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CONTRACT LAW ENFORCEMENT (CLE) PROGRAM

TENTH QUARTERLY REPORT

August - October 2015



Photo: CLE Program

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The USAID/Kosovo Contract Law Enforcement (CLE) Program contract was executed by USAID and Checchi and Company Consulting, Inc. on May 7, 2013. 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 engagement with the business community to foster increased utilization of well-drafted written contracts.

Executive Summary

In its tenth quarter, CLE continued to provide embedded support through its Backlog Reduction Initiative (BRI) team in all seven Basic Courts and their branches in Kosovo, including Mitrovica. The BRI team continued to support court personnel and the courts to achieve functional elimination of the entire execution caseload. Through the end of the reporting period, October 31, 2015, CLE reported a 73.71%¹ reduction of the execution caseloads in the seven Basic Courts, and the recovery of over 4,824,000 Euro of previously unrecovered judgment debt.

Per USAID's request late last quarter, CLE, in coordination with the Kosovo Judicial Council (KJC): (1) started its support and assistance to the Pristina Basic Court-Commercial Department to establish the new Division on Foreign Investor Disputes, mandated by amendments to the Law on Courts, and (2) conducted an initial analysis to assist the KJC in maintaining and managing the EROL-developed database, on a temporary basis, by allocating CLE BRI team personnel to fulfill the role of Regional Court Liaisons (RCLs) to the Courts. Further discussions with the KJC will be held next quarter once activities and processes are fully implemented in the Commercial Department.

The CLE Program continued to support the Ministry of Justice (MOJ) to fully implement the new Private Enforcement Agent (PEA) system and continued to assist the Chamber of Private Enforcement Agents in developing its operational procedures and a Monitoring, Evaluation, and Disciplinary System for the PEAs. After months of CLE's urging, the MOJ also this quarter published a call for an examination for PEA candidates. The exam will be held next quarter. CLE also continued to prepare and organize a study tour to Belgium and the Netherlands for MOJ personnel, the Chamber of PEAs, and the Disciplinary Commission, which will expose them to the institutional practices and culture of how well-developed systems oversee the private enforcement system.

Under CLE's commercial law activities this quarter, the draft Law on Bankruptcy was finalized; translation into Albanian of the 2 remaining unfinished regulations (on Letters of Credit), necessary to fully implement the Law on Obligations, continued during the quarter. CLE also continued to participate in the Working Group established by the Ministry of Trade and Industry (MTI) to review and comment on the new Law on Business Organizations. Additionally, CLE continued to liaise with the Speaker of the Assembly regarding adoption and promulgation of the Laws on Late Payments and Bills of Exchange, which are expected to undergo an expedited procedure through the Assembly, rather than the standard process of having a line Ministry sponsor the Law. CLE also reviewed and provided comments on the draft Laws on Minor Offenses; Notaries; and Normative Acts.

During this quarter, CLE implemented: (1) three training sessions for commercial judges as part of the CLE-developed specialized training curricula for commercial judges in the area of commercial law; (2) one general

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

training session for all judges; (3) one training session for advocates licensed by the KBA; and (4) two training sessions for mediators.

CLE continued its cooperation with the USAID Agricultural Growth and Rural Opportunities (AGRO) Program. CLE assisted farmers and collection points 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 220 contracts.

Two "Put it On Paper" roundtables were held. One was organized in collaboration with the American Chamber of Commerce in Kosovo with its member businesses, and the other organized in collaboration with Women for Women International, for female farmers in Begrace.

Mediation activities continued, with the Peja, Gjilan, and Prizren centers seeing a steady case intake. In the tenth quarter, 88 cases were accepted for referral to mediation, and 83 cases were mediated to agreement and finalized.

Summary of Progress August 2015 -October 2015

A. Component 1: 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 the tenth quarter, CLE continued to provide 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 Gračanica branch (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). This quarter, CLE started to provide embedded support to the Novoberdo branch of the Gjilan Basic 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) Providing 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.



In the Program's first quarter, CLE and the KJC established a target to reduce the execution caseload – measured against the official KJC statistical report of 107,600 cases - by 80% across all courts receiving CLE assistance by the end of Year Three. It must be noted that this reported figure, which included both backlog cases (2 years or older) and inventory cases (filed within the past two years), drastically under-reported the caseload (see below discussion on statistical reporting). In reality, the execution caseload is closer to twice this number;

one pillar of CLE's support to the courts is establishing an accurate count of cases, with entry of all cases into a database. This system has been established, but CLE and the courts have not yet completed a full accounting of all cases. This is expected to be completed by the end of 2015, at which time targets, and progress measured against the targets, will be adjusted to reflect the actual caseload.

By the end of the tenth quarter, CLE cleared 79,317 cases from the execution caseload across all courts receiving CLE assistance, which is an overall reduction of 73.71% of the reported execution caseload. This resulted in the recovery of over 4,824,000 Euro of previously unenforced claims. In the tenth quarter alone, 13,832 cases were removed from the execution caseload of courts receiving CLE assistance.

Enforcement of judgments against bank accounts and wages continued to increase in the tenth quarter, as a result of various CLE-developed tools that were utilized by the KJC, including the Unique Account Holder Registry (the Registry) at the Central Bank, and the association of certain claims with citizen Personal Identification Numbers (PINs) enabling enforcement against wages.

Through the end of the reporting period, over 18,484 cases were enforced against bank accounts, resulting in the recovery of over 1,446,000 Euro (of approximately 2,000,000 Euro claimed). There has also been further utilization of the CLE-brokered MOU signed between the KJC and Ministry of Internal Affairs (MIA), under which the Civil Registry Agency (CRA) has provided the KJC with Personal Identification Numbers (PINs), which are necessary to enforce judgments against wages. As of the end of this reporting period, 43,988 enforcement debtors' PINs were provided to the KJC and courts, making enforcement of cases against wages considerably easier and more efficient.

A Regulation to implement the system upgrade was developed, but prior to adopting the Regulation, the CBK requested a Legal Opinion from the State Agency for Protection of Personal Data (the Agency) stating that the Regulation on the Unique Account Holder's Registry is consistent with Kosovo data protection laws. The Agency issued the Opinion on September 14, 2015 concluding that the operation of the Registry is not harmonized with the Law on Protection of Personal Data. This decision contained many legal errors, including, notably, reviewing the Central Bank as if it were a private institution. CLE drafted a legal response to the decision for the CBK. The CBK, with support from CLE, is coordinating closely with the Agency to reverse its decision to allow adoption and implementation of the Regulation by the CBK Board of Directors, while still complying with the Law on Protection of Personal Data.

