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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 its second year, the CLE Program's backlog reduction activities resulted in large-scale, systematic enforcement against private bank accounts with over 16,000 thousand cases enforced against bank accounts. At the conclusion of Year Two, the CLE Backlog Reduction Initiative (BRI) team was embedded in all 7 Basic Courts in Kosovo, including Mitrovica, supporting court personnel and continuing support to courts to achieve functional elimination of the entire execution caseload. The CLE Program support resulted in the disposal of over 42,500 cases, or a 45.5%¹ reduction of enforcement caseloads in the seven Courts receiving CLE Program assistance, and the collection of over 4,000,000 Euro of previously unrecovered judgment debt. During the final quarter of Year 2, the Kosovo Judicial Council also adopted the CLE developed web-based statistical reporting application, which will improve court reporting of caseload, and will enable monitoring the performance of individual enforcement judges and clerks.

The CLE Program supported the Ministry of Justice (MOJ) to fully implement the new Private Enforcement Agent (PEA) system, including providing drafting assistance for 18 regulations; 15 of these regulations were adopted by MOJ, and the remaining 3 will be adopted later. The CLE Program developed and conducted a week long training course for PEA candidates, and conducted training for 23 candidates who are qualified to receive a commission from the MOJ. The system was formally launched by a Decision of the Minister in Year One, and at the close of Year Two, there are currently 25 PEAs operating throughout Kosovo. In Year Two, the Chamber of Private Enforcement Agents was created, and the relevant bodies were elected. In the 8th quarter, CLE began assisting the Chamber in developing its operational procedures and a Monitoring, Evaluation, and Disciplinary System for the PEAs.

Under the CLE Program's commercial law activities, a new draft Law on Bankruptcy is being developed, as are regulations to finalize implementation of the Law on Obligations. Drafting is largely complete for both, with the Law scheduled for action in July on the legislative agenda, and the regulations anticipated to be adopted by the Central Bank of Kosovo during the summer.

CLE implemented 30 training programs in Year Two- 13 training courses for licensed advocates of

¹ As measured against the CLE Program baseline caseload of 107,600 cases, that was established at the outset of the Program.

the Kosovo Bar Association, 6 training courses for commercial judges, 3 training programs for mediators, 4 training programs with KJI on Restorative Justice and 4 training programs for PEA system (2 training courses for database usage; one five day long training on Initial Training for Development of Professional Skills for PEAs, and one five day long Training of Trainers for Development of Professional Skills for PEAs).

In cooperation with the USAID New Opportunities for Agriculture (NOA) Program, CLE assisted farmers and their processor buyers to increase use of written contracts, and acted as a liaison between the parties to ensure no problems with performance were arising on contract implementation for over 650 contracts. In the 8th quarter, CLE continued its cooperation with the NOA successor program, Agricultural Growth and Rural Opportunities (AGRO) Program.

Ten “Put it On Paper” roundtables with businesses on contracting practices and Alternative Dispute Resolution (ADR) were held, including one with Gračanica Municipality Kosovo-Serbian businesses, and two in Mitrovica. A national survey on usage of written contracts, based on information provided by 900 business respondents and three focus groups with business representatives was completed. The results of the survey indicate broadly improving knowledge and awareness amongst businesses of the value and utility of utilizing *written* contracts, and ADR. This survey was 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, as well as awareness of and use of ADR mechanisms, including mediation.



The survey also included a section on women employment in the private sector.

Mediation activities have accelerated, with the Peja, Gjilan, and Prizren centers both seeing steady growth in case intake. Through Year Two, a total of 214 cases were accepted for mediation, of which 188 were mediated to agreement and finalized. The third mediation center in Prizren was opened and became operational in Year Two. CLE also delivered a refresher training workshop for licensed mediators in Prizren.

CLE in Year Two developed a Public Service Announcement on backlog reduction and enforcement of judgments that has been airing on national television. CLE also continued to air two television Public Service Announcements developed in Year One – one on the new PEA system, and one on Mediation. A radio advertisement for Mediation also continues to air on national and local radio.

Summary of Progress

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

Enforcement of Judgments activities have two goals: 1) Functional elimination of the courts’ execution case backlog (although activities also extend to more current “inventory cases”), and 2) Assistance to the Ministry of Justice to establish the Private Enforcement Agent System.

A.I. Backlog Reduction

In Year Two, CLE provided embedded support with backlog reduction teams in all 7 Basic Courts, including Mitrovica. The CLE team continued to assist court personnel to categorize civil enforcement cases in all Basic Courts and the majority of branches (CLE does not embed teams in the Gracanica (no cases), Novoborde (no cases), or the northern branches of the Mitrovica Basic Court in Zubin Potok, and Leposavic because of the ongoing negotiation over the status of institutions in the North). In the 8th quarter, 20 additional backlog reduction officers were hired and embedded in the courts after a highly competitive recruitment process, with over 300 applicants applying.

In addition to the 20 KJC enforcement clerks who were hired by KJC in the final quarter of Year One, CLE embedded 5 Backlog Reduction Officers (BROs) to support the KJC's Special Enforcement Unit (SEU) in the Pristina Basic Court. In Year Two, CLE supported the Pristina Basic Court to prepare over 13,000 notices to enforcement to debtors, for cases which had been filed with the court, but for which formal notice (service of process) had not been actually delivered to debtors by the court.

Generally, the CLE Program's support to court execution rests on three elements:

1) Development and exploitation of IT tools and infrastructure for improved case management.

2) Working with court enforcement judges and clerks to refocus court enforcement on more efficient procedural methods. This includes training and assisting in implementation of procedural mechanisms contained in the new Law on Enforcement Procedure (LEP) that enable the courts to better manage execution caseloads. 3) The CLE Program's Backlog Reduction Teams provide administrative support to court enforcement personnel, including preparation of cases for the delivery of notice to debtors (when required); preparing cases for final enforcement by court personnel; and segregating cases that require archiving,



suspension, or dismissal. At the outset of the Program, CLE agreed with the KJC to reduce the execution caseload by 45% across all courts receiving CLE assistance. By the end of Year Two, CLE cleared 42,547 cases from the execution caseload across all courts receiving its support, which is an overall reduction of 45.5%. This resulted in the full recovery of over 4,000,000 Euro of previously unenforced claims.

Enforcement of judgments against bank accounts and wages increased and became the norm for enforcement in Year Two as a result of various CLE-developed tools that were adopted by the KJC: (1) the adoption of the Standard Operational Procedures (SOP) for enforcement operations by KJC in Year One, which sets out performance norms for enforcement clerks; and (2) support to the CBK to fully automate enforcement of judgments against bank accounts through a upgrade to the Unique Account Holder Registry system. In Year Two, a system upgrade was designed and tested, and the regulation to formally adopt and utilize the system is expected to be approved in early Year Three; (3) further utilization of the CLE-brokered MOU signed between the KJC and Ministry of Internal Affairs (MIA), under which the Civil Registry Agency (CRA) will provide the KJC with Personal Identification Numbers (PINs), which are necessary to enforce judgments against wages. In Year Two, the CRA provided approximately 16,000 enforcement debtors' PINs

to the courts, making enforcement of cases against wages considerably easier and more efficient.

In Year Two, over 16,000 cases were enforced against bank accounts, resulting in the recovery of over 2,000,000 Euro. CLE, in cooperation with the KJC, also initiated the Mass Enforcement Strategy which was a start of new system on mass enforcement of cases primarily through wages. In Year Two, 6,473 Court Decisions against wages were prepared and distributed to Civil Enforcement Judges for signature and distribution to employers of debtors. Courts – and employers – have been slow to implement enforcement against wages, but CLE anticipates that, as with bank accounts, once institutions adapt to the “new” approach, this mechanism for enforcement will accelerate considerably throughout the final year of the Program.

A.I.1. Establish with KJC clear goals and targets for the complete reduction of backlogged enforcement cases in the Kosovo court system.

At the outset of the Program, CLE set, in consultation with the KJC, clear goals and targets for backlog reduction. CLE met the Year One target of an overall 15% reduction of the execution caseload in courts receiving CLE assistance. The Year Two target set was an overall reduction of 45% of the execution caseload in courts receiving CLE support and assistance. CLE achieved this target in the 8th quarter.

A.I.2. Assist KJC to improve systems for statistics related to execution caseload.

In Year Two, CLE continued to work with the KJC chair, KJC secretariat, individual courts, and the Statistical Department of KJC to inform CLE design, development, and implementation of a web-based reporting application that has been installed in all seven courts receiving embedded support from CLE. CLE developed this application to add reporting functions to the electronic judgment database. Developing the application entailed programming and data verification for all 108,299 cases in the database.²

The application works in Albanian, Serbian and English, and can generate a wide range of user-defined reports. The database is backed up weekly on an external disk and monthly to Compact Discs. Automatic weekly reporting is now enabled. The application enables a user to review reports that are updated twice weekly. This application has been installed and is fully operational in the Pristina, Ferizaj, Gjilan, Gjakova, Prizren, Peja, and Mitrovica Basic Courts.



CLE also prepared a separate statistical reporting mechanism for the KJC Statistical Department which will enable enforcement clerks and court based statistical officers to report to the KJC on a daily basis when cases are closed. Court Presidents were provided tablets with the application (and other information), and can monitor the performance of their enforcement personnel (including individual performance against norms). The application will also enable, for the first time in Kosovo’s history, an accurate accounting of the enforcement caseload once case data is fully entered (courts historically under-report their execution caseload by 10-40%).

² This database is incomplete, as many courts have failed to keep up with the electronic registration of enforcement cases; however, it does contain the vast majority of cases, so serves its purpose. CLE updates the database to contain complete enforcement case records when it embeds teams in courts. The database includes both backlog and current inventory of cases, and as of the date of this report, contains nearly 150,000 total cases.

