ANNEX C1: Twinning Fiche

Project title: Assistance for implementing the Stabilisation and Association Agreement – The EU Services Directive 2006/123/EC

Beneficiary administration: Ministry of Economy, Trade, Industry, Labour and Strategic Investment

Twinning Reference: KS 16 IPA FI 01 20

Publication notice reference: EuropeAid/168897/DD/ACT/XK

EU funded project

TWINNING INSTRUMENT
1. Basic Information

1.1 Programme: IPA 2016/039744.2, Facility for approximation with the EU acquis, under direct management mode

For UK applicants: Please be aware that following the entry into force of the EU-UK Withdrawal Agreement\(^1\) on 1 February 2020 and in particular Articles 127(6), 137 and 138, the references to natural or legal persons residing or established in a Member State of the European Union are to be understood as including natural or legal persons residing or established in the United Kingdom. UK residents and entities are therefore eligible to participate under this call.

1.2 Twinning Sector: Internal market

1.3 EU funded budget: Maximum € 1,000,000.00

2. Objectives

2.1 Overall Objective(s):

To further support Kosovo*\(^2\)’s integration into the world economy and strengthen the role of the Kosovo administration on economic governance through effective regulatory functions in line with the Stabilisation and Association Agreement’s (SAA) obligations.

2.2 Specific objective:

To support the government of Kosovo to further develop its institutional capacity to create the basis for a sustainable environment for private sector development in line with the Union acquis and the SAA requirements.

2.3 The elements targeted in strategic documents i.e. National Development Plan/Cooperation agreement/Association Agreement/Sector reform strategy and related Action Plans

- Stabilisation and Association Agreement (SAA)

The Stabilisation and Association Agreement is aiming at gradually develop a free trade area between the European Union (EU) and Kosovo where free movement of goods, services and capital are mutually guaranteed. With its entry into force on 1 April 2016, the approximation of the legislation with Union acquis in free movement of services is of high importance. According to article 57, Kosovo has the obligation to meet all prerequisites for the full implementation of the EU Services Directive 2006/123/EC.

- The European Commission Report on Kosovo 2019

According to EC Kosovo Report, Kosovo is moderately prepared for the free movement of persons, services and the right of establishment. The Law No 05-L-130 on services complies partly with the Services Directive and is not aligned with the provisions on cross-border services and administrative cooperation. Following last year’s screening of sectoral legislation, a five-year action plan for the full implementation of the Law on services was adopted in July 2018.

- National Program for Implementation of the SAA – NPISAA

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\(^1\) Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community

\(^2\) *This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo Declaration of Independence
Regarding Chapter 3 of acquis, the NPISAA for 2020 identifies the following implementing measures related to the "EU Services Directive" to be implemented:

- Capacity building of the Trade Department for the functioning of the Point of Single Contact - at least 1 training organised for responsible officials with the aim of establishing an effective Point of Single Contact – Q4 2020
- Preparation for the establishment of Point of Single Contact - Drafting and adoption of the Action Plan on the establishment of Point of Single Contact – Q2 2020.

### Action Plan on the transposition of the Services Directive

A five-year Action Plan for the Implementation of the EU Services Directive was approved by the Government on 06.07.2018. The Action Plan is a compliance assessment of existing sectorial legislation in all sectors of Kosovo economy dealing with services which fall under the Law No 05-L-130 on Services adopted on 10 March 2017. As a final outcome, 25 laws and 29 bylaws (41.22 %) will have to be amended in order to bring them into conformity with the provisions of the EU Services Directive.

### Additional Protocol 6 on Trade in Services (CEFTA)

On 18 March 2019, at a meeting in Tirana, CEFTA members agreed on the final text of the Additional Protocol 6 (AP 6) on Trade in Services aiming at binding liberalisation of trade in services. The final text and its annexes have been formally adopted by CEFTA competent decision-making instances. On 14 May 2019, the Government of Kosovo adopted the decision authorizing the signature of AP 6, but they still need to ratify it. AP 6 covers all services, except those provided in the exercise of governmental authority and certain air transport services. It covers all measures whether in the form of a law, regulation, rule, procedure, decision, administrative instruction, or any other form affecting trade in services enacted by any level of government and by entities with delegated power to act upon. An obligation that derives from article 9.3 of AP 6 is the establishment of the Contact Point for Services (CPS) as provided by article 44 of the CEFTA Agreement. Contact points for Services are only between governments. Any third parties do not have direct access to the Contact Points of Services. The Ministry of Trade and Industry of Kosovo will be responsible to establish a CPS to fulfill the obligations of AP 6.

