be the sole suppliers.
- 2 Single-Source Procurement (Article 38):** This procedure allows contracting authorities to award a contract to a single supplier when certain criteria are met 1) Exclusivity: When only one supplier is available due to exclusive rights, patents, or technical compatibility, and 2) Urgent need: When the time constraints make it impossible to conduct competitive procedures.
Loophole: The definition of "urgent need" or "exclusivity" can be ambiguous. Contracting authorities can justify direct awards by claiming there is no time for competition or that only one supplier is capable of fulfilling the contract, even if this is not truly the case. Such contracts often go to politically connected companies under the guise of these criteria, bypassing the competition.
- 3 Framework Agreements (Article 32):** Framework agreements allow contracting authorities to establish a long-term relationship with a supplier or group of suppliers. These agreements are used when it is difficult to predict the exact quantities of goods or services needed over time.
Loophole: Framework agreements can be used to create an exclusive, ongoing relationship with a supplier, thereby limiting competition in future procurements. If a politically connected company secures a framework agreement, it effectively becomes the default supplier for a range of contracts over a multi-year period, making it difficult for competitors to challenge their position.
- 4 Emergency Procurements (Article 21):** Emergency procurements can be conducted without following the standard competitive processes when there is an "urgent and unforeseeable" event, such as natural disasters, crises, or other public emergencies.
Loophole: Authorities can stretch the definition of "emergency" to justify awarding contracts without competitive procedures. For example, a contract might be awarded to a politically connected company by classifying a situation as an emergency, even when proper planning could have prevented the need for non-competitive procurement.

¹³⁹ "In three months, 108 secret contracts were signed, an investigation is required" (Dukagjini, 28 April 2024); (Kosovo Electrical Corporation (KEK): KEK, a state-owned enterprise, was reported to have awarded several high-value contracts through single-source procurement methods. In 2020, KEK signed 14 single-source contracts totalling over €11 million, which raised concerns about the transparency of these contracts and whether politically connected companies were favoured. This case highlights how non-competitive procedures can be exploited to avoid fair competition, benefiting companies with close ties to political actors. Use of Single-Source (negotiated) Contracts in Public Procurement (Democracy Plus 2023)
COVID-19 Emergency Procurements: During the COVID-19 pandemic, numerous contracts were awarded using non-competitive procedures, justified by the urgent need for medical supplies. However, several of these contracts were flagged for irregularities, such as poor planning, failure to conduct proper market research, and acceptance of goods that did not meet the required specifications. This situation fostered opportunities for politically connected companies to benefit from these emergency contracts, which were not subjected to competitive bidding processes. Public Procurement in Pandemics (KDI, 2021), and Monitoring Open Government Contracts of COVID-19 Kosovo January 2020 – March 2021 (Open Data Kosovo 2021)



- 5 Repeated Use of Contracts Below Thresholds (Article 19):** Contracts below certain financial thresholds do not need to go through a full public procurement procedure. This can be a useful mechanism for small procurements but can also be abused.
Loophole: Authorities may repeated-ly use small, below-threshold contracts to avoid triggering competitive procedures. By splitting large contracts into smaller ones that fall below the threshold, politically connected companies can receive numerous contracts without ever having to compete in an open tender.
- 6 Sole-Source Justifications Based on “Technical Compatibility”:** Some contracts are awarded without competition because they claim only one company can provide the necessary product or service due to technical compatibility with existing equipment or systems.
Loophole: This can be manipulated by narrowly defining technical requirements that only one (political-ly connected) company can meet. Such specifications are sometimes tailored to fit the capabilities of a pre-selected bidder, excluding competitors from the process.
- 7 Procurement for Special Services (Article 41):** Certain “special services” are exempt from competitive procedures under the assumption that these services are unique or require specialized skills.
Loophole: Defining “special services” can be vague and open to interpretation. Authorities may use this exemption to bypass competition for contracts that could have been open to more bidders. Politically connect-ed firms may be classified as sole providers of these special ser-vices, even when other companies could provide similar services.

Integrity Watch Kosovo finding (2024)

Although the LPP contains formal protections to prevent undue political influence on procurement decisions, the sys-tem has vulnerabilities, particularly regarding politically connected individuals and entities. There are documented cases¹⁴⁰ where political actors may exert influence on public procurement¹⁴¹ by favouring certain companies through informal channels or procedural loopholes.

The current public procurement regulations include provisions aimed at preventing conflicts of interest in procurement procedures¹⁴². Specifically, the law requires public officials involved in procurement to declare any conflicts of interest they may have, which includes financial interests in companies participating in procurement processes. This extends to family members who may own or benefit from companies bidding for public contracts.

Post-award phases, such as contract implementation and monitoring, are less stringent in terms of regulations to prevent conflicts of interest or unethical conduct. Oversight mechanisms, including internal audits and the Public Pro-curement Regulatory Commission (PPRC), are in place, but resource constraints and implementation gaps can lead to oversight deficiencies¹⁴³. The Organization for Economic Cooperation and Development's (OECD) SIGMA program has highlighted gaps in the implementation and enforcement of procurement regulations in Kosovo. In its assessments, SIGMA has pointed out that while procurement regulations exist, the postaward phase, such as contract implementa-tion, monitoring, and conflict of interest management, remains under-regulated. The capacity for monitoring compli-ance is limited due to resource constraints and a lack of skilled personnel within oversight bodies¹⁴⁴.