The KJC Board in the 8th quarter formally adopted the reporting application and agreed to use this reporting application in lieu of any other reporting mechanisms. CLE will assist the KJC Statistical Department to fully utilize this online web based reporting and train the enforcement clerks and statistical officers during the first quarter of Year Three. Cognizant of KJC's eventual deployment of its own Case Management Information System (CMIS), this database and reporting application were developed in a programming language that will make integration into CMIS possible.

A.I.3. Support Basic Courts with backlog reduction activities.

In Year Two, CLE continued to work and assist Basic Courts in reducing the backlog, and as of the end of Year Two, CLE is providing embedded assistance to all seven Basic Courts (and branches), including the Mitrovica Basic Court currently housed in Vushtrri (CLE will not, however, provide support to the Mitrovica Branch Courts in Zubin Potok and Leposavic, nor in Mitrovica North, until settlement of status for the courts in the North). CLE hired 20 additional backlog reduction officers in Year Two after a competitive recruitment process. Selected candidates were trained and started work in the courts in February 2015.

CLE continued to provide backlog reduction assistance in the Gjakova Basic Court and its branch courts in Rahovec and Malishevo from May- October 2014. Assistance was also extended to the Ferizaj and Pristina Basic Courts, starting in June 2014, and in the Prizren Basic Court from October 2014. Overall, 49,123 cases were removed from caseload with CLE assistance in Year Two.

As of April 30, 2015, the execution caseload was reduced as follows³:

Basic Court with branches	Number of cases officially reported by KJC/Number of cases actual	Number of backlog cases officially reported by KJC/Number of backlog cases actual	Number of inventory cases officially reported by KJC/Number of inventory cases actual	Number of cases removed actual	Percentage of total KJC reported caseload removed/Percent actual of total caseload removed
Pristina	43,750/55,475	**/40,349	**/15,126	11,217	25.64%/20.22%
Prizren	11,078/25,698	**/12,380	**/13,318	10,687	96.47%/41.59%
Gjakova*	10,652/16,259	**/9,042	**/7,217	5,617	52.73%/34.55%
Peja	14,230/24,595	**/15,859	**/8,736	7,363	51.74%/29.94%
Ferizaj*	8,506/13,907	**/7,007	**/6,900	7,326	86.13%/52.68%
Gjilan	8,258/15,954	**/8,560	**/7,394	6,805	82.40%/42.66%
Mitrovica*	5,804/4,398	**/4,001	**/397	108	1.86%/2.46%
TOTAL	102,278/156,286	**/97,198	**/59,088	49,123	48.03%/27.22%

* Categorization is not completed yet.

** Backlog is defined as cases filed prior to Dec 31, 2011. KJC does not distinguish backlog and inventory.

³ Demonstrative of poor reporting by courts, as mentioned above, the number of cases concluded and cleared are in all courts greater, and in some courts considerably greater, than the number of cases that have been officially reported. The overall percentage reduction by court here is based on the baseline numbers set in May 2013.

As noted above, at the end of Year Two, CLE is providing assistance to all 7 Basic Courts and covering 13 Court Branches. A breakdown of embedded support is below:

- Pristina BC - Podujevo and Lipjan branch court - 5 BR officers
- Gjilan BC - Viti and Kamenica branch court - 3 BR officers
- Prizren BC - Suhareka and Dragash branch court - 5 BR officers
- Gjakova BC - Rahovec and Malishevo branch court - 4 BR officers
- Peja BC - Decan branch court - 3 BR officers
- Ferizaj BC - Kacanik and Shterpce branch court - 3 BR officers
- Mitrovica BC - Vushtrri branch - 4 BR officers

A.1.4. Support KJC and Basic Courts to improve performance of court enforcement clerks

Throughout Year Two CLE conducted a number of activities to improve the professional competence of court enforcement clerks.

CLE continued to coordinate and liaise with courts providing direct training to court enforcement personnel on a number of new procedural mechanisms in the law, as well as inculcating more efficient enforcement practices such as enforcement against bank accounts and garnishment of wages. CLE assisted the CBK and KJC/Courts to refine and expand use of the CBK Unique Account Holder Registry. CLE also developed data transfer mechanisms, and tested them against TAK employment information in order to facilitate increased use of enforcement against wages. CLE, in cooperation with Civil Registry Agency, organized training sessions for 67 court enforcement clerks on how to access and use the CRA database containing the PINs of enforcement debtors.

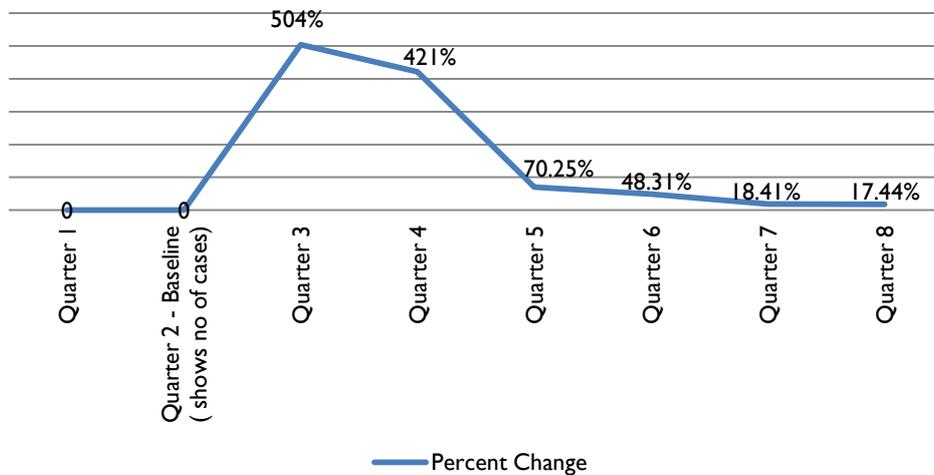
CLE continued to work with KJC Secretariat on monitoring the implementation of the Standard Operating Procedures (SOPs) for enforcement clerks, which was adopted through a KJC Board decision in Year One. The SOP includes clear goals and norms for each enforcement clerk. For example, in a given month, a minimum of 20 cases must be enforced against bank accounts and wages; 40 cases is considered average, 60 cases good, and 80 considered excellent. As described in A.1.2., CLE developed a statistical reporting application to be used by the KJC Statistical Department in order to improve the statistical reporting and monitor the performance of each enforcement clerk (the adoption of which was delayed by nearly a year in the absence of a quorum on the KJC, resulting from the inability to form a government).

A.1.5. Utilize improved methods and information resources to improve enforcement against bank accounts and earnings.

a. Enforcement against Bank Accounts and KJC cooperation with CBK

The CBK Unique Account Holder Registry (Registry) contains account information of all bank accounts in Kosovo. CLE has coordinated with the CBK and the KJC to ensure that the Registry is accessible to judges and court enforcement staff through a software link created by CLE during Year One. Since October 2013, this has allowed direct enforcement of judgments against bank accounts. Prior to the creation of the Registry, enforcement required multiple trips by an enforcement clerk to the same bank, and typically resulted in a failed effort. This Registry provides information for approximately 2.5 million bank accounts from all 8 commercial banks operating in Kosovo. Providing the Courts access to this Registry has enabled enforcement through bank accounts; without the registry, this preferred and efficient avenue to pursue judgment debts was, as a practical matter, unavailable to the courts. This avenue has now become an important tool for the courts and has resulted in a dramatic increase the number of cases enforced through this mechanism. Courts have seized around 16,000 debtors' accounts pursuant to judgment debts, resulting in the closure and full recovery of the claimed value for more than 4,000 cases (approximately 2,000,000 Euro).

Percent Change - Court Enforcement Actions Against Bank Accounts



To increase effective enforcement of court decisions and make bank account information available to the Courts, CLE in cooperation with Payment System Department of CBK during Year Two supported an upgrade to the Registry, creating a fully automatic system through a secure online platform connecting every court and all commercial banks operating in Kosovo. The system upgrade will further increase efficiency and virtually eliminate face to face contact between courts and banks. In Year Two, CLE drafted a Regulation on the Account Holder Registry System and developed the new software upgrade. At the end of Year Two, the upgrade has been installed by the CBK Payment System Department. The System is currently in testing, and the CBK Board is expected to approve the regulation enabling its use early in Year Three.

In order to prepare the Courts for usage of the new fully automated enforcement system, CLE has equipped all 7 Basic Courts with scanners and is in the process of training civil enforcement judges, court enforcement clerks, and commercial bank transaction officers on the upgraded system. Full implementation of the upgraded system for enforcement against bank accounts is expected early in Year Three.

b. Enforcement against Wages and KJC cooperation with TAK and CRA

Developing processes for enforcement against wages has proceeded more slowly than against bank accounts. Employment information maintained by TAK is associated with the Personal Identification Number (PIN) issued by the Civil Registration Agency. Courts have in the past not had access to the PINs. Instead, courts only have access to case numbers and the names of the parties (creditor and debtor). Execution against wages, however, is dependent upon obtaining PINs from the CRA to associate with case files – without the PIN, in nearly every case the court cannot with certainty ensure that enforcement is pursued against the right person. CLE brokered a MOU between KJC and the MIA-CRA to provide all PINs to the KJC. This MOU was finalized during Year One, and through September 2014, the MIA-CRA distributed to KJC approximately 16,000 debtors PINs. The association of cases to PINs started immediately, and CLE assisted Courts with identification of debtor’s employers using the Tax Administration of Kosovo (TAK) database. In Year Two, CLE with KJC launched the CLE mass enforcement strategy on enforcement through wages. Nearly 6,500 court enforcement decisions were prepared and distributed to court enforcement judges for review and signature. The usage of PINs and TAK database facilitated a dramatic increase in the ability to conduct enforcement

against wages.