### 3. Description

#### 3.1 Background and justification:

**Services Sector**

Kosovo’s economy is predominantly a “services economy”. The services sector has emerged as the largest segment of the economy and its driving force, contributing a growing share of domestic valued added, employment and trade. Services activities accounted in 2017 for 71.9% of GDP at basic prices, and generated 81.2% of total formal employment in the country. More importantly, services activities constitute the backbone of Kosovo’s private sector. Services activities comprise 86% of total firms registered in the country, and provide for 82.6% of total private sector employment. Services activities generate 87.3% of total firm’s turnover in the economy, and represent 88.8% of total expenditures.

The relative weight of services in the economy has been progressively increasing over time, and the shift towards services has accelerated in recent years. During the period 2012-2017, 81% of all new enterprises, entering the market, were in services activities; and the services sector generated 87% of all new employment. At the same time, trade in services constitute a core element in the integration of Kosovo into the global economy. Contrary to the case of
trade in goods, where the country suffers from a growing structural deficit, Kosovo has experienced a surplus of trade in services, which has been instrumental in contributing to partially finance the current account of the Balance of Payments.

The crucial role that services play in economic growth, in the systemic competitiveness of an economy, and overall development is today well evidenced in the literature. Efficient services activities effectively integrated with the other productive sectors of the economy are widely recognized as a prerequisite and as a necessary condition for achieving adequate rates of economic growth, productive integration into the global economy, and generalised improvements in the welfare of the population.3

**Implementation of the EU Services Directive: Legislative interventions**

In regard of **horizontal legal framework**, Kosovo Parliament adopted the **Law No. 05/L-130 on Services** on 10 March 2017. The Law on Services transposes the EU Services Directive, except for the articles on cross-border provision of services4 (Art.16 - Art.18) and on administrative cooperation5, due to the early stage of implementation of the SAA, where Article 74 of the SAA calls for “gradual harmonisation” of national legislation. It is also based on the findings of the sectoral screening which indicates that services in Kosovo can only be provided through establishment. All other articles have been transposed6, whereas their entry into force is set for five years after the publication of the Law in the Official Gazette (10 April 2017) with few exceptions for the following articles of the EU Services Directive which entered into force already on 25 April 2017: articles transposing article 15 (requirements to be evaluated), article transposing 23 (Professional liability insurance and guarantees), articles transposing article 25 (Multidisciplinary activities), and articles transposing article 22 (obligation for all competent authorities to notify future draft sectorial legislation).

The implementation of article 22 of the Law on “system of notification” led to the approval, in March 2018, of the **Administrative Instruction on Notification Procedure and the Compliance Assessment of Draft Normative Acts** with the Law on Services7. This regulation further elaborates obligatory procedures on the side of national competent authorities in order for their draft acts to get statement of compatibility from the Ministry of Trade and Industry with Articles 15, 23 and 25 of the EU Services Directive (including principles of non-discrimination, necessity and proportionality). The proposed concept relies on more than 415 services which are listed in Annex I of the Administrative Instruction, that triggers notification of any draft act regulating access to or exercise of a service which is found on that list. In order to secure the widest possible effect of notification, the list is defined as “non-exhaustive”, while in addition the principle “in case of doubt always notify” has been imposed whenever a service is not found on the list, but it is neither among services explicitly excluded from the scope of the Law on Services i.e. article 2 of the EU Services Directive.

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3 Paper on Services –MTI & EU project "Further support to the development of trade"

4 Chapter IV, Free Movement of Services, Section 1, Freedom to provide services and related derogations, Art.16- Freedom to provide services, Art.17- Additional derogations from the freedom to provide services, Art.18- Case-by-case derogations

5 CHAPTER VI - ADMINISTRATIVE COOPERATION – Art 28- Art 36

6 Exception is Article 14 (4) of the EU Services Directive i.e. condition of reciprocity with the Member State, which has not been transposed by Law No. 05/L-130 on Services (i.e. its Article 8 otherwise fully transposes remaining points of Article 14 – Prohibited requirements - of the Directive).

7 The Administrative Instruction tries to mirrors the Services Modernization Package proposal presented by the EC in January 2017.
The implementation of article 14 of the Law on "Point of single contact" led to the approval in March 2018 of the **Administrative Instruction on Point of Single Contact (PSC) functioning**. The Law on Services provides for a five-year transitional period for the establishment of the PSC. A close coordination should be established between the Ministry of Trade and Industry (in charge of PSC) and the Ministry of Public Administration/Agency for Information Society (in charge of e-government).

In regard of **vertical legal framework**, Kosovo state administration successfully performed detailed screening of compatibility of the sectorial legislation with the EU Services Directive. Between September 2016 and October 2017, a total of 84 laws and 125 by-laws were assessed, out of which 58 laws and 73 bylaws (131 acts in total) were identified as falling under the scope of the EU Services Directive (Art. 2, scope of application). As a final outcome, 25 laws and 29 bylaws (41.22 %) will have to be amended in order to bring them into conformity with the provisions of the Directive. The screening exercise identified a total of 196 services/professional activities regulated in Kosovo, which further calls for respective regulatory framework to be aligned with the EU Services Directive.