140 In June 26, 2021 KDI published its analysis called “PINGPONG” with the tender of 5 million euros for the hospital in Prizren”. This analysis raises concerns pertaining to political influence of the governing party over different independent agencies, with the aim of favoring for the award the company that was owned by one of its ministers, Blerim Kuçi.

141 “Kosovo Telecom rents office space from the friend of Deputy Minister Durmishi in annual amount of 190 thousand €” (FrontOnline, 10 July 2023)

142 Law on Public Procurement (LPP) No. 04/L-042, Article 26.

143 European Commission's Report on Kosovo, 2023

144 “Procurement Monitoring Report” (KDI, 2020)



KDI has reported on the implementation gaps within the procurement system, particularly emphasizing that the post-award phase is prone to unethical practices due to a lack of stringent regulations and insufficient oversight mechanisms¹⁴⁵. Their research points to a need for stronger enforcement of existing regulations, particularly in monitoring contract execution and ensuring that conflicts of interest are avoided¹⁴⁶.

Additionally, in Kosovo, corruption threats in public procurement have arisen where the government has classified certain projects as either “secret” or “strategic investments,” allowing them to bypass the regular public procurement procedures. This practice, while legally permissible under specific conditions, has opened the door for potential abuse and corruption risks. Kosovo’s legal framework allows the government to classify certain procurements as secret. This classification exempts the contracting process from the standard public procurement rules, including competitive bidding¹⁴⁷. The lack of transparency in these procedures presents significant corruption risks, as contracts can be awarded to politically connected companies without any competition or public scrutiny¹⁴⁸. Media and Civil society organizations have expressed concerns about the misuse of secret procurement classifications¹⁴⁹. The Kosovo Democratic Institute (KDI) has repeatedly warned that classified procurements can lead to a lack of oversight, allowing for inflated contract values or the selection of unqualified companies based on political connections rather than merit¹⁵⁰. Furthermore, in this regard, Agency on Information and privacy the Agency has requested the Public Procurement Regulatory Commission (KRPP) to undertake actions in order to the handling of requests for access to public documents by institutions should be done in accordance with the Law on Access to Public Documents, in the specific case for information that refers to the protection of commercial confidentiality such as business secrets, secrets professional or company¹⁵¹.

Similarly, the Law on Strategic Investments, adopted in 2017, allows the government to declare certain projects as “strategic” and thereby exempt them from standard procurement procedures. While the law is intended to fast-track large-scale investments crucial to Kosovo’s economic development, such as energy¹⁵² or infrastructure projects¹⁵³, it has been criticized for its potential to facilitate corruption. Moreover, patronage and political connections¹⁵⁴ continue to influence public acquisitioning¹⁵⁵.

145 “Setting up for success: Data and public oversight for more transparent public procurement in Kosovo” (Open Contracting Partnership 2021)

146 “Procurement Monitoring Report” (KDI, 2020)

147 “KEK signed two more secret contracts – one of them the 14th with the same company” (Albanian Post, 29 March 2014)

148 “Azemi posts a video: VV has rewarded its member in KEK with 27 thousand euros from secret contracts” (Gazeta Metro 27 March 2024)

149 “The tender for the food of the KSF is a state secret, Minister Maqedonci: We cancelled some decisions”, RTV Dukagjini, 25 September 2024

150 “Corruption “Copy & Paste” in Western Balkans and Turkey” (KDI, 2021)

151 Input from Ms. Lumrije Demi, General Director of the Information and Privacy Agency, dated December 2, 2024

152 “Awards tenders over 100 million euros and allows free offices, KEK’s favouring for the company “Alstom Power Service”, Ekonomia Online, 24 June 2020

153 “Secret contract: The government “hastily” made millions of payments to Limak” (Buletini Ekonomik 14 August 2019)

154 The involvement of Dejana Mihali, the political coordinator of the ruling party Vetëvendosje (LVV), in the recent Kosovo Electrical Corporation (KEK) scandal deepens concerns about political interference and patronage in public expenditures and recruiting. Her political role within the governing party further fuels allegations that acquisitioning decisions in KEK may have been influenced by political considerations rather than merit or fair competition. This case serves as a striking example of how political influence from governing party officials can potentially undermine transparency and integrity in public procurement processes, reinforcing perceptions of undue political connections in awarding public contracts. The media’s attention (Nacionale.com) to this affair reflects public concern over these dynamics, and it highlights the ongoing need for stronger protections against conflicts of interest in Kosovo’s procurement system.

155 “Ambassador Martin Berishaj Affair | Nagip Krasniqi and Dejana Mihali ‘privately’ confirm the millions that GEN received” (Insajderi, 14 October 2024); Martin Berishaj loses the battle with the Slovenian journalist who exposed the his “GEN Belgrade” scandal (Insajderi, 13 January 2023)



Incompatibilities for contracting authority

Assessment questions:

- Are there restrictions and incompatibilities to participate as contracting authorities to officials who:
- a. directly or indirectly (through relatives, associates) have substantial financial interest (share of stock, controlling position, or similar) in bidding and licensing applicant legal entities?
 - b. With past remunerated positions in active suppliers or licence holders, bidding, and licencing applicant entities in the past four (4) years in the same area of procurement or licencing?
 - c. to have concurring responsibilities for promoting investment in their areas of competence?

Kosovo's legal framework on conflict of interest and public procurement addresses various restrictions and incompatibilities for public officials acting as contracting authorities. These rules are aimed at preventing conflicts of interest, promoting transparency, and ensuring fair competition in procurement.