[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. The agreed upon Year Three target is an overall 80% reduction in the reported execution caseload. Through the end of the reporting period, CLE, through its embedded assistance in all seven Basic Courts in Kosovo, and certain branches, has achieved a 73.71% reduction in the overall reported execution caseload in the courts where CLE is providing assistance. As noted above, upon completion of the categorization process, the baseline and target will be revised to reflect the actual caseload, expected to be approximately 200,000 cases.

[A.I.2. Assist KJC to improve systems for statistics related to execution caseload.](#)

This quarter, CLE's backlog reduction teams continued to provide embedded support in all seven Basic Courts and their branches, including the Mitrovica Basic Court. The backlog reduction officers continued to categorize cases and review the Court Registry Books for cases that are in fact closed, but have not been reported as such. Through these activities, CLE and the KJC are able to obtain accurate statistics concerning the execution caseload in the courts receiving CLE assistance. Once categorization is complete, and as a result of the KJC's adoption of the CLE-developed statistical reporting application, the KJC, courts, and CLE will be able to track accurately data regarding the execution caseload (the KJC has adopted the application; however,

the application will not be implemented until categorization is completed next quarter).

The following table expresses overall results by Basic Court and branches through October 31, 2015²:

	Percentage of backlog cases removed	Percentage of inventory cases removed	Percentage of total caseload removed	Total number of Cases removed
Basic Court				
Pristina Basic Court	10.90%	71.81%	31.04%	14,478
Podujeva Branch	5.42%	46.30%	19.74%	1,825
Lipjan Branch	13.16%	70.50%	39.30%	2,130
Gllgovac Branch	6.44%	37.15%	24.22%	804
Pristina Basic Court and Branches	9.75%	58.59%	27.96%	19,237
Peja Basic Court	26.31%	91.06%	53.09%	7,911
Klina Branch	3.41%	15.83%	9.16%	445
Decan Branch	12.43%	27.18%	19.20%	898
Istog Branch	1.95%	60.91%	27.75%	962
Peja Basic Court and Branches	17.32%	61.90%	36.61%	10,216
Gjakova Basic Court	27.28%	93.97%	50.38%	6,876
Malisheve Branch	37.44%	47.07%	43.66%	2,377
Rahovec Branch	32.13%	43.47%	39.59%	2,124
Gjakova Basic Court and Branches	29.54%	65.09%	46.52%	11,377
Prizren Basic Court	35.14%	64.36%	49.60%	9,498
Suhareka Branch	16.42%	76.02%	50.78%	3,023
Dragash Branch	32.40%	23.18%	25.54%	250
Prizren Basic Court and Branches	31.30%	65.10%	48.96%	12,771
Gjilan Basic Court	49.97%	69.62%	62.11%	9,378
Viti Branch	36.73%	56.39%	46.82%	2,625
Kamenica Branch	64.48%	323.10%	146.20%	620
NovoBerde Branch	0.00%	47.14%	47.01%	173
Gjilan Basic Court and Branches	46.33%	68.65%	59.53%	12,796
Ferizaj Basic Court	69.56%	23.11%	44.69%	6,853
Kacanik Branch	24.00%	70.47%	53.92%	2,195
Strpce Branch	68.75%	31.09%	44.44%	40
Ferizaj Basic Court and Branches	61.88%	34.55%	46.62%	9,088
Mitrovica Basic Court	47.85%	35.49%	41.29%	2,031
Skenderaj Branch	23.85%	61.94%	49.99%	721
Vushtri Branch	19.33%	34.73%	29.13%	1,080
Mitrovica Basic Court and Branches	35.83%	39.58%	38.05%	3,832
Total	24.11%	58.13%	40.00%	79,317

² These numbers are based on the actual number of cases found in the execution caseload, rather than the baseline number set at the outset of the Program. Through categorization, CLE identified an additional 90,000 cases (approximate) that were previously unreported.

A.I.2.a Support to Pristina Basic Court Commercial Department and Division for Foreign Investors

Though not a part of CLE's original Year Three Work Plan, USAID directed CLE in its ninth quarter to develop a plan, in coordination with the KJC, to provide support to the Pristina Basic Court-Commercial Department, to establish a new Division for Foreign Investment Disputes (the Division), mandated by amendments to the Law on Courts enacted earlier in the year (it bears mention that these amendments were opposed by CLE with both the Ministry of Justice and the Assembly, on the basis that there was an insufficient volume of such cases to warrant the commitment of resources necessary to establish a new division). The purpose of this assistance is to assist the Commercial Department to identify the volume of investment disputes that are before the CD, in order to more appropriately inform exactly how much institutional commitment is needed to comply with the amendments to the Law. Once needs are appropriately defined, CLE will assist the KJC to draft appropriate implementing regulations for the Division.

In September, CLE began its activities to support the Pristina Basic Court-Commercial Department. Five Backlog Reduction Officers (BROs) were hired and are assisting the Department with conducting a caseload inventory, as well as determining the nature of the cases in Commercial Department's caseload. Such categorization will inform identifying whether there are cases which are appropriate to be heard by the anticipated Division. The BROs have additionally been supporting the judges with 1) legal research and preparation of preliminary drafts of decisions; 2) supporting the Court Registry with intake of new cases being filed with the Commercial Department; and 3) ensuring that all case information is being entered into the electronic database, moving away from a manual case management system.

During the reporting period, the BROs: (1) completed all necessary administrative actions for 454 resolved cases with a final decision, including archival; (2) reviewed 947 pending cases and reconciled these numbers in the statistical database; and (3) took initial or second actions and drafted notices and/or decisions, presented to the judges for signature, in 405 pending cases.

Additionally, CLE staff developed over 140 standardized forms and templates for various types of notices and decisions, which have been made available to the judges and BROs, and which the judges have agreed to use. Based on a review of relevant laws and regulations, the precise definition for when a party to a commercial dispute is considered a "foreign investor" was utilized to identify cases which would fall under the jurisdiction of the new Division. As of the end of the reporting period, 3 cases have been identified as qualifying as a foreign investment dispute.

A.I.2.b Temporary maintenance of EROL-developed database by CLE Program

Though not a part of CLE's original Year Three Work Plan, at USAID's request, this quarter, CLE, conducted an initial analysis and began preparations to assist the KJC in maintaining and managing the now closed USAID EROL Program-developed database, on a temporary basis, by detailing CLE Backlog Reduction Personnel to fill the role of Regional Court Liaisons (RCLs) to the Courts. This activity will be phased into operation early next quarter, once the higher priority support to the Commercial Department is fully operational.