CLE, in cooperation with CRA, organized training sessions for all court enforcement clerks. Sixty-seven court enforcement clerks were trained on how to access and use the CRA database and how to identify enforcement debtors and find their PINs. Further training sessions for court enforcement clerks on how to use the TAK and CRA databases, and the way to associate enforcement cases with debtors PINs and identify debtors' employers in order to facilitate and complete the wage garnishment, are expected in Year Three.

CLE continued to cooperate with TAK officials in Year Two, continuing to update the flow of information through the previously developed data link between the KJC and the TAK. Through this data link, the KJC is able to collect and acquire, on a monthly basis, employment information about enforcement debtors.

A.I.6. Improve enforcement mechanisms related to immovable property.

In Year Two, CLE consulted with various stakeholders to move forward with amending the Law on Enforcement Procedure (LEP), particularly as it relates to improving enforcement mechanisms concerning immovable property. A mortgage lending agreement, developed in collaboration with the US Treasury Department Advisor and which standardizes a number of provisions of mortgage lending, was adopted by the CBK in Year Two.

CLE maintains that the chief obstacle to enforcement against immovable property is the requirement in the LEP that two "fixed-price" auctions be held before a third auction, with no fixed price, can be held. A number of other amendments are required to harmonize the language with other laws, and to clarify certain provisions of procedure to include specific time frames in which cases must be resolved.

A.I.7. Streamlined procedures for management and dismissal of cases

Under the old Law on Enforcement Procedure, Kosovo courts were granted discretion on whether to dismiss or suspend cases, but demonstrated an unwillingness to exercise this discretion. One case, for example, claiming 45 Euro, has seen 13 attempts to provide notice to the debtor, who was un-locatable and had almost certainly emigrated. Under the new LEP, however, several procedural mechanisms were introduced to put an end to enforcement processes when cases prove clearly uncollectable (e.g., the debtor is deceased) or impracticable to collect. The new LEP provisions now provide that judges "shall" suspend, instead of previous versions which granted discretion and provided that judges "may" suspend.

In Year Two, CLE provided direct training and administrative assistance to judges and enforcement clerks to inform them about this change and to help them prepare administrative systems for suspension. Additionally, CLE assisted the courts in archiving civil judgment claims based on criminal fines that had passed the statute of limitations, rendering these cases "dead" at law. Through Year Two, nearly 8,447 cases have been suspended, and an additional 515 have been prepared for suspension.

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 assistance⁴

To date, 45.5% of cases in the execution caseload⁵ at courts receiving CLE assistance have been

⁴ The total caseload is based on KJC data.

cleared from the execution caseload.
Target Year II: 45% Actual Year II: 45.5%

IR 1.1(2) - Number of civil enforcement cases enforced as a result of USG assistance⁶

During the 8th quarter, the total number of cases cleared from the execution caseload as a result of CLE's assistance is 14,589.

To date, the total number of cases cleared from the execution caseload as a result of CLE's assistance is 42,547.

Target Year II: 23,000 Actual Year II: 49,123 Q8 only: 21,165

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

CLE assists 23 Courts: 7 Basic Courts (Pristina, Prizren, Gjakova, Peja, Ferizaj, Gjilan, Mitrovica) and 16 branches (Podujeva, Lipjan, Gllogovc, Suhareka, Dragash, Malishevo, Rahovec, Decan, Istog, Klina, Kacanik, Strpce, Viti, Kamenica, Vushtrri, Skenderaj). Branch courts in Novoberdo, Gracanica, Zubin Potok, and Leposavic do not yet receive embedded support (and Zubin Potok and Leposavic are unlikely to, given the time remaining in project and the ongoing negotiations over status of courts in the North).

Target Year II: 22 (27) Actual Year II:23 Q8: 23

IR 1.1.1(4) KJC reporting on execution caseload improved (YES/NO indicator)

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. The KJC, in the 8th quarter, formally adopted the USAID CLE-developed web-based statistical reporting applications.

Target Year II: Yes Actual Year II: Yes Q8: Yes

A.II. Establish the new enforcement system

In Year Two, CLE continued to fully and effectively implement the new private enforcement system, which was formally launched in May 5, 2014, when the first cohort of thirteen Private Enforcement Agents (PEAs) started operating. In Year Two, twenty-three PEAs were trained and an additional twelve PEAS were granted commissions and began operating. The total number of PEAs operating in Kosovo at the end of Year Two is 25. CLE continued to support the MOJ to coordinate with a variety of institutions – including the CBK, TAK, the Public Procurement Regulatory Commission, the Ministry of Public Administration, the KJC, and others – on their roles and responsibilities vis-à-vis the new system. Although PEAs are not obligated to report on caseload and performance to CLE, most PEAs voluntarily provide reports on a periodic basis. As of February 2015, 10,873 cases were received and 1,436 were closed. There were 1,217 objections filed against the writs of executions to enforce the judgments, and of those objections, 146 were resolved by the courts. These statistics are troubling, and foreshadow a repeat of the problem of backlog looming. The Ministry of Justice's failure to conduct

⁵ Total is based on June 2013 KJC data, which constitutes the Program baseline for measurement against targets. Based on KJC data 98,123 is the total caseload (backlog and inventory) for all courts. 107,600 is the total number for all courts adding KJC data, plus results from the CLE database after concluding categorization in just one court - the Gjilan Basic Court. Targets are cumulative.

⁶ The total number of cases is based on CLE's tracking mechanisms, not KJC data.

examinations and commission additional agents as required by the LEP continues to be an area of high priority for CLE, and the Program raises the issue with the Ministry on a weekly basis, reminding it of the obligation under the law, and pledging continuing assistance.

The legal threshold of 20 operating PEAs required to establish the Chamber of PEAs (Chamber) was met in Year Two, and the Chamber was established on January 22, 2015. The first constituting assembly of the Chamber of Private Enforcement Agents was held, and the Chamber's bodies were elected. These bodies include the President of the Chamber, the Executive Board of the Chamber, and the Control Council. In Year Two, CLE began supporting the Chamber in developing its operational procedures and developing the Monitoring, Evaluation, and Disciplinary system for the PEAs.



It should be noted – and repeated – that the MOJ has failed for over 14 months to issue a call for applications to examine and commission new PEAs, leaving the country well short of the Council of Europe standard, and LEP requirement, of at least 1 PEA per 25,000 people. Ultimately, to meet this standard, approximately 120 PEAs will need to be operating. CLE has met at least twice monthly with the MOJ at all levels (Minister, General Secretary, Office of Free Professions, etc.) to offer assistance and support for holding additional exams. Even intervention by the USAID Mission Director failed to secure MOJ's action on this matter. Unfortunately, the last year's political issues influenced the MOJ and impeded full implementation of the law. As a result, with fewer PEAs, there were far fewer cases than should have been concluded.

A.II.1. Develop with MOJ secondary legislation for the new enforcement system

In Year Two, CLE supported the Ministry of Justice (MOJ) to draft the secondary legislation necessary to fully implement the Law on Enforcement Procedure and establish the new private enforcement system. In Year Two, the Administrative Instruction (AI) on Disciplinary Procedures against Private Enforcement Agents was approved on May 13, 2014, and the Decision on the appointment of the Disciplinary Commission was approved on November 12, 2014.

Fifteen sub-normative acts have already been adopted – specifically, those necessary for the PEA system to come into operation. The Draft Administrative Instruction on Control and Methods of Inspection has been drafted, as well as the corresponding manual, stipulated by the AI. This AI and manual are expected to be adopted in early Year Three. Two AIs were fundamentally completed, but now are pending and are in the process of being redrafted--The AI on Management of the Monetary Means and the AI on Conditions and Procedures and the Arrangements of the Business and Personal Data of the Private Enforcement Agents. Both AIs will be finalized and adopted after amendments to LEP have been implemented.

Finally, there is one regulation that must be approved, not by the Ministry, but by the Professional Commission that will be created to oversee the new PEAs. This is a regulation on the Commission's own Rules of Procedure. The Professional Commission does not yet exist. It was expected to come into existence in the summer of 2014 but its establishment was hindered by the nearly year-long political impasse in Year Two. Members of the Commission are expected to be appointed in early Year Three. The regulation has been drafted and finalized, and has been reviewed by the Ministry; it is expected that its adoption will be the Commission's first action.

A.II.2. Conduct training for private enforcement agents

In Year Two, CLE conducted a training session for PEA candidates. The training session was held August 4-8, 2014, and conducted by STTA Jos Uitdehaag, himself a consultant for the former GIZ and Kingdom of the Netherlands Balkans Enforcement Reform Program (BERP), which participated in drafting Kosovo's law, and also a Private Enforcement Agent in the Netherlands. It was a five-day training session which introduced key concepts of private enforcement work, discussed common issues, problems and solutions to lay out a "road map" for the new PEAs. The program covered subject matter related to private enforcement and best practices, including international standards and principles of enforcement; the structure of the new enforcement legislation in Kosovo; the relationship between PEA and creditor; territorial competence and jurisdiction; access to information; cooperation with authorities and the PEA's relationship with police and courts; cross-border enforcement, means and objects of enforcement, professional ethics, and many other topics. The program also covered topics with regard to office organization and business management, including organizational aspects of the PEA office, financial management, proper record keeping, IP related issues, and tax concerns.

A total of 23 participants attended all five days of the training (5 female/18 male), and an additional 13 (1 female/12 male) attended the training session, but not for the full five days. As in Year One, this training session was also open to support personnel employed by operating PEAs, as well as MOJ staff.

A three-day Training of Trainers program for MOJ personnel and CLE staff, (who are likely to lead future initial trainings), was held during August 11-13, 2014. Out of 8 participants who attended the training full-time (3 female / 5 male), two were CLE attorneys and the other 6 were MOJ personnel from the Office of Free Professions as well as the Legal Department. The training program covered subject matter similar to the one provided to PEAs.

