



USAID | **KOSOVO**
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Contract Law Enforcement (CLE) Program

QUARTERLY REPORT

(MAY 1 – JULY 31, 2016)

August 30, 2016

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CONTRACT LAW ENFORCEMENT (CLE) PROGRAM

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

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(May 1 – July 31, 2016)

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August 30, 2016

DISCLAIMER

The authors' views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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LIST OF ACRONYMS

AmCham	American Chamber of Commerce in Kosovo
BRO	Backlog Reduction Officer
CBK	Central Bank of Kosovo
CPEA or Chamber	Chamber of Private Enforcement Agents
CSSP	CSSP – Berlin Center for Integrative Mediation
ICC	International Chamber of Commerce
IMF	International Monetary Fund
KJC	Kosovo Judicial Council
KJI	Kosovo Judicial Institute
LEP	Law on Enforcement Procedure
MEI	Ministry of European Integration
MOF	Ministry of Finance
MOJ	Ministry of Justice
MOU	Memorandum of Understanding
MTI	Ministry of Trade and Industry
PBC-CD	Pristina Basic Court-Commercial Department
PEA	Private Enforcement Agent
PIN	Personal Identification Number
PSA	Public Service Announcement
SAA	Stabilization and Association Agreement
UNDP	United Nations Development Programme

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. An extension of the Program was executed on March 7, 2016. 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 has also been responsive to requests for assistance from both counterparts and USAID partners, as well as having pursued and seized a variety of additional opportunities not expressly within its scope of work, but which were in furtherance of its overall development objectives. The activities have included providing support, at USAID's direction, to the University of Pristina, the Commercial Department at the Pristina Basic Court, and the Central Bank of Kosovo (CBK). CLE has also responded to numerous ad hoc requests on legal policy and approach from the MOJ, the Ministry of Trade and Industry (MTI), the Ministry of European Integration (MEI), the Ministry of Finance (MOF), and the Office of the Prime Minister, and several Assembly Committees.

EXECUTIVE SUMMARY

In its thirteenth 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 supported court personnel and the courts to achieve functional elimination of the entire execution caseload. From CLE initiation through the end of the reporting period, July 31, 2016, CLE reported clearing 105,517 cases from the execution caseloads in the seven Basic Courts and the recovery of over 16,000,000 Euros of previously unrecovered judgment debt.

CLE, in coordination with the Kosovo Judicial Council (KJC), assisted the Pristina Basic Court-Commercial Department drafting 281 notice/decisions and 33 judgments this quarter.

CLE continued to support the Ministry of Justice (MOJ) to fully implement the new Private Enforcement Agent (PEA) system and the Chamber of Private Enforcement Agents in developing its operational procedures and develop a monitoring, evaluation, and disciplinary system for the PEAs. CLE collaborated closely and frequently with the MOJ, the International Monetary Fund (IMF), and other stakeholders to finalize the draft amendments to the Law on Enforcement Procedure.

The new Bankruptcy Law developed with CLE support was passed by the Assembly of Kosovo in June 2016. It was signed by Kosovo's President, published in the Official Gazette, and entered into force on July 22, 2016. CLE, in collaboration with the Ministry of Trade and Industry (MTI) and the MOJ, began developing and implementing a regulation for the new Law on Bankruptcy and the new Bankruptcy Manual. CLE also continued its participation in the MTI-led Working Group for the new Law on Business Organizations and, as part of its commercial law activities, is developing a robust training plan on the Law for judges, lawyers and bankruptcy administrators.

As planned, on April 30, 2016, CLE concluded its operation of mediation centers in Gjilan, Prizren, and Peja. To maintain the strong momentum created by the centers in those cities, CLE is assisting and supporting the judges and parties in those cities to refer court cases to mediation. CLE also collaborated closely and frequently with the MOJ on the draft Law on Mediation.

Summary of Progress May 2016–July 2016

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

CLE's Enforcement of Judgments activities have two goals: 1) Functional elimination of the courts' execution case backlog; and 2) Assistance to the Ministry of Justice to establish the Private Enforcement Agent System.

The 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); and
- 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 Kosovo Judicial Council (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. Based on discussions with USAID, in Years Four and Five, CLE will measure only the actual number, rather than the percentage of cases, cleared from the execution caseload.

A key pillar of CLE's support to the courts has been establishing an accurate count of cases and tracking them. To this end, CLE developed a statistical reporting application that creates and allows regular updating of a database that tracks the number unenforced judgements in the execution caseload. The database enables enforcement clerks and court-based statistical officers to report to the KJC on a daily basis when cases are closed. As of Year Two, all seven Basic Court Presidents have been provided tablets with the reporting application and instruction on how to use the application. In addition to reviewing the number of cases in the execution caseload, the application allows judges to monitor the performance of court enforcement personnel in all of the courts. The application works in Albanian, Serbian and English, and can generate a wide range of user-defined reports. The database created by the application is backed up weekly on an external disk and monthly to Compact Discs. Automatic weekly reporting is now enabled, and the application enables a user to review reports that are updated twice weekly. It has been installed and is fully operational in the Pristina, Ferizaj, Gjilan, Gjakova, Prizren, Peja, and Mitrovica Basic Courts.

CLE and the courts completed an accounting of all the cases in November 2015 and continue to add cases into the statistical reporting application's database as they are found or are newly

opened. CLE support to all seven Basic Courts and branches to verify the caseload resulted in finding an additional 103,224 cases, reflecting an actual caseload at that time of 210,618 cases (as noted below, there exists a small universe of cases, where the court itself is the creditor, that continue to be categorized and entered into the statistical reporting application's database). In the thirteenth quarter, 4,890 additional cases were categorized and entered into the statistical reporting application and, as of the end of the quarter, the total number of cases awaiting enforcement was 105,615.

A.I.I.I: Support KJC to improve systems for statistics on execution caseload and ensure that KJC develops sustainable mechanisms for reporting and maintaining accurate statistical data

This quarter, CLE's backlog reduction teams provided embedded support in all seven Basic Courts and their branches, including the Mitrovica Basic Court. The Backlog Reduction Officers continued to categorize cases in which the court itself is the creditor and is owed unpaid court fees and expenses, as well as 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 have been able to obtain more accurate statistics concerning the execution caseload in the courts receiving CLE assistance. CLE will continue to coordinate with the KJC leadership to fully implement the CLE-developed statistical reporting application so that the KJC, courts, and CLE will be able to track data regarding the execution caseload accurately.

