



USAID
NGA POPULLI AMERIKAN
OD AMERIČKOG NARODA



CONTRACT LAW ENFORCEMENT (CLE) PROGRAM

SEVENTH QUARTERLY REPORT *November 2014 - January 2015*



Photo: CLE Program

Contract No. AID-167-C-13-00001

This publication was produced for review by the United States Agency for International Development. It was prepared by the Contract Law Enforcement (CLE) Program, implemented by Checchi and Company Consulting, Inc. Final Draft Submitted on February 27, 2015 by:

David Greer
Chief of Party, CLE Program
Address: Sejdi Kryeziu st. no H9, 10,000 Pristina, Kosovo
Email: dgreer@chechiconsulting.com
Internet: www.chechiconsulting.com

DISCLAIMER

The views expressed in this report do not necessarily reflect the views of United States Agency for International Development (USAID) or the United States Government.

Contents

Project Overview	1
Executive Summary	1
Summary of Progress November 2014 -January 2015	3
A. Component 1: Improved Systems for Enforcement of Judgments and Reduction of Enforcement Cases	3
A.I. Backlog Reduction	3
A.II. Establish the new Private Enforcement Agent system	8
B. Component 2: Development of the Contract/Commercial Law Framework and Systems, Improvement of Contract Enforcement Systems and Functioning of Mediation Mechanisms	11
B.I. Development of the Contract/Commercial Law Framework.....	11
B.II. Engagement with the Business Community – Developing a Culture of Contract in Kosovo.....	13
B.II.I Continued engagement with Agriculture Sector transactions – farmers and processors (with USAID NOA).....	13
C. Component 3: Outreach, Gender and Monitoring.....	18
Short-term Consultants this Quarter	20
Environmental Compliance Statement	20
Status of Budget Expenditures	20

Project Overview

The USAID/Kosovo Contract Law Enforcement (CLE) Program contract was executed by USAID and Checchi and Company Consulting, Inc. on May 7, 2013. The CLE Program builds on the progress achieved by the USAID SEAD Program and other USAID and donor programs. It works to address a range of challenges, including the reduction of the judgment caseload in Kosovo's court system, and support to the Ministry of Justice (MOJ) to implement the new Private Enforcement Agent (PEA) system; the enforcement of contracts; the training of judges, lawyers and enforcement agents; the expansion of mediation; improvements to commercial legislation – particularly bankruptcy; and work with the business community to foster increased utilization of well-drafted written contracts.

The CLE program focuses on improving the ability of citizens, businesses and the judicial system to enforce contracts, obligations, and court judgments in a timely and just manner to benefit citizens and businesses. Recognizing that the timely resolution of disputes is essential to the Rule of Law and the facilitation of commerce and economic growth, the program also supports the continued growth of an accessible and effective alternative dispute resolution system able to provide efficient, reliable, and respected mediation services.

Executive Summary

In the Program's seventh quarter, CLE continued to support the courts with the task of judgment caseload reduction. Large-scale, systematic enforcement against private bank accounts accelerated: through the end of the quarter, nearly 14,000 cases have been presented for enforcement against bank accounts. By the end of the quarter more than 28,000 cases had been removed from caseload. CLE continued preparing cases for enforcement against wages using the personal identification numbers provided to the KJC by the Civil Registration Agency (CRA). CLE, in coordination with the CBK, completed the upgrade to CBK's Unique Account Holders' Registry, which will fully automate enforcement against bank accounts. The CBK Board of Governors is expected to issue a decision enabling the Registry during the next quarter.

During the reporting period, CLE embedded teams continued to assist court enforcement personnel in the Pristina, Ferizaj, and Gjakova basic courts, and CLE continued to provide additional support to the Peja, Gjilan, and Prizren Basic Courts. CLE also made available a web-based statistical reporting application to all Basic Courts, as well as the Supreme Court and the Appellate Court so they can monitor enforcement activity in all courts, and evaluate the monthly performance of individual enforcement clerks. CLE recruited additional staff, tripling the number of backlog Reduction Officers that will be supporting the Courts. The newly selected personnel were trained during this quarter, and will begin work in the courts early next quarter.

CLE continued to support the Ministry of Justice (MOJ) in developing the new system of Private Enforcement Agents (PEAs) and to design the PEA Monitoring, Evaluation, and Disciplinary (ME&D) regime. This includes establishing a Disciplinary Committee, the Chamber of PEAs, and the Supervisory Inspectorate of Free Professions. Thirteen PEAs were commissioned by the MOJ during the quarter, passing the threshold number of 20 operating PEAs (25 were operating as of the end of the quarter) necessary to establish the Chamber of Private Enforcement Agents, which will have several duties and functions regarding the operation of the profession. In January 2015, CLE supported the establishment of the Chamber of PEAs, which elected its President, Executive Board, and Control Council.

CLE finalized the draft Administrative Instruction on Methods of Inspection and submitted it to the MOJ for review. CLE also continues to identify provisions in the Law on Enforcement Procedure (LEP) that require amendment, and continued supporting the MOJ to prepare all the

necessary documents (concept note, regulatory impact analysis, etc.) for amendment of the LEP to be placed on the legislative agenda for 2015. CLE held a workshop with civil judges who are working to identify areas for potential amendments. A similar workshop with PEAs and MOJ officials will be held early next quarter.

CLE continued to support the Ministry of Trade and Industry (MTI) to develop the new Bankruptcy Law. The draft law is on the legislative agenda for action by July 31, 2015.

CLE continued to advance, with the Central Bank of Kosovo (CBK), draft regulations that will finalize implementation of the Law on Obligations, and additionally a regulation on Factoring, which the CBK requested CLE support to develop.

Training programs in commercial law resumed for judges through the Kosovo Judicial Institute (KJI), and for commercial lawyers through the Kosovo Bar Association (KBA), as well as CLE's customized program specifically designed for commercial department judges.

Mediation activities accelerated, with the Peja and Gjilan centers both seeing increases in caseload over the previous quarter, and the new Prizren Center working closely with judges to identify cases for mediation. CLE held a training workshop on mediation for judges. CLE continued to provide support to the Kosovo Association of Mediators. The program has also been assisting the MOJ's Mediation Commission with amendments to regulations governing Mediation, including the Code of Ethics, and other regulatory instruments. CLE supported and coached a Kosovo student team to participate in the International Chamber of Commerce Mediation Moot Court competition, which will be held in Paris in February 2015. Preparations are also underway for the 1st Annual Western Balkans Vis Pre-Moot Competition to be hosted by CLE, the University of Pristina, and AUK in February 2015.

CLE held 2 of its regular series of "Put it on Paper" transactional practices workshops with businesses.