A.II.3. Establish Chamber of Private Enforcement Agents

The legal threshold of 20 operating PEAs required for establishing the Chamber was met in late December 2014, and the Chamber was formally established in Year Two, on January 22, 2015. In a public ceremony organized by the CLE Program and the MOJ, the first constituting assembly of the Chamber of Private Enforcement Agents was held, and the Chamber's bodies were elected. These bodies include the President of the Chamber, the Executive Board of the Chamber (consisting of seven members) and the Control Council (consisting of three members). The President of the Chamber is also the Chairperson of the Assembly and of the Executive Board.

The Chamber is a self-regulating body and will play an active role in policing the profession. CLE will continue to support the Chamber, both operationally and financially. The establishment of the Chamber is a significant milestone in fully establishing and building the profession. The Chamber, with assistance from CLE, is developing procedures to monitor the PEAs and protect the integrity and professionalism of its members.

Amendments to the Law on Enforcement Procedure

The Law on Enforcement Procedure (LEP) entered into force in January 2014. Since the Law entered into force, CLE, along with various stakeholders such as commercial banks, private enforcement agents, and civil judges from various courts, have identified provisions in the Law that are inconsistent or unclear, and that require amendment. Amendments to the LEP implicate both courts and backlog reduction efforts, and the private enforcement system.

CLE and the stakeholders agree that certain amendments to the LEP are necessary to ensure

consistent and proper implementation. In Year Two, CLE collected feedback from these stakeholders to begin amending the Law. In January March 2015, CLE organized two workshops with 18 Civil Judges from the Court of Appeals and the Basic Courts civil execution judges to discuss the issues identified as obstacles for efficient application and implementation of the Law. The main changes of LEP have to do with section on enforcement through bank accounts and sale of immovable property. In Year Two, CLE drafted a proposal for amending the LEP, which will be presented to the Ministry of Justice for further discussion, and then presented to the Assembly for adoption in Year Three.

Amendments to the LEP are also necessary to make the private enforcement system more effective and efficient. For example, the LEP currently does not have a provision indicating a deadline for when a judge must decide upon an objection filed by a debtor against a writ of enforcement. In Year Two, CLE coordinated and liaised with various stakeholders, who agreed that the deadline for judges to decide should be 15 days. In the interim, until the LEP is amended, the President of the Supreme Court, in the 8th quarter, announced that the Supreme Court will issue a circular to all civil enforcement judges that all objections must be decided within 15 days. Another issue that will be addressed in the amendments to the LEP is the timing of success fees for PEAs. In Year Two, CLE has remained steadfast with its position that PEAs cannot request “success fees” upfront, prior to closing the case, and that the fee paid should be proportional to the amount collected and not the amount claimed. PEAs, not surprisingly, take the opposite view, and many are trying to make full payment conditional on taking cases, which has very real potential to result in many claims – either very large claims, or those considered less than certain of recovery – to not be sought by judgment creditors. As private enforcement is a delegation or the constitutional justice function, this outcome would be unacceptable – part of the design of a private enforcement system includes the policy that *all* claims must be capable of pursuit, and creating a financial incentive to not do so, while probably good business for PEAs, does not have support from rule of law and justice considerations.

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

IR 1.1(3) WB Doing Business indicator on contract enforcement: Time in days for enforcement

World Bank Doing Business 2015 Rank: 138
Time (days): 330

Target Year II: 138 Actual Year II:138 Q8: 138

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

The Private Enforcement Agents began operating in May 2014. The total number of cases resolved by 25 PEAs, through new procedures (e.g. bailiff) using USG assistance is 1,436 cases. These numbers are based on numbers reported from 25 PEAs operating in Kosovo.⁷

Target Year II: 12,500 Actual Year II: 1,436

IR 1.1.3(7) Enforcement agent disciplinary system implemented

Not yet implemented; anticipated during 2015.

Target Year II: Yes Actual Year II: No Q8: No

⁷ 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.

IR 1.1.3(8) Chamber of PEAs established

Yes.

Target Year II: Yes Actual Year II: Yes

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 Framework activities serve to advance a “culture of contract” with the business community, working directly with businesses to assist them in developing better contracting practices. The Program also provides ongoing general legal support on contract and commercial law matters to government, donor, and private sector organizations, including the Ministry of Trade and Industry, the Central Bank of Kosovo, the Ministry of Justice, the Kosovo Bank Association, and Chambers of Commerce in addition to other USAID and USG technical assistance programs (most notably, collaboration with the US Treasury Advisor at the Central Bank on developing mortgage lending framework regulations). To expand the “culture of contract” that is critical to the functioning of a modern market economy, the Program works closely with small and medium enterprises (SMEs) among Kosovo’s Albanian and Serbian communities to foster improved contracting practices. Activities with the business community are ultimately directed towards developing and enhancing the greater use of written contracts through provision of information and efforts to demonstrate the utility of changing business attitudes to not view the use of written contracts as an affront or lack of trust, but as a tool to distribute risk, memorialize the transaction more effectively, and utilize Alternative Dispute Resolution (ADR) mechanisms.

Additionally, CLE commercial law activities have developed and implemented a robust set of training activities in commercial law for judges and lawyers; has been leading with the Ministry of Trade and Industry (MTI) the development of a new Law on Insolvency; and drafting of a new Law on Late Payments, and a new Law on Bills of Exchange at the request of the Speaker of the Assembly.

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

B.I.1. New Bankruptcy Law

The new draft Bankruptcy Law, sponsored by the Ministry of Trade and Industry (MTI) and supported by CLE, was placed on the legislative agenda in Year Two, to be considered in early Year Three by the Assembly. CLE supported the MTI by developing the package of documents necessary to support amendment of the Government’s legislative program for 2015 to include the new bankruptcy law, and continued leading the drafting process and the working group tasked with drafting the new Law. By the end of Year Two, the working group has met four times; two of the working group meetings were held in Year Two. CLE provided the working group with the necessary legal expertise by engaging STTA Judge (ret.) Bruce Markel and CCN STTA Kosovo Commercial Judge (ret.) Ms. Suzana Sejdiu. The draft will be finalized in the first quarter of Year Three. CLE will subsequently support the drafting of a Bankruptcy Manual, as well as train judges on the new law, and training for Bankruptcy Administrators.

B.I.2. Implement the Law on Obligations

Full implementation of the new Law on Obligations requires drafting and promulgating several secondary regulations, particularly those associated with financial services. Until these regulations are drafted and adopted, the applicable provisions of the old Law (from 1978) will remain in force. CLE has been working with the commercial banks and the Central Bank legal department to coordinate

development of these regulations. CLE has been assisting the Central Bank in drafting the Regulation on Bank Deposits, Regulation on Safe Deposit Box, Regulation on Contract for Loan, Regulation on Letters of Credit and Bank Guarantees; Regulation on Bank Accounts, Regulation on deposits of Securities.

The CBK also requested CLE assistance in developing a regulation on Factoring. CLE developed a Factoring Regulation in line with the international model factoring law and best practices for the CBK. This regulation is expected to be adopted during the summer of 2015.

A Mortgage Regulation developed by CLE in cooperation with the US Treasury Advisor has been adopted by the Central Bank. The Mortgage Regulation establishes a uniform framework for treating individual and commercial mortgages in Kosovo.

In Year Two, CLE also collaborated with the Albanian Branch of the International Chamber of Commerce for technical and legal translation of the International Chamber of Commerce's (ICC) Uniform Customs and Practice for Documentary Credits (UCP 600) and Uniform Rules for Demand Guarantees (URDG 758) into the Albanian language. Translation of UCP and URDG is expected to be completed in Year Three. These two instruments will then be promulgated as regulations by the CBK.

Developing Laws Related to Economic Growth

The issue of late payments has been raised by the Kosovo Bankers Association (KBA) and the private sector. CLE is supporting an initiative led by the Speaker of the Kosovo Assembly to draft and pass several laws through intended to foster greater economic development through an expedited procedure. Two of these laws will include a Law on Late Payments and a Law on Bills of Exchange. CLE began drafting these two laws during the last quarter of Year Two and will continue developing them during the entire first quarter of Year Three, prior to submitting them to the Assembly for review and adoption.

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

A set of amendments to the Law on Business Organizations (LBO) was drafted by MTI with UNDP assistance in 2013 and submitted to the Kosovo Assembly by MTI in early 2014.⁸ The amendments did not pass into law before the Assembly dissolved for the June 2014 elections, and was sent back to the MTI. CLE has been coordinating with the MTI to submit the amendments to the Law after the new government was formed in December 2014. The package of amendments, which include stakeholder input and are consistent with international best practices and European standards, is on the legislative agenda for August 2015. Once the LBO has been passed by the Assembly and enacted, CLE will draft a commentary for the new Law in Year Three, time permitting.

B.I.4. New Law on Mediation

In Year Two, CLE supported the MOJ in drafting amendments to the Law on Mediation (see B.I.4, above). Amendments to the Law include provisions that would place mediation centers within the Basic Courts under the competence of the KJC (resisted by MOJ, which seeks to itself be the employer of court based personnel notwithstanding that this would violate constitutional separation of powers and has no legal basis elsewhere); a proscription against referring domestic violence



⁸ UNDP is no longer engaged in this process.

cases to mediation; and court-annexation of certain types of cases. Court annexation is a mandate that the parties first must try to attempt mediation before family law cases can proceed before a judge (division of marital assets, child custody, etc.). In the 8th quarter, CLE assisted the MOJ in drafting a concept document on amendments to the Law on Mediation, which has been submitted for the MOJ's review. In May 2015, CLE will also support a working group, which will include MOJ officials, CLE, UNDP, CSSSP, and the European Commission, to review and finalize the concept document.