Law on Prevention of Conflict of Interest explicitly prohibits public officials from engaging in decision-making where they or their family members have a financial interest in the entity participating in the bidding process. This includes owning shares, holding a controlling position, or having other substantial financial stakes in companies that apply for licenses or participate in public tenders. This law emphasizes that public officials must declare their financial interests and those of their close family members, and they are required to withdraw from any decision-making processes where such a conflict exists¹⁵⁶. However, there's a loophole to this regulation as it does not define the political influence risk by the governing part, in two stages: when a person is the owner, or when it's a passive benefiter of a company¹⁵⁷.

The current legislation on public procurement¹⁵⁸ and protection of competition¹⁵⁹ does not address cases when multiple companies owned by family members apply for the same award.

The Law on Prevention of Conflict of Interest also places restrictions on public officials who previously held remunerated positions in entities now bidding or applying for licenses. This is particularly relevant to prevent officials from favoring former employers or business associates in procurement or licensing decisions¹⁶⁰. However, the law does not address a cooling-off period when engaging from the private sector to the public institutions, hence preventing "revolving door" scenarios.

In Kosovo, the disclosure of corporate political engagement activities by companies, particularly those involved in government procurement or licensing, is generally limited. There are no comprehensive or standardized requirements for government suppliers to publicly disclose detailed information about their political activities, such as their positions on relevant policy issues, interactions with public officials, or lobbying efforts. Currently, there is no explicit legal requirement for companies, including government suppliers, to publicly disclose their positions on policy issues that affect their core business activities. While companies may engage in policy discussions through industry associations or public consultations, these activities are not routinely disclosed in a formal, transparent manner on company websites or public platforms.

¹⁵⁶ Law No. 06/L-011 on Prevention of Conflict of Interest in Exercising Public Function, Article 15

¹⁵⁷ In the case of Blerim Kuçi, the interpretation by Agency for Prevention of Corruption was there was no conflict of interest as the Minister was not the managing party of the company (ownership passed onto his children after the contract was signed) and he was not leading the institution that made the award. "PINGPONG" with the tender of 5 million euros for the hospital in Prizren" (KDI, 2021)

¹⁵⁸ Law No. 04/L-042 for the public procurement of the Republic of Kosovo, amended and supplemented by Law No. 04/L-237, Law No. 05/L-068 and Law No. 05/L-092

¹⁵⁹ Law No. 08/L-056 on protection of competition

¹⁶⁰ Law No. 06/L-011 on prevention of conflict of interest in discharge of a public function, Article 18



Influencing

Assessment questions:

Do companies that are government suppliers publicly disclose information about their corporate political engagement activities, including but not limited to:

- a. the positions on relevant policy issues affecting their core business activities.
- b. direct and indirect interactions with public officials with responsibilities in public contracting and licencing (from lawmaking to awarding procedures), including the information they provide in these interactions.
- c. On their own website or as part of lobbying and interest representation registries

Kosovo's legal framework, particularly the Law on Prevention of Conflict of Interest and the Law on Public Procurement, requires public officials to declare conflicts of interest but does not impose direct obligations on companies to report their interactions with public officials involved in contracting and licensing processes.

Companies are not required to disclose direct or indirect interactions with public officials, such as lobbying efforts, consultations, or negotiations related to public contracts. While interactions with officials may be subject to scrutiny by anti-corruption bodies like the Agency for Prevention of Corruption (APC), this information is not typically made public unless there is an investigation. Companies may engage with public officials on matters related to procurement or licensing, but such interactions are rarely documented in the public domain. This lack of transparency increases the risk of potential corruption or undue influence in public contracting¹⁶¹.

There is no formal lobbying registry in Kosovo that mandates companies, including government suppliers, to report their lobbying activities or political engagement. While some countries have mandatory lobbying registers where companies must disclose lobbying activities and political contributions, Kosovo does not have such a system in place.

Kosovo Democratic Institute (KDI), has called¹⁶² on the Parliament to introduce the lobbying regulations¹⁶³ and impose stricter transparency requirements in this area stressing the importance of introducing public registries for lobbying activities and improving corporate transparency.

Restrictions on government contractors:

Are there limitations and incompatibilities to prevent 1) legal entities with government contracts and 2) bidders in contracting procedures from making in-kind and financial donations to political parties and campaigns? Are there ways these limitations can be circumvented in practice?

¹⁶¹ "Tailored Made Laws: Has the time come for the law on lobbying?", (KDI 2019)

¹⁶² "KDI conference "Has the time come for the law on lobbying?", 5 December 2023

¹⁶³ "It's time for a lobbying law in Kosovo" (KDI 2021)

In Kosovo, legal entities with government contracts and bidders in contracting procedures are subject to certain restrictions on making financial and in-kind donations to political parties and campaigns. However, there are gaps in the enforcement of these limitations, and several ways in which they can be circumvented in practice. The Law on Financing Political Parties (No. 03/L-174), as amended, provides the general framework for regulating donations to political parties. Article 5 of the law prohibits companies that have public contracts from making donations to political parties or campaigns for three years. This applies to both financial contributions and in-kind support. Similarly, bidders currently engaged in procurement procedures or competing for public contracts are also restricted from making donations, to prevent conflicts of interest and undue influence over decision-makers¹⁶⁴. The rationale behind these restrictions is to prevent companies with financial interests in government contracts from influencing political parties through donations. Such influence could create an uneven playing field in public procurement, skewing the outcomes in favor of politically connected entities.

