

**PROJECT DOCUMENT**  
**UNDP Kosovo**

**Project Title:** Support to Anti-corruption Efforts in Kosovo\* III (SAEK III)

**Project Number:**

**Implementing Partner:** Internews Kosova

**Start Date:** 1 July 2020

**End Date:** 30 June 2024

**PAC Meeting date:**

**Brief Description**

Corruption in Kosovo remains endemic, with high levels of acquittals and those prosecutions and adjudications that are successful almost exclusively result in short sentences for which the perpetrator retains his/her position and is allowed to enjoy the illicit proceeds obtained through corruption. The SDC and DANIDA funded SAEK project has succeeded in building the framework for a successful preventive and suppressive regime in the areas of legislative reform, policy prescriptions and capacity building, however, further support to the Kosovo authorities is of paramount importance in order to put on track these measures and ensure concrete and sustainable results. A culture of alleged impunity of high officials, countenanced nepotism from the top to the bottom, and low expectations for the delivery of public services can be rooted out through comprehensive legislative and institutional changes fully supported on the policy level.

SAEK I (2.2 mill Sep. 2012 – Apr. 2016), through an innovative and holistic approach towards anti-corruption, was developed to strengthen institutional transparency, accountability and integrity, with a particular focus on empowering citizens and improving their access to information. The project's focus was on three main levels of intervention, including the institutional, sectoral and municipal/local level. In doing so, the project worked directly with central and local government authorities, the judiciary, civil society and the public.

SAEK II (4.7 mil May 2016 – Apr. 2020), shifted focus towards corruption suppression and balanced its interventions in favour of criminal justice matters. It succeeded in laying the policy and legislative framework by drafting the 2018-2022 Anti-corruption Strategy and Action Plan, Law on the Kosovo Anti-corruption Agency, Law on Public Official's Assets and Income Declarations, Law on Financing of Political Entities. Through a specially designed accredited year long course, it succeeded in accrediting 43 Kosovo corruption investigators as Licensed Fraud Examiners – the first ever in Kosovo. It set up effective e-tools and monitoring mechanisms including the e-declaration system for public official's assets and income declarations, and the framework for data sharing on corruption investigations through a secure network, a case management system for conflicts of interest and assets declarations, and access to a global database for checking assets held abroad by Politically Exposed Persons.

Corruption risk assessments were completed for the bar association, the national anti-money laundering regime, and extractive industries. Typologies of actual cases of money laundering involving Politically Exposed Persons in Kosovo were developed so as to inform investigators and the private sector on how to identify suspicious transactions and clients. An unprecedented review of 20 completed corruption cases was undertaken to provide specific recommendations for closing gaps within the investigation and adjudication phases that lead to poor results in assets recovery and sentencing. Sentencing guidelines were developed to harmonize corruption cases and restrict discrepancies and overly lenient sentences. A United Nations Convention Against Corruption (UNCAC) Gap Assessment was undertaken to assess

\* References to Kosovo shall be understood to be in the context of United Nations Security Council Resolution 1244 (1999).

Kosovo's compliance with the treaty's commitments. Kallxo.com continued to solidify its position as the most trusted channel to which people report corruption, and its remarkable follow-up on stories through legal analysis and exceptional investigative journalism that have led to numerous criminal investigations, resignations and administrative procedures against politicians, public officials and members of the judiciary.

SAEK III's focus will be to implement the new legislation and move toward the end goal of repatriation of stolen assets and completing a robust corruption prevention system. The successful policy and legal framework set up through SAEK II, SAEK III will be utilized to formalize these processes and ensure proper implementation.

Moreover, SAEK III will contribute to advancing gender equality and poverty reduction, both directly and indirectly. The project will apply the approach of its 6 signature solution(SS), with specific emphasis on SS 1 - Keeping people out of poverty, SS 2 - Strengthen effective, inclusive and accountable governance and SS 6 - Strengthen gender equality and the empowerment of women and girls, deriving from UNDPs global strategy, to support diverse pathways towards peaceful, just and inclusive society, building on the SDCs, SIDAs and UNDPs, comparative advantage and long track record in governance. It will support core governance functions, promote effective service provision, rule of law, anti-corruption capacities and access to justice, targeting this way barriers and vulnerabilities that keep people in poverty. It will complement the parallel efforts of partners to this project to maximize impact of our work in the area of gender equity, human rights and environment protection. Inclusive and accountable governance systems and processes are recognized as crucial to sustainable development and human security.

UNDP will design a specific survey methodology addressing gender equality related corruption risks and vulnerabilities in the civil service, and to document the impact of corruption on gender equality in the public service. This survey will be conducted through SAEK III to better understand the relationship between corruption and gender within the field of public administration and civil service in Kosovo.

With increase of competences of prosecutorial authorities and the judicial bodies for detection and adjudication of corruption, the project will eventually impact on most vital sectors and areas including environmental crime in Kosovo, by minimising the drivers of risk ingrained within development processes and to strengthen human security. Environmental crime poses serious threats to the environment, contributing to poverty and food insecurity. Corruption can be considered a catalyst for environmental crime. Considering the weak implementation of environmental law in Kosovo, lack of enforcement of the "polluters pays" principle and proper execution of water and environmental permits, there is a high risk of ignoring illegal waste disposal, illegal dumping of hazardous waste, illegal logging, misuse of water resources, forging import/export certificates, among other.