The following table expresses overall results by Basic Courts and branches through July 31, 2016:¹

CASES REMOVED AND VALUE CLAIMED BY BASIC COURTS AND BRANCHES THROUGH JULY 31, 2016

Basic Court	Total Claimed Value	Total Number of Cases Removed
Basic Court Pristina	€ 167,200,898.00	19,664
Commercial Department	€ 17,582,082.40	1,532
Branch Podujeva	€ 31,950,001.40	2,583
Branch Lipjan	€ 4,565,769.50	2,866
Branch Glogovc	€ 5,587,995.80	1,014
Pristina basic court and branches	€ 226,886,747.20	27,659
Basic Court Prizren	€ 23,645,342.30	12,378

¹ 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 98,000 cases (approximate) that were previously unreported.

Branch Suhareka	€ 5,090,969.20	3,787
Branch Dragash	€ 519,870.50	459
Prizren basic court and branches	€ 29,256,182.00	16,624
Basic Court Gjakova	€ 19,887,797.70	8,099
Branch Rahovec	€ 4,742,369.60	2,611
Branch Malisheve	€ 5,568,618.80	2,671
Gjakova basic court and branches	€ 30,198,786.20	13,381
Basic Court Peja	€ 15,298,742.00	9,935
Branch Decan	€ 3,728,147.10	1,420
Branch Istog	€ 5,806,428.20	1,177
Branch Klina	€ 8,277,812.20	928
Peja basic court and branches	€ 33,111,129.50	13,460
Basic Court Ferizaj	€ 26,788,055.70	9,915
Branch Kacanik	€ 4,078,516.90	2,795
Branch Strpce	€ 464,972.10	59
Ferizaj basic court and branches	€ 31,331,544.80	12,769
Basic Court Gjilan	€ 15,305,198.60	11,678
Branch Viti	€ 4,498,422.30	3,423
Branch Kamenica	€ 1,126,050.30	1,087
Branch Novoberde	€ 25,748.70	173
Gjilan basic court and branches	€ 20,955,419.80	16,361
Basic Court Mitrovica	€ 4,585,292.90	2,897
Branch Skenderaj	€ 1,433,514.10	821
Branch Vushtrri	€ 5,666,634.70	1,545

Mitrovica basic court and branches	€ 11,685,441.60	5,263
Total for all basic courts and branches	€ 383,425,251.00	105,517

The KJC Board in Year Two formally adopted the statistical reporting application to keep track of the actual number of cases in the execution caseload and agreed to use this reporting application in lieu of any other reporting mechanisms. CLE assisted the KJC Statistical Department to fully utilize this online web-based reporting system and trained the enforcement clerks and statistical officers in Year Three to maintain it. 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.

In order to transition to the electronic system and use it effectively, a full and complete inventory of cases and entry of all case data into the database, and the resolution of a number of questions on how to report certain case statuses by KJC's Court Administration Committee, are required (e.g., what status KJC wished to assign to cases that do not neatly fit into a simple "Open/Closed" status, but which do not require immediate action, such as case being resolved through monthly instalments). Although the ultimate goal is complete closure of cases, for management purposes the distinctions are relevant as they inform policy and work flow choices about which cases are priority for action and, as such, require resolution before transitioning fully to the CLE developed statistical reporting application. CLE teams, working with the court execution teams, are currently using the reporting application regularly. However, KJC has yet to implement its commitment to solely use the reporting application to keep track of cases on the execution caseload. CLE expects that the Committee will convene a meeting to resolve the questions of case status reporting in the fourteenth quarter, at which time CLE will work to identify any concerns or issues that the KJC might have to mandating use of the application and plan support addressing those concerns.

[A.1.2.1: Establish with KJC clear goals and targets for the reduction of backlogged enforcement cases in the Kosovo court system](#)

This quarter, CLE worked with the KJC leadership and KJC Secretariat, including the new Chairperson, who assumed this position in March 2016, to stress the importance of eliminating the backlog of unenforced judgments. CLE has set a goal to have cleared, at a minimum, 155,000 cases from the execution caseload by the end of Year Five. CLE will in the next quarter discuss these targets with the KJC, as well as how to best remove these cases from the caseload. In the twelfth quarter, the KJC decided not extend the contracts of 20 Special Enforcement Unit (SEU) personnel, and as of the thirteenth quarter, have not given new contracts to these individuals. As a result, until additional personnel are hired by the KJC or the Courts directly, there will likely be a slower clearance rate. In meetings held with KJC leadership during the thirteenth quarter, CLE was unable to convince the KJC to renew the 20 positions that were cut. CLE will work during successive quarters to reach agreement with the KJC for them to reallocate resources to engage additional SEU personnel so that the agreed upon targets can be met.

[A.1.2.2: Assist the KJC and other relevant actors to develop and implement mechanisms for and to complete the reduction of the backlog in enforcement cases in the Kosovo court system. Ensure that by the program end, the enforcement of judgments backlog will have been resolved.](#)

In the thirteenth quarter, CLE continued to provide embedded support with backlog reduction teams in all 7 Basic Courts, including Mitrovica. The CLE teams assisted court personnel to

categorize civil enforcement cases in all Basic Courts and the majority of branches (CLE did not embed teams in the Gracanica 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).

Through the end of the thirteenth quarter, the courts receiving CLE support and assistance cleared 105,517 cases from the execution caseload. This resulted in the recovery of over 16,080,500 Euro of previously unenforced claims. In the thirteenth quarter alone, 7,328 cases were removed from the execution caseload of courts receiving CLE assistance.

This quarter, CLE also assisted the seven Basic Courts and their branches to close cases that qualify under the Law on Debt Forgiveness. CLE made this a priority as the Law has a sunset date of September 3, 2016, and assisted court enforcement clerks on closing small value cases. Under the Law, any case, with a public enterprise, with a value of 100 Euro or less is automatically forgiven and treated as a closed case.

A.1.3.1: Support the professional and effective functioning of the Private Enforcement System and CPEA

The Chamber of Private Enforcement Agents (CPEA or Chamber) was established in January 2015. The CPEA was created by the Law on Enforcement Procedure (LEP), and is intended to play a significant role in serving as a self-regulating body for the profession, engaging in the development of law and policy with government partners, fostering the professionalism of private enforcement agents, and promoting the work of the profession to the public.