Despite the legal provisions, there are several ways in which companies or individuals can circumvent these rules. Companies may channel donations through third parties, such as family members or associates, who do not have direct ties to the bidding entity or government contractor. This makes it difficult to trace the funds back to the company that holds the government contract or is involved in the bidding process. Companies can use shell companies or newly formed entities that are not directly involved in the procurement process to make political donations. These entities may not have a formal contractual relationship with the government at the time of the donation, but they may be part of a broader corporate structure linked to a government contractor. Some companies may make in-kind donations (e.g., goods, services, advertising) that are harder to trace and quantify compared to direct financial contributions. These donations may be provided through intermediaries or appear as routine business transactions. Bidders or companies may wait until after the bidding process or after the conclusion of their government contracts to make donations. This allows them to support political parties or candidates without violating the law during the contract or bidding phase.

Integrity Watch Kosovo finding:

- During the development of the IW Platform for Kosovo, it was discovered that some political party donors began receiving public contracts following their contributions. For instance, Meridian Express made a donation of €248.16 in materials (drinks) to Lëvizja Vetëvendosje on June 18, 2021. Subsequently, on December 24, 2021, the company was awarded a contract by the Kosovo Energy Corporation (KEK) through a price quotation valued at €8,350.86. This was followed by two smaller awards: one on December 31, 2021, amounting to €919.77 (Procurement Number KEK-21-10536-1-4-7), and another on January 11, 2022, also amounting to €919.77 (Procurement Number KEK-21-10548-1-4-7). These two contracts indicate a violation of the Law on Public Procurement (LPP), which prohibits splitting procurement requirements to lower the estimated price and bypass open procedures.

Furthermore, Meridian Express secured another contract from KEK on December 29, 2022, valued at €8,541.50. In addition, the company benefited from four minimal-value contracts awarded by the Prime Minister's Office, the local public enterprise Prishtina Parking SH.A., and N.P.L. PALLATI I RINISË SH.A.

This sequence of events raises concerns about compliance with public procurement laws and potential abuse of public funds for political favors.

164 CEC Regulation no. 06/2024 - Management and Financial Supervision of Political Entities Article 10 Prohibition of financial aid to registered political entities
"1.6. private enterprises while they are in a contractual relationship for the provision of goods and the performance of services with the institutions of the Republic of Kosovo and three (3) years after the end of the contractual relationship;"

The Kosovo Agency for Prevention of Corruption (APC) and the Central Election Commission (CEC) are tasked with monitoring political donations, but their capacity to conduct thorough investigations is often limited. Also, enforcement may also be hampered by political interference, particularly when politically connected companies are involved in large-scale government contracts. The lack of independent audits of political party finances and donations creates further challenges for ensuring that donations made by government contractors or bidders are adequately tracked and disclosed. Civil society organizations, such as KDI (Kosovo Democratic Institute) has called for more stringent oversight mechanisms to close these gaps¹⁶⁵.

Assessment question:

To what extent are there suppliers, bidders required to disclose (on their own websites or to the contracting authority) the contributions made to political parties, candidates and/or third parties pursuing electoral outcomes, and is this information timely published?

In Kosovo, suppliers and bidders are not directly required by law to disclose contributions made to political parties, candidates, or third parties pursuing electoral outcomes, either on their own websites or to contracting authorities. The legal framework focuses more on political parties reporting donations than on companies disclosing their contributions.

The Law on Financing Political Parties (No. 03/L-174) requires political parties to report donations, including those from companies, in their annual financial reports submitted to the Central Election Commission (CEC). These reports include details about the financial and in-kind donations received from both individuals and legal entities, including suppliers or bidders that may be involved in government procurement.

However, these obligations are on political parties rather than on companies themselves. Therefore, suppliers and bidders are not required to report their contributions directly to the public, contracting authorities, or through their own websites.

Assessment question:

Do public officials with responsibilities in public procurement (from lawmaking to procurement procedures) timely disclose their personal interactions, meetings with, and documents received from suppliers, bidders?

While public officials in Kosovo are legally required to disclose conflicts of interest, there are no explicit legal provisions mandating timely disclosure of their personal interactions with suppliers and bidders in the procurement process. The lack of a formal requirement and the challenges in enforcement contribute to gaps in transparency, potentially allowing for undue influence in public procurement. Efforts to improve the proactive disclosure of such interactions could help enhance transparency and accountability in the procurement process. Furthermore, civil society watchdogs and international observers have noted that procurement oversight bodies lack the resources¹⁶⁶ and political independence¹⁶⁷ to enforce these transparency standards effectively.

¹⁶⁵ "Wallets of Parliamentary Political Entities 2.0" (KDI 2023)

¹⁶⁶ "Integrity, the missing element in improving the Public Procurement in Kosovo" (KDI 2018)

¹⁶⁷ "Examination of Corruption in Public Procurement in Kosovo" (INPO 2023)



3.2 Transparency

Assessment question:

To what extent information concerning public procurement (pre-award, tendering and post-award phases) is published in a timely manner in open data formats?

Kosovo has made significant strides in publishing procurement information during the pre-award and tendering phases, largely due to the implementation of the e-procurement platform. However, there are still challenges in ensuring timely publication during the post-award phase, and in making the data pertaining to all phases available in open formats for better public access and scrutiny¹⁶⁸.