Furthermore, the screening process has resulted in the identification of 255 requirements relevant to the key articles of the Services Directive (i.e. Articles 11, 14, 15, 23, 24 and 25), whereas the total number of requirements to be amended in Kosovo legislation is equal to 183. A five-year Action Plan for the Implementation of the EU Services Directive was approved by the Government on 6 July 2018, as a compliance assessment of existing sectorial legislation in all sectors of Kosovo economy dealing with services which fall under the Law No 05-L-130 on Services adopted on 10 March 2017.

In June 2016, Kosovo adopted the Law No. 05/L-031 on General Administrative Procedure (LGAP). As identified in the course of the preparation of the Law on Services, there is a whole set of articles and principles of the Services Directive which have been transposed in the national legal order by this Law. The most important are articles 7 (right to information), 8 (procedures by electronic means), 10 (conditions for granting authorisation) and 13 (authorisation procedures, including tacit approval principle). The Law on Services prescribes subordinate application of the Law on General Administrative Procedure for all issues on administrative procedures which are not otherwise provided for in the Law on Services.

**Beneficiary administration:**

The main beneficiary of this assistance is the Ministry of Economy, Trade, Industry, Labour and Strategic Investment, and more specifically the legal department and the trade department. For the purpose of a more effective coordination of work in the process of transposition of the EU Services Directive 2006/123/EC, the working Group on Harmonization of Legislation in the field of Free Movement of Services has been set up by the Government of Kosovo. This group was established in conformity with the EC recommendations at the meeting held in Brussels in May 2010, which also was done for the first time presentation regarding the free movement of services in Kosovo. The aim of this group is the identification of legislation or parts of legislation that regulates the field of services; the detection and elimination of conflicts (contradiction on legislation); the removing the obstacles or avoiding the barriers regarding the right of establishment; the opportunities namely providing information and assistance on the scope of services; and the identification of the supervisory authorities. The group is however not active due to lack of human resources and capacity in the Ministry.

There is an active sub-working group on Trade in Services under the Trade Policy mechanism. The Government of Kosovo is planning to establish the National Committee for Trade in Services under ERP 2020-2022 (Reform measure #6: Increase of competitiveness in the sector of trade in services).
Under the umbrella of the Legal Office within the Office of Prime Minister, the Board of Directors is formed by all directors of legal departments in line ministries and is to serve as a mechanism to coordinate future progress of drafting and implementation of legislation in accordance with the Law on Services. This group meets in monthly period and discusses various legal issues. However the legal departments in line ministries are lacking of human resources and capacities, especially in the field of alignment to the EU acquis.

3.2 Ongoing reforms:

**Transposition of the EU Services Directive – implementation of the action plan**

The transposition of the EU Services Directive has posed a major challenge for Kosovo authorities, which requires a considerable effort among a number of line ministries, agencies, other public and professional bodies. The whole process is led by the Ministry of Economy, Trade, Industry, Labour and Strategic Investment, which chairs all working groups and leads all activities. It further requires intensive day-to-day coordination and communication on how to execute needed legislative and institutional reforms that will have positive impact on planned economic interventions. It also has a duty to yearly report on progress in its implementation. Within the Ministry, the process is led so far by its legal department, which has a unique role of being a “watch dog” of compatibility of any legislative policy intervention with the national legal system and accurate transposition of the EU acquis in draft legislative acts.

A report on the implementation of the EU Services Directive in Kosovo for the year 2017 was published in March 2018. However, since the adoption of the Action Plan in July 2018, no report on progress has been drafted. A monitoring mechanism to track the implementation of the five-year Action Plan for the Implementation of the EU Services Directive has not been set up yet.

Under the umbrella of the Legal Office within the Office of Prime Minister, the Board of Directors has been formed by all directors of legal departments in line ministries and serves as a mechanism to coordinate future progress of drafting and implementation of legislation in accordance with the Law on Services. The Ministry has to be further reinforced, primarily in order to meet anticipated increase of workload due to introduction of the notification system.

Since the transposition of the EU Services Directive is seen as part of wider economic reforms of the Government, the initial set-up of overall coordination mechanism to the implementation of the EU Services Directive was launched in September 2016 through the National Council for Economic Development (NCED), which is the governmental body chaired by the Prime Minister, and includes representation at the ministerial level. A coordination structure of competent authorities was set up for the screening of sectoral legislation with the nomination of Appointed Officers (focal points) in more than 11 ministries, 5 agencies, 12 other central institutions and 3 key professional associations (lawyers, architects, accountants). This structure supported with the organisation of technical meetings in all phases of the process, and furthermore in execution of trainings/workshops for more public servants. Under the Government five-year Action Plan, these public servants are expected to officially form the future “Network of Contact Persons” for the Implementation Action Plan.