Corruption prevention will contribute to reduced risk of environmental problems, resulting in improved transparency enabling more effective citizens' participation in decision making, which in turn leads to more responsive budget making processes for the benefit of more vulnerable people and more sustainable solutions to environmental problems. Applying a human rights lens highlights aspect of equality and non-discrimination, directing attention to those individuals and groups who are most vulnerable and marginalised. The [human rights based approach](#) (HRBA) reinforces Agenda 2030's aim to leave 'no one behind' in efforts to achieve sustainable development.

SAEK III is based on a three-tier approach necessary to achieve tangible and sustainable results in anti-corruption:

- *Policy level work* to assist in fulfilling technical and legal requirements and to demonstrate effective implementation of laws, advancing the achievement of SDG 16 target 5 and 6, and strategies such as anti-money laundering, anti-corruption and related action plans;
- *Structural level work* to establish a legal and institutional framework for coordinated prosecutor led joint investigations of financial crime, improved effectiveness in asset recovery. Furthermore, the aim is to enhance investigative journalism and coordination among public institutions at the

central and local levels. Further strengthening of Kallxo.com online platform for reporting corruption allegations, the project will engage those individuals and groups who are most vulnerable and marginalised, affected by corruption. With this approach, the project will apply a human rights lens highlights aspect of equality and non-discrimination and this way reinforces Agenda 2030's aim to leave 'no one behind' in efforts to achieve sustainable development and better welfare for all.

- *Capacity development work* to train investigators on asset recovery and establish an asset recovery structure with a mandate and capacity to track down stolen assets and conduct thorough financial crime investigations.

The project will provide expert support to the authorities in drafting policy documents, including national strategies and action plans, legislation, Standard Operating Procedures (SOPs) and guidance notes on conducting investigations, vetting procedures, conflict of interest recusal procedures, judicial oversight mechanisms and other anti-corruption mechanism and instruments, building upon interventions and novelties introduced throughout SAEK I and SAEK II.

Within the capacity development component, specialized advanced training on the most important issue Kosovo faces in corruption suppression – asset recovery – will be developed and conducted. The training will be based on Kosovo legislation and practice and focus on intelligence gathering and analysis, asset tracing techniques, financial profiling, case investigation strategies and procedures. The project will work with the Kosovo authorities' side-by-side on providing tailor made support that will bolster case work and help repatriate assets based on intelligence gathering, prosecution strategies, and asset tracing for complex corruption and money laundering cases, including those that require collaboration with other jurisdictions. To manage this process successfully, UNDP has identified the Basel Institute International Centre for Asset Recovery (ICAR) which is the world leader in asset recovery training and has an exceptionally successful record in supporting national investigators in tracking down stolen assets hidden abroad through case work assistance. Following a successful initial partnership with the SAEK II project, the Basel Institute will conduct tailor made training for investigators on identifying and repatriating stolen assets hidden in other jurisdictions. The project will develop a Training of Trainers (ToT) curricula and training programme for new investigators and anti-corruption officials on how to conduct investigations and run cases based on specially developed manuals based on the Criminal Procedure Code, Criminal Code and internal rules of procedure.

The project will collaborate with a local institution, the Rule of Law Advisory Group (RoLAG) as a responsible party, to establish an Anti-corruption and Asset Recovery Policy Support Service that will contain a repository of documents regarding national and international anti-corruption strategies, policies, legislation and procedures which can be accessed by public officials, as well as serve as the locally supported central body for anti-corruption and asset recovery policy-making and continuous training. This body will also coordinate donor support in the fields of corruption suppression, financial crime investigation and asset recovery through maintaining in its repository databases of courses, curricula, lists of attendees so as to ensure all donors are optimally using resources to train the right investigators on pertinent topics, and to monitor that all investigators have completed required assets recovery, financial investigation accredited courses and are regularly retrained and recertified.

Kallxo.com platform will continue to perform its invaluable role of receiving reports from citizens about alleged corruption, wrongdoings and mismanagement of public funds. Since its establishment in 2012 the platform has remained one of the most trusted sources of reporting corruption for Kosovans. Cases revealed through kallxo.com will be used as case studies so as to help investigators work through real corruption cases that have yet to be prosecuted.

The project aims to support the implementation of a legal and institutional framework in line with international standards with a measurable track record of successfully prosecuted corruption cases and a robust preventive mechanism uncovering alleged conflicts of interest and abuse of authority. The aim is to enable and ensure key suppressive and preventive bodies are maximizing their abilities to detect,

investigate, prosecute, adjudicate corruption related offenses as well as confiscate criminal proceeds derived thereof. Tangible success in sanctioning corruption and repatriating stolen assets will decrease the existing high perception of corruption among citizens and increase the level of trust in political and public officials.

**Corruption through the lens of gender, poverty and environment**

UNDP will design a specific survey methodology addressing gender equality related corruption risks and vulnerabilities in the civil service, and to document the impact of corruption on gender equality in the public service. This survey will be conducted through SAEK III to better understand the relationship between corruption and gender within the field of public administration and civil service in Kosovo.

Corruption affects most those that are marginalized, vulnerable and poor. These groups are the ones that lack access to basic services and natural resources such as education, health care, clean water, food and live in hazardous environments. The reasons are many, starting from discriminatory policies and budgetary resources available for investments in areas where the women and man live. They are also disproportionately affected by corruption and embezzlement. Women are often in a vulnerable situation in highly patriarchal societies, such as Kosovo, in which high officials tend to be mainly men, and women predominantly staff low ranking civil service positions.

Based on the fact that women have a very limited representation in decision-making bodies, women are less likely to be exposed to corruption or be a part of it. However, women are more prone to become victims of the lack of transparency, accountability and corrupt practices at workplaces that are run by men. Moreover, in the absence of decision-making power and economic opportunities for women, they are less likely to be corrupt, but can be unknowingly become involved in a corrupt system. Nevertheless, it is important to acknowledge the fact that corruption does not have a gender, while it does affect men and women differently.