CLE has financially supported the Chamber with office rent and staff salaries. However, now that PEAs are receiving on average at least 500,000 Euro per year in revenue, and given program financial constraints, CLE ceased its financial support to the Chamber as of June 30, 2016. CLE will, however, continue to support the CPEA through technical assistance to develop resources, tools, and guidance manuals.

As a result of the positive relationships established between the CPEA and the Belgium and Dutch Chambers of Judicial Officers (private enforcement agents) from the Study Tour to Belgium and the Netherlands in March 2016, this quarter CLE facilitated the signing of Memorandums of Understanding (MOU) between the CPEA and the Belgium and Dutch Chambers.

CLE also assisted the CPEA in preparing a Draft Internal Regulation for the Inspection of Private Enforcement Agents' Offices. CLE, however, advised the CPEA that a Manual would better serve the needs of the Chamber, as there is little legal basis for the Chamber to adopt an internal regulation. This quarter, CLE continued to assist the Chamber in strengthening its role as a professional organization, and urged it to hire a Head of Professional Services, a key position for the proper functioning of the Chamber. Once this position is filled, CLE will coordinate and collaborate closely with this individual, and ensure that he or she is fulfilling all obligations under the Law and internal acts of the CPEA, including facilitating cooperation and working relationships with relevant institutional stakeholders. This position is vital to improving discipline and oversight over the still nascent private enforcement profession.

The internal regulation or CPEA Manual suggested by CLE are interim measures, until and unless the MOJ adopts the Manual for Supervision and Control of PEAs as provided in the Administrative Instruction on Methods of Inspection and Control of Private Enforcement Agents. The Manual for Supervision and Control was developed by CLE and reviewed by the MOJ, but has not yet been

adopted. CLE expects the MOJ to provide greater attention to the Manual for Supervision and Control after the amendments to LEP have passed.

This quarter, CLE also assisted the Chamber in preparing a written request to the General Director of the Cadastral Agency to enable private enforcement agents to access the public registries. As of the end of the reporting period, no response was received from the Cadastral Agency. The CPEA and CLE will continue to follow-up with the Cadastral Agency, but this is an example where the vacancy for the Head of Professional Services, who would be the liaison between the CPEA and the Cadastral Agency, may be negatively affecting the effectiveness and efficiency of the private enforcement system.

During this quarter, CLE assisted the CPEA in finalizing and publishing its website in three languages, and also provided a one day training session on the Content Management System (CMS) to the Administrative Assistant of the Chamber. CLE will also provide support for the development of an outreach plan to further raise awareness about the Chamber and its functions. However, these activities will take place after the amendments to the LEP are passed, in order to inform the public of the changes to the Law and enforcement system.

The Minister of Justice signed Decisions to appoint 15 new Private Enforcement Agents, while 11 out of the 15 have already given their Oath. One PEA has been appointed for the territory of the Basic Court of Peja; two PEAs have been appointed for the territory of the Basic Court of Mitrovica; four PEAs have been appointed for the territory of the Basic Court of Ferizaj; four PEAs have been appointed for the territory of the Basic Court of Pristina; one PEA has been appointed for the territory of the Basic Court of Gjakova; two PEAs have been appointed for the territory of the Basic Court of Prizren and one PEA has been appointed for the territory of the Basic Court of Gjilan. Two out of 15 appointed PEAs are female, and both have been appointed for the territory of the Basic Court of Prizren. Within 60 days, the 15 appointed PEAs need to meet the requirements as provided under Administrative Instruction MOJ-No.03/2013 on Minimal Technical and Other Conditions Regarding Required Equipment of Private Enforcement Office.

During the reporting period, the MOJ organized the sixth exam for Private Enforcement Agents. Twenty-two interested candidates sat for the exam, out of which only 14 passed. The written exam was held on July 11, 2016 and the verbal exam was held on July 13, 2016. CLE monitored the written exam.

This quarter, CLE also assisted the MOJ with preparing presentations on the World Bank Doing Business indicators on *Enforcing Contracts* and *Resolving Insolvency*. These presentations were delivered by the MOJ during the Conference for Doing Business Reforms, organized by the Ministry of Trade and Industry, held on May 16, 2016.

[A.1.3.2: Support the MOJ to develop and implement all the necessary mechanisms to implement the new law on enforcement procedure](#)

Amendment to the LEP, subsequent harmonization of the existing regulatory framework, and full implementation of the amended legal framework are the means to: 1) achieve a private enforcement system that functions effectively and with no delays; and 2) improve the cooperation between the Private Enforcement System and the Courts; ultimately assisting the system's efficient, fair, safe and accountable operations.

This quarter, CLE continued to support the MOJ on amending the Law on Enforcement Procedure. CLE participated in meetings that the MOJ had with representatives of the International Monetary Fund (IMF) about the draft amendments, and assisted the MOJ with incorporating feedback from the

IMF. The key points addressed through discussions with the IMF concerned: 1) efficiency fees; 2) reserve prices for auctions of movable and immovable goods; 3) reducing administrative burdens on the courts; and 4) the role of the CBK in effective monitoring and reporting on the number of frozen bank accounts and the economic effects of freezing bank accounts. CLE also participated and organized working groups, in cooperation with the MOJ to amend the Law on Enforcement Procedure.

CLE also supported the MOJ with research on comparative state practice regarding the operation of the private enforcement system as well as qualifications of private enforcement agents. The requirement for PEAs in Kosovo is largely similar to that of other countries, except Kosovo is the only country to have the requirement of the bar exam.

The final Draft Administrative Instruction on the Business and Personal Data of the Private Enforcement Agents, which was jointly developed by CLE and the MOJ has been translated into English and Serbian and has been sent to the MOJ to commence with public discussions. CLE expects the AI to be adopted by the MOJ next quarter.