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

In its tenth quarter, CLE continued to support the KJC and the Civil Registration Agency to implement the CLE brokered MOU between the two entities, and facilitated the transfer of 43,988 citizens' PINs, which will facilitate enforcement against wages.

A.I.4. Support KJC and Basic Courts to improve performance of court enforcement clerks

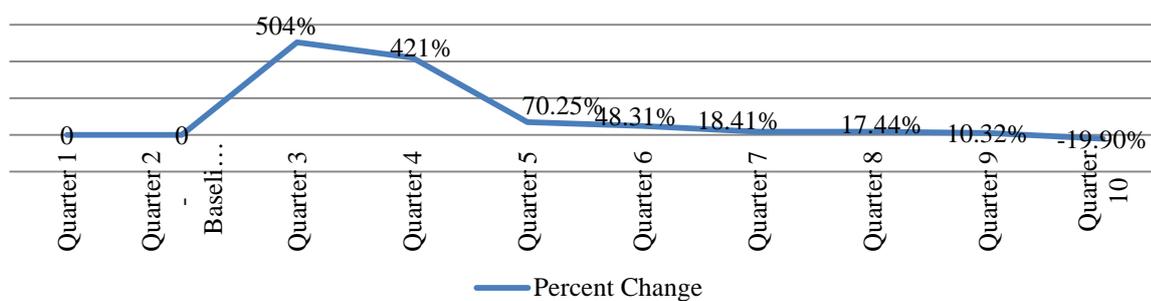
In its tenth quarter, CLE continued to coordinate and liaise with courts providing direct support to court enforcement personnel on a number of new procedural mechanisms in the law, as well as inculcating more efficient enforcement practices such as enforcement against bank accounts and garnishment of wages. CLE continued to assist the CBK and KJC/Courts to refine and expand use of the CBK Unique Account Holder Registry and to use TAK employment information to facilitate increased use of enforcement against wages.

A.I.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. This avenue has now become an important tool for the courts and over the past two years has resulted in a dramatic increase in the number of cases enforced through this mechanism. Through the tenth quarter, Courts have seized 18,484 debtors’ accounts pursuant to judgment debts, resulting in the closure and full recovery in 5,324 cases (approximately 1,446,000 recovered of 2,000,000 Euro in claimed value). In the tenth quarter alone, 984 judgments were enforced against bank accounts.

Percent Change Enforcement Against Bank Accounts



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 the tax administration (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 case files with employment information – 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, which was finalized during Year One, and through October 31, 2015, the MIA-CRA distributed to KJC approximately 44,000 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. To date, 6,680 Enforcement Decisions have been prepared for enforcement against wages by all courts, reflecting an amount of 18,435,972 Euro to be recovered. Approximately 200 Enforcement Decisions have been presented to employers for enforcement, of which 20 Cases have been enforced, amounting to a recovery of 13,739.00 Euro.

A.I.6. 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 regardless of whether the case was viable or not (e.g., in cases where the debtor is deceased, or simply un-locatable) . The new LEP provisions now provide that judges “shall” suspend, instead of previous versions which granted discretion and

provided that judges “may” suspend. Through the end of the reporting period, over 11,500 cases have been suspended, and approximately 9,000 conclusions have been prepared for suspension.

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

IR 1.1(1) - Percentage of civil enforcement cases enforced as a result of USG assistance³

To date, 73.71% of cases in the execution caseload of courts receiving CLE assistance have been cleared from the execution caseload. In the tenth quarter, 12.97% of the cases were cleared.

Target Year 3: 80% Actual Year 3: 73.71% Q10: 12.97%

IR 1.1(2) - Percentage of pending civil cases over 24 months old (Pristina Basic Court-Commercial Department only)

Based on CLE inventory of CD cases, 1,306⁴ is the total caseload (backlog and inventory) of pending cases in this court. Of those 1,306 cases, 237 or 18.51% of the caseload are more than 24 months old. CLE was tasked by USAID to assume these activities to support only the Pristina Basic Court-Commercial Department in September 2015. This indicator will reflect the number of cases heard and resolved within the 8 months of this activity, divided by all cases in Pristina Basic Court-Commercial Department; CLE is supporting only this Court with resolving pending civil cases. Due to the truncated nature of this intervention, there is insufficient time to establish an interim target.

Target Year 3: N/A Actual Year 3: TBD Q10: N/A

IR 1.1(3) - Number of civil enforcement cases enforced as a result of USG assistance

During the tenth quarter, the total number of cases cleared as a result of CLE's assistance is 13,832 cases from the execution caseload in courts receiving CLE assistance. To date, the total number of cases cleared as a result of CLE's assistance is 79,317 cases from the execution caseload in courts receiving CLE assistance.

Target Year 3: 53,000 Actual Year 3: 79,317 Q10: 13,832

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

CLE assists 24 Courts: 7 Basic Courts (Pristina, Prizren, Gjakova, Peja, Ferizaj, Gjilan, and Mitrovica) and 17 branches (Podujeva, Lipjan, Glogovc, Suhareka, Dragash, Malisheva, Rahovec, Decan, Istog, Klina, Kacanik, Strpce, Viti, Kamenica, Novoberdo, Vushtrri, and Skenderaj).

Target Year 3: 22 (27)⁵ Actual Year 3: 24 Q10: 24

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

The “percent change” means the number for the current year minus the prior year divided by the prior year x100 (delta). At the start of the CLE Program, zero (0) cases were enforced against bank account. A Baseline of 501 cases was established at the end of Quarter 2. Declining percentage after year one is expected indicating that the number of cases enforced against bank accounts increases.

During the tenth quarter, 989 cases were prepared for enforcement against bank accounts. To date, 18,484

³ The total caseload is based on KJC data.

⁴ Reconciliation of the caseload continues, and reports will be run each month to update the baseline as needed.

⁵ CLE is currently not working at Zubin Potok, Leposavic; depending on the political developments, CLE will also support these 2 courts. CLE has not yet provided support to the Gracanica court (Gracanica has no cases).

cases have been prepared for enforcement against bank accounts resulting in a total percentage change of -19.90% compared on quarterly basis. The percentage change at the conclusion of the last reporting period was 10.32%.

Target Year 3: 0% Actual Year 3:-19.90% (percent change) Q9: -19.90%

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

The KJC continued transitioning from paper-based to the CLE designed electronic system which is more accurate and allows monitoring of individual enforcement personnel performance. While the KJC formally adopted the CLE-developed reporting application, full implementation of the electronic system will not occur until the categorization process is completed.