**Establishment of the Point of Single Contact (PSC)**

The Point of Single Contact (PSC) shall be established in Kosovo pursuant to Article 14 of the Law on Services. The manner of establishment and functioning of the PSC shall be implemented through the Administrative Instruction on PSC adopted in March 2018. The Law on Services provides for a five-year transitional period for the establishment of the PSC. A close coordination should be established between the Ministry of Economy, Trade, Industry,
Labour and Strategic Investment (in charge of PSC) and the Ministry of Public Administration/Agency for Information Society (in charge of e-government). In 2017, experts assessed the Government short- and mid-term plans in the area of general e-government solutions, where some closely related technical solutions which might be of use for PSC establishment have been identified:

1) licence register resulting from WB/IFC Guillotine Project, which contains usual PSC type of data on more than 500 licences in Kosovo (https://lejelicenca.rks.gov.net/en/);
2) business registration portal – implemented through the Ministry of Trade and Industry; The Business Registration Agency is responsible for registration of businesses in Kosovo (https://arbk.rks.gov.net/page.aspx?id=2,1);
3) Database for trade in services (http://tis.rks.gov.net/tbl2Dtis2Dtismainlist.php) at the Ministry of Trade, which is set up by sectors and contains a detailed list of legislation, responsible government bodies, and brief comments on restrictions on market access or discriminatory requirements.

The EU technical assistance on "Implementation of the SAA – the EU Services Directive" drafted an assessment report on the PSC, a "Business Mapping Analysis and Architectural Framework needed for establishment of PSC in Kosovo" and a document on "Key aspects to be followed in the process of the setting-up the PSC".

**The Single Point of Contact (SPC)**

As per the provisions of the CEFTA Agreement and article 9.3 of the Additional Protocol 6 on Trade in Services (AP6)\(^8\), Kosovo is bound to establish an institutional framework, a Contact Point for Services (CPS) that should perform three different functions:

- to provide answers to requests submitted by other CEFTA members on issues related to its laws, regulations and administrative guidelines affecting trade in services (CEFTA Article 44\(^9\));
- to inform the Subcommittee on Trade in Services promptly, and at least annually, on any new laws, regulations and administrative guidelines affecting trade in services, and of any changes to the existing ones;
- to provide information to the Subcommittee on Trade in Services in advance on any relevant measure of general application affecting trade in services to be adopted in order to give the opportunity to other parties to comment on the measure (advance notification).

Neither article 44 of the CEFTA agreement nor article 9.3 of AP 6 provides any guideline on the nature of such contact point, nor the time frame for its implementation. The only obligation is an "access-to-information", in that each CEFTA Member is required to respond promptly to any request submitted by another Member which relates to measures falling within the scope of AP 6. The Contact Point for Services is restricted to governments. Other interested parties, such as individual service suppliers, will not have the right to use the CPS or to request information about measures that affect trade in services.

The Point of Single Contact (PSC) goes beyond the functions of the CPS, as it allows service providers to undertake electronically all the procedures required to enter and operate in the market. On the other hand, the CPS has a wider coverage than the PSC, as the scope of

\(^8\) The Government of Kosovo adopted the decision authorising the signature of AP 6 on 14 May 2019.
\(^9\) CEFTA Article 44 provides that "Each Party shall respond to all requests by another Party for specific information on any of its measures of general application or international agreements that pertain to or affect this Agreement. Parties shall establish a contact point to which such requests shall be made. Contact points shall forthwith convey the request to the relevant domestic agencies".
application of the Law on Services excludes a number of services like financial services, services in the field of transport, electronic communication services and networks, healthcare, services on temporary work agencies. It is therefore important to establish an institutional framework which complies with the different obligations and is coordinated and incorporated in a single undertaken. There is no need to establish two different bodies. The implementation of the CPS should be a first step towards the full implementation of the PSC.

**Strategy on modernisation of public administration – 2015-2020**

The Strategy for Modernisation of Public Administration 2015-2020 defines strategic objectives and policies that the Government of Kosovo intends to achieve in the next medium term period in order to improve functioning and modernisation of public administration, meet the legal requirements and improve service delivery. The Government of Kosovo focuses on capacity development, defragmentation and rationalisation of processes and services that administration delivers to citizens and other beneficiaries, based on professionalism and non-politicisation within civil service. The 2nd pillar of the strategy focuses on public service delivery and accountability under the responsibility of the Ministry of Public Administration related to civil service, human resource management, public service delivery and accountability in public administration.

3.3 Linked activities:

**Facilitating Business Friendly Environment through One Stop Shops and Business Advisory Services – EU – 2010 - 2012**

The aim was to improve the business enabling environment in the Economic Regional Centres, targeting the Municipalities of Prishtina, Podujeve, Glogoc, Fushe Kosovo, Shtime and Obiliq. The project implemented by ARDA (Association of Regional Development Agency) strived to improve administrative procedures for business registration and licensing at municipal level, and raise the capacities of new businesses and start-ups across the economic region Centre.