The e-procurement system in Kosovo, known as *e-Prokurimi*¹⁶⁹, is designed to make procurement information accessible to the public during the pre-award and tendering phases. The system allows for the publication of procurement plans, tender announcements, and bidding documents in a standardized format. Public contracting authorities are required to publish their procurement plans. Announcements for competitive tenders are generally published on time, and the public can access key details such as deadlines, specifications, and selection criteria. The system facilitates the electronic submission of bids, ensuring that tender processes are at least conducted in a transparent manner. During the tendering process, information such as clarifications to bidders, modifications to tender conditions are published in timely manner, however, crucial information such as decisions for establishing evaluation committees, and minutes of pre-bid meetings, minutes from the bid evaluation processes and evaluation reports are typically not available through the e-procurement platform.

Data on awarded contracts is published, but delays in making this information available are common, particularly for large or strategically important contracts. Civil society organizations, such as KDI and Open Contracting Partnership, have noted that post-award information is often incomplete and not updated in real time, which hampers public scrutiny¹⁷⁰.

Data on the implementation of contracts (such as progress reports, amendments, or completion certificates) is rarely published in a timely or detailed manner. This phase is particularly problematic in terms of open data, as many documents are only available upon request, and post-award transparency is considered weak¹⁷¹.

168 "Setting up for success: Data and public oversight for more transparent public procurement in Kosovo" (Open Contracting Partnership, 2021)

169 E-Prokurimi official portal: <https://e-prokurimi.rks-gov.net/HOME/ClanakItemNew.aspx?id=327>

170 "Setting up for success: Data and public oversight for more transparent public procurement in Kosovo" (Open Contracting Partnership, 2021)

171 E-Prokurimi official portal: <https://e-prokurimi.rks-gov.net/HOME/ClanakItemNew.aspx?id=327>



3.3 Accountability

Conflicts of interest

Assessment questions:

To what extent are ad hoc disclosures on conflicts of interest or their lack thereof, requested from public officials involved in the public procurement process?

In Kosovo, ad hoc disclosures on conflicts of interest from public officials involved in the public procurement process are generally required by law, but the extent to which these disclosures are effectively requested and enforced varies. Public officials are obligated to proactively declare conflicts of interest before participating in any procurement or decision-making process. This applies when there is a personal or family financial interest in the outcome of the procurement¹⁷².

Also, the procurement regulations define that procurement officials are expected to declare any conflicts of interest, particularly if they or their family members stand to benefit financially from a contract. The law also prohibits officials from taking part in procurement activities if they are directly involved with the bidders. Additionally, public officials involved in procurement must avoid situations where their impartiality could be questioned and are required to disclose any relevant conflicts of interest at the time they become aware of them¹⁷³.

Strengths and Vulnerabilities

Assessment questions:

Present other strengths and vulnerabilities on regulations, not mentioned before, on political integrity in the public procurement process in your country.

e-Prokurimi is a centralized online platform and an “end to end” solution, starting from procurement planning to contract management. As of January 2019 it's a mandatory centralized platform for all procurements initiated by all public institutions, including central and local governments, state owned enterprises and independent agencies, and it's mandatory for any procurement procedures above 100 Euro. Kosovo's e-Procurement system provides real-time public access and enhanced oversight and monitoring to all procurement-related information. This includes procurement planning, tender announcements, bid and complaint submissions, contract awards, signed contracts and contract implementation progress. By making this information publicly available, the system ensures that all stakeholders, including competitors and the general public, can monitor the procurement process. This transparency is crucial for preventing corrupt practices, as it allows for immediate scrutiny and accountability. Kosovo's e-Procurement platform includes built-in tools for monitoring procurement activities and generating detailed reports on the performance of procurement processes. The system is integrated with the Agency for Prevention of Corruption and other oversight bodies (National Audit Office), allowing them to access procurement data seamlessly and perform real-time audits and investigations¹⁷⁴.

¹⁷² Law No. 06/L-011 on Prevention of Conflict of Interest, Article 7

¹⁷³ Law No. 04/L-042 for the public procurement of the Republic of Kosovo, amended and supplemented by Law No. 04/L-237, Law No. 05/L-068 and Law No. 05/L-092 and Regulation No.001/2022 on Public Procurement

¹⁷⁴ Presentation by Mr. Agron Ibishi, PPRC during the IW WB&T Domestic Advisory Group exchange, Vilnius, Lithuania 21 June 2024

Nevertheless, having identified risk related to political influence in institutional decision-making processes pertaining public contracting, Kosovo lacks strong regulations on corporate political donations, especially from companies involved in government procurement¹⁷⁵. There is no requirement for suppliers and bidders to disclose their political donations, which opens the door for politically motivated procurement decisions¹⁷⁶. Political parties are required to disclose donations, but this is often done late, and the reports are incomplete, reducing transparency in how public contracts may be influenced by political contributions¹⁷⁷. Adding to this problem the lack of real-time political finance reporting and inoperability between the procurement and political finance datasets¹⁷⁸, it makes it almost impossible to prevent the political donors to access public procurement, respectively public contractors from making donations to political parties.

While Kosovo has regulations that seek to address the conflict of interest, these dispositions are vague when it comes to revolving door practices. This creates an opportunity for former public officials to exploit their past relationships for the benefit of private companies, undermining the integrity of public procurement processes.