The impact of the 2014 political impasse on Program activities should be noted. The election campaign, elections in June of 2014, and approximately six months of negotiations to form a government, disrupted significantly government decision making and activity. Once the impasse resolved, the turnover at several Ministries continued to delay implementation as new Ministers acquainted themselves with their institutions, institutional roles, and personnel. Although the impact on Program activities could have been considerably worse, the political situation nevertheless impeded progress. First, the KJC lacks a quorum, and the lack of an Assembly and Government meant that there was no ability to nominate members to the KJC to establish one. As such, KJC was unable to adopt the CLE developed web-based statistical reporting application to replace the current paper-based system, which had been anticipated to be in place from the beginning of the calendar year. Second, the overriding distractions of politics constrained the Ministry of Justice and the Ministry of Internal Affairs Civil Registration Agency (CRA), which impeded full implementation of the PEA system by MOJ, and the integration of the CRA's database of Personal Identification Numbers (PINs) into the KJC judgment database. Although the previous Minister of Justice returned, his leading role in one of the main political parties, and subsequently, his leading role in negotiations over the composition of the Justice Sector in negotiations with Serbia meant frequent absence from the Ministry, and a lack of focus and leadership on technical activities. Finally, the 2015 budget was adopted at lightning speed and without time for much debate and consultation. The 2015 budget therefore largely repeated the 2014 budget request in key areas – notably the judiciary – which effectively resulted in denial of the KJC's budget request for personnel to staff Mediation Centers.

A. Component I: Improved Systems for Enforcement of Judgments and Reduction of Enforcement Cases

Enforcement of Judgments activities are intended to assist Kosovo's institutions to improve the enforcement of civil judgments in an effective, efficient and accountable manner. These activities have two goals: 1) to support Kosovo's courts to reduce, and ultimately, to effectively eliminate enforcement cases¹; and 2) to support the Ministry of Justice to establish the new private enforcement system in Kosovo.

A.I. Backlog Reduction

CLE continued to expand implementation of the USAID-developed Unique Account Holders' Registry at the Central Bank of Kosovo (CBK), which enables courts to more directly identify and attach debtor bank accounts. During the quarter, a software upgrade of the CBK Unique Account Holders' Registry was completed. The upgrade will further automate enforcement actions against cash assets, and also integrate some functions related to wage garnishment. The utility of the Registry is maximized by incorporating information from the Civil Registration Agency (CRA) database of Personal Identification Numbers (PINs) and the Tax Administration of Kosovo (TAK) database of employers/employees, which information sources also enable attachment of wages to satisfy judgment debt. This mechanism of enforcing judgments against bank accounts eliminates the need for in-person communication between court enforcement clerks or private enforcement agents, and the banks. It further allows the creditor to collect what is owed to him or her in a "one stop shop" transaction, alleviating undue burdens on enforcement authorities, and banks, as the system works to collect debts owed. The CBK Board of Governors is expected to adopt a decision enabling the upgrade in spring 2015.

This quarter the KJC, with support from CLE, continued to coordinate with the Ministry of Internal Affairs Civil Registration Agency (CRA), per the CLE brokered MOU between CRA and KJC, to migrate Personal Identification Numbers (PINs) into the KJC database. The CRA has been stalling on fully integrating the CRA data set of PINs into the KJC database, which is slowing down the courts' ability to fully exploit opportunities to enforce against wages. Liaison with the MIA/CRA is ongoing. Notwithstanding these impediments, during the reporting period CLE prepared 4,442 cases for enforcement against wages, actionable by the courts during the next quarter. CLE also continued its efforts to match employment information to nearly 10,000 cases, and supported all Basic Courts to pursue enforcement against wages.

Establish with KJC clear goals and targets for the complete reduction of backlogged enforcement cases in the Kosovo court system

CLE coordinates with the KJC and with individual courts to develop clear goals and targets across the lifetime of the Program. The CLE Program has set an ambitious target of reaching a reduction of 45% in courts receiving CLE support. As of this quarter, CLE provides embedded support to three Basic Courts, additional support to three more, and early next quarter will begin providing embedded support to all 7 Basic Courts, including in a limited fashion to the Mitrovica Basic Court's branches south of the river Ibar.

¹ It should be noted that for several reasons, CLE supports the courts to eliminate *all pending* judgment cases although the explicit CLE tasking is to address backlog cases – those older than two years. The courts are understaffed, under-resourced, and lack capacity, however, and cannot reasonably be expected to improve upon their performance, especially as jurisdiction for nearly all civil enforcement has been transferred as of 1 July, 2014 to Private Enforcement Agents, and resources being made available for court enforcement are dwindling. Therefore, as a practical matter, all current cases will end up in backlog prior to Program end, and CLE assists the courts in enforcing all civil judgments currently carried on their dockets.

A.I.1. Assist KJC to improve systems for statistics related to execution caseload

In the previous quarter, CLE installed in all courts a web-based reporting application that can be accessed by the KJC and the Courts to both report on and track court performance. During the reporting period, CLE continued to urge the KJC to adopt by decision the web-based application in lieu of other reporting processes. The Director of the KJC Secretariat believes that a full KJC Board decision is required to adopt the application, however, and there has not been a quorum on the Board for some months. Therefore, full adoption of this reporting application continues to be delayed. Once adopted, KJC will be able to, for the first time, have accurate statistics on execution caseload.

A.I.2. Support Basic Courts with backlog reduction activities

This quarter, CLE's backlog enforcement officers continued to be embedded in the Ferizaj, Prizren, and Pristina Basic Courts. CLE also continued to liaise with the, Gjilan, Gjakova, Mitrovica and Peja Basic Courts regarding their backlog reduction efforts. Teams will be embedded in all 7 Basic Courts beginning from February, 2015.

The following table expresses overall results by Basic Court through January 31, 2015:

Basic Court	Percentage of backlog cases removed	Percentage of inventory cases removed	Percentage of total caseload removed	Total number of Cases removed
Pristina Basic Court	6.92%	4.99%	6.39%	2,702
Podujeva Branch	5.25%	54.36 %	13.95 %	821
Lipjan Branch	6.21%	N/A	12.93%	350
Peja Basic Court	25.81%	44.68%	32.17%	2,801
Klina Branch	0.48%	5.79%	2.74%	118
Decan Branch	4.42%	27.81%	8.12%	242
Gjakova Basic Court	37.82%	37.55%	37.73%	3,417
Malisheve Branch	17.99%	31.70%	26.81%	740
Rahovec Branch	12.72%	28.76%	21.08%	930
Prizren Basic Court	66.33%	52.66%	28.26%	3,274
Suhareka Branch	16.65%	118.12%	34.81%	848
Dragash Branch	23.70%	22.38%	22.78%	159
Gjilan Basic Court	44.53%	59.39%	51.23%	5,326
Viti Branch	10.33%	23.55%	15.00%	579
Kamenica Branch	54.48%	195.52%	99.06%	420
Ferizaj Basic Court	66.62%	34.47%	52.70%	5,136
Kacanik Branch	100%	100%	100%	2
Strpce Branch	31.82%	18.89%	23.13%	31
Mitrovica Basic Court	1.35%	0%	1.23%	54
Total	16.94%	29.23%	20.96%	27,958

Note: Although CLE is not directly supporting the Mitrovica Court, it has begun utilizing the CLE developed reporting application.