The project supported the development of a business-friendly environment in Kosovo, focusing particularly on better implementation of commercial law, more transparent public tenders, improved access to information about borrowers’ credit history, and reduced barriers to trade.

**One-Stop Shop - World Bank - 2013**

The investment climate team worked with KBRA (Kosovo Business Registration Agency) and the Tax Authority to roll out the integrated registration system in Pristina, which uses a single application form and allows for an easy flow of information between the two agencies. The new system leverages the existing municipal business centres all around Kosovo, set up under an earlier World Bank project, into fully functional one-stop shops for business registration. Under the integrated system, the single form submitted by business owners at the business centres flows to the KBRA (to approve the registration number) and the Tax Authority (to authorize the fiscal number). Following these approvals, business centre officials input the data, and the printed certificate reflects both the registration and the fiscal number.

**Technical Assistance to further development of Kosovo's Trade Policy – EU – 2011-2015**

The first two-year phase supported the Ministry of Trade and Industry to develop its institutional capacity to prepare negotiation positions on trade between the EU and Kosovo within the context of the SAA and to implement agreed policy initiatives in line with international trade requirements and EU practices. The 2nd phase (2013-2015) focused on
Trade policy, impact analysis, Trade Openness and Trade Statistics. More specifically, the project provided technical assistance to the Ministry on negotiations on trade in services. It also supported the development of the trade in services (TIS) database which coincided with the start of negotiations on services with the Central European Free Trade Agreement. The trade in services database is available as online tool.


The aim was to improve the country’s investment climate for both domestic and foreign investors. The project linked in a programmatic manner business regulatory, investment policy and industry specific work in agribusiness to maximize impact. It was a targeted intervention building on IFC strengths and addressing government priorities and the needs of the private sector in Kosovo: reduce administrative burden for businesses and improve competitiveness of Kosovo economy, help increase investment levels and FDI inflows, in particular in employment intensive sectors.

**Technical assistance "Implementation of the SAA – the EU Services Directive – EU – 2016-2018**

The objective was to facilitate the EU accession process by supporting the alignment and implementation of Kosovar legislation with the EU acquis in the field of services. The project aimed at building the capacity of the Ministry of Trade and Industry to effectively transpose and implement the EU Services Directive (2006/123/EC) in the internal market in Kosovo.


The purpose was to support the Ministry of Public Administration (MPA) to improve service delivery to citizens and businesses through supporting the implementation of the Law on General Administrative Procedures (LGAP). The project established coordination mechanisms within MPA in order to coordinate central government activities and build its capacities to steer implementation of the strategic framework on the modernisation of administrative service delivery and implementation of the Law on General Administrative Procedure. It supported the establishment of an inter-institutional coordination forum for administrative service reforms and the establishment and piloting of Single Contact in Prizren where the citizens and businesses can get services with the "one window" principle.

**Technical assistance "Further support to the development of trade in Kosovo - EU – 2018-2020**

The project aims at improving the Ministry of Trade and Industry’s capacity to develop, negotiate, and implement trade policy including protection and enforcement of intellectual property, in line with international trade requirements and EU practices, and in improving its capacity to support local traders. The project supports the upgrade of the trade in services (TIS) database. It will assess the information contained in the database, review other sources of information on trade in services, and update it as appropriate, and will provide recommendations on the design of a new user friendly trade in services database; indicating its structure and the detail information that it needs to contain.

**Budget Support "Public Administration Reform" – EU – 2018-2021**

The EU provides a Sector Reform Contract for Public Administration Reform of EUR 25 million, including EUR 22 million for sector budget support and EUR 3 million for complementary support between 2018 and 2021. The "Sector Reform Contract" supports the implementation of three key strategies of the Public Administration Reform strategic package adopted by the Kosovo government in 2015 and 2016: the Strategy for Improving Policy
3.4 **List of applicable Union acquis/standards/norms:**


3.5 **Components and results per component**

**Component 1 - Result 1:** Legislation on services approximated with the Union acquis (Directive 2006/123/EC) and in line with the better regulation approach.

**Sub-result 1.1:** A coordination mechanism for the Transposition of the EU Service Directive to support all needed reforms for the implementation of five-year action plan adopted by the Government in 06.07.2018 developed - The mechanisms already in place have been correctly assessed before establishing the coordination mechanism;

**Sub-result 1.2:** Support delivered to legislative amendments process related to the five-year action plan in order to bring the laws and regulations into conformity with the provisions of the Law on Services. The proposed amendments are ready for consultation and approved by the respective entities.

**Sub-result 1.3:** Annual progress report on the implementation of the five-year action plan for the implementation of the EU Services Directive submitted within the first quarter of the following year.