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

IRI.1.3(I) Number of new laws and secondary legislation finalized and adopted to improve contract law and property rights using USG assistance

During the 8th quarter, CLE developed the regulation on mortgage lending, which was adopted by the Central Bank of Kosovo.

Target Year II: 17 Actual Year II: 23 Q8: 1

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).

In Year Two, CLE collaborated with the USAID NOA Program and NOA's farmer and processor counterparts to ensure that these counterparts regularly use written contracts. Beginning in April 2014, CLE provided pro bono internship opportunities for two interns to act as contract monitors, regularly visiting farmers, packing houses, and processing centers to monitor compliance with the new contracts, and to mobilize, if needed, Mediation to resolve any disputes that arose (none did). The interns continued working through the end of the 2014 harvest.

CLE regularly monitored the performance of nearly 650 contracts between farmers and processors. CLE developed a regional tracking system for those transactions which looked likely to encounter problems in performance. CLE and NOA agreed that the true demonstration of the utility of using written contracts would be timely resolution of disputes. CLE prepared a roster of mediators willing to provide mediation for those contracts where disputes arose, with a goal of bringing mediation to the parties within a week of notice. Ultimately, the contracts were concluded and performed without any substantial issues at the end of the harvest season.

In the 8th quarter, CLE continued its cooperation with the NOA successor program, the Agricultural Growth and Rural Opportunities (AGRO) Program to increase the usage of written contracts, and provide assistance to farmers and collection points. During this quarter, CLE hired two full time Agricultural Contract Monitoring Officers, who will liaise with farmers and processors in the field, as was done in the previous year.

Increased Use of Written Contracts

In 2014, CLE surveyed 900 businesses throughout Kosovo, and conducted three focus groups with business representatives, as part of its mid-Program measurement of written contract usage by Kosovo businesses. This survey was 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, as well as awareness of and use of ADR mechanisms, including mediation.

Results show that, as compared to the 2011 survey, the frequency of contract usage by the business community in Kosovo has substantially increased and knowledge of the importance and benefits of

entering into written contracts has substantially increased. 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. A majority of surveyed businesses, 70%, use written contracts, a 3.5 % change from the 2011 survey.

B.II.2 Legal Information Materials

Standard Form Contracts: CLE developed and launched a Standard Form Contract on Construction.



Additional Know Your Rights Brochures, and Standardized By-laws and Acts of Incorporation were planned for the Program's Year 2. However due to the enduring political crisis for most of the Program's second year, the Law on Business Organizations, a threshold event necessary to develop these, was not adopted. As such, these activities will be shifted to Year 3, assuming action by the GOK to adopt the law.

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

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

CLE conducted a nation-wide survey with 900 businesses to measure the usage of written contracts. 40% of the businesses respondents surveyed regularly use written contracts.

Target Year II: 30% Actual Year II: 40% Q8: 40%

B.III. Mediation

B.III.1. Develop mediation infrastructure

See Section B.1.4 above for discussion regarding amendments to the Law on Mediation.

Mediation Regulations:

In Year Two, CLE continued to support the Mediation Commission to amend certain regulations governing mediation and other relevant secondary legislation. This involved the cooperative drafting of four major regulations at a CLE hosted retreat: 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 prepared drafts ready for review by MOJ and other stakeholders. CLE held a retreat with representatives of the Mediation Commission, CSSP, mediators from all mediation centers, and Mediation Center administrators in November 2014. All four regulations were finalized at this retreat, and were provided to the Ministry for approval and promulgation. They will be promulgated after amendments to the Law on Mediation are implemented.

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

Throughout Year Two, CLE continued its efforts and cooperation with the KJC to place a mediation center as well as a center administrator in each Basic Court. However, the KJC request to the Ministry of Finance for the salaries of seven mediation center administrators (1 per each Basic Court) was not incorporated in the final 2015 GOK budget; a government was formed and the budget

adopted in mere days prior to the end of the calendar (and Kosovo’s fiscal) Year, with no time whatsoever committed to review and analysis of “new” budget proposals. CLE will support the KJC and MOF, and urge the Budget Committee of the Assembly, to include the amount for the salaries in 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. CLE has incorporated the request to move the mediation centers into the Basic Courts under the purview of the KJC into the Concept Document for amending the Law on Mediation.

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

In Year Two, CLE continued operating its two older mediation centers in Gjilan and Peja, as well as the newer center in Prizren, opened during the last quarter of CLE's Year One. The Prizren mediation center became operational in Year Two, once mediators serving in the territory of Prizren were licensed by MOJ, in November 2014.

In the 8th quarter, a total of 109 cases were referred to mediation (agreement to mediate signed and mediator selected); 48 in Peja, 50 in Gjilan and 11 in Prizren. During the same period, a total of 95 cases were settled through mediation; 43 in Peja, 49 in Gjilan, and 3 in Prizren. For all of Year Two, across the three USAID supported mediation centers, 214 cases were referred to mediation and 188 were settled through mediation.

The following table gives an overview of the cases referred to CLE-operated mediation centers during the 8th quarter:

	Peja		Gjilan		Prizren	
	Q8	To date	Q8	To date	Q8	To date
Cases reviewed by Program for potential referral	218	2352	148	2432	34	268
Cases selected by Program and judge for potential referral	200	1869	122	2167	34	260
Cases referred to mediation (based on agreement of parties)	48	271	50	345	11	35
Cases settled through mediation and approved by court	43	135	49	267	3	12
Cases not settled and transferred back to court	13	95	4	66	1	4
Cases in progress (agreement to mediate signed and mediator selected)	14	41	7	12	6	19

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

UNDP continues to operate its centers. In the 7th quarter of Year Two, UNDP mediation centers were reauthorized and funded for an additional year. As such, CLE did not and will not assume operation of these centers.

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

CLE support to courts to implement the Protocol and refer cases in Peja, Prizren, and Gjilan is ongoing, with CLE employing center administrators and providing support, particularly review of cases that are referred from the judges in the Peja, Prizren, and Gjilan Basic Courts. The Protocol is being utilized and adhered to in these three Basic Courts. In the 8th quarter, CLE staff regularly liaised with the presidents and staff of Basic Courts in Gjilan, Prizren, and Peja to implement the Protocol.

CLE in Cooperation with Kosovo Judicial Institute delivered four training workshops on mediation and restorative justice (8 October 2014 in Pristina; 22 October 2014 in Peja; 1 December 2014 in Gjilan; and 3 December 2014 in Prizren). During these training workshops the participants were also trained on the KJC and KPC Protocols and referral process. A total of 73 participants were trained; 70 Kosovo-Albanian, 1 Kosovo-Serb and 2 Kosovo-Bosnian (22 female; 51 male) CLE, in Year Two, also collaborated with the AmCham ADR Center to encourage judges at the Pristina Basic Court (and its Commercial Department) to refer cases to the AmCham ADR Center.

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

CLE continued to support the Association of Mediators. In particular, it supported the Association's continued organizational development, by helping it recruit new members and finalize its internal regulations and bylaws. CLE offered two training workshops to the Association of Mediators in November 2014. The project also collaborated with the MOJ to ensure that there is continued government support for expanding the availability of mediation, particularly in Pristina and Ferizaj.

Retreat: See Section B.III.1, above.

Study Tour Albania: CLE did not conduct a study tour to Albania in Year Two, as the focus in Year Two was to amend the Law on Mediation and draft implementing regulations. A study tour may be more appropriate once the legal framework for mediation, as well as the competence of the Mediation Commission, is more clearly defined, although at this point it seems unlikely that a study tour will take place.

Refresher and specialized training in mediation:

In Year Two CLE offered a refresher training workshop for newly licensed mediators in Prizren where a total of 10 Kosovo-Albanian mediators were present; 7 male and 3 female. CLE did not conduct specialized training workshops for mediators in Year Two.

Mediation and Arbitration International Moot Court Competitions

In Year Two, CLE selected 4 out of 24 University of Pristina and AUK students to participate in the ICC Commercial Mediation Moot Court competition held in Paris. CLE staff coached the students to prepare for the competition, and students competed in the international competition in Paris, in February 2015.

In Year Two, from February 19 - 21, 2015, CLE organized the First Annual Western Balkans VIS Pre-Moot commercial arbitration competition. Four teams participated in the competition- the University of Pristina, Faculty of Law; American Education in Kosovo (A.U.K.); University of Tirana; and University Ss. Cyril and Methodius from Skopje. The competition began with an opening ceremony attended by USAID Mission Director - James Hope; American Chamber of Commerce Executive Director and the Kosovo Chamber of Commerce President, and was followed by a full day of general rounds of oral hearings. The final teams pleaded in the University of Pristina, Faculty of Law courtroom where the USAID Director for Democracy and Governance; University of Pristina, Faculty of Law Acting Dean and the A.U.K. President announced the winners. Moreover, this event gathered over thirty eminent lawyers in Kosovo, both national and international who volunteered their time as arbitrators for the general rounds of oral hearings.

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

IR 1.1.3(2) Number of mediation agreements concluded

During the 8th quarter, 95 cases were mediated to agreement. To date, 414 cases have been mediated to agreement, out of which 136 cases are in the Peja Mediation Center, 267 cases are in the Gjilan Mediation Center, and 12 are in the Prizren Mediation Center.

Target Year II: 300 Actual Year II: 414 Q8: 95

IR 1.1.3(3) Percent of arbitral awards recognized or enforced by courts. Target: 100%.

During Year One, 100% of awards presented for recognition have been recognized by the Court.