This quarter, after a highly competitive recruitment process (more than 300 applicants for 20 positions) CLE tripled the size of staff that will be embedded to provide support to the courts. The

20 newly selected Backlog Reduction Officers and two new Deputy Backlog Reduction Coordinators were trained in January, and will begin work in the courts early next quarter. CLE embedded support to courts:

1. Gijlan Basic Court: embedded support from July 22, 2013 - June 27, 2014 (including Viti and Kamenica Branch Courts); embedded CLE support re-commencing from February 2015;
2. Gjakova Basic Court: embedded support from November 11, 2013 - October 3, 2014 (including Rahovec and Malisheva Branch Courts) embedded CLE support re-commencing from February 2015;
3. Prishtina Basic Court: embedded support from June 18 2014- present (including Commercial Department, and Lypjan and Podujevo Branch Courts);
4. Ferizaj Basic Court: embedded support from June 30, 2014 - present (including Shtrpce and Kaqanik Branch Courts);
5. Prizren Basic Court: embedded support from October 7, 2014- present (including Dragash and Suhareka Branch Courts);
6. Peja Basic Court: embedded support from February 2015;
7. Mitrovica Basic Court: embedded support from February 2, 2015 (in Vushtri Branch Court).

A.I.3. Support KJC and Basic Courts to improve performance of court enforcement clerks (See also A.I.1)

As noted above, last quarter CLE developed a web-based reporting application, and all 7 Basic Courts and Basic Court Presidents and Execution Judges were provided tablets to access and monitor court and individual performance by enforcement personnel. This quarter, various Basic Court judges, including the Court Presidents, the Supreme Court President, and Appellate Court judges were provided with tablets containing the web-based reporting application. CLE also continued to provide administrative, legal, and organizational support to court execution teams to continue the process of reorienting enforcement against readily available “cash” assets (bank accounts and wages).

A.I.4. Utilize improved methods and information resources to improve enforcement against bank accounts and earnings

As of this quarter, 13,850 cases have been enforced against bank accounts. Throughout the quarter CLE worked to resolve administrative and data issues necessary to enable the *en masse* integration of the CRA database of PINs with the KJC judgment database and employment information from the Tax Administration. Throughout this quarter, CLE verified data on 7,493 cases for which PINS and employment data are available.



During the reporting period, through the categorization process, CLE identified 4,271 cases at the Commercial Department of Pristina Basic Court which can be enforced through bank accounts. CLE also assisted the Pristina Basic Court-Commercial Department in drafting 1,123 decisions for enforcement

against bank accounts, where both parties are legal entities. After final review and approval by the enforcement judges, the decisions will be distributed to commercial banks. CLE expects this to begin early next quarter.

A.I.5. Improve enforcement mechanisms related to immovable property

In this quarter, CLE continued to liaise with the Central Bank, providing legal analysis and comment

on draft CBK regulations governing mortgages. CLE will support the Central Bank until the regulations are finalized and promulgated. CLE also provides support to Court enforcement personnel with the processing of mortgage claims where embedded (Pristina, Ferizaj, and Gjakova). Many of the problems with enforcement against immovable property – particularly auction requirements and property valuation – derive from provisions in the Law on Enforcement Procedures.

A.I.6. Streamlined procedures for management and dismissal of cases

Through the end of the reporting period, CLE supported the courts to place nearly 6,500 cases in suspension. These cases are those that are demonstrably uncollectable, either because the debtor cannot be located (has immigrated, is deceased, or is otherwise un-locatable), or has no assets (insolvent businesses, destitute, etc.). The Law on Enforcement Procedures requires two efforts to provide notice or enforce a claim before it is suspended; after six months in suspension, the claim is revived for one additional attempt, which, if again unsuccessful, results in a final resolution of the case by dismissal.

By a ratio of almost 5 to 1, cases that wind up being suspended are older, backlogged cases, some of which date from 2000 and are still denominated in Deutschmarks. One of the new features of the new Law on Execution Procedures (LEP) puts additional responsibility on creditors to provide the courts with debtor information during periods of suspension if the information originally provided is insufficient to locate debtors and their assets. Implementing the new provisions of LEP now allows the courts to conduct “housekeeping” on cases that are not viable and clear them from the dockets. Given that many, if not most or even all of the oldest cases fall into this category, it will also provide needed finality for creditors who, with dismissal in hand following the period of suspension and one additional attempt at enforcement after 6 months in suspension, will be able to “clear” their books of uncollectable debts. This is particularly important for the utility companies who have already paid VAT on these debts, and who will now be able to seek adjustments to their tax liabilities (CLE had in a previous quarter sought the assistance of the Ministry of Economic Development to encourage PTK in particular to withdraw a number of old claims (2001-2004), but they were unwilling to do so because of the considerable sum of VAT payments already made).

Amendments to the new Law on Enforcement Procedures

The new Law on Enforcement Procedures (LEP) was adopted in 2012, and entered fully into force with the transfer of jurisdiction over enforcement to the PEA’s fully realized in July 2014. However, various issues have arisen in practice, and PEA’s and judges alike believe the law is in need of some amendment to resolve these issues (fixing procedural deadlines, clarifying some aspects of presentation of enforcement titles, etc.). In order to correct the provisions of LEP that were identified as obstacles for efficient and full implementation of the new law, CLE held roundtable discussions with Civil Judges of all levels of the Judiciary, Private Enforcement Agents, the Ministry of Justice, and other stakeholders such as commercial banks. This process will be ongoing throughout the remainder of 2015.

This quarter, CLE organized a working group with Appellate Court and Basic Court civil judges to discuss potential amendments to the LEP. Three working groups comprised of 18 Civil Judges from the Court of Appeals and all 7 Basic Courts are reviewing the law and identifying provisions for amendment. A similar workshop will be held early next quarter with the PEAs.

Activities under A.I relate to the following PMEP indicators:

IR 1.1(1) - Percentage of civil enforcement cases enforced as a result of USG assistance

To date, in the three Basic Courts with CLE embedded assistance, – Ferizaj (52.7%); Gjakova

(37.66%); and Pristina (6.23%). In Gjilan (51.8%), which CLE provided embedded support to until the end of Quarter 4, significant portions of caseload have also been resolved. To date, 20.96% of cases in the execution caseload at all courts have been cleared from the caseload.

Target Year II: 45% Actual to date: 20.96% (all courts) Q7: 5.43%

By Court:

Pristina Basic Court (with its branches): To date, 7.03% of cases in the execution caseload have been cleared. During the reporting period, 2.12% of cases in the execution caseload have been cleared.

Prizren Basic Court (with its branches): To date, 29.08% of cases in the execution caseload have been cleared. During the reporting period, 11.19% of cases in the execution caseload have been cleared.

Gjakova Basic Court (with its branches): To date, 31.34% of cases in the execution caseload have been cleared. During the reporting period, 3.65% of cases in the execution caseload have been cleared.

Peja Basic Court (with its branches): To date, 17.18% of cases in the execution caseload have been cleared. During the reporting period, 4.10% of cases in the execution caseload have been cleared.

Ferizaj Basic Court (with its branches): To date, 52.31% of cases in the execution caseload have been cleared. During the reporting period, 33.02% of cases in the execution caseload have been cleared.