**Sub-result 1.4:** Capacity of the Ministry to enforce the Administrative Instruction on Notification Procedure and the Compliance Assessment of Draft Normative Acts with the Law on Services enhanced.

**Sub-result 1.5:** Capacity of the legal department and the trade department at the Ministry for compliance assessment of draft normative acts with the Law on Services enhanced.

**Sub-results 1.6:** A functional monitoring mechanism for the compliance of secondary legislation with the Law on Services established.

**Sub-result 1.7:** Awareness of businesses, professional associations and municipalities on the simplification of administrative procedures linked to the implementation of the five-year Action Plan in the area of enhancement of the Business Environment strengthened.

**Component 2 - Result 2:** The Point of Single Contact (PSCs) established and functional - based on the charter for the electronic points of single contact under the Services Directive.

**Sub-result 2.1:** a technical proposal for the establishment of the PSC (mapping and assessment of procedures, competent authorities and structures) developed.

**Sub-result 2.2:** Road map and the action plan on establishing PSC approved, taking into account the key features of a successful and business-friendly PSC.

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10 The administrative order elaborates obligatory procedures on the side of national competent authorities in order for their draft acts to get statement of compatibility from the Ministry with Articles 15, 23 and 25 of the EU Services Directive, including principles of non-discrimination, necessity and proportionality

11 The Administrative Instruction on Notification Procedure targets primary law and does not take into account secondary legislation drafted by national competent authorities

**Result 2.3:** Training of officials in charge of the functioning of the Point of Single Contact carried out.

3.6 Means/input from the EU Member State Partner Administration(s)*:

Proposals submitted by Member State shall be concise and focussed on the strategy and methodology and an indicative timetable underpinning this, the administrative model suggested, the quality of the expertise to be mobilised and clearly show the administrative structure and capacity of the Member State entity/ies. Proposals shall be detailed enough to respond adequately to the Twinning Fiche, but are not expected to contain a fully elaborated project. They shall contain enough detail about the strategy and methodology and indicate the sequencing and mention key activities during the implementation of the project to ensure the achievement of overall and specific objectives and mandatory results/outputs.

The Twinning Partners shall ensure that EU funded Twinning project has high and consistent level of visibility. Minimum two visibility events will be organized during implementation, namely a Kick-off meeting at project commencement and a Final event at the end of the implementation period, to wrap-up work done.

Compliance will be ensured with the provisions of the document ‘Communication and Visibility in EU-financed external actions”, available at [https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf].

3.6.1 Profile and tasks of the PL:

**Requirements for the Member State Project Leader (PL)**
- University degree or equivalent professional experience of eight (8) years with an EU Member State administration
- Minimum of three (3) years of experience within an EU Member State institution or other relevant body in charge of the implementation of the Services Directive
- Experience in project management;
- Fluent in written and spoken English;
- Proven contractual relationship to a Member State administration, body or other semi-public entity as defined in twinning manual.

**Task of Project Leader:**
- In charge of the overall supervision and coordination of the project;
- Supervise and coordinate the overall Twinning project for its efficient and successful implementation and its sound financial management;
- Ensuring backstopping and mobilisation of the short-term experts;
- Main and permanent contact with the main counterparts in the beneficiary country;
- Responsible to undertake all activities specified in the project and for achieving the mandatory results.

3.6.2 Profile and tasks of the RTA:

**Requirements of the Resident Twinning Advisor (RTA):**

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13 As the Law No. 05/L-130 on services is not aligned with the provisions on cross-border services and administrative cooperation from the Services Directive, the features for accessibility of PSCs for cross-border users will not be fully taken on board but will be taken into account when designing the PSCs, so that the PSCs can be easily upgraded when the PSCs for cross-borders users will be accessible.
• University degree or equivalent professional experience of eight (8) years with an EU Member State administration
• Minimum of three (3) years working experience in an EU Member State administration, body or other semi-public entity directly involved in the institutional set-up and implementation of the Services Directive;
• Experience in project management;
• Experience in implementing similar or related assistance and cooperation projects will be considered an asset;
• Have excellent communication and analytical skills;
• Be proficient in report drafting;
• Fluent in written and spoken English;
• Proven contractual relationship to a Member State administration, body or other semi-public entity as defined in twinning manual.

Tasks of RTA
• Throughout the entire duration of the project, the RTA is in charge of the day-to-day implementation, including preparation of short-term expert missions to enable the experts to be aware of the specificities of Kosovo, of the quality review of mission reports and recommendations;
• Provide advice and technical assistance to the representatives of the Beneficiary administration;
• Reports regularly to the Member State Project Leader;
• Quality support on reports and recommendations provided by short-term experts in view of the current situation in the Beneficiary administration;
• Actively contribute to the work of any sector monitoring process set up in the Beneficiary country;
• Regularly updates the work plan to be transmitted to the Project Steering Committee under the authority of the Member State Project Leader;
• Advising on EU policies and best practices, related legislation and regulations;
• Provides sector relevant information to the EU Office in Kosovo;
• Coordinate with stakeholders of the project in Kosovo and in Member States.