The Law on Strategic Investments has been criticized for allowing certain projects to bypass regular procurement procedures. While intended to fast-track significant projects, this creates vulnerabilities, as politically connected companies can lobby for their projects to be classified as strategic, allowing them to avoid competitive bidding¹⁷⁹.

Additionally, in 2019, Kosovo initiated a review of the legal framework on public procurement, and initiated an in-depth reform to the actual regulations, however, to date there are still no epilogue to this initiative.

3.4 Recommendations

- 1. Government of Kosovo should complete Public Procurement Reform:** It is crucial to set in motion and complete the long-awaited reform of Kosovo's public procurement system. This reform should address current gaps and vulnerabilities that allow for the misuse of public procurement for political and private gains. Key factors to consider include the establishment of a more robust regulatory framework that tightens loopholes in non-competitive procedures and enhances accountability at all stages of the procurement cycle. The reform should include provisions for stronger sanctions against violations, enforce clear guidelines for conflict of interest management, and introduce mandatory cooling-off periods for public officials transitioning to the private sector (to mitigate revolving door risks). Additionally, the reform must ensure that all procurement decisions are subject to transparent scrutiny, with real-time publication of procurement activities, strengthened auditing capacity, and increased coordination between oversight bodies. Such comprehensive reforms will create a more transparent, fair, and competitive public procurement environment, reducing opportunities for political interference and private gains.
- 2. Public Procurement Regulatory Commission (PPRC), Agency for Prevention of Corruption (APC), and Central Election Commission (CEC) need to strengthen Enforcement Mechanisms for Conflict of Interest Rules:** While the Law on Public Procurement (LPP) and the Law on Prevention of Conflict of Interest provide a solid foundation, enforcement remains a challenge. Strengthening oversight bodies like the Public Procurement Regulatory Commission (PPRC) and ensuring they have the necessary resources and capacity to conduct thorough investigations and audits is essential. Mandatory and frequent training for procurement officials on conflict of interest rules and regular audits of procurement processes can help mitigate political influence and favoritism. Moreover, clearer

¹⁷⁵ Author's conclusion

¹⁷⁶ Declaration under Oath, Annex to the tender dossier, (secondary acts B15 to B32) available at the official e-Prokurimi platform/Legislation/Secondary Legislation: <https://e-prokurimi.rks-gov.net/HOME/ClanakItemNew.aspx?id=233>.

¹⁷⁷ See Topic 2: Political Finance

¹⁷⁸ "Political integrity data scoping in Kosovo" (KDI 2023)

¹⁷⁹ "Corruption "Copy & Paste" in Western Balkans and Turkey" (KDI 2021);

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definitions and monitoring mechanisms should be introduced to address indirect political influence through family members and close associates.

3. **Public Procurement Regulatory Commission (PPRC), National Audit Office (NAO), and Agency for Prevention of Corruption (APC) should improve Transparency and Accountability in Non-Competitive Procurement:** The use of non-competitive procedures, while permissible under certain conditions, opens the door for political influence. Kosovo should enforce stricter regulations that require robust, publicly available justifications for non-competitive procurements. Introducing mandatory external review or approval for such procedures, particularly from the PPRC or the Anti-Corruption Agency (APC), can ensure these processes are not abused. Additionally, classifying strategic investments or secret procurements should require clear and transparent criteria to prevent political favoritism.
4. **Public Procurement Regulatory Commission (PPRC) should implement Open Data Standards for Post-Award Contract Monitoring:** While the e-procurement platform (e-Prokurimi) has improved transparency during pre-award phases, there is a need for greater post-award transparency. Kosovo should adopt open data standards that allow real-time updates and public access to contract implementation data, including amendments, progress reports, and final project outcomes. Making such information available in machine-readable formats will enable civil society, media, and the public to monitor procurement processes, ensuring ongoing accountability and reducing the risk of corruption in contract execution.
5. **Agency for Prevention of Corruption (APC), Central Election Commission (CEC), and Public Procurement Regulatory Commission (PPRC) should improve Transparency of Procurement and Political Donations:** Responsible institutions: Agency for Prevention of Corruption (APC), Central Election Commission (CEC), and Public Procurement Regulatory Commission (PPRC). These bodies must ensure that procurement processes, political donations, and lobbying activities are publicly disclosed. Implementing clear regulations and open data platforms will allow for better public scrutiny and help to prevent the misuse of procurement for political gains.

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CONCLUSION

In conclusion, this report highlights Kosovo's efforts to establish a robust legal framework aimed at promoting political integrity through the regulation of asset declarations, political finance, and public procurement. The laws governing these domains demonstrate a commitment to transparency, accountability, and alignment with international standards. However, significant gaps in enforcement, resource allocation, and regulatory coverage undermine the effectiveness of these frameworks. Challenges such as limited oversight capacities, the absence of open data practices, and weak provisions for managing conflicts of interest, particularly regarding revolving door practices and lobbying, persist as critical obstacles.

Addressing these shortcomings requires a multi-faceted approach. Strengthening the enforcement mechanisms and equipping oversight bodies such as the Agency for Prevention of Corruption (APC), Central Election Commission (CEC) and the Public Procurement Regulatory Commission (PPRC) with adequate resources is crucial. Expanding the scope of legal frameworks to include third-party organizations, online political advertising, and indirect political donations will ensure more comprehensive oversight. Furthermore, leveraging technology to develop automated, real-time reporting systems and adopting open data standards can enhance transparency and enable more rigorous analysis of public records.