Target Year 3: Yes Actual Year 3: Yes Q9: Yes

A.II. Develop the new enforcement system

In its tenth quarter, CLE continued to fully and effectively implement and support the new private enforcement system. The total number of PEAs operating in Kosovo at the end of this reporting period is 25.

During the reporting period, CLE continued to urge the MOJ to issue a call for applications to examine and commission new PEAs. As a result of CLE's urging, during this reporting period, the MOJ advertised for the fourth public call for the Private Enforcement Exam. The closing date for the call is November 3, 2015, and the MOJ will administer the written and oral exams in November 2015.



Although PEAs are not obligated to report on caseload and performance to CLE, most PEAs voluntarily provide reports on a periodic basis. From May 5, 2014, through September 30, 2015, 16 out of 25 PEAS reported that there are 14,754 pending cases and that 3,215 cases have been resolved through the private enforcement system. The total value of the pending cases is approximately 181,300,000.00 Euro, and the amount recovered from resolving cases through the private enforcement system is approximately 22,233,000.00 Euro. As of February 2015, there were 1,217 objections filed against the writs of execution to enforce judgments. Once an objection is filed, it is considered a case in controversy and is governed by the Law on Contested Procedure. Of these objections, only 146 were resolved by the courts.

CLE, in coordination with the Chamber of PEAs, presented the number of cases awaiting resolution in courts to the Supreme Court of Kosovo. Seeing that only 10% of filed objections have been resolved, and demonstrating an inefficient and ineffective handling of objections, the Supreme Court, at CLE's urging, drafted and circulated a Legal Opinion stating that Courts must decide on objections against enforcement writs within 15 days of receiving them. The Legal Opinion 223/2015 was adopted on July 14, 2015. This Legal Opinion serves as a stopgap until a 15 day deadline is incorporated into the amended Law on Enforcement Procedure. (See Section A.II.4 below).

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. During the reporting period, CLE continued to support the Chamber in developing its operational procedures and developing the Monitoring, Evaluation, and Disciplinary system for the PEAs. CLE also continued to prepare and organize a study tour to Belgium

and the Netherlands for MOJ personnel, the Chamber of PEAs, and the Disciplinary Commission which will expose them to the institutional practices and culture of overseeing the private enforcement system.

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

The Administrative Instruction (AI) MOJ-No 05/2015 on Control and Methods of Inspection was approved by the MOJ, and entered into force last quarter, in May 2015. Pursuant to Article 7 of the AI, the MOJ will also adopt a Guide for the supervision of the private enforcement system, which CLE continued to develop during this reporting period. CLE anticipates that the MOJ will adopt the Guide next quarter.

Last quarter, the MOJ also signed Decision No. 14/2015 on establishing the Professional Committee for the Evaluation of the Enforcement System, which is comprised of six Members and Deputy Members. The Professional Committee will oversee the new PEAs, and during this quarter, CLE continued to support and coordinate with the Committee to approve a regulation concerning its own Rules of Procedure. The regulation has been drafted and finalized, and has been reviewed by the Ministry; it is expected that its adoption will be the Committee's first action.

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

During the reporting period, no training sessions were held for PEAs or MOJ personnel. After the completion of the fourth exam and nomination of the new PEAs, CLE will support and assist the MOJ in organizing the basic training for these candidates.

A.II.3. Support newly established Chamber of Private Enforcement Agents

During the reporting period, CLE continued to support the Chamber in developing its institutional capacities. The Chamber's role is to monitor the Private Enforcement Agents, as well as to publicize and raise awareness to citizens in Kosovo about the profession and the services PEAs offers, in lieu of settling debts through the courts. The Chamber will also monitor the practice of the profession in accordance with the Kosovo Law on Enforcement Procedures. During the reporting period, CLE support to the Chamber consisted of financial assistance for office costs and equipment; software necessary for case administration and management, especially for access in the Central Bank of Kosovo Unique Account Holder Registry, and one administrative assistant. The case administration software is still in the process of development.

A.II.4. Support MOJ to amend Law on Enforcement Procedure

The Law on Enforcement Procedure 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 the Basic Courts, Appellate Court, and Supreme Court, 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.

Amendments to the Law on Enforcement Procedure were initially intended to be approved and adopted through an accelerated procedure by the Assembly, along with a package of laws related to the rule of law and economic growth in Kosovo. It was decided by USAID during the last reporting period that the amendments to the LEP would go through the regular procedure for amending laws, through a sponsoring line Ministry, in this case, the MOJ, notwithstanding that duration of the legislative drafting cycle will likely extend past the end date of the Program.

During this reporting period, with support from CLE, the MOJ organized and chaired the Working Group to finalize the Concept Document on the amendments to the Law on Enforcement Procedure. The Working Group was composed of MOJ officials from the Legal and Free Professions Departments, the Prime Minister's

Office, an Appeals Court Judge, the Chamber of Private Enforcement Agents, and CLE. The Concept Document was sent for preliminary consultation to the relevant institutions in October pursuant to Government Regulation No.09/2011. In accordance with this Regulation, the relevant institutions are supposed to provide comments, if any, within 15 working days of receiving the Concept Document. CLE anticipates that the Concept Document to amend the LEP will be approved in the next quarter, barring worsened political turbulence in the Kosovo Government

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

IR 1.1(4) WB Doing Business indicator on contract enforcement: Time in days for enforcement

World Bank Doing Business 2016 Rank: 48

Time (days): 330

Target Year 3: 120 Actual Year 3:48 Q10: 48

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

The Private Enforcement Agents established their offices in May 2014. The total number of cases resolved through new procedures (e.g. bailiff) using USG assistance, based on data collected from 16 out of 25 PEAs operating in Kosovo is 3,215.⁶

Target Year 3: 20,000 Actual Year 3: 3,215

IR 1.1.3(7) Enforcement agent disciplinary system implemented

Implemented.

Target Year III: Yes Actual Year III: Yes Q10: Yes

IR 1.1.3(8) Chamber of PEAs established

Yes

Target Year III: Yes Actual Year III: Yes Q9: 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. 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.

⁶ 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.

This quarter, through its commercial law activities, CLE continued to implement a robust set of training activities in commercial law for judges and lawyers and has been leading, in collaboration with the Ministry of Trade and Industry (MTI), the development of a new Law on Bankruptcy. CLE also continues to participate in the Working Group for the new Law on Business Organizations. CLE additionally reviewed and commented on the drafts Laws for Minor Offenses; Notaries; and Normative Acts.