Dysfunctional institutions, abuse of power and a lack of political cause many social problems, moreover they pose a real threat to environment. Corruption often further aggregates already weak institutional and legal systems, while increasing the risk for environmental damage for natural systems and the communities whose living is based on the land around them. Effects of corruption undermine the needs for investments in environmental protection and climate action, which in turn have negative impact on the health outcomes of the population. Clearly, corruption affects the quality and access to basic services as well, contributes to resource scarcity, and fuels organized crime, therefore it can be a potential driver of conflict as well.

Contributing Outcome 1.1 of CDP:  
 Rule of law system and institutions are accessible to all and perform in a more efficient and effective manner  
 Indicative Outputs with gender marker<sup>2</sup>:  
**Output 1.1.6** Kosovo anti-corruption institutions are able to monitor, prevent and fight corruption at central and municipal level  
**Output 1.2.1** CSOs have increased capacity in seeking accountability and transparency on fight against corruption

<b>Total resources required:</b>	4.5 Million EUR	
<b>Total resources allocated:</b>		
	<b>Donor:</b>	

Agreed by (signatures)<sup>1</sup>:

UNDP	Implementing Partner
Maria Suokko Resident Representative, UNDP Kosovo  Print Name:	SDC SIDA  Print Name:
Date:	Date:

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<sup>1</sup> Note: Adjust signatures as needed

<sup>2</sup> The Gender Marker measures how much a project invests in gender equality and women's empowerment. Select one for each output: GEN3 (Gender equality as a principle objective); GEN2 (Gender equality as a significant objective); GEN1 (Limited contribution to gender equality); GEN0 (No contribution to gender quality)

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## I. DEVELOPMENT CHALLENGE

Corruption in Kosovo remains prevalent across all sectors and levels of administration. The Transparency International Corruption Perception Index 2018<sup>2</sup> lists Kosovo at the bottom of the Western Balkans region, and for the first time in three years Kosovo has regressed according to this ranking with a score of 37/100 on a scale from 0 (perceived as most corrupt) to 100 (perceived as least corrupt). The average score for Eastern Europe and Central Asia was 35/100 in 2018, placing Kosovo just slightly above the average for the entire region. Measures to implement legislation and improve capabilities to adequately combat corruption, as well as to identify and return stolen assets should be undertaken, in order to take Kosovo out of the current state and potentially to that of an exemplary model.

The European Union (EU) Kosovo Report 2019<sup>3</sup> identifies the lack of political will as one of the contributing factors to the absence of tangible results in fighting corruption. Compounding this is the existence of multiple institutions and mechanisms with conflicting mandates which makes coordination on investigation and prosecution a challenging task. Kosovo has enacted a number of laws and regulations dealing with corruption, developed strategies, and created institutions and inter-institutional mechanisms to deal with corruption. The framework is largely in place. However, the institutions need support in order to properly implement laws and utilize the authority vested in them to tackle corruption. Kosovo authorities often dismiss the public's perception of prevalent corruption and refute it by turning to official statistics which show that the number of charges filed for corruption offenses is rather low. It is argued that the public perception of corruption is an exaggeration and not reflective of reality.

According to the UNDP Public Pulse from February 2019<sup>4</sup>, respondents considered corruption as one of the three major challenges that Kosovo is facing, although the perception of this slightly decreased from 2017 (13.4% in 2019 compared to 16.7% in 2017). A quarter of the respondents (25%) stated that they perceive large-scale corruption to be present in public and international institutions in Kosovo. The majority of Kosovans (68.8%) believe that non-merit factors such as family connections, bribes, party alliances, friends, and, to a lesser extent, appearance and gender are the most important factors in gaining employment in the public sector, an increase of 5% in 2019 in comparison to October 2017. However, only 7% percent of respondents in 2019 had actual experience in paying bribes.

The statistical data of court cases reveal that corruption cases do not appear on the top five case categories dealt with by the justice system in Kosovo. In 2015 out of 20,077 criminal cases dealt with by Kosovo courts, only 200 or slightly less than 1% were corruption-related offences, while a similar trend was repeated in 2016: from 23,766 criminal cases disposed only 284 were corruption-related cases, or less than 1.2%. This trend continued in 2017: from January through June there were 12,680 criminal cases disposed overall by Kosovo courts, while only 151 cases were corruption-related cases, or slightly less than 1.2%. What is more, out of these 151 cases there was not a single case deriving from the Tracking Mechanism<sup>5</sup>. From 2016 to 2018 only 0.3 % of all the cases received by the Basic Courts were corruption cases<sup>6</sup>. According to the Office of the Chief Prosecutor, between 2016 and 2018, the number of corruption cases in the Basic Court for corruption charges was 2,438, involving 5,770 persons. In these three years, 53% of the corruption cases were solved (1,307 cases).<sup>7</sup> Overall, it should be highlighted that the number of prosecutions still ongoing has decreased every year, and consequently, the number of cases solved has declined. The number of cases of money laundering from 2016 to 2018 has remained consistently low, with only 104 cases. The prosecution solved only 25% of these cases (25). The discrepancy between a high level of perception of corruption and a low number of reported cases indicates a need for improvement in detecting, prosecuting and adjudicating corruption rather than a low level of corruption.