Kosovo's civil society and international partners play a pivotal role in advocating for these reforms, ensuring that the legislative intentions translate into meaningful changes. As Kosovo strives to meet EU accession standards, prioritizing the alignment of its regulatory framework with EU directives and best practices is imperative. These efforts will not only strengthen governance structures but also build public trust and foster a political environment free from undue influence and corruption. By addressing these challenges and implementing the recommendations outlined in this report, Kosovo can solidify its commitment to integrity and transparency, paving the way for more inclusive and accountable governance.



ENDNOTES

I REGULATIONS PERTAINING ASSET DECLARATIONS:

1. Law No. 06/L-011 on Prevention of Conflict of Interest in Discharge of Public Function (April 27, 2018), governs **the prevention and management of conflicts of interest in the discharge of public functions.**

- **Key Provisions:**
 - Establishes obligations for public officials to declare their assets, interests, and liabilities.
 - Defines conflicts of interest and sets rules for preventing public officials from engaging in activities that present conflicts with their duties.
- **Relevant to:** All levels of government, public officials, and individuals involved in public contracting and licensing.
- **Oversight:** The Anti-Corruption Agency (APC) is responsible for the verification of these declarations and managing conflicts of interest.
- **Link:** [Law No. 06/L-011](#)

2. Law No. 08/L-017 on the Agency for Prevention of Corruption (July 21, 2022), governs **the operation and mandates of the Agency for Prevention of Corruption (APC) in preventing and combating corruption, managing conflicts of interest, and enforcing asset declaration requirements.**

- **Key Provisions:**
 - Defines the structure and responsibilities of the APC in Kosovo.
 - Provides mechanisms for enforcing the verification of asset and interest declarations.
 - Establishes the APC as the primary body for investigating and sanctioning conflicts of interest.
- **Relevant to:** Public officials, government bodies, and the general public with transparency interests.
- **Oversight:** The APC itself, with accountability mechanisms to ensure transparency.
- **Link:** [Law No. 08/L-017](#)

3. Law No. 08/L-108 on Declaration, Origin, and Control of Assets and Gifts (August 2022), governs **the declaration, control, and verification of assets, income, and gifts received by public officials.**

- **Key Provisions:**
 - Mandates public officials to declare their assets, sources of income, and gifts.
 - Establishes a verification process by the APC to ensure the origin of assets and prevent conflicts of interest.
 - Enhances transparency by requiring declarations to be publicly available.
- **Relevant to:** Public officials and institutions involved in managing public funds and contracts.
- **Oversight:** APC is responsible for collecting and verifying asset declarations.
- **Link:** [Law No. 08/L-108](#)

4. Law No. 08/L-197 on Public Officials (September 2023), governs **the conduct, rights, obligations, and duties of public officials in Kosovo.**

- **Key Provisions:**
 - Establishes ethical and professional standards for public officials.
 - Regulates transparency and accountability in the conduct of public officials, including conflict-of-interest management.
 - Provides the framework for sanctions in cases of misconduct or failure to declare assets.
- **Relevant to:** All public officials, particularly those in decision-making positions.
- **Oversight:** Institutions and bodies overseeing public officials, with APC's involvement in monitoring compliance with asset and interest declarations.
- **Link:** [Law No. 08/L-197](#)

5. Law No. 06/L-113 on Organization and Functioning of State Administration and Independent Agencies (March 2019), governs **the organization and functioning of Kosovo's state administration and independent agencies.**

- **Key Provisions:**
 - Defines the roles and responsibilities of state administrative bodies and independent agencies.
 - Ensures operational efficiency and transparency in their management.
 - Establishes mechanisms for oversight and accountability.
- **Relevant to:** State institutions and independent agencies.
- **Oversight:** Ministry of Public Administration and other relevant oversight bodies.
- **Link:** [Law No. 06/L-113](#)

6. Law No. 06/L-081 on Access to Public Documents (July 2019): governs **public access to government documents to ensure transparency and accountability.**

- **Key Provisions:**
 - Guarantees citizens' right to access public documents and information held by public institutions.
 - Sets out procedures for requesting and obtaining public documents.
 - Establishes obligations for public institutions to maintain transparency.
- **Relevant to:** Citizens, public officials, and institutions in Kosovo.
- **Oversight:** Ministry of Public Administration and other relevant authorities ensuring compliance.
- **Link:** [Law No. 06/L-081](#)

7. Regulation No. 03/2023 on Administrative Investigation Procedures in the Agency for Prevention of Corruption, governs **the procedures for conducting administrative investigations within the Agency for Prevention of Corruption (APC).**

- **Key Provisions:**
 - Defines the administrative processes and procedures for investigating corruption cases.
 - Ensures compliance with legal standards in the investigation of asset declarations and conflicts of interest.
 - Provides guidelines for sanctions and corrective measures.
- **Relevant to:** APC staff, public officials under investigation, and entities involved in corruption cases.
- **Oversight:** The APC conducts and oversees the investigations following these guidelines.
- **Link:** [Regulation No. 03/2023](#)

8. Decision - Integrity Plan Methodology (Agency for Prevention of Corruption), governs **the framework for creating and implementing integrity plans to combat corruption.**

- **Key Provisions:**
 - Provides a methodology for developing integrity plans across public institutions.
 - Focuses on promoting transparency, accountability, and ethical behavior within public bodies.
 - Establishes preventive measures to avoid corruption risks in institutions.
- **Relevant to:** Public institutions and agencies in Kosovo.
- **Oversight:** The APC is responsible for implementing and monitoring integrity plans.
- **Link:** [Integrity Plan Methodology](#)

9. Law No. 04/L-042 on Public Procurement of the Republic of Kosovo (Amended and Supplemented by Law No. 04/L-237 and Law No. 05/L-068), governs **the rules and procedures for public procurement in Kosovo.**

- **Key Provisions:**
 - Establishes transparency and competition in the procurement process to ensure fair and efficient use of public funds.
 - Imposes strict disclosure requirements to avoid conflicts of interest in public contracting.
 - Sets out mechanisms for sanctioning and resolving procurement disputes.
- **Relevant to:** All public entities and officials involved in procurement activities.