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

B.I.1. New Bankruptcy Law

CLE provided technical assistance to the Ministry of Trade and Industry (MTI) Working Group, to draft the new Bankruptcy Law. The Working Group commenced with drafting the new Law in June 2014 and finalized the draft Law in June 2015. During the reporting period, CLE supported the process of inter-ministerial review and organized two Working Groups in coordination and collaboration with MTI and the Ministry of European Integration to complete "compliance tables" reflecting harmonization with the EU Acquis. CLE expects the Government to submit the finalized draft Law to the Assembly early next quarter, as scheduled. Once the draft is approved by the Assembly, development of secondary legislation will commence to ensure that all necessary additional regulations are ready for promulgation concurrent with or shortly after adoption of the Law.

CLE has also been working on developing a training program for Judges and Attorneys on the new Bankruptcy Law.

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, including consumer lending and insurance. Until these regulations are drafted and adopted, the applicable provisions of the old Law (from 1978) will remain in force. During the reporting period, CLE continued to liaise with the commercial banks and the Central Bank legal department to coordinate development of these regulations. CLE started drafting the necessary regulations in spring of 2014, and as of this reporting period, all regulations have been drafted, but are in the process of being harmonized with new legislative developments.

CLE, this quarter, in collaboration with the Albanian Branch of the International Chamber of Commerce (ICC Albania), completed translation into Albanian of the Uniform Rules for Demand Guarantees (URDG 758). CLE and ICC Albania continued to collaborate this quarter on the translation of Uniform Customs and Practice for Documentary Credits (UCP 600), and Working Groups to translate this instrument will continue through next quarter. Once both of these instruments have been translated into Albanian, they will be promulgated as regulations on Letters of Credit and Letters of Guarantees by the CBK.

This quarter, four other regulations developed by CLE were sent to the CBK and are awaiting adoption by the CBK Board. These four regulations are: (1) Regulation on Contracts for Loans; (2) Regulation on Letters of Credit and Bank Guarantees; (3) Regulation on Deposit of Securities; and (4) Regulation on Current Bank Accounts and Bank Deposit.

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

Last quarter the MTI established a Working Group to draft a new Law on Business Organizations. During the reporting period, CLE continued to participate in Working Group meetings to develop and draft the new Law.

B.I.4. New Law on Mediation

During the reporting period, CLE continued to assist the MOJ in developing a draft Concept Document on the new Law on Mediation. In October 2015, the MOJ, with support from CLE, organized a working group comprised of MOJ officials, OPM officials, members of the Mediation Commission, the USAID PRP Program, CSSP, and CLE. UNDP was invited, but did not participate in the Working Group. Based on comments and feedback from the Working Group, CLE, in its tenth quarter, revised the draft Concept Document and expects to send the revised draft to the MOJ early next quarter. The MOJ will also circulate the Concept Document to other relevant stakeholders for review and comment. Once the Concept Document is finalized, and approved by the Government, the MOJ will establish a Working Group to begin drafting the new Law. CLE anticipates that the Working group will be formed in early 2016; with this timing, it is unlikely that the draft Law will be concluded prior to Program end.

[B.I.5. Support to the University of Pristina Faculty of Law to improve skills of future commercial lawyers and organization of the 2nd Annual Western Balkans Vis Pre-Moot Competition](#)

During the quarter, CLE liaised with the University of Pristina, Faculty of Law; Iliria University, the American Chamber of Commerce in Kosovo; and the Kosovo Chamber of Commerce to coordinate arrangements the Second Annual Western Balkans Pre-Moot, which will be held in Pristina from February 25-27, 2016. All four institutions expressed their support in co-hosting this event.

[B.I.6. Coordinate with Assembly of Kosovo on Drafting and Amending Laws Related to Economic Development and Rule of Law](#)

The issue of late payments has been raised by the Kosovo Bankers' Association and the private sector. CLE continues to support the initiative led by the Speaker of the Kosovo Assembly to draft and adopt several laws intended to foster greater economic development, which are intended to be adopted through an accelerated parliamentary procedure. Two of these laws include a Law on Late Payments and a Law on Bills of Exchange. In its tenth quarter, CLE has been regularly following up with the Assembly on the status of approving the Draft Laws on Late Payments and Bills of Exchange, developed during the previous reporting period. As of October 31, 2015, the Assembly has not processed these laws, as a result of ongoing political turbulence and disruption to Parliamentary sessions.

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

IR1.1.3(1) Number of new laws and secondary legislation finalized and adopted to improve contract law and property rights using USG assistance

None adopted during the reporting period.

Target Year 3: 2 Actual Year 3: 0 Q10:0

[B.II. Engagement with the Business Community-Developing a Culture of Contract in Kosovo](#)

Cooperation with USAID AGRO Program

During this quarter, through two full time Agricultural Contract Monitoring Officers, CLE continued to liaise with farmers and processors in the field. 227 contracts were monitored during the reporting period. As the growing season ended in October 2015, CLE will no longer monitor contracts entered into between farmers and processors, in collaboration with AGRO, until the 2016 growing season, provided that CLE has sufficient time and resources to carry out these activities.

[B.II.1 Legal information materials](#)

During the reporting period, CLE continued to develop a process map for the Laws on Administrative

Procedure.

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

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

In Year Two, CLE conducted a nation-wide survey of 900 businesses to measure the contract usage. 40% of the businesses respondents surveyed regularly use written contracts.

Target Year 3: 35% Actual Year 3: N/A Q10: N/A

B.III. Mediation

B.III.1. Develop mediation infrastructure

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

Mediation Regulations:

This quarter, CLE, along with the MOJ, focused on developing the Concept Document for the new Law on Mediation. Neither the MOJ nor the Mediation Commission requested assistance in developing mediation-related regulations. Once the New Law on Mediation is adopted and promulgated, CLE will assist the MOJ with any necessary amendments, time permitting.

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

CLE continued to coordinate directly with the KJC, the Budget and Finance Committee of the Kosovo Assembly, and the Ministry of Finance, to place Mediation Centers in the Basic Courts, and to create a budget line for seven (one for each Basic Court) Mediation Center Managers to be employed by the KJC. This quarter, the Ministry of Finance approved the KJC's request to include in its 2016 budget, the salaries of the seven Mediation Center Managers. CLE expects next quarter that the Assembly will approve the 2016 KJC budget with this line item.

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

CLE continued operating its three mediation centers in Gjilan, Peja and Prizren. In the tenth quarter, a total of 88 cases were referred to mediation (agreement to mediate signed and mediator selected); 31 in Peja, 43 in Gjilan, and 14 in Prizren. During the same period, a total of 83 cases were settled through mediation; 28 in Peja, 35 in Gjilan, and 20 in Prizren. During the tenth quarter, CLE received 59 phone calls from individuals inquiring about mediation, and the Mediation Center Managers in Peja, Gjilan, and Prizren collectively met with 109 businesses to explain mediation processes and the benefits of using this mechanism to settle disputes as an alternative to the Courts.