3.6.3 Profile and tasks of Component Leaders:

Requirements for Component Leaders
• University degree or equivalent professional experience of eight (8) years with an EU Member State administration
• Minimum of three (3) years of experience in an EU Member State institution directly involved in the implementation of the Services Directive;
• Fluency in written and spoken English;
• Proven contractual relationship to a Member State administration, body or other semi-public entity as defined in twinning manual.

Tasks:
• Advice and technical assistance to the representatives of the Beneficiary administration;
• Reports regularly to RTA and the Member State PL;
• Actively contribute to the work of any sector monitoring process set up in the Beneficiary country;
• Support the RTA in updating the work plan to be transmitted to the Project Steering Committee under the authority of the Member State PL.

3.6.4 Profile and tasks of other short-term experts:

Requirements for short-term experts (STE):
• University degree or equivalent professional experience of eight (8) years with an EU Member State administration
• Minimum of three (3) years of experience in an EU Member State institution in areas relevant to their specific assignment;
• Fluency in written and spoken English;
• Excellent skills in reporting and good communication skills.

Tasks for short-term experts (STE):
• Delivering expertise under the overall responsibility of the Member State PL and the coordination and supervision of the RTA;
• Delivering support to the Beneficiary administration through specific activities in the Beneficiary country, including workshops, seminars, training sessions, meetings with officials of the Beneficiary administration, joint drafting sessions, etc;
• Preparation and reporting work, before and after their missions to the Beneficiary country.

Requirements for IT short-term experts (STE):
• University degree or equivalent professional experience of eight (8) years with an EU Member State administration in the area of IT related project implementation;
• Minimum of three (3) years of experience in an EU Member State institution in areas of IT related project implementation, developing and designing IT solutions/systems;
• Fluency in written and spoken English;
• Excellent skills in reporting and good communication skills.

Tasks for IT short-term experts (STE):
• Delivering expertise under the overall responsibility of the Member State PL and the coordination and supervision of the RTA;
• Delivering support to the Beneficiary administration linked to the implementation of result 2 in the Beneficiary country, including developing and designing IT solutions/systems and implementing IT solutions/systems;
• Preparation and reporting work, before and after their missions to the Beneficiary country.

4. Budget

Maximum Budget available for the Grant
EUR 1,000,000.00

5. Implementation Arrangements

5.1 Implementing Agency responsible for tendering, contracting and accounting (AO/CFCE/PAO/European Union Delegation/Office):
European Union Office in Kosovo
Postal Address: Kosova Street 1, P.O. Box 331, Pristina, 1000 Kosovo
Phone number: +383 38 5131 507
Email: delegation-kosovo-fincon@eeas.europa.eu
5.2 Institutional framework
The main beneficiary is the Ministry of Economy, Trade, Industry, Labour and Strategic Investment, and more specifically the Legal Department and the Trade Department. The Ministry will ensure efficient coordination with official and counterparts in the relevant line institutions. Activities will also target line ministries and agencies involved in the five-year action plan, especially the Office of the Prime Minister as well as private sectors. The main beneficiary of Result 1 will be the Legal Department and the main beneficiary of Result 2 will be the Trade Department.

5.3 Counterparts in the Beneficiary administration:
The new Ministry is merging 4 different Ministries (Trade & Industry, Economy, Labour (partly) and innovation). As for the moment the new Ministry is going through a restructuration, the names will be provided in March. The counterparts will be the trade department and the legal department.

5.3.1 Contact person:
5.3.2 PL counterpart
5.3.3 RTA counterpart

6. Duration of the project
24 months

7. Management and reporting

7.1 Language
The official language of the project is the one used as contract language under the instrument (English / French). All formal communications regarding the project, including interim and final reports, shall be produced in the language of the contract.

7.2 Project Steering Committee
A project steering committee (PSC) shall oversee the implementation of the project. The main duties of the PSC include verification of the progress and achievements via-à-vis the mandatory results/outputs chain (from mandatory results/outputs per component to impact), ensuring good coordination among the actors, finalising the interim reports and discuss the updated work plan. Other details concerning the establishment and functioning of the PSC are described in the Twinning Manual.

7.3 Reporting
All reports shall have a narrative section and a financial section. They shall include as a minimum the information detailed in section 5.5.2 (interim reports) and 5.5.3 (final report) of the Twinning Manual. Reports need to go beyond activities and inputs. Two types of reports are foreseen in the framework of Twining: interim quarterly reports and final report. An interim quarterly report shall be presented for discussion at each meeting of the PSC. The narrative part shall primarily take stock of the progress and achievements via-à-vis the mandatory results and provide precise recommendations and corrective measures to be decided by in order to ensure the further progress

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14 Sections 7.1-7.3 are to be kept without changes in all Twinning fiches.
8. **Sustainability**

The achievements of a Twinning project (activities, documentation and mandatory results) should be maintained by the Ministry of Economy, Trade, Industry, Labour and Strategic Investment as a permanent asset to the Beneficiary administration even after the end of the Twinning project implementation. This means that the Beneficiary should put in place effective mechanisms in the administration to disseminate and consolidate the results of the project.