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<sup>2</sup> [Transparency International Kosovo 2018](#)

<sup>3</sup> [European Union Report 2019](#)

<sup>4</sup> UNDP Public Pulse February 2019 [http://www.ks.undp.org/content/kosovo/en/home/library/democratic\\_governance/public-pulse-xv.html](http://www.ks.undp.org/content/kosovo/en/home/library/democratic_governance/public-pulse-xv.html)

<sup>5</sup> The Tracking Mechanism refers to an electronic platform administered by the Special Prosecution office that includes data on high profile corruption cases, which was developed as part of Kosovo institutions' efforts for fulfilling criteria for the Schengen visa liberalization process.

<sup>6</sup> The data are taken from <http://www.gjygesori-rks.org/statistics/?lang=en> and compared to the data provided by the Chief Prosecutor Office. The data not contain the data from the Mitrovica Court of 2017 and the data about the Special Prosecution Office.

<sup>7</sup> The data were sent from the Kosovo Chief Prosecutor Office to UNDP and are related to the prosecutor's activities in the Basic Courts for corruption offenses related to procurement and against officials.

Anti-corruption systems comprise of the preventive role performed by monitoring and regulatory bodies, and the suppressive role pertaining to criminal justice matters. The independent bodies mandated with these roles are subject to oversight performed by a Parliament or Assembly and benefit from policy direction provided by the executive branch. In Kosovo, all of these roles have been substantially supported through SAEK I and SAEK II. The focus of SAEK III will be to ensure that these institutions now effectively use their authority to produce tangible results.

Kosovo's legal and institutional framework is largely in line with international standards and similar to many jurisdictions in the region (with the exception of some notable gaps and overlapping jurisdiction). Nevertheless, a track record of successfully prosecuted high-level corruption cases and a robust preventive mechanism uncovering alleged conflicts of interest and abuse of authority are lacking. Out of 20 million EUR seized in 2018, only 50,000 EUR were confiscated. This lack of tangible success stories has resulted in a high perception of corruption among woman and man in Kosovo, and low level of trust in political and public officials. Unless dealt with effectively and soon, a significant risk exists of this, leading to continued endemically slow and uneven economic development, economic and social inequality and potential social unrest.

In a positive step, in 2019 Kosovo introduced a Law on Extended Powers of Confiscation which applies to the assets of persons who have been convicted of a criminal offence as prescribed by the Criminal Code or other laws, which includes, inter alia, criminal offences involving organised crime, official corruption and criminal offences related to official duty, and any criminal offence that generated a material benefit exceeding 10,000 EUR.<sup>8</sup>

The October 2019 elections showed a resounding desire for change by the majority of voters. The lists of candidates of political parties opted to apply the minimum standards set out under the Law No. 03/L-073 on General Elections, rather than advancing gender equality representation as per the Law on Gender Equality as an essential condition for Kosovo institutions to fully observe international standards as reflected in CEDAW and EU *acquis communautaire*.

The political parties that won the most votes ran in large part on anti-corruption platforms. To an extent, the main political parties split on the one side with patriotic rhetoric and on the other zero tolerance towards corruption. The voters clearly chose a new path for Kosovo and penalized those exact parties who have in the public's view refrained from taking concrete actions to combat corruption while in power. The potential new coalition will have the opportunity to materialize on its promises during the election campaign and ensure the rule of law and transparency and accountability. Most importantly, political will may be shown providing anti-corruption prevention and suppression bodies the resources and independence free from political interference to effectively implement their mandates. This newfound level of voter maturity strongly indicates that public pressure will continue to increase and that there will be political will to meet these expectations. This election outcome has demonstrated that political parties can no longer rely on traditional allegiances and voter predictability, and that the voters' demand is the key message from the recent election. The potential strong alignment between public demand and political will to combat corruption is the optimal environment for ambitious anti-corruption efforts.

The project aims to build on this positive momentum and newly acquired authorities by the prosecutors to seize and confiscate illicitly acquired wealth. The aim of this project is to create a track record of successfully

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<sup>8</sup> After a defendant is found guilty of a criminal offence as provided for in Article 2.1 of this Law, the Prosecutor may, in a separate application (property verification application) to the court that passed judgment, request a verification of property within five years after the judgment becomes final, as defined in the Criminal Code. The court is required to determine whether the Prosecutor has demonstrated, on a balance of probabilities, that each item of property specified in the property verification application is the property of the defendant (regardless of whether these assets were derived from crime or not). It must also decide whether the defendant demonstrated, on a balance of probabilities, that the property listed in the property verification application was acquired by him or her from a sufficient legitimate source at the time of acquiring such property; and/or whether a third party claiming to be a bona fide purchaser of property listed in the property verification application fulfilled certain requirements. The court thereafter decides whether to order confiscation or not.

prosecuted corruption cases and establish a preventive mechanism for which corruptive acts are more easily detected aberrant occurrences.

## **KEY ACHIEVEMENTS FROM SAEK I AND II**

### **Setting up Kosovo's Anti-corruption Legislative and Policy framework**

The SAEK II project had an instrumental role in the enhancement of Kosovo's anti-corruption legislative and policy framework through the following:

- The Anti-Corruption Strategy and its corresponding Action Plan (2018- 2022) that is gender balanced and inclusive. The completed Strategy and Action Plan for the first time included a thorough assessment of challenges in each sector, listed concrete activities and measurable gender disaggregated targets and provided a timeline and indicative budget. The central level authorities had approved the Strategy in March 2018, but due to a technical error in the request sent to the Assembly of Kosovo, the adoption process stalled. Through mediation by the project the Office of the Prime Minister and the Assembly reached an agreement to resubmit the Strategy. The AoK Committee on Legislation adopted it in May 2019, and it entered the AoK 2019 agenda for debate and adoption. The early elections in October 2019 prevented its adoption during this session, however the project has engaged with incoming authorities to ensure that it placed high on the Assembly's agenda and is swiftly adopted once they are constituted. Regardless of its non-adoption, responsible authorities have been implementing the Strategy. This progress made, as well as new challenges that have surfaced since 2018, requires an update to the Strategy and a new time line for the action plan for the period 2020-2024. The project has commitment from the KACA and incoming authorities to revise the Strategy and Action plan to reflect the delay (through updating the schedule for measures and indicating what has already been completed) in adoption and to ensure that it properly reflects the policies of the incoming authorities. While from the perspective of the development of the strategy this is an achieved output, the adoption is pending and is beyond the project's control.
- Amendments have been drafted for the Law on the Anti-Corruption Agency, and the Law on Public Officials' Assets and Income Declarations. The mandate of the Kosovo Anti-Corruption Agency will broaden due to the legislation amendments. This will introduce novelties such as corruption proofing of legislation and creating a legal framework for submitting and monitoring integrity plans that have been developed through SAEK. The amendments to the Law on Assets and Income Declarations will introduce a mandatory e-declaration system and heightened powers to gather evidence in pre-investigations of irregularities. While from the perspective of the development of the laws amendments this is an achieved output, the adoption is pending and is beyond the project's control.
- The law on Assets and Income Declarations will introduce an e-assets and income declarations system for public officials thereby making submission, monitoring and public access much easier. Verification of declarations and sanctioning procedures will be enhanced and streamlined. This will be finalised and fully operational in the first quarter of 2020.
- In addition, the SAEK project provided support in amending the Law on Financing Political Entities/Law on General Elections – the last remaining gap in Kosovo's anti-corruption framework. Lack of transparency and a non-existent monitoring and oversight mechanism over political parties presented a major legislative gap in Kosovo's anti-corruption framework. The project developed the draft law and served as the facilitator of communication with the Council of Europe's Venice Commission and the Office of the Prime Minister in placing the Draft Law on the Venice Commission's agenda and navigating the formal request procedure which Kosovo had never done before. The Venice Commission's Opinion on the Draft Amendments to the Law on Financing of Political Entities was extremely positive and outlined several recommendations which have been incorporated in the law. According to the Draft Law all the political entities will now be required to list donors, and submit financial statements and documents to an independent auditing and monitoring body who will audit the Annual Financial Report and Financial Declaration Reports of Campaign of the Political Entities. All the reports shall be publicized on an official website of the Office in charge of the auditing, and in this way will make the political entities more accountable to



the public and increase public trust. The draft law was adopted by the central level authorities and sent the Assembly at which time a number of MPs submitted amendments that watered down the provisions drafted by the project and resulted in a version that lacked any proper monitoring of spending or accountability of political party funding. A coalition of CSOs staged protests in front of political party headquarters (and several were injured) to demand that the amendments by MPs that deteriorated the version drafted by the project and supported by the Venice Commission opinion were removed. The Head of the EU Office in Pristina sent a letter to the Prime Minister requesting he withdraw the draft legislation. Given the public and international pressure, the draft law was removed from procedure, and the project has received assurances that the incoming authorities will table the original version during the next parliamentary session. While from the perspective of the development of these laws this is an achieved output, the adoption is pending the formation of a new government which would put forth the law for debate and adoption.

- The Supreme Court working group adopted Sentencing Guidelines that will narrow the discrepancies in sentencing of corruption cases. The guidelines were drafted with the support of the project, and included input received by UK judges. The guidelines will be finalized and adopted by the Supreme Court in the first quarter of 2020.

The project will ensure that by-laws, regulations and SOPs deriving from the aforementioned legal and strategy framework is inclusive and gender sensitive.

### **Developing an E-Assets and Income Declaration System for Kosovo's Public Officials**

SAEK II intervened and set up a legal and IT solution to move from the paper-based system to a fully electronic system. The system also includes a case management system for preliminary investigations, a conflict of interest database, a whistle-blower database, and an integrity plan monitoring tool by which local municipalities and other public institutions can upload their integrity plans to mitigate corruption in their institutions and allow better monitoring on the part of the Anti-Corruption Agency. Consultations with public officials from all municipalities were held, in cooperation with the KACA, this included Serb-majority municipalities in the north and the south of Kosovo. The paper-based declaration system of assets and income used in Kosovo through 2019 has been rife of human error, provided limited transparency and the lack of effective sanctioning and verification abilities has made it rather ineffective as a corruption prevention tool. This will be finalised and fully operational in the first quarter of 2020.

### **Corruption risk assessments and development of investigative capacities**

The SAEK II project has drafted over twenty institutional risk assessments in municipalities and public institutions, a national money laundering risk assessment and sectoral risk assessments of the health, extractive industries and justice sectors.

- The first ever Typologies of Money Laundering involving Politically Exposed Persons (PEPs) was developed together with the Financial Intelligence Unit. The typologies analysed real redacted cases of money laundering involving Kosovan public officials and provided guidelines for the private sector to identify suspicious clients and activities, as well as to inform the judiciary on how to understand complicated illicit financial schemes. The PEPs Typologies are now regularly used by private sector compliance officers in evaluating the risks of clients.
- The project conducted a corruption risk assessment for the Chamber of Advocates and produced analyses related to vulnerabilities and recommended solutions to minimize inherent gaps.
- The project conducted a corruption risk assessment of the Kosovo Accreditation Agency that analysed how high education institutions were awarded accreditation and monitored for quality. The study uncovered large scale political influence and offered recommendations to help Kosovo regain European accreditation.