[A.1.4.1: Support the MOJ to ensure the efficient functioning of the new enforcement system disciplinary system](#)

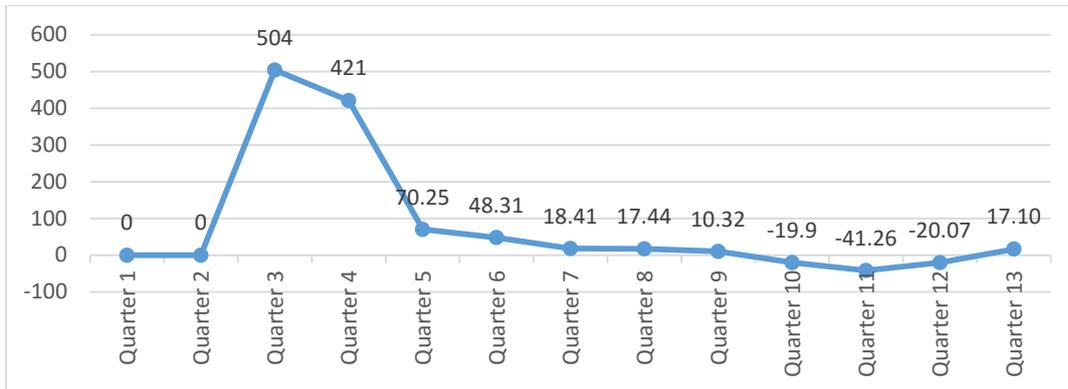
The CLE Program continued to support the MOJ to fully implement the new Private Enforcement system and to assist the Chamber of Private Enforcement Agents in developing its operational procedures and a monitoring, evaluation, and disciplinary system for the PEAs through the Disciplinary Commission.

Effective supervision of PEAs is one of the key requirements from the IMF. Accordingly, CLE coordinated and collaborated closely with the MOJ to include in the amendments to the LEP, establishment of a permanent Inspection Unit within the Ministry which will carry out the inspection against PEAs. Proper functioning of the Inspection Unit is expected to bring more viable cases to the Disciplinary Commission and facilitate the Chamber and PEAs to unify their practice and ensure compliance. The Inspection Unit will carry out its responsibilities pursuant to the Law and the Administrative Instruction on Methods of Inspection and Control Private Enforcement Agents (including the Manual for Supervision and Control of PEAs).

[A.1.5.1 Support the establishment of an efficient and sustainable cooperation among all the necessary stakeholders to improve the systems for enforcement of judgments in Kosovo](#)

One key pillar of an effective enforcement regime is access to information to locate debtors and their assets. Most of the information necessary is held by other public institutions and banks. As such, cooperation and information-sharing between public and private sector actors is necessary.

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 over the past three years. Through the thirteenth quarter, Courts have seized 25,039 debtors' accounts pursuant to judgment debts, resulting in the closure and full recovery in 6,915 cases (approximately 2,000,000 Euro recovered of 13,909,750 Euro in claimed value). In the thirteenth quarter, 1,599 cases were prepared for enforcement against bank accounts and 541 judgments were enforced against bank accounts.



Percent change of enforcement against bank accounts

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.

To date, 6,687 Enforcement Decisions have been prepared for enforcement against wages by all courts, reflecting an amount of 18,437,002 Euro to be recovered. Approximately 200 Enforcement Decisions have been presented to employers for enforcement, of which 30 cases have been enforced, amounting to a recovery of 14,876 Euro.

A.1.6.1: Utilizing improved methods and information resources to improve enforcement against bank accounts and earnings

In Year Two, CLE developed a system upgrade to the Unique Account Holder Registry, which fully automated enforcement of judgments against bank accounts, eliminating the need for face to face meetings with banks and allowing for greater and more efficient enforcement and collection of debt. This quarter 1,599 judgments have been prepared for enforcement against bank accounts.

The CBK Executive Board and Board of Governors has approved and promulgated the regulation, which will implement the system upgrade. CLE will continue to support the CBK and liaise with banks to monitor its implementation and “debug” any software or practice issues that arise. CLE is continuing with training of court enforcement officers on use of the upgraded system. With the request of the Central Bank the training sessions are also provided to the Kosovo Tax Administration and Municipalities, which are expected to use the System in the near future for collection of property taxes, custom and other tax obligations.

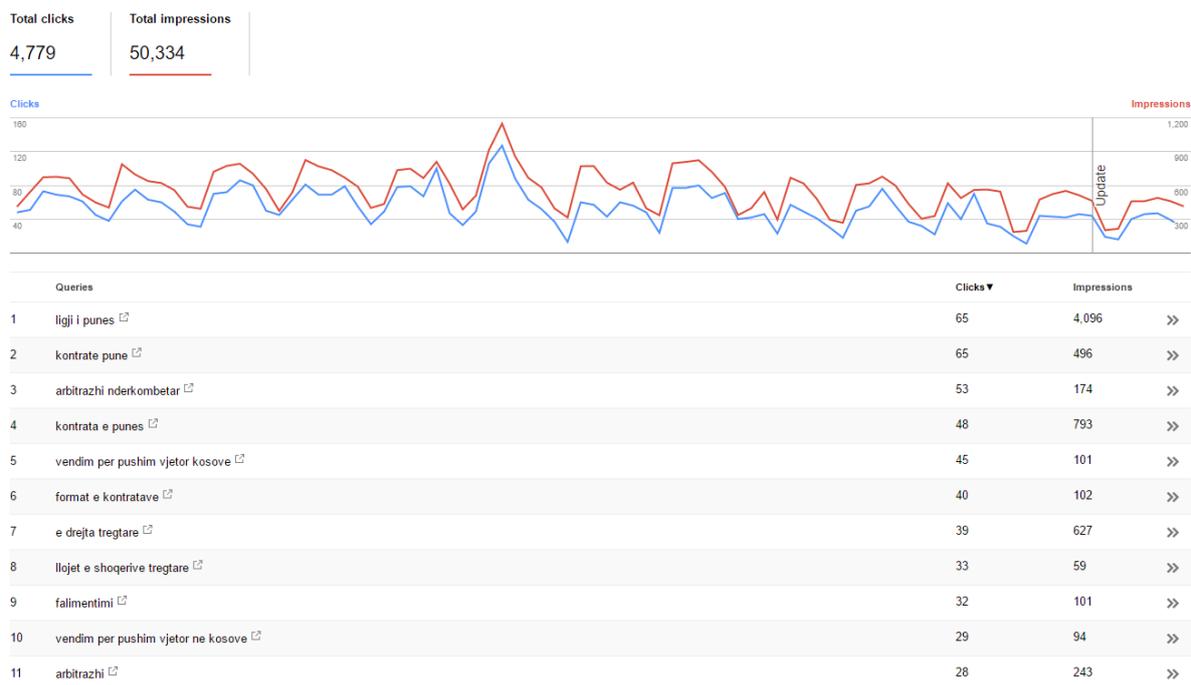
A.1.7.1: Enable the business community to receive information, provide feedback and use these reforms in their daily operations

During the thirteenth quarter CLE's outreach activities continued to educate and inform the public on the Program's accomplishments and activities. As a result of resource constraints, the number of events has decreased, but CLE continued to engage in public outreach through its own website and creating synergies with counterparts and other institutions.