9. **Crosscutting issues**

Equal opportunities and gender balance will be taken into account at all stages and aspects during the implementation of the priorities and activities. Mainstreaming of gender and minority issues both within the target institutions and the outputs (services provided by these institutions) will be ensured. The team of experts involved in the project should possess relevant skills to ensure effective mainstreaming of gender equality and minorities inclusion/participation. The events organised under the project will ensure that they target both sexes equally. Progress reports, print, visual and audio material will be produced in the official local languages (Albanian and Serbian) and will be appealing to the potentially different needs, interests and communication styles of diverse women, men, boys and girls. The foreseen activities will promote the requirements of gender equality and a more active participation of women. The design of measures will also take account of the Kosovo Gender Profile which was published in 2018 as well as more recent gender disaggregated statistics, as relevant. Actions will ensure gender balance both amongst participants in working groups as well as amongst trainees benefitting from the various opportunities for attaining new skills, if possible. Furthermore, the specific needs of both women and men will be incorporated into the development of all training modules developed in order to ensure their accessibility to both target audience. Gender-disaggregated data will be maintained and reported relating to all applicable indicators.

10. **Conditionality and sequencing**

Projects to be implemented through Twinning require the full commitment and participation of the senior management of the beneficiary institution. In addition to providing the Twinning partner with adequate staff and other resources to operate effectively, the senior management must be actively involved in the development and implementation of the policies and institutional change required to deliver the project results.

Regarding the result 2 – Establishment of the Contact Point for Service, the Government has to ensure adequate financing for the establishment of the CPS (IT system and human resources).

This project can only be contracted until 26 October 2020, after this date the respective funds will not be available anymore and the project will be cancelled.

11. **Indicators for performance measurement**

**Result 1** – The legislation on services approximated with the EU acquis (Directive 2006/123/EC) is in line with the better regulation approach.

1. A coordination mechanism for the Transposition of the EU Service Directive has been established and is functioning efficiently.
2. The amendment of 25 laws and 29 bylaws identified in the five-year action plan for the implementation of the EU Services Directive are drafted in conformity with the provisions of the Law No 05-L-130 on Services and ready for approval.
3. The yearly reports on progress in the implementation of the five-year action plan for the implementation of the EU Services Directive are submitted, the 1st one by 31.03.2021 and the 2nd one by 31.03.2022.

4. Number of consultations related to the Administrative Instruction on Notification Procedure and the Compliance Assessment of Draft Normative Acts with the Law on Services increased as compared to the previous year (Baseline 2018: 6).

5. A minimum of six (6) staff and a maximum of ten (10) staff of the legal department and a minimum of one (1) staff and a maximum of three (3) staff of the trade department at the Ministry have been properly trained for assessing compliance of draft normative acts with the Law on Services.

6. A functional monitoring mechanism has been established for the compliance of secondary legislation with the Law on Services and is functioning efficiently.

7. At least four (4) awareness raising events targeting businesses, professional associations and municipalities carried out on the simplification of administrative procedures linked to the implementation of the five-year Action Plan has been organised.

**Result 2 - The single point of contact is established and functional**

1. A technical proposal for the establishment of the PSC has been drafted and approved by the Ministry.

2. The road map and the action plan on establishing PSC has been drafted and approved by the Ministry.

3. At least six (6) Officials in charge of the functioning of the Point of Single Contact are properly trained.

12. **Facilities available**

- office space including chairs, tables, air-conditioning, etc.;
- computers and photocopiers;
- software and licenses including email systems and Internet access (enabling speedy communication);
- security measures linked to infrastructure and/or communication systems;
- secretarial support;
- venues for conferences, training and workshops;
- information access rights relevant to the assignment.
ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format
2. The law No 05-L-130 on Services
3. The action plan for transposing the EU Services Directive 2006/123/EC – Narrative report
4. The action plan for transposing the EU Services Directive 2006/123/EC – Screening tables
5. The Official Government Decision on adopting the action plan in Albanian (English translation provided)
6. The report on administrative simplification based on the Action Plan
7. The Action Plan on the contact point on services and the point of single contact developed by the Ministry
9. The establishment of a Point of Single Contact (PSC) - Key aspects to be followed in the process of the setting-up the PSC
10. The final report of the EU technical assistance on "Implementation of the SAA – The EU Services Directive" (IPA 2016) – (March 2018)
11. Report on the implementation of the EU Services directive – December 2017