- A corruption risk assessment of Notaries which has identified deficiencies in the selection process awarding additional notary licenses was completed and presented to the public.
- The project also developed the Money Laundering National Risk Assessment Report jointly with Kosovo's Financial Intelligence Unit. The assessment analyses risks, threats and vulnerabilities within all financial and non-financial institutions for the period 2015-2018. The final document is used to educate private sector reporting entities, and develop an action plan for strengthening Kosovo's anti-money laundering regime. While from the perspective of the development of the assessment this is an achieved output, the adoption is pending the formation of the government and is beyond the project's control.
- Based on the assessment of tools and skills required for effective criminal investigations and prosecutions of corruption offenses, the project has enhanced the analytical and specialized investigative capacities to detect, investigate and prosecute corruption cases. Over 100 investigators completed specialised courses on advanced investigative techniques including investigating money laundering, tax evasion, and working on joint investigative teams. 43 investigators were accredited as Licensed Fraud Examiners and Forensic Accountants in the first such course in Kosovo. These investigators have been using their skills attained through the course to investigate high level corruption, tax evasion and fraud cases.

#### **Enhanced communication among civil society organizations and anti-corruption institutions**

- Public relations capacities of the office of Chief Prosecutor have enhanced through the implementation of specially designed communication strategy, the appointment and training of spokespersons within each prosecution office.
- The Anti-corruption Agency implemented a communications strategy and introduced a new spokesperson position and regularly conducts press conferences and discussion forums with the media and civil society.
- 24 TV programmes titled "The Prosecutor" were aired by kallxo.com and reached an audience of about 5 million viewers, which had a direct impact on citizens increased trust in the prosecutorial system, a result also reflected in UNDP's Public Pulse. The show contributed to building a different image of the prosecution by showcasing more professional and better prepared prosecutors who are able to present the results of their work in safeguarding citizens' interests.
- Transparent budgeting made easily accessible to citizens for 12 ministries, the Office of the Prime Minister, and 33 municipalities, in partnership with the GAP Institute.
- Since its establishment in 2012 through the SAEK I project, kallxo.com has become the most credible address to report corruption. The number of reports has increased fivefold when compared to 402 reports received by citizens in 2015 and 2,751 reports received in 2019. Kallxo.com also increased the number of investigations and verifying the reports received, culminating with 900 verified reports which resulted in more than 1000 articles/video reports/stories produced and published and more than 500 legal follow-up letters submitted to relevant institutions, including but not limited to Kosovo Prosecution, Anti-Corruption Agency, Kosovo Police, government institutions, municipalities, independent agencies, public enterprises, labour inspectorate. The response of public institutions to kallxo.com reports has also improved resulting in more than 50 arrests made as a direct result of kallxo.com reporting only during 2019, as well as 4 judges and prosecutors being subject to disciplinary measures and 30 cases of criminal investigations initiated, indictments filed and ongoing judicial proceedings against public officials at the central and local levels. The trust in kallxo.com is reflected on its readership as well, with increasing trend of numbers of viewers noted each year, which may be seen when comparing about 15,000 readers a day in 2013, while in 2019 the number of daily readers is 170,000, with a total of 43 million readers in 2019.

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## II. STRATEGY

The goal of SAEK III is to reduce corruption in targeted Kosovo public institutions, to set up a functioning assets recovery system to identify and repatriate stolen assets, and to more efficiently process and adjudicate corruption cases. The expected outcomes of the SAEK III project will be measured in institutional capacities to deter, detect, sanction and adjudicate corruption and effective civic engagement mechanisms to hold institutions accountable.

The project strategy is anchored on the premise that persistent and prevalent corrupt practices in Kosovo will be drastically reduced by increasing political will to prevent clientelism, control of assets and nepotism and by capacitating strategic public institutions with the tools, systems and knowledge anchored on robust anti-corruption policies and legislation. Investigations, prosecution and adjudication will improve which will lead to reduced conflict of interest and asset declaration. This approach corresponds with the findings from the mid-term evaluation of SAEK 2.

The overall theory of change for the project is that if the legal and strategic framework is in place, and capacities to implement them in a responsive manner, then corruption will be reduced, and stolen assets will be recovered.

This will be achieved through three expected outcomes:

### Outcome 1: Policy, regulatory and monitoring framework on the prevention and suppression of corruption enhanced

The **first outcome** focuses on the implementation of policies, legislation, plans and strategies in line with international standards on anti-corruption in order to enable anti-corruption institutions to oversee integrity and transparency of central and local institutions and of political parties. The **outcome 1 theory of change** is that if selected institutions are supported in implementing policies, legislation, plans and strategies in line with international standards on anti-corruption, **then** anti-corruption institutions will demonstrate an increased compliance with principles of integrity, transparency and improved capacities to suppress corruption. The effective implementation of the policy and legislative framework in gender and inclusive manner **will** close existing loopholes for corruption and ensure increased integrity and transparency.

**Output 1.1** - Policy and legal anti-corruption framework implemented in gender sensitive manner

**Output 1.2** - AC strategy 2020 – 2024 effectively implemented in gender sensitive manner

**Output 1.3** - Anti-corruption Strategy and Action 2024-2028 developed in gender sensitive manner

### Outcome 2: Anti-corruption institutions detect, repatriate hidden stolen assets and process corruption cases effectively

The **second outcome** focuses on strengthening anti-corruption institutions and providing them with the capacity and tools to effectively detect and suppress corruption. The **outcome 2 theory of change** is that **if** relevant anti-corruption institutions operate in line with an improved policy and legislative framework and have improved capacities and tools to detect corruption and suppress corruption **then** these institutions will have the capacities to seize illicit assets and to ensure their repatriation to the public budget.