CLE collaborated closely with AmCham in coordinating outreach activities. As such, all of CLE's program materials continue to be distributed during AmCham's events and will be featured on its Facebook Page and its Website.

In Years One through Three, CLE developed four Public Service Announcements (PSAs): two for the private enforcement system (one directed at debtors and the other directed at creditors); one on mediation, and one on backlog reduction. All four of the PSAs continue to air on the national television channel, RTK. According to RTK, the PSAs run six times a day, each.

During quarter thirteen, CLE's website was visited more than 4,779 times and appeared 50,334 times in search results. As seen from the graph below it can be noted that the Training Manual on Arbitration was downloaded the most, followed by the Training Manual on Business Organizations.



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

IRI.1 (1) Number of civil enforcement cases enforced as a result of USG assistance

CLE will track the number of all civil enforcement cases enforced in courts receiving CLE assistance.

Target Year 4: 124,000 Actual Year 4: 105,517 Q13: 7,328

IR.1.1 (4) World Bank Doing Business Indicator on Enforcing Contracts

Target Year 4: 46 Actual Year 4: N/A Q13: N/A

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, Gllogovc, Suhareka, Dragash, Malisheva, Rahovec, Decan, Istog, Klina, Kacanik, Strpce, Viti, Kamenica, Novoberdo, Vushtrri, and Skenderaj).

Target Year 4: 24(27)² Actual Year 4: 24 Q13: 24

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

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 4: 15 Actual Year 4: 15 Q13: 15

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 accounts. A Baseline of 501 cases was established at the end of Quarter 2. A decline in the percentage after year one is expected, indicating that the number of cases enforced against bank accounts has increased.

During the 13th quarter, 541 cases were enforced against bank accounts, resulting in a total percentage change of 17.10% compared on a quarterly basis. The percentage change at the conclusion of the prior reporting period was -20.07%.

Target Year 4: 0% Actual Year 4: N/A Q13: 17.10%

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

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. This activity will be measured by two milestones: 1) Adoption of electronic system by KJC order; 2) full utilization of the electronic system.

Target Year 4: Yes (1)/ No (2) Actual Year 4: Yes(1)/ No (2) Q13: Yes(1)/ No (2)

IR.1.1.3 (3) Number of cases resolved through new procedures (PEA) with USG assistance

The Private Enforcement Agents report to the MOJ on an annual basis (January 1-December 31); PEAs are not obligated to report to CLE. The below data are taken from the 2015 annual PEA report to the MOJ.

Target Year 4: 9,000 Actual Year 4: 4,809 Q13: N/A

IR.1.1.3 (4) Amounts recovered through procedures

The Private Enforcement Agents report to the MOJ on an annual basis (January 1-December 31);

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

PEAs are not obligated to report to CLE. The below data are taken from the 2015 annual PEA report to the MOJ.

Target Year 4: 75,000,000 Actual Year 4: 51,456,815 Euro Q13: N/A

B. Component II: Development of the Contract and Commercial Law Framework and Systems, Improvement of Contract Enforcement Systems and Functioning of the ADR 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, including awareness and use of Alternative Dispute Resolution (ADR) mechanisms, particularly mediation. 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 Bankers’ Association, and Chambers of Commerce in addition to other USAID and USG technical assistance programs.

B.II.I.I: Bankruptcy Law

CLE provided technical assistance to the Ministry of Trade and Industry (MTI) Working Group, mandated to draft the new Bankruptcy Law. The Working Group commenced drafting in June 2014 and concluded drafting in June 2015. In addition to providing technical assistance, CLE provided logistical support to the Working Group as well as hosting of meetings and retreats. CLE established a Supporting Working Group comprised of commercial Judges and Supreme Court Judges, to provide comments and feedback on the final draft of the Law. The new law was developed with the assistance of one of the world’s foremost bankruptcy specialists, who is a former US Bankruptcy Judge, and who now teaches and consults with a variety of governments and international organizations, including the IMF, on bankruptcy law and policy.

The new Bankruptcy Law has been enacted by the Assembly of Kosovo, promulgated by the President, published in the Official Gazette and came into full effect on July 22, 2016. CLE, in collaboration with the MTI and the MOJ began developing the implementing regulation for the new Law on Bankruptcy and the new Bankruptcy Manual.

This quarter, CLE started the drafting process of the Regulation for the Bankruptcy Administrators Examination, and the Certification and Recognition of Foreign Trustees’ Qualifications which is expected to be promulgated by the end of 2016, as well as the Bankruptcy Manual, which will be adopted by the MOJ upon finalization. The Bankruptcy Manual will act as a detailed guide on bankruptcy proceedings and will include rules, orders, decisions and forms of proceedings. It will be used by the courts, the Kosovo Bar Association, the Kosovo Judicial Institute, Bankruptcy Administrators, the business community and others.

CLE this quarter began developing a training curriculum for Bankruptcy Administrators as well as for Judges and attorneys.

CLE also drafted regulations to finalize implementation of the Law on Obligations, and these regulations are anticipated to be adopted by the Central Bank of Kosovo in the upcoming quarter. The Law on Obligations states that bank guarantees and letters of credit should be regulated by secondary legislation, and the CBK is the appropriate institution to promulgate such sub-legal acts. As part of this process, CLE delivered to the International Chamber of Commerce in Albania, as there is no ICC branch in Kosovo, (ICC Albania) the International Chamber of Commerce Uniform Demand Guarantees Rules (URDG) 758 and the International Chamber of Commerce Uniform Customs and Practice for Documentary Credits (UCP) 600,

translated and published in Albanian. These ICC Instruments reflect best global practices for regulation of bank guarantees and letters of credit. Both of the ICC Instruments are widely used by the commercial banks in Kosovo to issue letters of credits and bank guarantees, for domestic and international transactions, but were previously unavailable in any official language of Kosovo. By translating and publishing these instruments into Albanian, they will be available for wider use by the business community, including in court proceedings involving commercial disputes. The application of these instruments will be also extended towards insurance companies that issue performance and other security bonds (guarantees). The ICC in Serbia has not undertaken translation of the instruments into Serbian. However, the instruments have been incorporated into draft national legislation—the Regulation on Letters of Credit and Bank Guarantees, which will be available in both Albanian and Serbian, once adopted by the CBK. The Regulation has been approved by the CBK Executive Board, and is expected to be approved by the Board of Directors in the fourteenth quarter.