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

	Peja		Gjilan		Prizren	
	Q10	To date	Q10	To date	Q10	To date
Cases reviewed by Program for potential referral	111	2665	61	2595	70	457
Cases selected by Program and judge for potential referral	104	2135	60	2327	46	409
Cases referred to mediation (based on agreement of parties)	31	328	43	454	14	49
Cases settled through mediation and approved by court	28	188	35	368	20	24

Cases not settled and transferred back to court	9	111	7	80	3	14
Cases in progress (agreement to mediate signed and mediator selected)	7	28	1	6	1	11

B.III.3: 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 assistance, particularly review for appropriateness of cases that are referred from the judges in the Peja, Prizren, and Gjilan Basic Courts. In the tenth quarter, CLE staff regularly liaised with the presidents and staff of Basic Courts in Gjilan, Prizren, and Peja to implement the Protocol.

B.III.4: Support to mediators and mediation-related activities:

CLE continued to support the Association of Mediators. Since late 2014, CLE has assisted the Association of Mediators to develop and design mediation-related outreach activities and draft proposals for funding. Last quarter, the Association received a Letter of Support from RTK, stating that the public television station will air a show on Mediation, which will show and explain the benefits of mediation through scenarios with actors as well as actual licensed mediators in Kosovo. In the tenth quarter, CLE supported the Association of Mediators in drafting a grant proposal to fund production of the series. CLE will review the final draft of the Association's grant request. CLE will also support and finance the Annual meeting of the Association, which is expected to be held next quarter.

Refresher and specialized training in mediation:

In the tenth quarter, CLE held two refresher mediation training workshops for licensed mediators in Prizren, Prishtina, Peja and Gjilan. Each workshop lasted 2.5 days (20 hours). Licensed mediators are required by the Law on Mediation to attend a refresher training workshop every two years. 19 licensed mediators attended the training (4 female and one Kosovo-Turk male).

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

IR 1.1.3(2) Number of mediation agreements concluded⁷

During the tenth quarter, 88 cases were referred to mediation (agreement to mediation signed and mediator selected); 31 cases in Peja, 43 in Gjilan, and 14 in Prizren. To date, 831 cases have been referred to mediation (agreement to mediation signed and mediator selected), out of which 328 cases were in the Peja Mediation Center, 454 cases were in the Gjilan Mediation Center, and 49 cases were in the Prizren Mediation Center.

Target Year 3: N/A Actual Year 3: 831 Q10: 88

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

100%

Target Year 3: 100% Actual Year 3: 100% Q10: 100%

B.IV. Training

During this quarter CLE implemented: (1) three training sessions for commercial judges as part of the CLE-developed specialized training curricula for commercial judges in the area of commercial law; (2) one general

⁷ Precise Definition at AMEP: Concluded means that all parties agree to attempt to reach a settlement (i.e. parties formally accepted mediator as a means to resolve the dispute, it does not mean parties approved the settlement).

training session for all judges; (3) one training session for advocates licensed by the KBA; and (4) two training workshops for mediators.

This quarter, CLE, in cooperation with the KJI, delivered one general training session for all judges in Kosovo on Mediation. A total of 19 judges attended (9 female and 10 male; 18 Kosovo-Albanians and one Kosovo-Serbian).

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.

During this quarter, CLE in cooperation with the KJI, delivered 3 specialized training courses to the judges in the Pristina Basic Court and Appellate Court Commercial Departments. In addition to these commercial judges, CLE also invited the civil law judges of the Supreme Court of Kosovo to participate in the training.

1. *Taxation Processes*, September 8, 2015: A total of 11 Kosovo - Albanian judges attended; 5 female and 6 male. Judges in attendance were: one judge from the CD Pristina Basic Court; one judge from the CD Court of Appeal; 5 civil law judges from the Supreme Court; and 4 judges from the Administrative Department/ Fiscal Division of the Pristina Basic Court.

2. *Economic Principles of Commercial Law*, September 9, 2015: A total of 9 Kosovo-Albanian judges attended; 3 female and 6 male. Judges in attendance were: one judge from the CD Pristina Basic Court; one judge from the CD Court of Appeal; 3 civil law judges from the Supreme Court; and 4 judges from the Administrative Department/ Fiscal Division of the Pristina Basic Court.

3. *Proofs and Evidence in Commercial Disputes*, October 7, 2015: A total of 10 judges attended; 9 Kosovo - Albanian and one Kosovo-Turk (4 female and 6 male.) Judges in attendance were: 4 judges (out of 4) from the CD Pristina Basic Court; 3 judges (out of 3) from the CD Court of Appeal; 2 civil law judges from the Supreme Court; and one judge from the Administrative Department/ Fiscal Division of the Pristina Basic Court.

CLE continues to prepare and finalize the Training Manual on Business, Loans and Financial Institutions, for the training session which will be delivered next quarter.

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

See Section B.IV.1 above.

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

During this quarter, CLE in cooperation with Kosovo Bar Association, delivered one training session to licensed advocates on "Enforcement Procedure," held on September 19, 2015. A total of 36 licensed advocates attended; 35 Kosovo-Albanian and 1 Kosovo-Turk (2 female and 34 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 tenth quarter, 36 active licensed advocates attended a training session organized by CLE and the KBA, out of which 2 were female and 34 were male. From the total number, 35 were Kosovo-Albanian and one was Kosovo-Turk. During this quarter, the percentage of lawyers trained with USG assistance is 6.41%

To date, 540 active licensed advocates attended training programs organized by CLE. The percentage of lawyers trained with USG assistance is 96.09%.

Target Year 3: 80% Actual Year 3: 96.09% Q10: 6.41%

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

During the tenth quarter, CLE developed three legal training courses and two training manuals: (1) Taxation Process and (2) Proofs and Evidence in Commercial Disputes.

To date, CLE has developed 19 legal courses.

Target Year 3: 9 Actual Year 3: 19 Q10: 3

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

During the tenth quarter, CLE held a total of 85 person days of training; 23 female and 62 male participants. Disaggregated by ethnicity, CLE held 82 person days of training for Kosovo-Albanians, 1 person days of training for Kosovo-Serbians, and 2 person days of training for Kosovo-Turks. To date, CLE conducted a total of 1,432 person days of training.