**Output 2.1** - Anti-corruption institutions have improved tools and capacities to issue charges

**Output 2.2** - Successful adjudication of corruption cases

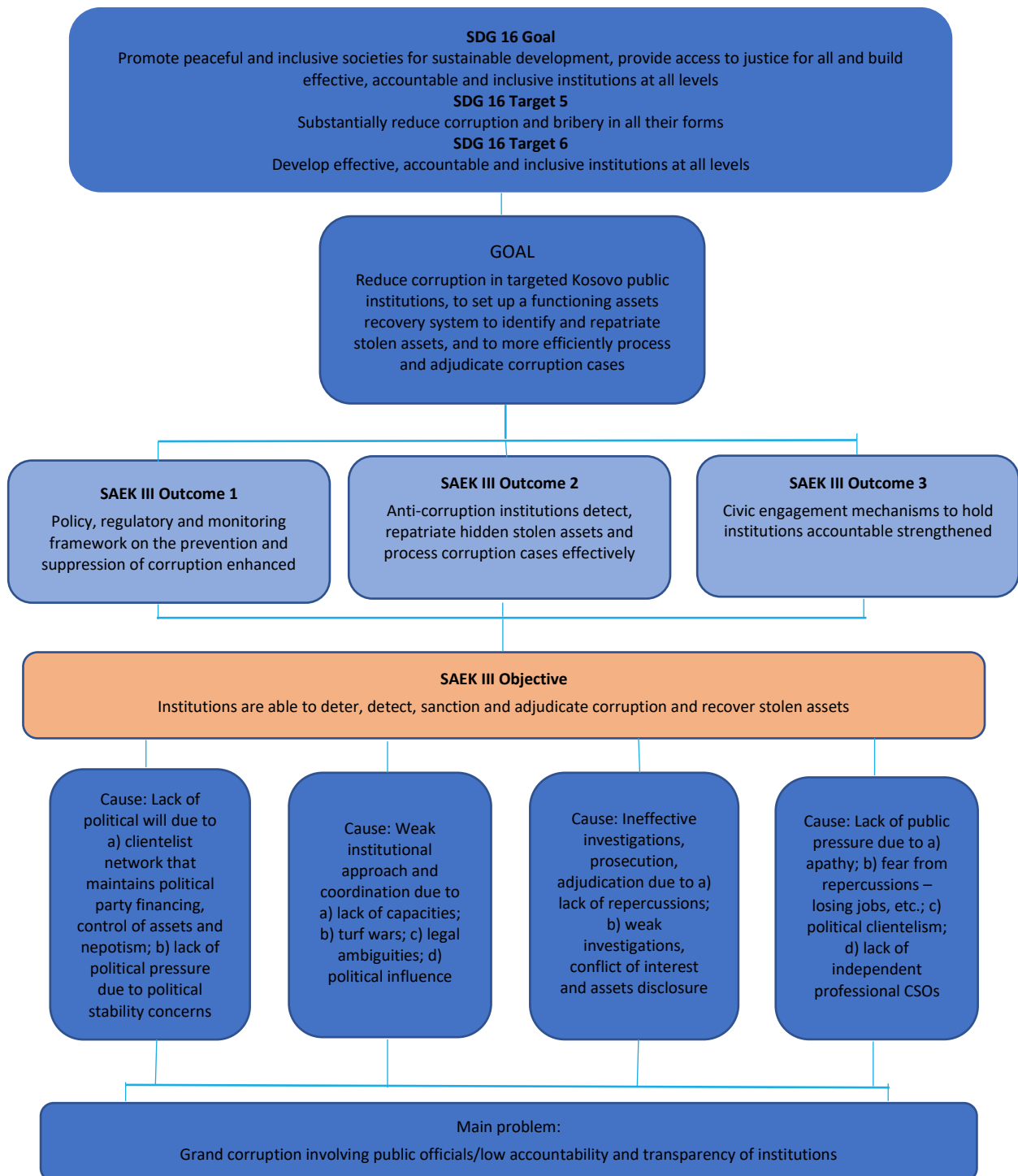
### Outcome 3: Strengthened civic engagement mechanisms to hold public institutions accountable

The **third outcome** focuses on the development of civic engagement mechanisms through initiatives on corruption reporting, referral and monitoring, resulting in increased capacities to hold public institutions accountable and awareness on how corruption is tackled. The **outcome 3 theory of change** is that **if** civic engagement mechanisms are established and used through initiatives on corruption reporting, referral and monitoring, and increased awareness on how corruption is tackled, **then** public institutions will be influenced

to be more accountable to citizens on deterring, sanctioning corruption and transparent in their decision-making processes.

**Output 3.1** - Public institutions are more responsive and effective in resolving cases of corruption brought forth by the public through CSO

### Theory of Change



The project will contribute to the SDC Strategy for Cooperation 2017-2020, Domain 1, Outcome 1.1 Line ministries and supported municipal administrations provide better and more effective services to all their citizens. The national and local assemblies hold their governments to account, legislate in a reform enabling way and foster their constituency relations. As well as Outcome 1.2: Citizens and CSOs use offered and – where necessary – claim spaces for participation in the shaping of public affairs thereby fostering trust between communities and public institutions.

The project will contribute to the Sweden strategy for 2014-2020 for Reform Cooperation in Eastern Europe, the Western Balkans and Turkey, result area 2, Strengthened democracy, greater respect for human rights and more fully developed state under the rule of law.