B.IV. Training

CLE implemented 30 training workshops in Year Two- thirteen training workshops for licensed advocates of the Kosovo Bar Association, six training workshops for commercial judges, three training workshops for mediators, four training workshops with KJI in Restorative Justice, and four training workshops related to the private enforcement system (two training courses for database usage; one five day long training on Initial Training for Development of Professional Skills for PEAs, and one five day long Training of Trainers for Development of Professional Skills for PEAs).



During the 8th quarter, CLE held a total of 360 person days of training; 49 female and 311 male. Disaggregated by ethnicity, CLE held 358 person days of training for Kosovo-Albanians; one person days of training for Kosovo-Serbs, and one person day of training for Kosovo-Turks.

To date, CLE held a total of 1,159 person days of training.

B.IV.1. Improve the Skills and Knowledge of Judges Assigned to the Commercial Departments of the Pristina Basic Court, Court of Appeals, and Special Chamber of the Supreme Court.

CLE in Year Two delivered a total of 6 specialized training courses to the commercial departments of the Pristina Basic Court and Appellate Court. In addition to these commercial judges, CLE also invites the civil law judges of the Supreme Court of Kosovo to participate in the training. CLE developed a specially-designed training curricula in Year One aimed specifically to enhance commercial law skills for judges in the Pristina Basic Court-Commercial Department, judges

from the Commercial Department of the Court of Appeals, and Supreme Court judges who hear commercial cases. Based on feedback and assessments from the judges, CLE updated the specially-designed curricula for Year Two, and also started to jointly implement the program in cooperation with the KJI.

1. *Arbitration Procedure and Court's Role in this Procedure*, June 2, 2014: A total of 9 Kosovo - Albanian and 1 Kosovo-Turk judges were present; 6 female and 4 male. All four of the judges of Pristina Basic Court-Commercial Department, both of the judges from the Commercial Department of the Appellate Court, and the judges from the civil department of the Supreme Court attended.
2. *Trademarks and Patents*, September 15, 2014: All four of the Pristina Basic Court-Commercial Department judges, both judges from the Commercial Department of the Court of Appeals, and 4 out of 6 of the Supreme Court judges attended.
3. *Corporate Governance and Internal Disputes*, December 17, 2014: Three of the four Pristina Basic Court-Commercial Department judges attended. The two judges from the Commercial Department of the Court of Appeals were trained previously on this issue.
4. *Introduction to Accounting- A Challenge for Fair Judgment*, February 24, 2015: All four of the Pristina Basic Court- Commercial Department judges, one out of two judges from the Commercial Department of the Court of Appeals, and 6 civil law judges from the Supreme Court attended.
5. *Accounting II-Regulatory Framework for Financial Reporting and Interpretation of Financial Statements*, March 17, 2015: Three of the four Pristina Basic Court- Commercial Department judges and 6 civil law judges from the Supreme Court attended.
6. *Construction Contracts and Commercial Disputes*, April 14, 2015: All four of the Pristina Basic Court-Commercial Department judges, both judges from the Commercial Department of the Court of Appeals, and 4 out of 6 of the Supreme Court judges attended.

For Year Two, a total 12 judges from the Commercial Department- Pristina Basic Court, the Commercial Department-Appellate Court and the Supreme Court attended CLE training workshops.

In the 8th quarter, all of the judges from the Commercial Department- Pristina Basic Court, the Commercial Department-Appellate Court and the Supreme Court attended CLE training workshops.

B.IV.2: Provide Training on Commercial Law Topics for Judges in Cooperation with KJI

CLE in cooperation with KJI delivered 4 regional training courses on "Restorative Justice" in Year Two.

On October 8, 2014, a training workshop on Restorative Justice was delivered in the Pristina region. A total of 19 Kosovo-Albanian and 1 Kosovo-Serb were present; 6 female and 14 male.

On October 22, 2014, a training workshop on Restorative Justice was delivered in the Peja region. A total of 12 Kosovo-Albanian and 1 Kosovo-Bosnian were present; 8 female and 5 male.

On December 1, 2014, a training workshop on Restorative Justice was delivered in the Gjilan region. A total of 29 Kosovo-Albanian and 1 Kosovo-Bosnian were present; 5 female and 25 male.

On December 3, 2014, a training workshop on Restorative Justice was delivered in the Prizren region. A total of 10 Kosovo-Albanian were present; 3 female and 7 male.

The combined total number of participants trained in cooperation with KJI for Year II is 73; 70 Kosovo-Albanian, 1 Kosovo-Serb and 2 Kosovo-Bosnian (22 female and 51 male).

There were no training workshops delivered on commercial law topics for the general judges in cooperation with KJI in the 8th quarter. In Year Three, CLE will, in cooperation with KJI, deliver only training courses in the special curricula developed for commercial law judges.

B.IV.3: Improve the Commercial Law and Contracting Skills of Kosovar Lawyers

During Year Two, CLE delivered a total of 13 training courses to licensed advocates in cooperation with the Kosovo Bar Association. Unless otherwise indicated, all training courses were held in Pristina. Where indicated, unlicensed lawyer participants also attended.

The following courses were delivered during Year Two:

1. *Convention on the International Sale of Goods (CISG)*, May 17, 2014: A total of 50 licensed advocates were present; 50 Kosovo-Albanian (6 female and 44 male.) This training was also attended by 2 female Kosovo-Albanian lawyers.
2. *Law on Mediation*, May 24, 2014: A total of 33 licensed advocates were present; 32 Kosovo-Albanian and 1 Kosovo-Serb (7 female and 26 male.) This training was also attended by 5 Kosovo-Albanian lawyers; 3 female and 2 male.
3. *Trademarks*, June 21, 2014: A total of 44 licensed advocates were present; 43 Kosovo-Albanian and 1 Kosovo-Serb (9 female and 35 male.) This training was also attended by 1 female Kosovo-Albanian lawyer.
4. *Bankruptcy*, June 28, 2014: A total of 22 Kosovo-Albanian male licensed advocates were present. This training was also attended by 2 female Kosovo-Albanian lawyers.
5. *Contract on loan, interest and penalty interest*, September 13, 2014: A total of 57 licensed advocates were present; 52 Kosovo-Albanian and 5 Kosovo-Serb (6 female; 51 male). This training was also attended by 5 lawyers; 4 Kosovo-Albanian and 1 Kosovo-Serb (2 female; 3 male).
6. *Business Organizations*, October 20, 2014: A total of 42 Kosovo-Albanian licensed advocates were present; 4 female and 38 male.
7. *Pre-contractual liability, formation and interpretation of contracts*, October 11, 2014: A total of 39 Kosovo-Albanian licensed advocates were present; 4 female and 35 male. This training was also attended by 1 male Kosovo-Albanian lawyer.
8. *Corporate Governance*, October 18, 2014 in Mitrovica: A total of 20 male licensed advocates were present; 18 Kosovo-Albanian and 2 Kosovo-Serbian.
9. *Arbitration*, November 22, 2014 in Peja: A total of 55 licensed advocates were present; 53 Kosovo-Albanian and 2 Kosovo-Bosnian (2 female; 53 male).
10. *Arbitration*, January 31, 2015: A total of 134 licensed advocates were present; 133 Kosovo-Albanian and 1 Kosovo-Turk (13 female; 121 male).
11. *Convention on the International Sale of Goods (CISG)*, February 7, 2015: A total of 128 Kosovo-Albanian licensed advocates were present; 21 female; 107 male. This training was also attended by 2 Kosovo-Albanian lawyers; 1 female and 1 male.

12. *Law on Mediation*, February 28, 2015: A total of 147 licensed advocates were present; 146 Kosovo-Albanian and 1 Kosovo-Serbian (15 female; 132 male). This training was also attended by 1 male Kosovo-Albanian lawyer.

13. *Trademarks*, held on 7 March 2015 in Pristina. A total of 53 male Kosovo-Albanian licensed advocates were present.

In the 8th quarter, there were a total of 239 licensed advocate; 238 Kosovo-Albanian and 1 Kosovo-Serbian (31 female; 208 male).

In Year Two, CLE has trained a total of 419 licensed advocates; 410 Kosovo-Albanian, 6 Kosovo-Serb, 2 Kosovo-Bosnian and 1 Kosovo-Turk (46 female; 373 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 8th quarter, 42.5% of (239) active licensed advocates attended training organized by CLE, out of which 31 were female and 208 were male. From the total number, 238 were Kosovo-Albanian and 1 Kosovo-Serb.

To date, the total percentage of lawyers trained with USG assistance is 88.25% (496 active licensed advocates).

Target Year II: 65% Actual Year II: 88.2% Q8: 42.5%

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

During the 8th quarter, CLE developed 3 legal courses, and developed 2 new training manuals (Accounting I & Accounting II) and updated 1 existing training manual developed during USAID SEAD Program (Construction Contract).

To date, CLE has developed 15 legal courses.

Target Year II: 9 Actual Year II: 15 Q8: 3

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

During the 8th quarter, CLE held a total of 360 person days of training; 49 female and 311 male. Disaggregated by ethnicity, CLE held 358 person days of training for Kosovo-Albanians; 1 person days of training for Kosovo-Serbs, and 1 person day of training for Kosovo-Turks.

To date, CLE conducted a total of 1,159 person days of training.

Target Year II: 250 Actual Year II: 1,159 Q8: 360

C. Component 3: Outreach, Gender, and Monitoring

C.I.I. Conduct Outreach on the New Enforcement System

CLE's outreach activities continue to actively educate and inform the public on the establishment of the new private enforcement system. Outreach activities rely heavily on event-driven news coverage through press releases, and arrangement of exclusive television interviews on evening and morning news shows.

During the reporting period, CLE organized 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.⁹ During the Assembly meeting, the Chamber elected its President, Executive Board, and the Control Council. The event was followed with print and television media coverage. CLE staff also appeared on a morning news show the next day on national television RTK, and also gave a radio interview.