B.II.I.2: Law on Mediation

In Year Three, the Law on Mediation entered into the Annual Legislative Program as part of a group of laws to be adopted in accordance with the Stabilization and Association Agreement (SAA) between the European Union and Kosovo, for which no concept document was required. After participating in a Working Group organized by MOJ and attended by other donors including UNDP and CSSP in late Year Three, CLE in the thirteenth quarter engaged and collaborated closely and frequently with the MOJ to develop a draft of the Law on Mediation. Based on discussions and input from CLE, the MOJ is finalizing a draft of the Law, which will be the basis for discussion and comment at a working group meeting, expected to be held in September 2016.

As a result of the close coordination between CLE and the MOJ, agreement was reached on key principles in the Law, which CLE has been advocating for nearly two years, including: 1) moving mediation centers within the courts, and having the courts appoint a clerk responsible for the referral of cases to mediation; 2) excluding domestic violence cases from mediation procedures; and 3) including provisions on mandatory mediation. These points were also discussed and agreed upon in a meeting with other relevant stakeholders including the KJC, KPC, and the U.S. Embassy.

CLE, during the reporting period, drafted a memorandum for the new Minister of Justice, explaining the various approaches to mandatory mediation, providing analysis of various approaches, and making a recommendation for the approach best suited for Kosovo. CLE expects to send this memorandum to the MOJ and to USAID in the fourteenth quarter.

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

The Law on Business Organizations governs the forms a business may take, and the rights and responsibilities of companies, officers, boards of directors, and shareholders or other investors or partners. During the reporting period, CLE supported the drafting process of the new Law on Business Organizations including new provisions on liquidation and winding-up of companies in line with the new Law on Bankruptcy.

B.II.I.4: Late Payments, and Bills of Exchange

The Speaker of the Kosovo Assembly requested CLE and USAID generally to provide assistance on a package of laws to strengthen Rule of Law and foster economic growth late in Year Two. The Speaker decided to utilize a previously untested potential avenue for introducing a new law directly within the Assembly, called the “flash” procedure, in contrast with the usual practice of having the Government sponsor a law through a line ministry. During Year Three, CLE drafted the Law on Late

Payments and the Law on Bills of Exchange and submitted both of the drafts to the Speaker for further action, but no action on these Laws has been taken to date by the Assembly.

In parallel to the “flash” procedure, CLE coordinated with MTI in including the Law on Late Payment in the Legislative Program of the Kosovo Government. The MTI sponsored the Law, and CLE has been providing assistance to the MTI throughout the entire process. During this quarter, CLE organized the working group meeting on the Law on Late Payments to draft the Tables of Compliance with EU Law and other supporting governmental documents needed for the Law to be sent for Government approval. During the reporting period, the Law was finalized in public consultations and endorsed by the Ministry of Finance and the Ministry of European Integration. The Central Bank was also consulted regarding calculation and publication of interest rates. The Law has been approved by the Government of Kosovo and passed to the Assembly for further processing. CLE expects to have the Law approved in first reading during the next quarter.

B.II.2.1: Improve the systems of judges assigned to the Economic Departments of the Pristina Basic Courts and the Court of Appeals

CLE’s support to the Pristina Basic Court-Commercial Department (PBC-CD), which started in September 2015, continued this quarter through its assistance to the judges with case management processes and drafting judgments, decisions and notices, as well as providing assistance to the Commercial Department Registry and intake of new cases. As in previous quarters, the four Backlog Reduction Officers (BROs) were each assigned to assist one of the four judges in the Department, and the Deputy BRO coordinator, in addition to supervising the work of the four BRO's work, also supported court personnel with case intake in the Registry.

The BROs provided daily support to the judges with: 1) legal research and preparing preliminary drafts of decisions; 2) supporting the Court Registry with intake of new cases being filed with the Commercial Department; 3) ensuring that all case information is being entered into the electronic database, moving away from a manual case management system; and 4) managing and updating the individual templates for case management of each judges’ office. Managing and updating the templates ensures that backlog cases are prioritized for adjudication and allow the BROs and judges to keep track of deadlines. As of this quarter, all backlog cases (24 months or older) are in the process of adjudication with at least one action being taken.

The Commercial Department BROs continued to use the templates for decisions and notices that were drafted last quarter, with slight modifications as per each judge's style of drafting decisions and notices. There were no issues reported on the matter of using the templates.

During the reporting period, the BROs took initial actions and/or follow up actions and drafted 281 notices and/or decisions and 33 judgments. As of the end of this quarter, the case numbers were as follows:

Total Number of Cases	Total Active Cases (with Backlog)	Total Resolved Cases (with Backlog)	Active Backlog Cases	Resolved Backlog Cases	Closed Cases	Sent To Archive
1,371	1,007	393	180	213	296	138

This quarter, no cases were identified as qualifying as a “foreign investor dispute,” based on the definition developed by CLE and agreed upon by the Commercial Department judges. The total number of such identified cases remains at six.

Based on a Legal Opinion rendered from the Supreme Court in February 2016, stating that the PBC-CD lacks jurisdiction to enforce judgments, the Commercial Department, with the support from CLE's Backlog reduction team on enforcement cases, are distributing the unenforced judgments to the Basic Courts in Kosovo from where the cases originated. To date, 1,212 judgments have been distributed; 317 to the Basic Court of Pristina, and 895 to the other Basic Courts in Kosovo.

CLE initially planned to support the Pristina Basic Court-Commercial Department to anonymize judgments. Such support is no longer necessary, as the Pristina Basic Court, on its own, appointed one Professional Associate to anonymize these judgments, including the judgments of the Commercial Department. The Professional Associate will cooperate with the Information Office of the Pristina Basic Court to prepare the judgments for publication, per the KJC's Administrative Instruction for the Anonymity and Publication of Judgments.