Gjilan Basic Court (with its branches): To date, 43.08% of cases in the execution caseload have been cleared. During the reporting period, 3.13% of cases in the execution caseload have been cleared.

IR 1.1(2) - Number of civil enforcement cases enforced as a result of USG assistance

During the reporting period, the total number of cases cleared from execution caseload as result of CLE assistance was 7,888 cases from the total of cases in execution caseload in courts receiving CLE assistance, bringing the life of project total to 27,958 cases cleared from caseload.

Year II target: 23,000 Actual to date (all courts): 27,958 Q7: 7,888

By Court:

Pristina Basic Court (with its branches): To date, the total number of cases cleared from execution caseload of the Pristina Basic Court with its branches is 3,873 cases. During the reporting period the total number of cases cleared from execution caseload of the Pristina Basic Court with its branches is 1,170 cases.

Prizren Basic Court (with its branches): To date, the total number of cases cleared from execution caseload of the Prizren Basic Court with its branches is 4,281 cases. During the reporting period the total number of cases cleared from execution caseload of the Prizren Basic Court with its branches is 1,647 cases.

Gjakova Basic Court (with its branches): To date, the total number of cases cleared from execution caseload of the Gjakova Basic Court with its branches is 5,095 cases. During the reporting period the total number of cases cleared from execution caseload of the Gjakova Basic Court with its branches is 594 cases.

Peja Basic Court (with its branches): To date, the total number of cases cleared from execution

caseload of the Peja Basic Court with its branches is 3,161 cases. During the reporting period the total number of cases cleared from execution caseload of the Peja Basic Court with its branches is 754 cases.

Ferizaj Basic Court (with its branches): To date, the total number of cases cleared from execution caseload of the Ferizaj Basic Court with its branches is 5,169 cases. During the reporting period the total number of cases cleared from execution caseload of the Ferizaj Basic Court with its branches is 3,263 cases.

Gjilan Basic Court (with its branches): To date, the total number of cases cleared from execution caseload of the Gjilan Basic Court with its branches is 6,325 cases. During the reporting period the total number of cases cleared from execution caseload of the Gjilan Basic Court with its branches is 460 cases.

IR 1.1.1(1) - Number of USG-assisted courts with improved judgment/enforcement case management

CLE embedded teams supported the Pristina, Ferizaj, and Gjakova Basic Courts. Overall, CLE assisted 18 Courts: 6 Basic Courts (Pristina, Prizren, Gjakova, Peja, Ferizaj, Gjilan) and 12 branches (Lipjan, Podujeva, Rahovec, Klina, Viti, Deçan, Malisheva, Suhareka, Dragash, Kamenica, Shterpce, and Kacanik).

Year II target: 22 Actual to date: 18 Q7: 18

IR 1.1.1(3) - Percent change of court enforcement actions against bank accounts

At the start of the CLE Program, no cases were being enforced against bank accounts. CLE established its baseline of 501 cases enforced against bank accounts at the end of Quarter Two. During the reporting period 2,514 cases were prepared for enforcement against bank accounts. To date, 13,850 cases have been prepared for enforcement against bank accounts resulting in a total percentage change of 18.41 %.

Year II target: 25% Actual to date: 18.41% Q7:35.31% (Q6 53.72%)

IR 1.1.1(4) - KJC reporting on execution caseload improved

CLE, working with KJC, continued transitioning from paper-based to the CLE designed electronic system which is more accurate and allows monitoring of individual enforcement personnel performance. CLE continues to encourage the KJC to mandate use of the electronic system exclusively; however, a lack of a KJC quorum prevented formal adoption.

Year II target: No Actual: No

A.II. Establish the new Private Enforcement Agent system

Implementation of the new private enforcement system resumed progress this quarter, although after a long hiatus resulting from a combination of political factors impacting MOJ. No call for applications for new PEA candidates has been advertised for over a year. Notwithstanding, MOJ finally commissioned an additional 13 PEAs, bringing the total number of commissioned PEAs in Kosovo to 26, surpassing the LEP minimum required number necessary to establish a Chamber of Private Enforcement Agents. CLE, in coordination with the MOJ, provided assistance for the establishment of the Chamber of PEAs, which has several self-regulating organization functions,

including considerable oversight of the profession. In a public ceremony organized by CLE and the MOJ, the Chamber met for the first time and elected a President, Executive Board, and Control Council.

CLE supported the MOJ's coordination efforts with a variety of institutions – including the CBK, TAK, the Public Procurement Regulatory Commission, the Ministry of Public Administration, the Police, the KJC, and others – on their roles and responsibilities vis-à-vis the new system.

Also during the reporting period, CLE assisted the MOJ in developing the Monitoring, Evaluation, and Disciplinary system for PEAs. This includes establishing a Disciplinary Committee and the Supervisory Inspectorate of Free Professions. CLE is coordinating with the MOJ to build the capacity of the MOJ Office of Free Professions, which is responsible for monitoring and oversight the PEA system.

Although the PEAs are not obligated to report to CLE on caseload and progress, 21 of the 25 PEAs operating in Kosovo provided information on their caseload. Based on reports from these PEAs there have been 10,873 cases received. Of those 10,873 cases, 1,436 have been completed. This ratio of disposition to filing is not – yet – alarming or indicative of a backlog developing. However, the number of commissioned, operating PEAs is still well below the 110 minimum mandated by the LEP (this number is based on Council of Europe standards for PEAs, at one PEA per 25,000 of population). Despite CLE's (and USAID|Kosovo's) continuous urging, and CLE's commitment to provide logistical support, the MOJ remained unresponsive, and calls for application to take PEA exams have not been held in 14 months (the last exams were held in November 2014). Due to the political impasse, frequent participation by the Minister of Justice in negotiations with Serbia effecting internal leadership, and cumbersome internal procedures the MOJ has proven unable to fully implement its responsibilities under the LET. Continued inaction is likely to quite soon lead to another backlog of execution cases, because there is an insufficient number of PEAs operating.

Finally, under the LEP, the debtor is permitted to file an objection to the enforcement. This past quarter, there were 1,217 objections filed, and only 146 of those objections were resolved (LEP's lack of a procedural deadline for objections to be resolved by a court is one of the issues requiring amendment). An objection stays further enforcement in all but extraordinary cases.

A.II.I. Develop with MOJ secondary legislation for the new enforcement system

Throughout its first year, CLE supported the MOJ's efforts to draft the secondary legislation necessary to fully implement the LEP and establish the new PEA system. Working with MOJ's Legal Office, CLE staff drafted sixteen regulations, and conducted an analysis and provided comment on one other, for a total of 17 regulations and/or administrative instructions.

Fourteen regulations have already been adopted – specifically, those necessary for the PEA system to come into operation. Four regulations have been drafted but not yet adopted.