Oversight: The Public Procurement Regulatory Commission (PPRC) and the APC ensure compliance with public procurement laws and conflict of interest rules.

II REGULATIONS PERTAINING POLITICAL FINANCING

1. **Law No. 08/L-228 on General Elections in the Republic of Kosovo, governs** the conduct of general elections in the Republic of Kosovo, including the management of political party finances, election procedures, and reporting obligations.

- **First Passed:** September 2023
- **Key Provisions:**
 - Regulates the organization, administration, and supervision of general elections.
 - Includes provisions on the transparency and management of political party finances, ensuring financial disclosure and reporting by political entities.
 - Introduces measures to strengthen oversight mechanisms, improve transparency, and ensure compliance with political finance regulations.
- **Relevant to:** Political parties, election candidates, voters, and election management bodies.
- **Oversight:** Kosovo Central Election Commission (CEC) is responsible for overseeing the conduct of elections, ensuring compliance with electoral procedures, and managing the financial reporting of political parties.
- **Link:** [Law No. 08/L-228](#)

2. **Law No. 03/L-174 on the Financing of Political Parties, governs** the financing of political parties, with rules for transparency, accountability, and reporting obligations.

- **First Passed:** October 2010
- **Last Amended:** September 2022
- **Key Provisions:**
 - Establishes clear guidelines for the reporting and transparency of political party finances.
 - The 2022 amendment strengthened sanctions for non-compliance and enhanced oversight for more effective enforcement of financial transparency.
- **Amended by:**
 - Law No. 04/L-058, January 2012
 - Law No. 04/L-212, August 2013
 - Law No. 08/L-122, September 2022
- **Relevant to:** Political parties and candidates, election oversight bodies.
- **Oversight:** Kosovo Central Election Commission (CEC)/ Office for Registration, Certification and Financial Control of Political Entities and Agency for Prevention of Corruption (APC).
- **Link:** [Law No. 03/L-174](#)

3. **Law No. 03/L-072 for local elections in the Republic of Kosovo, governs** the conduct of local elections in the Republic of Kosovo, including financing from the Kosovo Consolidated Budget, election procedures, campaign spending limits and financial transparency during local elections.

- **First Passed:** June 2008
- **Key Provisions:**
 - Regulates the organization, administration, and supervision of local elections.
 - Includes provisions pertaining financing from the Kosovo Consolidated Budget.
 - Defines that funds are administered by the CEC according to the Law on Management of Public Finances and Accountability;
 - Defines that campaign spending limits and financial disclosure, and any provision relating to the subject matter thereof, of the Law on General Elections in the Republic of Kosovo shall mutatis mutandis apply to local elections unless otherwise provided by this Law
- **Relevant to:** Political parties and candidates for local elections, election oversight bodies.
- **Oversight:** Kosovo Central Election Commission (CEC).
- **Link:** [Law No. 03/L-072](#)

4. Law No. 05/L-096 on the Prevention of Money Laundering and Combating Terrorist Financing, governs The prevention of money laundering and the combating of terrorist financing, with significant provisions that impact political party finances by regulating financial transactions and reporting suspicious activities.

- **First Passed:** June 2016
- **Key Provisions:**
 - Establishes a comprehensive framework for preventing money laundering and terrorist financing in Kosovo.
 - Imposes strict reporting requirements on financial institutions and other relevant entities to report suspicious transactions, including those related to political parties and campaign financing.
 - Enhances cooperation between relevant authorities such as the Financial Intelligence Unit (FIU), law enforcement, and the judiciary to effectively prevent illicit financial flows, including in the political sphere.
 - Provides for the confiscation of assets obtained through illicit means and reinforces measures to combat the misuse of the financial system for criminal activities.
- **Relevant to:** Political parties, financial institutions, public authorities, and any entities dealing with financial transactions.
- **Oversight:** Financial Intelligence Unit (FIU), Anti-Corruption Agency (APC), Kosovo Central Election Commission (CEC) in relevant political finance cases.
- **Link:** [Law No. 05/L-096](#)

5. Kosovo Central Election Commission (CEC) Regulations, govern the reporting and verification of political finance, particularly during election periods.

- Election Regulation No. 06/2024 – Financial Management and Oversight of Political Entities
- Election Regulation No. 07/2024 – Electoral Campaign, Monitoring of the Election Campaign and Financial Declaration
- **First Published:** Ongoing updates
- **Key Provisions:**
 - Sets responsibilities for political entities to submit financial reports on time.
 - Outlines procedures for auditing financial reports and ensuring public accessibility of this information.
- **Relevant to:** Political parties, election candidates, and election management bodies.
- **Oversight:** Kosovo Central Election Commission (CEC), Office for Registration, Certification, and Financial Control of Political Entities.
- **Link:** [CEC Regulations](#)

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