This quarter, CLE also engaged four interns to assist the Commercial Department in doing a full inventory and categorization of archived cases. After the inventory, the Registry and the electronic Database will be updated, marking these cases as closed and archived.

[B.II.2.2: Improve the skills and knowledge of judges assigned to the Economic Departments of the Pristina Basic Court and the Court of Appeals](#)

In Year One, CLE developed a specially-designed training curriculum aimed 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 curriculum in Year Two, and also started to jointly implement the program in cooperation with the Kosovo Judicial Institute (KJI) in both Years Two and Three. At the end of Year Three, CLE handed over the curriculum for full implementation by the KJI. CLE this quarter began developing the Bankruptcy Manual and the Training Materials on the new Bankruptcy Law, which will be delivered to the Commercial Judges, as well as to Lawyers and Bankruptcy Administrators. CLE anticipates the retirement of several Commercial Department judges, and the appointment of replacements, during Years Four and Five. Accordingly, CLE will conduct a needs assessment for other training sessions on commercial law subjects with the newly appointed judges. This assessment will determine whether there is a value-add justification to conduct new training sessions, or whether the training sessions from the previous commercial law training program to judges appointed in the Commercial Departments provided sufficient knowledge on commercial law topics.

[B.II.3.1: Assist in the development of necessary mechanisms and procedures to ensure the proper and efficient enforcement of arbitral awards](#)

The Laws on Arbitration, on Contested Procedures, and on Enforcement Procedure already contain provisions on the recognition and enforcement of arbitral awards which reflect best international practices, and largely reflect UNCITRAL standards, and the standards of the New York Convention on the Recognition and Enforcement of Arbitral Awards. Notwithstanding that the legal framework is in place and does not require amendment to meet best international practices, at the start of the CLE Program USAID was concerned that, as this was essentially a new practice issue for Kosovo Courts, problems were likely to arise. CLE was assigned the task of monitoring the performance of the Pristina Basic Court-Commercial Department, which has jurisdiction to recognize arbitral

awards. CLE held discussions on a monthly basis with the PBC-CD President Judge to monitor the Court's performance with recognition (enforcement is under the jurisdiction of PEAs).

There were no cases submitted for recognition with the Commercial Department, although the American Chamber of Commerce Arbitration Center has reported two cases closed with awards rendered and delivered to the parties. The voluntary recognition and enforcement of arbitral awards by the parties has been evidenced throughout the project, as there are nearly 10 arbitral awards rendered by local arbitral tribunals, with only four reaching the PBC-CD for recognition. It has been reported by the International Chamber of Commerce that its Arbitration Tribunal has rendered a major arbitral award with the Government of Kosovo as the respondent, awarding the claimant with over 5 million Euro in damages. Such an award will have to go for recognition at the PBC-CD if there is no voluntary compliance by the Government of Kosovo (GOK). A GOK Lawyer declared in a press conference held at the end of this quarter that it is the intention of the GOK to request a set-off of the arbitral award in the local court, pursuant to the Kosovo Law on Arbitration. The lawyer claims that the International Arbitral Tribunal lacked jurisdiction as there was no arbitration agreement between the parties. CLE will continue to monitor these developments and will report on the issue accordingly.

B.II.3.2: Assist in the development of necessary mechanisms and procedures to ensure the proper and efficient enforcement of mediation agreements

The Laws on Mediation, on Contested Procedures, and on Enforcement Procedure already contain provisions on the recognition and enforcement of mediation agreements, which reflect best international practices, and largely reflect UNCITRAL standards.

A provision is included in the draft Law on Mediation that provides an agreement reached by the parties and signed by a licensed mediator will have the same enforceability as a notarized contract. There have been no objections to this provision this quarter. CLE will ensure that this provision remains in the draft Law in a working group scheduled to be held next quarter.

B.II.4.1: Support the improvements in the functioning of the established mediation system and expand centers focusing on commercial mediation

CLE ceased operating its mediation centers in Gjilan, Prizren and Peja on April 30, 2016. However, to ensure a smooth transition and sustainability of mediation, CLE continued to assist and support the judges and parties with referring cases to mediation in Peja, Gjilan, and Prizren. Despite being under no obligation to do so, CLE continued to report mediation statistics from these three Basic Courts to the MOJ.

This quarter, CLE also developed a series of mediation FAQs as a tool to more aggressively market the commercial mediation services of AmCham's Arbitration Center. The FAQs also serves to increase awareness of the existence and benefits of using mediation as an ADR mechanism. One question and answer were sent daily through AmCham's Daily Digest which is sent to AmCham's member businesses.

B.II.5.1: Ensure that the KJC works effectively with the Ministry of Finance (MOF) and the Assembly of Kosovo to budget the financing of the Mediation Centers as well as necessary court staff to improve the effectiveness of operations within the court system

As a result of CLE's interventions with the KJC, Ministry of Finance (MOF), and Assembly, the 2016 State Budget included a KJC budget line with the necessary resources for courts to employ clerks who would be responsible for referring cases to mediation. This quarter, CLE was informed by the KJC that funds allocated for these positions were spent elsewhere. Upon learning this information,

CLE reached out to and coordinated closely with Basic Court Presidents, the KJC, and the MOF to include the salaries for seven clerks, one for each Basic Court, into the 2017 KJC Budget. The KJC, with assistance from CLE, included in its budget request the salaries for these positions. This request was sent to the MOF. CLE will monitor the situation closely for new developments at the MOF as well as with the Assembly, and will engage the KJC to advocate for this budget line next quarter when the Assembly reviews the budget.

As the CLE mediation centers in Peja, Gjilan, and Prizren closed on April 30, 2016, CLE's activities have shifted to supporting the individual courts in these three cities to transition the mediation center operations into the courts. Currently, CLE is limited to engaging only with these three Basic Courts, as other donors, including UNDP and CSSP, operate centers in the territories of the Basic Courts of Gjakova, Pristina, Ferizaj, and Mitrovica.

Mediation of cases already filed in the courts but which the parties agree to attempt to mediate require administration of the case. CLE will prepare an administrative guide for Mediation Administrators and provide training to court employed administrators in the three courts where CLE has operated centers. CLE staff will also provide regular formal and informal support to courts as they transition to the operation of their own mediation referral administration.