This quarter, CLE finalized the Administrative Instruction on Methods of Inspection, which was sent to the MOJ for review and comment, as well as the Administrative Instruction on the Management of the Monetary Means. Additionally, during this quarter, the MOJ adopted Decision No.427/2014 on the Appointment of the Disciplinary Commission, the composition of which is provided by the LEP, and which stipulates that the Disciplinary Commission shall be appointed by the Minister of Justice and be composed of 2 judges and 1 private enforcement agent. The members of the commission have been appointed for a two year term.

The drafting of the Administrative Instruction on the Management of Personal Business Data of the Private Enforcement Agents is ongoing, and should be adopted this spring. All sub-normative acts necessary for the new system to operate properly have been adopted.

A.II.2. Establish Chamber of private enforcement agents

The legal threshold of 20 operating PEAs required to establish the Chamber was met last quarter, and the Chamber was formally established on January 22, 2015. On this date, the first constituting assembly of the Chamber of Private Enforcement Agents was held, and the chamber bodies were elected. This includes the President of the Chamber, the Executive Board of the Chamber, and the Control Council. The President of the Chamber is also the Chairman of the Assembly and of the Executive Board. CLE supported the Department of Free Professions and the Secretary General of the Ministry of Justice to organize the opening ceremony for the establishment of Chamber.

The PEA Chamber will be a self-regulating body and its establishment is a significant milestone in fully establishing the profession, as it will serve as a monitoring organization of PEAs and will serve to protect the integrity and professionalism of its members.

Activities under A.II relate to the following PMEP indicators:

IR 1.1(3) - WB Doing Business indicator on contract enforcement (ranking)

World Bank Doing Business 2015 Rank: 138. Time (days): 330. This data is inaccurate, as the number of days to enforce a contract is based on old Law on Enforcement Procedure; not the current Law in effect; under the new LEP the time is 149 days.

Year II target: 138 Actual as of Q7: 138

IR 1.1.3(4) - Number of enforcement cases resolved through new procedures (e.g. bailiff) with USG assistance

The Private Enforcement Agents assumed jurisdiction over enforcement in July 2014. The total number of cases resolved through the new procedures (e.g. bailiff) as a result of USG assistance is 1,436 cases (as reported by the 21 PEAs who have disclosed their data to CLE²). It is clear that delays in implementing the system arising from political impasse are having a measurable impact on PEA system performance.

Year II target: 12,500 Actual to date: 1,436 Q7: 1,219

IR 1.1.3(7) - PEA disciplinary system implemented

Not yet implemented; anticipated during 2015.

Year II target: Yes Actual: No

IR 1.1.3(8) - Chamber of PEAs established

Yes, January 22, 2015.

Year II target: Yes Actual: Yes

² PEAs are not obliged to report on caseload and performance to CLE, and MOJ will only collect information quarterly at most. Data gathered for AMEP is based on CLE's tracking mechanisms.

A.III. Amendments to new Law on Enforcement Procedures

CLE gathered all civil judges from Appellate Court, all Basic Court President Judges, and civil (execution) judges from the Basic Courts at a two and a half day workshop to discuss provisions in the LEP in need of amendment. Practice has shown that the law has some gaps and inconsistencies which can be improved. For example, debtors are allowed to “object” to enforcement actions, notwithstanding having availed themselves of the full use of procedure prior to judgment. The law provides no fixed period within which these objections must be resolved by a judge. CLE and the judges agree that the law should fix a 15 day period during which objections must be decided, with cases returned to enforcement procedures, or to contested procedures in the event that an objection has merit. In the absence of this deadline, practice is already indicating that this procedural avenue will be utilized to delay enforcement.

Following this workshop, three working groups comprised of 18 civil judges pledged to continue to identify provisions in the LEP for potential amendment. Similar workshops will be held with PEA’s in the coming quarter. CLE expects to gather and discuss the drafts submitted by the working group in the spring. Once the final draft is completed, it will be sent to the MOJ for further input and discussion.

B. Component 2: Development of the Contract/Commercial Law Framework and Systems, Improvement of Contract Enforcement Systems and Functioning of Mediation Mechanisms

CLE Commercial Law Activities cover a range of activities with the Ministry of Trade and Industry to develop new Bankruptcy Legislation, and with the CBK to develop regulations for financial sector transactions, which are necessary to fully implement the Law on Obligations. During the quarter, CLE continued to support the Ministry of Trade and Industry (MTI) in the drafting of a revised bankruptcy law. CLE also continued to support the Central Bank of Kosovo (CBK) in the drafting of a range of regulations governing financial services contracts necessary for completely implementing the Law on Obligations, which entered into force in 2012. In addition, CLE is supporting the CBK in developing a regulation on Factoring, and is finalizing the CBK standard form Mortgage Agreement, which had been begun by a US Treasury Department initiative. The new factoring regulation, which covers the licensing of factoring institutions and provision of factoring services, and Mortgage regulations, are expected to be completed for CBK Board action by the end of next quarter.

CLE also regularly engages with small and medium enterprises (SMEs) to foster improved contracting practices, to expand the “culture of contract” that is critical to the functioning of a modern market economy. Awareness of legal rules and procedures governing contracts and dispute resolution options, and attendant implications for business activities is quite low among the business community. This lack of awareness, arising from and exacerbated from traditions favoring the handshake deal, have resulted in low use of well negotiated and *written* contract by many (most) Kosovo businesses. Activities with the business community are directed towards developing and enhancing the use of written contracts through provision of information and efforts to demonstrate the utility of changing business attitudes towards written contracts.

B.I. Development of the Contract/Commercial Law Framework

B.I.1. New Bankruptcy/Insolvency Law

The new draft Bankruptcy Law is expected to be submitted to the Assembly by July 2015 for review and adoption. CLE staff leads the MTI working group, which began meeting in June 2014. A final draft, consistent with international best practices and EU standards, is expected to be completed next quarter. CLE will then support the process of inter-ministerial review and submission to the Assembly. During the reporting period, CLE consulted with the commercial banks and received their

input on the draft. Once the draft is finalized and submitted to the Assembly, development of secondary legislation will commence to ensure that all necessary additional regulations are ready for promulgation concurrent with or shortly after adoption of the law.

B.I.2. Implement the Law on Obligations

Full implementation of the new Law on Obligations requires finalizing and promulgating secondary regulations associated with financial services, including consumer lending and insurance. CLE began this work last year, collecting stakeholder input from the MOJ, CBK, and affected private sector actors (particularly commercial banks), and began the process of drafting in spring of 2014. During this reporting period, CLE has been working with the International Chamber of Commerce Branch in Albania to translate the ICC standardized Regulations on Letters of Credit and Letters of Guarantee. The drafting process for all regulations has been completed except for the Regulations on Letters of Credit and Letters of Guarantee, which will be completed once the ICC standard/model regulations have been translated into Albanian, and the translation verified.