CLE published an article announcing the establishment of the PEAs' offices, who officially started working on May 5, 2014. The article further explains the roles and responsibilities for PEAs, and provides general information on the PEA system. The article was published in one of Kosovo's leading business magazines, *Ekonomia*. Social media was also utilized to promote the work of the private enforcement agents.

Throughout Year Two, CLE continued to broadcast the PSA on PEAs on the national television - RTK. The PSA was also shared through social media.

During the 8th quarter, CLE supported the Ministry of Justice in the organization of a conference on Free Professions the aim of which was to analyze the role of the free professions in Kosovo's justice system, while discussing the challenges of the professions.

C.I.2. Conduct Outreach on Backlog Reduction

During this quarter, the United States Ambassador to the Republic of Kosovo, joined by the USAID Kosovo Mission Director, visited the CLE enforcement team embedded in the Prizren Basic Court to discuss backlog reduction activities. The event received intense media attention, both from print and television. During the reporting period, CLE organized a roundtable with KJC and court personnel to present the Strategy for Backlog Reduction: The System for Enforcement of Civil Cases Against Wages and Bank Accounts. The KJC Chairman, 7 court presidents, and civil execution judges were present. During the event, CLE provided access to the USAID CLE-developed online statistical reporting application to the leaders of the judiciary, which now allows monitor court performance and the performance of individual enforcement personnel.

“We are grateful for USAID’s support to Kosovo’s courts, which has resulted in more than 20,000 cases being enforced in just over a year”
- Fejzullah Hasani, Kosovo Supreme Court President

During the reporting period, CLE developed a PSA on backlog reduction. The PSA has been broadcast on RTK throughout the year. Additionally, CLE prepared an article and a success story on the dramatic reduction of the enforcement of the backlog cases. The article appeared at the *Business Horizon*, the business magazine published bi-annually by the American Chamber of Commerce in Kosovo (AmCham).

C.I.3. Conduct outreach with business community

CLE is actively engaged with the business community, through a series of workshops, dissemination of legal information materials, including standard form contracts with legal commentary, and other

⁹ Since the Constitutive Assembly, one PEA resigned, such that at the end of Year Two, there are 25 PEAs operating in Kosovo.

public information campaigns. The purpose of these activities is to more deeply inculcate a “Culture of Contract” in Kosovo business practices and to encourage businesses to more frequently utilize written contracts in lieu of oral agreements.

During the 8th quarter, CLE utilized targeted promotions to inform businesses of the availability of the CLE developed standard form contracts. Using the Short Message Service (SMS, or “text” messaging), CLE distributed to more than 800 businesses information on where to find and download the standard form contracts. The SMS were sent to the business respondents of the CLE Survey on National Usage of Written Contracts, who had overwhelmingly requested to be provided with the standard form contracts. CLE also utilized social media to raise awareness on the availability of the standard form contracts, and to distribute the contracts. During Year Two, information on the availability, and where to find the standard form contracts, was communicated through Facebook; the Facebook statistical reach of posts regarding the contracts was more than 2,600 users.

CLE continues to organize the Put it on Paper roundtable for Kosovar businesses, the aim of which is to emphasize the importance of written contracts, the availability of the alternative dispute resolution mechanisms - arbitration and mediation - as well as inform regarding the private enforcement agents system.

Throughout Year 2, CLE organized 10 Put it on Paper roundtables informing more than 172 businesses representatives (75 female, 97 male). The roundtables were held in cooperation with multiple stakeholders, including USAID Community Initiative Action Program (CAIP), USAID Advancing Kosovo Together (AKT) Program, Women for Women International, the American Chamber of Commerce in Kosovo, Kosovo Chamber of Commerce, RTC Consulting, and the Gracanica Municipality. The roundtables gathered businesses from various sectors including agriculture, textile, wholesale and distribution, NGO representatives, consultancy, social research, food processors, and collection centers. CLE continued to organize the Put it on Paper roundtables with non-majority businesses in Kosovo. Out of 10 roundtables during year II, CLE organized three roundtables with non-majority businesses, two in North Mitrovica, and one in Gracanica Municipality.



CLE continues to distribute USBs containing the standard form contracts. More than 200 USBs have been distributed via roundtables. An additional 200 USBs have also been distributed to non-majority community businesses through the Gracanica Municipality and Gracanica Business Center.

During Year Two CLE launched the Standard Form Contract for Construction, held on September 25, 2014 in Pristina. The event gathered 33 participants from different construction companies in Kosovo. The standard form contract (SFC) for construction was developed by both CLE and the USAID Partnerships for Development Program. The SFC will contribute to enhancing the use of written contracts, providing greater certainty to the parties involved, clarifying their duties and responsibilities, as well as preventing disputes and providing for ADR in the event disputes arise.

During the reporting period, in addition to the previously mentioned survey on contract usage, CLE finalized two analytical reports from focus groups with Kosovar businesses; (1) FG Report with Serbian businesses in Kosovo and (2) FG Report General Kosovo Businesses. The reports provide analysis of qualitative research undertaken by CLE Program to understand and record the existing situation of Kosovo-Serbian businesses and Kosovo businesses in general, as well as to assess the

knowledge and potential lack of information that these businesses have with respect to ADR and transactional practices. The report on FG with Serbian businesses was published on CLE's website.

CLE, in Year Two, planned originally to organize a Business to Business (B2B) - Trade Fair, bringing together Kosovo-Albanian businesses operating throughout Kosovo, and Kosovo-Serbian businesses operating in Gracanica, as potential business partners to increase trade and cooperation. In the midst of planning and organizing this event, the USAID AKT Program was launched. As AKT's primary area of focus is on integrating non-majority communities, both programs agreed that it was appropriate for AKT to take the lead in organizing the B2B Fair. CLE provided AKT with a survey of Gracanica businesses conducted by CLE, facilitated meetings with the Chambers of Commerce, and offered to provide support and assistance, as needed.

CLE nationwide survey on women and commerce

At the end Year One, CLE finalized the Survey Report on Women and Commerce to gather evidence on perceived barriers to women in business and also to learn about other perceived problems. The report gathered and analyzed data from more than 1,200 respondents and three focus groups with women in business. The analytical report of the data was published in Albanian, Serbian, and English. CLE distributed hard copies of the report, as well as, shared it via social media, Facebook and Twitter, reaching 3,300 social media users.

To present the report findings and facilitate a discussion with the stakeholders, CLE, during Year Two, held a national conference with keynote speakers including the President of the Republic of Kosovo, the USAID Kosovo Mission Director, the Director of the Agency for Gender Equality at the Prime Minister's Office, and Kosovo's only female Mayor, from Gjakova. The conference was held on June 3, 2014 and attended by more than 140 participants, out of which 11 were male. CLE also prepared an article on Women in Business, which appeared in the Business Horizon, the business magazine published bi-annually by the American Chamber of Commerce in Kosovo (AmCham). There was substantial media coverage of the Women and Commerce Conference. The conference was featured in online and print media, as well as on the evening news. Five (out of eight) local newspapers and fifteen online media portals published articles regarding the conference.



CLE attended and participated in the Week of Women 2015 organized by NDI. CLE set up a booth where it presented the program activities to the participants. CLE also distributed the report on Women and Commerce.

C.I.4. Outreach on mediation

In Year Two, CLE began airing a PSA on mediation (which was in development at the end of Year One), informing about the availability mediation services and the existence of the mediation centers managed by CLE in Gjiilan, Peja, and Prizren. The PSA was aired throughout Year Two on national television, RTK in two languages (Albanian and Serbian). CLE also continued to advertise mediation services through radio Dukagjini, a radio station with Kosovo-wide coverage. The PSA has also been shared using social media.

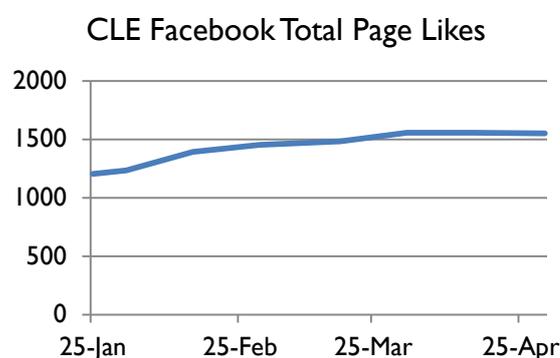
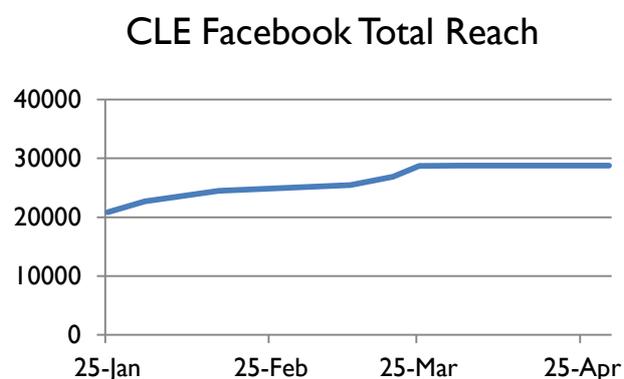
Awareness regarding mediation is increasing. Based on the CLE Survey on National Usage of Written Contracts, 22.5% of respondents reported that they preferred mediation as a form of alternative dispute resolution, which is a 650% increase compared to the 2011 Survey on Contract Usage conducted by the 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 Year, CLE met with over 700 individual businesses in Peja, Gjilan and Prizren to acquaint them with mediation services. Mediation, as a mechanism of alternative dispute resolution, is also one of the main topics of the CLE Put it on Paper roundtables.