[B.II.6.1: Support the training of judges, lawyers, and law students in the area of commercial law as deemed appropriate](#)

No training sessions were delivered this quarter. CLE is preparing training materials and a Manual for a training session on the new bankruptcy law, which was adopted this quarter, for civil judges and lawyers. CLE has also been liaising with the Kosovo Bar Association to include the training in the upcoming mandatory continuous legal education program of licensed attorneys in Kosovo. If the amendments on the Law on Enforcement Procedure and Law on Mediation are adopted prior to the end of the Program, CLE will also conduct training sessions for civil judges and advocates to reflect changes in the amended laws.

[B.II.6.3: The 3RD Annual Western Balkans Vis Pre-Moot Competition](#)

Due to cost and resource constraints, CLE will not fund the Third Annual Western Balkans Vis Regional Pre-Moot competition. While CLE will continue to provide organizational support, it is in the process of identifying alternative funding resources. As such, CLE has drafted a template request to finance the Pre-Moot which will be sent to potential funding partners. CLE is in the process of compiling the list of potential funding partners, which includes foreign embassies, international organizations, and private companies.

[B.II.7.1: Encourage the promotion of contract use, arbitration and mediation among business owners; improve the general public's awareness of important commercial law topics and legislative changes, including those related to secured transactions and the new enforcement system](#)

CLE attended and was part of the panel at the Kosovo Bankers Open Forum on the Banking System and Enforcement of Contracts, where it presented on the new bankruptcy system, which will begin upon promulgation of the new Bankruptcy Law, as well as the Law's impact on enforcement of contracts, reorganization of businesses and debt relief.

CLE, in cooperation with the University of Pristina Faculty of Law, organized lectures on "Transnational Corporate Restructuring" for students in the L.L.M. Program in Contract and Commercial Law. The lectures were conducted by Dr. Michael Schillig, a professor from King's College - London. In total there were 23 students who attended the lectures, out of which 12 were female and 11 were male. All of the students were Kosovo-Albanian.

During the reporting period, the CLE delivered a workshop on "Controlling Time and Costs in Arbitration." This workshop was organized in cooperation with AmCham.

During the reporting period, CLE also collaborated with AmCham in developing an arbitration FAQ. This FAQ serves to increase awareness of the existence and benefits of using arbitration as an ADR mechanism. One question and answer was sent daily through AmCham's Daily Digest which is sent to AmCham's member businesses.

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

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

CLE will track on a dynamic basis the percentage cases heard and resolved within 24 months in the Pristina Basic Court Commercial Department. In the 13th quarter this data is not available.

Target Year 4: 17% Actual Year 4: N/A Q13: N/A

IR 1.1 (3) Percentage of pending civil cases over 24 months old (Appeals Court Commercial Department Only)

The data is not available for the 13th quarter, as this activity has not yet started.

Target Year 4: TBD Actual Year 4: N/A Q13: N/A

IR.1.1 (5) World Bank Doing Business Indicator on resolving Insolvency

Target Year 4: 163 Actual Year 4: N/A Q13: N/A

IR.1.1.2 (1) Number of person days of training delivered to justice sector professionals

Target Year 4: 50 Actual Year 4: N/A Q13: 0

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

CLE assisted the MOJ in adopting the new Bankruptcy Law.

Target Year 4: 2 Actual Year 4: 1 Q13: 1

IR.1.1.3 (2) New Law on Bankruptcy/ Insolvency adopted and Promulgated, as well as secondary legislation

Sublevel milestones: 1) Draft Law complete; 2) Law adopted and promulgated; 3) secondary regulations implemented; 4) Bankruptcy Administrators licensed; 5) Manual on Rules and Procedures for Bankruptcy promulgated and adopted.

Target Year 4: 3 Actual Year 4: 2 Q13: 2

ACTIVITIES PLANNED FOR NEXT QUARTER (AUGUST 2016-OCTOBER 2016)

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

In the next quarter, and through Year Four, CLE will continue to reduce the execution caseload and enforce judgments against bank accounts and wages.

CLE will meet with KJC leadership to discuss the continued priority of backlog reduction and whether the KJC will reinstate the 20 enforcement clerk positions that were cut earlier this year.

CLE will work with the Coordination Secretariat of the Government to obtain approval of the amendments to the Law on Enforcement Procedure, and support and assist the MOJ with advocating for the amendments once they are sent to the Assembly for approval and adoption. CLE will also continue to support the development and effectiveness of the CPEA.

B. Component 2: Development of the Contract and Commercial Law Framework and Systems, improvement of contract enforcement systems and functioning of the ADR mechanisms

Next quarter, CLE will continue to develop training materials for the new Bankruptcy Law, will continue working on the Regulation for the Bankruptcy Administrators Examination, and the Certification and Recognition of Foreign Trustees' Qualifications and will begin collaborating with the Society of Certified Accountants and Auditors of Kosovo in developing a training and certification program for bankruptcy administrators.

CLE will also develop a Know Your Rights brochure on the new Bankruptcy Law, together with a one-page fact sheet.

CLE will continue to assist with drafting the new Law on Business Organizations and participate in the working group meetings organized by MTI and USAID the Partnerships for Development Program.

CLE expects to begin assistance and support to the Court of Appeals-Commercial Department in the fourteenth quarter.

CLE expects to finalize the Draft Law on Mediation next quarter at working group meetings, organized by the MOJ.

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.

Julie Coleman (Commercial Law Advisor) is currently providing assistance and support to the University of Pristina, Faculty of Law's L.L.M. Program in Contract and Commercial Law. The University is seeking international professors and practitioners to deliver lectures on commercial law topics, either through distance learning or in-person visits. Ms. Coleman is in contact with over 130 international professors and practitioners to participate in this Program, and is the liaison between the University and the international professors and practitioners.

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 Thirteen.

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 July 31, 2016, CLE had expended \$6,191,949.07. During Q13, spending was \$388,666.25. CLE anticipates the monthly burn rate to continue to be approximately \$151,540.00 per month over the next quarter.

DELIVERABLES

Concluded during the reporting period were:

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

Memorandums of Understanding between the Kosovo Chamber of Private Enforcement Agents and the Belgian and Dutch Chambers of Judicial Officers

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

Mediation Activities

Mediation FAQs

Presentations

PowerPoint Presentation for Workshop at AmCham, *Controlling Time & Cost in Arbitration*

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