Regulations for the implementation of the law on obligations (status as of January 31, 2015):

	Regulation	Status	Notes
1	On safe deposit boxes	Completed	Ready for approval by the CBK Board of Directors
2	On letters of guarantees and letters of credit	Completed	CLE working with ICC Albania in translation of ICC Instruments.
3	On bank deposits in cash	Completed by CLE	Provided to KBA for stakeholder review
4	On the loan contract	Completed by CLE	Provided to KBA for stakeholder review
5	On current bank accounts	Completed by CLE	Provided to KBA for stakeholder review
6	On depositing of securities	Completed by CLE	Provided to KBA for stakeholder review

B.I.3. Amendments to the Law on Business Organizations

No actions were taken during the reporting period. It is possible, due to the long hiatus while a government was being formed last year that this effort will be delayed until 2016.

B.I.4. Develop amendments to the Law on Mediation

No actions were taken during the reporting period. It is possible, due to the long hiatus while a government was being formed last year that this effort will be delayed until 2016.

Activities under B.I relate to the following PMEP indicators:

IR 1.1.3(1) - Number of new laws and secondary legislation finalized and adopted to improve contract law and property rights using USG assistance

None adopted during the reporting period. The political impasse began to fully resolve only in the second month of the Program's 3rd Quarter of Year 2.

Year II target: 17 Actual to date: 22 Q7 (and Y2): 0

B.II. Engagement with the Business Community – Developing a Culture of Contract in Kosovo

B.II.1. Continued engagement with Agriculture Sector transactions – farmers and processors (with USAID NOA).

No activities during the reporting period. During the previous year, CLE operated jointly with the USAID New Opportunities for Agriculture (NOA) Program, to provide general legal knowledge, assistance, and training on contracting practices with NOA agricultural sector partners. The NOA Program closes in February, 2015, however. CLE remains prepared to support an expanded initiative; including having already competitively recruited and identified two candidates to work as Contract Monitors should the successor Program to NOA be launched in the near future. Should this program not be awarded in time to take advantage of this year's growing season, however, this activity will not be implementable.

B.II.2. Legal information materials

Standard Form Contracts:

No activities during the reporting period. The Final Standard Form Contract that CLE will prepare requires first that the Letter of Credit regulation be completed.

Know Your Rights Brochures:

No activities during the reporting period. Ten have been developed to date.

B.II.3. Outreach on contracts to the business community including non-majority Businesses (Also see Section C.I.3 below)

During this quarter, CLE held two "Put it on Paper" roundtables, one with businesses that participated in the focus groups of the CLE's survey on written contract usage, and the other with businesses in Ferizaj. During the reporting period there were 36 participants at these roundtables (27 male and 4 female).

Activities under B.II relate to the following PMEP indicators:

IR 1.1.3 (5) - Percent of businesses surveyed that regularly use written contracts (See also in C)

CLE surveyed 900 businesses throughout Kosovo as part of its mid-Program measurement of written contract usage by Kosovo businesses. The resulting report provides analysis of quantitative and qualitative research undertaken by the USAID CLE Program in order to understand the usage of written contracts, awareness and use of ADR mechanisms, and contract enforcement by the Kosovo judicial system. This survey is a repeat of a similar survey conducted in 2011, intended to identify trends and measure progress towards targets for increased contract usage by Kosovo businesses.

The 2014 survey results show that, as compared to the 2011 Survey, the frequency of contract usage by the business community in Kosovo has substantially increased; knowledge of the importance and benefits of entering into written contracts has substantially increased; and awareness of alternative dispute resolution (ADR) mechanisms has dramatically increased. These improvements may be attributed to a variety of factors including, education and information campaigns; organic recognition by the business community of the importance of written contracts; and support from USAID programs.

There are a number of areas that demonstrate a notable positive shift in the frequency of the

business community's usage of written contracts, and attitudes towards entering into written contracts. Of businesses that reported using contracts, 40% of them indicated they "Always" use contracts, a 16% change compared to the 2011 Survey. The research results also show that the vast majority of respondent businesses believe more in written than oral agreements (92.9%); a 10% change compared to the 2011 Survey. Approximately 80% of businesses perceive contracts as a guarantee for their business and helpful for their business; followed by 16.4% who perceive contracts as necessary only to conform to the law and/or a formality.

A majority of surveyed businesses, 70%, use written contracts, a 3.5 % change from the 2011 Survey; 29% of businesses reported that they do not use written contracts. The reasons for not using contracts by businesses include: not being a necessity for their type of business (59.8%); lack of enforcement of contracts by regulatory bodies (21.8%); that contracts make work more difficult/slow down performance (6.1%), and that contracts damage the business (2.8%).

Year II target: 30% Actual as of Q7: 40% (a 16% change from the 2011 survey)

B.III. Mediation (and arbitration monitoring)

CLE continued to operate mediation centers in Gjilan, Peja, and Prizren. The centers accept cases referred by the courts as well as cases submitted directly by the parties.

During the reporting period a total of 483 new cases were accepted by the CLE mediation centers, 224 in Gjilan and 210 in Peja, and 26 in Prizren. 75 cases were resolved and one was transferred back to the court.

CLE does not directly work on arbitration, but does monitor recognition and enforcement by the Courts. On January 1, 2013, the Commercial Court in Pristina was restructured and absorbed into the Commercial Department (CD) of the Pristina Basic Court. Recognition and enforcement of arbitral awards and enforcement of interim measures of arbitral tribunals now fall within the competence of the CD. During the reporting period, CLE staff met regularly with the representatives of the CD, including the Presiding Judge, Mr. Bajram Myftari, and the CD Administrator. As of reporting period, the CD has recognized three arbitral awards, including one high profile international arbitration award against a State Owned Enterprise. The case has been in the appellate court for over 9 months and a decision of the court is expected by early February 2015. The appellate court could clarify practice for the trial court, and ensure that future recognition of arbitral awards are not appealable (notwithstanding that Kosovo's Civil Law system does not recognize judicial precedent, the decision will nevertheless reference relevant legal provisions foreclosing appeal of recognition of arbitral awards, instructing the trial level not to leave recognition open to appeal).



B.III.1. Develop mediation infrastructure

CLE will support the drafting and passage of a new Law on Mediation (see B.I.4, above).

Mediation Regulations:

This quarter, CLE continued to support the efforts of MOJ's Mediation Commission to amend the most important regulations governing mediation and other relevant secondary legislation. This involved the cooperative drafting of four major regulations: the Regulation on Training and Certification; the Regulation on Grievance and Disciplinary procedures; the Regulation on Mediation

Centers; and the Code of Ethics for Mediators. CLE has prepared drafts ready for review by MOJ and other stakeholders. CLE held a workshop with representatives of the MOJ Mediation Commission, the German supported CSSP, mediators from all mediation centers (including UNDP's), and Mediation Center administrators in November. All four were finalized at this workshop, and were provided to the Ministry for approval and promulgation. They will be promulgated in the near future.

Support to the KJC to request a budget to place Mediation Centers and related staff in each Basic Court:

The KJC request to the Ministry of Finance for budget resources to support retaining mediation center managers was not included in the approved 2015 GOK budget. CLE will work with the KJC and MOF, as well as the Budget Committee of the Assembly to follow this request through the process for the 2016 budget. In the event that the budget request is approved at a mid-term budget review during 2015, CLE will work with the KJC to transfer the CLE centers' operations to the respective Basic Courts.