Target Year 3: 250 Actual Year 3: 1,432 Q10: 85

C. Component 3: Outreach, Gender, and Monitoring

C.I.1. Conduct Outreach on the New Enforcement System

During this quarter, CLE retained the services of, and oversaw production by, a communications agency engaged in the development of a Public Service Announcement (PSA) on the private enforcement system. This will be the second PSA regarding the private enforcement system developed with USAID/CLE support. The PSA is being sponsored by the PEA Chamber, with support from CLE. CLE expects that the PSA will be finalized for broadcast next quarter.

CLE continues to distribute program materials on the private enforcement system on a regular basis during its events. These materials have been distributed to Kosovo institutions, and also to private businesses.

C.I.2. Conduct Outreach on Backlog Reduction

During the reporting period, the PSA on backlog reduction developed by CLE continued to air on RTK.

C.I.3. Conduct outreach with business community

This quarter, CLE organized two “Put it on Paper” roundtables. One was organized in collaboration with the American Chamber of Commerce in Kosovo (AmCham) and the participants included new AmCham member businesses. 5 participants attended, all Kosovo-Albanian (4 male and 1 female). The second roundtable was organized in collaboration with Women for Women International and the participants included female farmers in Begrace, in the Kacanik municipality. 35 participants attended, all female and all Kosovo-Albanian. CLE, at both roundtables distributed USBs containing CLE-developed standard form contracts.



C.I.4. Conduct outreach on mediation

During the reporting period, CLE continued to advertise mediation services through radio Dukagjini and national TV – RTK, and also distributed leaflets to raise awareness on the availability of the ADR mechanisms,

particularly mediation as an alternative to the courts to resolve disputes. CLE also supported the Association of Mediators in drafting a grant proposal to fund production of a series on Mediation (See Section B.III.4).

CLE continued to meet with businesses to discuss ADR mechanisms focusing mainly on mediation services. During the tenth quarter, CLE met with 109 individual businesses in Peja, Gjiilan, and Prizren in order to inform them about mediation services and its benefits

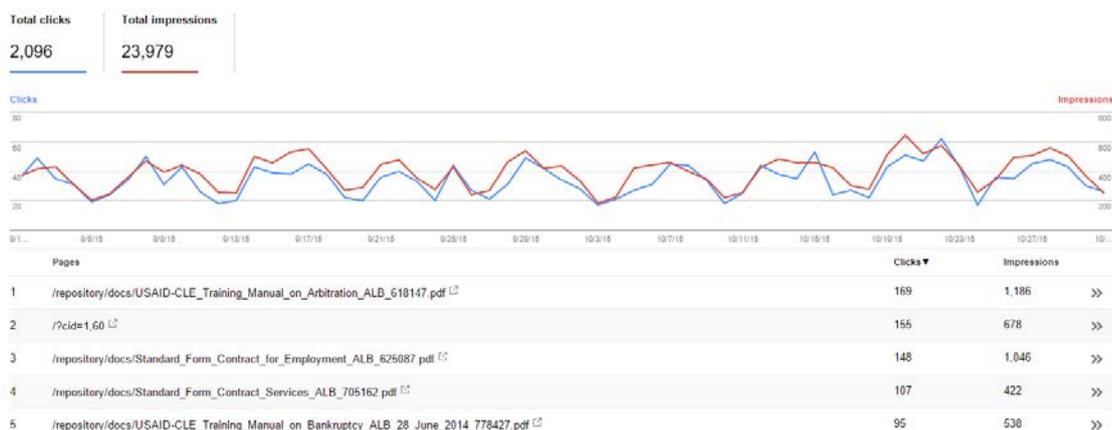
Other outreach related activities

CLE continued to collaborate with the USAID Basic Education Program (BEP) on the development of materials for introducing concepts on the topic of Financial Literacy to primary school students. CLE coordinated with Master Learning Facilitators, affiliated with the BEP Program, on the content of the material. CLE will take the lead in developing the initial draft materials, which are expected to be completed next quarter.

CLE also continued to liaise and coordinate with the USAID Property Rights Program (PRP) and the USAID Advancing Kosovo Together (AKT) Program to discuss potential opportunities to collaborate and develop synergies, particularly vis-à-vis mediation, and its potential with non-majority community business disputes, and in contested (or otherwise) inheritance cases. CLE also facilitated meetings between the Deputy Minister of Justice in charge of non-majority issues and PRP and AKT.

CLE, together with RTC Consulting, finalized the Program-end survey on National Usage of Written Contracts.

CLE continued to regularly update its web-page with events and content uploads. During this quarter CLE's website was visited more than 2,590 times and appeared 28,000 times in search results. As seen from the graph below it can be noted that the standard form contracts were the most searched for items. During the reporting period, standard form contracts have been downloaded approximately 400 times. The Contract for Employment was downloaded the most, followed by the Contract on Services and the Contract for Lease. Training Manuals were downloaded more than 700 times. The most downloaded Training Manual is the one on Arbitration followed by the Training Manual on Bankruptcy.



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

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

Fifteen legal institutions are supported by CLE: (1) Ministry of Justice (MOJ), (2) Kosovo Judicial Council (KJC), (3) Central Bank Kosovo (CBK), (4) Ministry of Trade and Industry (MTI), (5) Agency for Business Registration of Kosovo (ABRK), (6) Kosovo Bar Association (KBA), (7) Basic Courts and Branches - and the Commercial Department at Pristina Basic Court, (8) Kosovo Judicial Institute (KJI), (9) Kosovo Banking Association (KBA), (10) Tax Administration Kosovo (TAK), (11) Association of Mediators, (12) Mediation Commission, (13) Kosovo Chamber of Commerce (KCC), (14) American Chamber of Commerce (AmCham), and the (15) Chamber of Private Enforcement Agents.

Target Year 3: 15 Actual Year 3: 15 Q10: 15

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

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

Target Year 3: 35% Actual Year 3: N/A Q10: N/A

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

To date, CLE has supported 23 campaigns to foster public awareness and respect for rule of law; during the Year Three CLE supported 6 such campaigns, 2 of which were done in the tenth quarter:

Put it on Paper roundtable with Women for Women International (October 12, 2015)

Put it on Paper roundtable with American Chamber of Commerce (AmCham) (September 30, 2015)

Target Year 3: 16 Actual Year 3: 6 Q10: 2

Activities Planned for Next Quarter (November 2015-January 2016)

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

In the next quarter, CLE expects that the Agency for Data Protection and the CBK will reach a mutually acceptable solution on the Regulation on the Unique Account Holder Registry upgrade, allowing the CBK Board of Governors to adopt and implement the Regulation. Once the upgrade is implemented and operational, all enforcement against bank accounts will be fully automated, and CLE expects that the execution caseload will be reduced at an accelerated rate.