Other outreach related activities

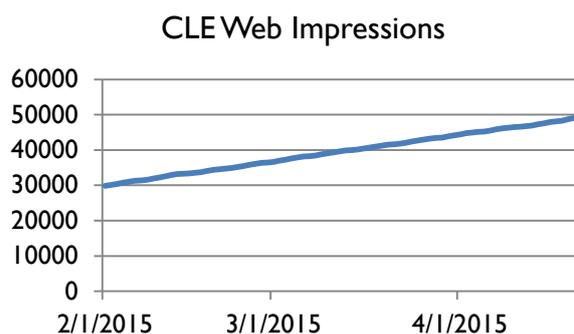
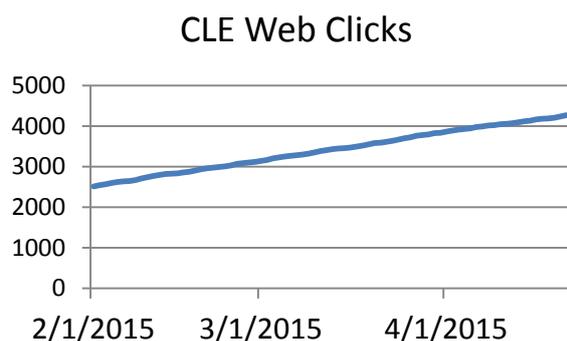
During the last month of the 8th quarter, CLE unpublished its Facebook page anticipating USAID's guidance on keeping just one content driven online source of information. CLE will continue to keep its webpage online (www.kontrata.net), through which Program materials are available, until further guidance is provided by USAID DOCS.

Prior to un-publishing the Facebook page, CLE regularly updated its Facebook page with events and articles regarding the Program generally, as well as on specific initiatives. CLE continues to update on a regular basis its webpage, and to distribute content and materials.

The total number of CLE Facebook "Likes" at the end of reporting period is more than 1,500 - an increase of more than 1,000 compared to Year One figures. The Total Facebook reaches for posts increased dramatically, by more than 8,000 during the 8th quarter. The total Facebook reach at the end of Year Two was more than 28,700 reaches.



During Year Two, CLE's web page has been visited more than 4,200 times, while CLE's web page has appeared nearly 50,000 times in search results (shown in the graph of Impressions). During the 8th quarter, CLE's web page has been visited more than 1,700 times, while CLE's web page has appeared nearly 20,000 times in search results.



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

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

Not including all Basic Courts and all but 4 Branch Courts, fifteen legal institutions or associations receive support from CLE: (1) Ministry of Justice (MOJ), (2) Kosovo Judicial Council (KJC), (3) Central Bank of Kosovo (CBK), (4) Ministry of Trade and Industry (MTI), (5) Agency for Business Registration of Kosovo (ABRK), (6) Kosovo Bar Association (KBA), (7) Department for Commercial Matters at the Pristina Basic Court, (8) Kosovo Judicial Institute (KJI), (9) Kosovo Banking Association (KBA), (10) Tax Administration of Kosovo (TAK), (11) Association of Mediators, (12) Mediation Commission, (13) Kosovo Chamber of Commerce (KCC), (14) American Chamber of Commerce (AmCham), (15) Chamber of Private Enforcement Agents, (16) Civil Registration Agency, (17) Ministry of Internal Affairs; (18) Ministry of Finance.

Target Year II: 18 Actual Year II:18 Q8: 18

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

CLE conducted a nation-wide survey with 900 businesses to measure usage of written contracts. 40% of the businesses respondents surveyed regularly use written contracts.

Target Year II: 30% Actual Year II: 40% Q8: 40%

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

During the 8th quarter CLE had 3 campaigns to foster public awareness:

Put it on Paper roundtable in Pristina in cooperation with Women for Women (March 11, 2015)

Put it on Paper roundtable in Nikaj, Ferizaj in cooperation with Women for Women (March 11, 2014)

First Annual Western Balkans VIS Pre-Moot Competition

In total during Year Two, CLE has held 19 campaigns. In addition to the above, CLE held the following campaigns to foster public awareness:

Launching of Standard Form Contract for Construction

Mediation Radio Ad

PSA for Backlog Reduction

PSA on Mediation

Women and Commerce Conference (June 3, 2014)

Put it on Paper roundtable in North Mitrovica with businesses (May 20, 2014)

Put it on Paper roundtable in North Mitrovica with law students (May 22, 2014)

Put it on Paper roundtable with Pristina businesses (May 28, 2014)

Put it on Paper roundtable with RTC Consulting partners (Sept. 30 2014)

Put it on Paper with Gracanica businesses (July 30, 2014)

Put it on Paper with Prizren businesses (Oct. 16, 2014)

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

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

Conference on establishment of the Chamber for the Private Enforcement Agents

Morning TV Show (Miremengjesi Kosove at RTK - national TV) - Private Enforcement Agents

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

Target Year II: 16 Actual Year II: 19 Q8: 3

Activities Planned for Next Quarter (May-July 2015)

A. Component 1: Improved Systems for Enforcement of Judgments and Reduction of Backlog in Enforcement Cases

In the next quarter, CLE expects that the CBK Board of Governors will approve the regulation on the Unique Account Holder Registry upgrade, which will allow the system to be implemented. Once the upgrade is implemented and all enforcement against bank accounts is fully automated, CLE expects that the execution caseload will be reduced at an accelerated rate. CLE will also support the MOJ in organizing a workshop to discuss amendments to the Law on Enforcement Procedures, as well as coordinate with the MOJ Department of Free Professions to establish a disciplinary and monitoring mechanism to oversee the PEAs. Next quarter, CLE will continue to assist and support the Chamber of Private Enforcement Agents in becoming operational.

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

CLE will hold a working group meeting to discuss and incorporate comments on the draft Law on Bankruptcy. CLE will continue to deliver training courses, in cooperation with the KJI, to commercial law judges. Early next quarter, CLE is organizing a working group with MOJ officials and other donors to discuss amendments to the Law on Mediation. Next quarter, CLE is also conducting refresher training workshops for licensed mediators in Peja and Gjilan.

C. Component 3: Outreach, Gender, and Monitoring

CLE will revise its Put it on Paper roundtables, with a focus on contract drafting and interpretation for non-lawyers. CLE is also cooperating with the USAID Basic Education Program (BEP) and the CBK to develop materials to teach primary and secondary school students about basic financial literacy.

Miscellaneous – Consultants, Environmental Compliance, Budget, and Deliverables

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 participated in a two day working group session on the new law on bankruptcy, providing insight and guidance on concepts regarding modern bankruptcy laws and best practices. In addition, Judge Markell has been intensively engaged in drafting of the new law. He is expected to return to Kosovo for the June 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 May 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 are not likely to implicate environmental regulations. Nevertheless, the program has appointed an Environmental Compliance Officer who

continuously reviews program activities to ensure compliance with relevant environmental regulations. No issues arose in Quarter Eight.

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 31 March 2015, CLE had expended \$3,677,330.09. During Q8, spending was \$477,412.33. CLE anticipates the monthly burn rate to continue to be approximately \$192,931.31 per month over the next quarter.

Deliverables

The Following Deliverables were submitted to USAID during the Reporting Period, including a consolidated annual report outlining achievements for the following contractual deliverables (Section B.5):

Component I: Improved Systems for Enforcement of Judgments and Reduction of Backlog in Enforcement Cases

1. Report with evidence documenting the reduced backlog of enforcement of judgments based on the targets set together with the [Kosovo Judicial Council] KJC.
2. Report with evidence documenting that the KJC reporting on execution caseload has improved.
3. New enforcement of judgments system established.*
4. Secondary legislation and procedures for the implementation of the new law on execution procedure adopted.
5. Chamber of Enforcement Agents established and its operation procedures adopted*
6. New Enforcement Agents selected and trained.*
7. Report documenting increased capacity of enforcement agents as a result of Program training and capacity building efforts.
8. Report with evidence documenting that the established disciplinary system for new enforcement agents is functional.*
9. Report with evidence documenting that enforcement of judgments has improved as a result of the KJC cooperation with the Central Bank and the Tax Administration of Kosovo.

Component II: Development of the Contract and Commercial Law Framework and Systems, improvement of contract enforcement systems and functioning of the ADR mechanisms

1. Secondary legislation to implement the Law on Obligations adopted.*
2. Report with evidence documenting improved skills and knowledge of judges assigned to the Commercial departments of the Pristina Basic Court and the Court of Appeals as a result of the training provided by the Program.
3. Report documenting that the process of enforcement of arbitral awards and mediation

agreements functions efficiently.

4. Mediation Centers become sustainable and continue receiving and mediating cases.

5. Report with evidence documenting improved awareness among business community of contracts and ADR services.

6. Report with evidence documenting improved professionalism of Mediators and Arbitrators as a result of the training provided.

(Deliverables marked with an asterisk are Year Three deliverables).

Additionally submitted during the reporting period were:

Administrative Instructions for PEAs

1. Administrative Instruction on Disciplinary Procedure against Private Enforcement Agents was approved on May 13, 2014.
2. Decision on the appointment of the Disciplinary Commission was approved on November 12, 2014.

Commercial Law Activities

Standard Form Contract on Construction

Component II: Outreach, Gender, and Monitoring

ARTICLES

1. Women and Commerce
2. Backlog Reduction

KNOW YOUR RIGHTS BROCHURES

1. PEA Client Informational Brochure

PSAs

1. Private Enforcement Agent
2. Mediation Radio Advertisement

SUCCESS STORIES

1. Mediation- CLE Staff Mediates Labor Dispute
2. Backlog Reduction

Webpage

Facebook Page

Roundtable Materials (Agenda, Power-point, Standard Form Contracts, Participants List)

Women and Commerce Survey Report

Gender Analysis Report

Promotional Materials (Folders, Notebooks, Pens, USBs)

Consultant Trip Reports

Kosovo Business Report

Kosovo-Serbian Business Report

Report on National Survey on Written Contract Usage