B.III.2: Continued support for existing mediation centers

The following table gives an overview of the cases referred to CLE-operated mediation centers during the reporting period.

	Peja		Gjilan		Prizren	
	Q7	To date	Q7	To date	Q7	To date
Cases reviewed by Program for potential referral	222	2102	241	2247	37	238
Cases selected by Program and judge for potential referral	210	1651	237	1977	36	230
Cases referred to mediation (based on agreement of parties)	28	223	40	263	--	24
Cases settled through mediation and approved by court	19	92	34	187	--	9
Cases not settled and transferred back to court	8	82	1	62	2	3
Cases in progress (agreement to mediate signed and mediator selected)	1	49	5	14	6	12

B.III.3: Assume operation of UNDP mediation center(s) (TBD)

UNDP continues to operate its centers. During this quarter, UNDP mediation centers were reauthorized and funded for an additional year. As such, CLE will not assume operations of these centers.

B.III.4: Continue implementing the KJC Protocol on court referral of cases to mediation

CLE staff regularly liaised with the Presidents and staff of Basic Courts in Gjilan, Prizren and Peja during the quarter to implement the Protocol.

This quarter, CLE collaborated with the AmCham ADR Center to encourage businesses from Peja to refer disputes to mediation centers and AmCham ADR Center.

B.III.5: Support to mediators and mediation-related activities:

CLE continued supporting the Association of Mediators. In particular, it supports the Association's

organizational development by helping it recruit new members and finalize its internal regulations and bylaws. The project also works with the MOJ to ensure that there is continued government support for expanding the availability of mediation, particularly in Pristina.

CLE met with mediators to discuss the progress of Kosovo Association of Mediators, which currently has 49 members. CLE is working with mediators from Pristina to facilitate discussions on becoming members of the Association, a pre-requisite to participating in any Association activities.

During the reporting period, CLE organized a retreat with the Mediation Commission to discuss secondary legislation concerning mediation and drafting a new Law on Mediation.

During the reporting period, CLE continued to support and coach 4 students that will take part in the ICC mediation competition in Paris, to be held in February 2015.

Activities under B.III relate to the following PMEP indicators:

IR 1.1.3(2) - Number of mediation agreements concluded

During this quarter, 266 cases were referred to mediation (agreement to mediation signed and mediator selected). To date, 510 cases were referred to mediation (agreement to mediation signed and mediator selected), out of which were 223 cases in Peja Mediation Center, 263 cases in Gjilan Mediation Center, and 24 in the Prizren Mediation Center.

Year II target: 300 Actual to date: 510 Q7: 266

IR 1.1.3(3) - Percent of arbitral awards recognized or enforced by court

100%

Year II target: 100% Actual as of Q7: 100%

B.IV Training

B.IV.1 Improve the skills and knowledge of judges assigned to the Commercial Department of the Pristina Basic Court, Court of Appeals, and Special Chamber of the Supreme Court.

During this quarter, CLE delivered one training workshop on *Corporate Governance and Internal Disputes* in cooperation with KJI to commercial judges. A total of 3 Kosovo-Albanian judges of the Commercial Department of Pristina Basic Court were present; 1 female and 2 male. (The target population for this training program is only the 4 judges from the Commercial Department, and the 2 Civil Judges from the Appellate Court, although CLE also invites representatives of the Supreme Court). CLE had already delivered this topic to the appellate judges in a previous quarter.



KJI has requested from CLE to implement the special curricula for commercial judges together with KJI. All of the CLE special curricula courses including courses proposed by KJI will be delivered in cooperation with KJI, which will receive the

curriculum for future training. For the upcoming quarter, CLE will deliver three (3) courses to the judges of the commercial department.

B.IV.2: Provide training on commercial law topics for judges in cooperation with KJI

During this quarter, CLE has delivered two regional training workshops on Mediation and Restorative Justice in cooperation with KJI. The first was in Gjilan. A total of 30 participants were present; 29 Kosovo-Albanian and one Kosovo-Bosnian (5 female, 25 male). The second, on Mediation and Restorative Justice, was in Prizren. A total of 10 Kosovo-Albanian participants were present; 3 female and 7 male).

The combined total number of participants trained on Mediation and Restorative Justice was 40; 39 Kosovo-Albanian, and one Kosovo- Bosnian (8 female and 39 male).

B.IV.3: Improve the commercial law and contracting skills of Kosovar lawyers

CLE continues to work with the KBA to provide professional training for lawyers. CLE offers courses to licensed advocates through KBA on a range of commercial law topics.

The following two courses were delivered during Quarter 7:

Arbitration, held on 22 November 2014 in the Peja Region. A total of 55 licensed advocates were present; 53 Kosovo-Albanian and 3 Kosovo Bosnian (2 female and 53 male.)

Arbitration, held on 31 January 2015 in Pristina. A total of 134 licensed advocates were present; 133 Kosovo-Albanian and 1 Kosovo-Turk (13 female and 121 male).

The total number of licensed advocates for both training workshops delivered during this quarter was 189; 186 Kosovo-Albanian, 3 Kosovo-Bosnian and 1 Kosovo-Turk (15 female and 174 male).

Activities under B.IV relate to the following PMEP indicators:

IR 1.1.2(1) - Percent of lawyers trained with USG assistance

During the reporting period 33.6% of (189) active licensed advocates attended training organized by CLE, out of which 15 female and 174 male. From the total number 186 were Kosovo-Albanian, 3 Kosovo-Bosnian, and 1 Kosovo-Turk.

To date, the total percentage of lawyers trained with USG assistance is 81.5% (458 active licensed advocates).

Year II target: 65% Actual to date: 81.5% Q7: 33.6%

IR 1.1.2(2) - Number of legal courses or curricula developed/upgraded with USG assistance

No legal course or curricula developed during this quarter.

Year II target: 9 Actual to date: 9 Q7: 0

IR 1.1.2(3) - Number of person days of training delivered to justice sector professionals

CLE has a total of 308 person days of training; 53 female and 255 male. Disaggregated by ethnicity, CLE has a 304 person days of training for Kosovo-Albanian; 3 person days of training for Kosovo-Bosnian, and 1 person day of training for Kosovo-Turk.

To date, CLE conducted a total of 923 person days of training.

Year II target: 250 Actual to date: 923 Q7: 308

C. Component 3: Outreach, Gender and Monitoring

C.I.1. Conduct outreach on the new enforcement system (See also A.II)

CLE's outreach activities continue to actively educate and inform public on the establishment of the new Private Enforcement system. The outreach activities rely heavily on event-driven news coverage through press releases, arrangement of exclusive interviews on the evening news shows that night and the morning news shows the day after an event.

During the reporting period, CLE supported the Constitutive Assembly of the Chamber of Private Enforcement Agents. The event brought together key figures from Government institutions, the Courts, and the Private Sector. More than 100 guests participated (85 male, 15 female), including the 26 commissioned PEAs. During Assembly meeting, the Chamber elected its President, Executive Board, and the Control Council of the Chamber. During the event, 26 private enforcement agents (21 male, 5 female) were present. The event was followed with printed media coverage, TV news, and CLE staff appeared on a morning news show the next day on national TV RTK, and also gave a radio interview.