Next quarter, CLE anticipates organizing, in cooperation with the Assembly of Kosovo and the Judiciary, a roundtable to discuss progress of reducing the caseload in the Pristina Basic Court-Commercial Department. CLE expects that this roundtable will be followed by a National Conference on Adjudication of Commercial Disputes, also organized in collaboration with the Assembly of Kosovo and the Government.

CLE will also support the MOJ in organizing a workshop to discuss amendments to the Law on Enforcement Procedure, as well as coordinate with the MOJ Department of Free Professions to establish a disciplinary and monitoring mechanism to oversee the PEAs. During the next quarter, MOJ will hold its fourth exam for PEAs, and CLE will cooperate and coordinate closely with the MOJ to ensure that the PEAs who passed the exam are licensed and commissioned, bringing Kosovo closer to reaching the legal threshold of having at least 1 PEA for every 25,000 citizens, as required by the Law on Execution Procedure and in line with Council of Europe standards. CLE will also urge the MOJ to advertise for and hold additional PEA exams. CLE will also continue to prepare and organize the study tour for MOJ personnel to Belgium and the Netherlands.

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

Next quarter, CLE will continue to coordinate with the MTI on getting approved and implemented the draft Law on Bankruptcy and will continue to support the process of inter-ministerial review and submission of the draft Law to the Assembly. Once the draft is submitted to the Assembly, development of secondary legislation will commence to ensure effective and full implementation of the Law after it is adopted and promulgated by the Government. During Year Three, CLE will continue to support the drafting of a

Bankruptcy Manual, and train judges and Bankruptcy Administrators on the new Law once it is adopted. CLE will also continue to deliver training courses, in cooperation with the KJI, to commercial law judges.

CLE will coordinate closely with the MOJ, and other donors to get the Concept Document approved and establish and organize a Working Group to develop the new Law on Mediation. CLE will also continue to assist and support the Association of Mediators in drafting the grant proposal to fund the series on mediation, and to organize its Annual Meeting next quarter.

C. Component 3: Outreach, Gender, and Monitoring

Next quarter, CLE plans to organize additional Put it on Paper roundtables with the business community in Kosovo. The next Put it on Paper roundtable will be organized on October 11; the participants will be Gračanica businesses that participated in the Business to Business (B2B) Fair organized by AmCham and the AKT Program. The second will be organized on November 17, in cooperation with American Chamber of Commerce (AmCham) and Innovation Centre of Kosovo (ICK), during Global Entrepreneurship Week.

CLE will continue to cooperate with the USAID Basic Education Program (BEP) and the CBK to finalize financial literacy materials. Next quarter, CLE will finalize the PSA on the private enforcement system, which will be aired on National TV. CLE in cooperation with RTC, will also receive the results of the National Survey on Contract Usage, and will attend the Focus Group sessions organized by RTC.

Next quarter, as indicated in the revised Year Three Work Plan, CLE will provide financial assistance to the University of Pristina students participating in the Vis and ICC Mediation competitions, as well as develop and implement, with assistance from an STTA Consultant, a clinical training module on international commercial arbitration to better prepare students for the Vis Competition. CLE, with assistance from the same Consultant, will also commence with providing support to the University of Pristina's L.L.M. Program in Contract Law.

Next quarter, CLE will continue to prepare and organize the Second Annual Western Balkans Vis Pre Moot Competition, which will be held from February 25-27, 2016, in collaboration with the University of Pristina, Faculty of Law; Iliria University; AmCham; and the Kosovo Chamber of Commerce (KCC).

Miscellaneous – Consultants, Environmental Compliance and Budget

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.

Anne Trice (Senior Court Administration Advisor) is currently providing assistance to the Pristina Basic Court-Commercial Department and its judges to facilitate the reduction in the backlog of pending civil cases and introduce more effective case management systems, including improved statistical reporting. Ms. Trice, along with CLE staff, is also managing and training legal support personnel to assist judges in conducting legal research and drafting decisions, and how to determine which cases are appropriate to be heard by the newly created Division for Foreign Investment Disputes.

Kujtim Kerveshi (Mediation Advisor): jointly led two refresher mediation training sessions for licensed mediators from Prizren, Pristina, Peja, and Gjilan, as well as a training session on mediation for judges in Kosovo.

Alice Gillispie (Mediation Advisor): jointly led two refresher mediation training sessions for licensed mediators from Prizren, Pristina, Peja, and Gjilan, as well as a training session on mediation for judges in Kosovo.

Astrit Musa (Trainer): From ACA, and auditing firm, engaged to deliver a one day training on Tax Processes to commercial judges.

Adem Vokshi (Trainer): A licensed advocate, engaged to deliver a one day training on Proofs and Evidence in Commercial Disputes to commercial judges.

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 Ten.

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 October 31, 2015, CLE has expended \$4,399,070.52. During Q10, spending was \$521,685.21. CLE anticipates the monthly burn rate to continue to be approximately \$195,000.00 per month over the next quarter.

Appendix A- Deliverables

Component 1: 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. Chamber of Enforcement Agents established and its operation procedures adopted.*
5. Report documenting increased capacity of enforcement agents as a result of Program training and capacity building efforts.
6. Report with evidence documenting that the established disciplinary system for new enforcement agents is functional.
7. 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.

(Deliverables marked with an asterisk are Year Three deliverables that were achieved in Year Two).

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

1. 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.
2. Report documenting that the process of enforcement of arbitral awards and mediation agreements functions efficiently.
3. Mediation Centers become sustainable and continue receiving and mediating cases.
4. Report with evidence documenting improved awareness among business community of contracts and ADR services.
5. Report with evidence documenting improved professionalism of Mediators and Arbitrators as a result of the training provided.

Additionally submitted during the reporting period were:

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

Memorandum on the Draft Regulation on the Registry of Bank Account Holders

Concept Document on Amending the Law on Enforcement Procedure

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

Commercial Law Activities

Draft Law on Business Organizations

Draft Law on Bankruptcy

Memorandum on draft Law on Minor Offenses

Memorandum: Definition of Foreign Investment

Uniform Customs and Practice for Documentary Credits

ICC Uniform Rules for Demand Guarantees

Statement of Compliance of the Republic of Kosovo's Legislation with the EU *acquis*

CBK Response to NAPPD Decision re Draft Regulation on Registry

Process Map on Administrative Procedure

Mediation Activities

Concept Document on the New Law on Mediation

Training Manuals Developed

Taxation Processes

Economic Principles of Commercial Law

Evidence and Proof in Commercial Disputes