C.I.2. Conduct outreach on backlog reduction

Concurrently with backlog reduction achievements, CLE assists KJC in conducting outreach to promote improvements in access to justice. During this quarter, CLE continued to air the Public Service Announcement (PSA) on backlog reduction on RTK, and also prepared an article/success story on dramatic reduction of the enforcement of the backlog cases.

CLE organized a roundtable with KJC and Court personnel to present the Strategy for the Backlog Reduction: "The System for Enforcement of Civil Cases Against Wages and Bank Accounts." The KJC Chair, 7 Court Presidents, and Civil Execution Judges participated.

C.I.3. Outreach to the business community (See also B.II.3 above)

During this quarter, CLE held two "Put it on Paper" roundtables, one with businesses that participated in the focus groups of the CLE's survey on written contract usage, and the other with businesses in Ferizaj. During the reporting period there were 36 participants at these roundtables (27 male and 4 female).

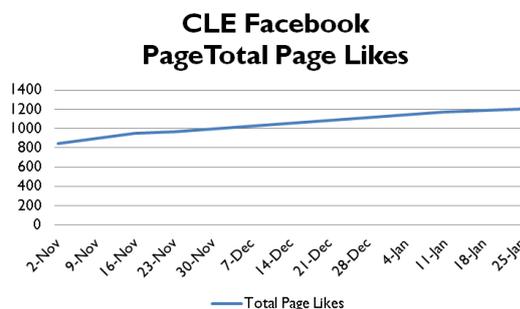
C.I.4. Outreach on mediation

Outreach on mediation includes a range of activities, including interviews, articles, and the presentation of mediation in public fora; CLE continues to advertise mediation services through radio Dukagjini and national TV - RTK.

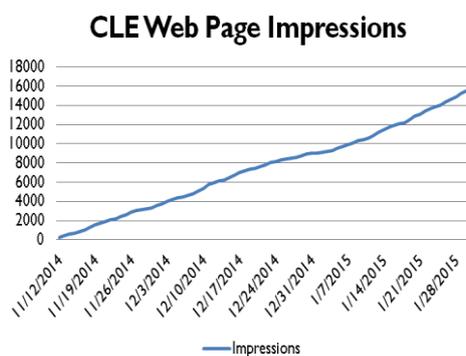
Although awareness on mediation is increasing (based on CLE's Survey on National Usage of Written Contracts, 22.5% of respondents reported that they preferred mediation as a form of alternative dispute resolution, which is a 650% increase compared to the 2011 Survey on Contract Usage conducted by the USAID SEAD Program), CLE continues with its outreach activities on mediation. CLE utilizes door to door meetings with businesses to discuss about ADR mechanisms focusing on mediation services. During the reporting period, CLE met with 274 individual businesses in Peja (95), Gjilan (53), and Prizren (126) to acquaint them with Mediation services.

Other outreach related activities

CLE regularly updates its web-page and Facebook page with events and articles regarding the Program generally, as well as specific initiatives.



The total number of CLE Facebook Likes reached at the end of reporting period is 1,205 - an increase of more than 370 during the last quarter. The Total Facebook Reaches for posts increased dramatically, by more than 8,000 during the quarter. The total Facebook Reach at the end of reporting period was 20,849 reaches.



During this quarter, CLE's web page has been visited more than 1,400 times. During this quarter, CLE's web page has appeared 15,000 times in search results (shown in the graph of Impressions).

Activities under C.I relate to the following PMEP indicators:

IR 1.1.1(2) - Number of legal institutions and associations supported by USG assistance

Fourteen legal institutions are supported by CLE: Ministry of Justice (MoJ), Kosovo Judicial Council (KJC), Central Bank Kosovo (CBK), Ministry of Trade and Industry (MTI), Agency for Business Registration of Kosovo (ABRK), Kosovo Bar Association (KBA), Kosovo Judicial Institute (KJI), Kosovo Banking Association (KBA), Tax Administration Kosovo (TAK), Association of Mediators, Mediation Commission, Kosovo Chamber of Commerce (KCC), the American Chamber of Commerce (AmCham), and the Chamber of Private Enforcement Agents. (The Women's Chamber of Commerce/G7 ultimately did not receive USAID Forward assistance as expected, and is not any longer considerably active).

Year II target: 15 Actual to date: 14 Q7: 14

IR 1.1.3 (5) - Percent change of businesses surveyed that regularly use written contracts

CLE conducted a nation-wide survey with 900 businesses to measure the contract usage. 40% of the

businesses surveyed regularly use written contracts, an increase from 23.9% in the 2011 Survey (the baseline) 16% change over the baseline from the 2011 Survey.

Year II target: 30% Actual as of Q7: 40%, a 16% increase.

IR 1.1.3 (6) - Number of campaigns supported by USG to foster public awareness and respect for rule of law

During this quarter CLE had 5 campaigns to foster public awareness:

Conference on establishment of the Chamber for the Private Enforcement Agents

Morning TV Show (Miremengjesi Kosove at RTK - national TV) regarding the Private Enforcement Agent system

Morning Radio Show at RTK Live (national Radio station) regarding the PEA system

Put it on Paper with businesses in Pristina (Nov. 25)

Put it on Paper with businesses in Ferizaj (Dec. 12)

Year II target: 16 Actual to date: 17 Q7: 5

Short-term Consultants this Quarter

Under subsection F.7.A.3 of the CLE program contract (Contract No. AID-167-C-13-00001), a quarterly statement is required on any short-term consultants, including progress and observations, significant issues, and a description of follow-on activities and plans.

Judge (ret.) Bruce Markell (Bankruptcy Expert) regularly engaged with the working group and has been intensively engaged in drafting of the new law. He is expected to return to Kosovo for the March 2015 working group session.

Judge (ret.) Suzana Sejdiu (Commercial Law and Bankruptcy Expert) is engaged in reviewing the current draft of the bankruptcy law produced by the working group (headed by CLE) and will participate in the next working group meeting scheduled for March 2015.

Environmental Compliance Statement

Under subsection F.7.A.3 of the CLE program contract (Contract No. AID-167-C-13-00001), a quarterly statement is required on actions taken related to environmental regulation compliance. Due to the nature of the CLE program's work, its activities do not have environmental impact. Nevertheless, the program has appointed an Environmental Compliance Officer who reviews program activities to ensure compliance with relevant environmental regulations. No issues arose in this quarter.

Status of Budget Expenditures

Under subsection F.7.A.3 of the CLE program contract (Contract No. AID-167-C-13-00001), a quarterly statement is required on the status of budget expenditures.

Under subsection F.7.A.3 of the CLE program contract (Contract No. AID-167-C-13-00001), a quarterly statement is required on the status of budget expenditures. As of January 31 2015, CLE has expended \$3,440,240.51. During the reporting period, spending was \$474,567.55. CLE anticipates the monthly burn rate to continue to be approximately \$253,542.00 per month over the next quarter.