The project contributes to EU integration enlargement policy, Chapter 23, Judiciary and fundamental rights, and addresses the concerns about the functioning of the rule of law in the regular EU progress reports.

The project will contribute to the National Development Strategy of Kosovo 2016-2021 in all its priority areas where corruption is identified as an issue with impact throughout the strategy. In addition, it will directly contribute to implementation of the priorities of the Anti-Corruption Strategy 2020-2024 (to be revised and endorsed by the Parliament)

The Project outcomes correspond with Agenda 2030 SDG 16 as well as with United Nations Kosovo Team Common Development Plan, outcome 1.1: rule of law system and institutions are accessible to all and perform in a more efficient and effective manner and outputs of the UNDP Kosovo Results and Resources Framework.

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### **III. RESULTS AND PARTNERSHIPS**

#### ***Expected Results***

The project seeks to achieve results that would address key challenges in the policy and legislative, capacities of anticorruption institutions and enhance public demand for accountability through Civil Society engagement.

#### **Outcome 1:**

Enhanced Policy, regulatory and monitoring framework on the prevention and suppression of corruption

#### **Output 1.1 - Policy and legal anti-corruption framework implemented**

Output 1.1 The policy and legal anti-corruption framework is incomplete and unevenly implemented. In terms of corruption prevention, once the amendments to the laws on the Anti-corruption Agency, Public Officials' Assets and Income Declarations and Political Party Financing, and the Anti-corruption Strategy are adopted then the framework will be in place. However, in terms of corruption suppression, conflicting mandates of investigative authorities and lack of political will have hindered legislative implementation in Kosovo. There are deficiencies in the system that prevent the proper implementation of existing tools to prosecute corruption cases as well as overlapping mandates that contribute to uneven handling of corruption and money laundering cases by investigative authorities. Deficiencies in the legal and policy framework include such things as unclear jurisdiction over corruption cases that involve money laundering between the basic and special prosecution; imprecise registration of beneficial ownership of companies; lack of efficient collection and dissemination of financial and criminal data from regulatory authorities to the prosecution; lack of a precise mandate to seize property used by criminals but registered to third persons.

The project aims to remedy this by clearly identifying deficiencies in the system and developing proper rules and procedures to mitigate loopholes that lead to corruption by omission and commission. Further capacity development through on the job\_support will be provided to address these issues in regard to proper

implementation of the anti-corruption laws developed through SAEK II. The project will expose women and men in partner institutions to best practices from the region and beyond to increase understanding of roles and responsibilities for effective and efficient implementation of legislation according to the recommendation of the mid-term evaluation. The project will conduct a comprehensive assessment of the policy and legal framework pertaining to corruption and provide clear recommendations for follow-up to the relevant authorities. Through the established Anti-corruption Action Plan monitoring mechanism (developed through SAEK II), the project will work with the authorities to track and assess progress and provide technical advice on achieving the defined results and how to mitigate and overcome challenges in implementation.

The project experts will work within legislative and policymaking gender balanced working groups so as to jointly develop laws and policies with stakeholders, thereby ensuring both local ownership as well as optimal quality. This approach has proven extremely successful through SAEK II, as it presents minimal costs given that the expertise is provided by SAEK project staff, it ensures that there is ownership given that the work is developed in partnership with the stakeholders, and finally given the SAEK project team's thorough familiarity of the Kosovo legal, social and institutional realities it is ensured that the solutions provided fit best the local context.

Specifically, primary and secondary legislation will be developed on outstanding anti-corruption legislation in line with the UNCAC and Anti-Corruption Strategy. This will entail drafting of a law on corruption prevention that further defines corruption proofing of legislation and integrity plans, and secondary legislation dealing with procedures on reviewing legislation, conducting integrity plans at the local and central levels, exchanging data amongst investigative authorities on corruption cases, investigating PEPs, beneficial ownership of corporate structures and accounts, assets recovery investigations, requests for information from foreign jurisdictions in regard to assets recovery, and the use of recovered stolen assets. The drafting of legislation and sublegal acts will follow a participatory process through which CSOs, the professional public, media and the private sector are consulted, and feedback and recommendations are logged, discussed and elaborated throughout the reading and public hearing processes. The project will provide technical support and guidance to public officials, MPs, independent agencies in fulfilling SDG 16 through legislative drafting, implementation of National Strategies and Action Plans. The project will, jointly with key partners from institutions, CSOs and international actors, carry out a comprehensive review of the anti-corruption regulatory framework, including the Constitution to identify deficiencies and constraints for effective criminal and financial investigations and prosecutions and develop legal prescriptions to dismantle harmful regulations as well as develop a comprehensive assets' recovery guidelines defining scope, mandate and rules of procedure. Simultaneously, the project team will work with Assembly of Kosovo in promoting anti-corruption policies and legislation through public hearings at which CSOs, media, the professional public and the private sector are given the opportunity to voice their assessment of anti-corruption efforts and provide recommendations for policies and recommendations.

Technical support through the project RoL advisor will be provided to the Supreme Court to monitor sentencing guidelines criteria for mitigating and aggravating circumstances pertaining to corruption offenses so as to ensure equal treatment and eliminate actual or perceived corruption in meting out sentences, in line with the recommendation from the mid-term evaluation.

Together with the Basel Institute, RoLAG, the project will develop comprehensive assets' recovery guidelines defining scope, mandate, rules of procedure for the new body. This will be the blueprint by which operations will be conducted, while expertise on case work will be provided to help track down stolen hidden assets domestically and abroad. In terms of increasing international cooperation on assets recovery, the prosecution will be supported in establishing networks and formal procedures for cooperation on identifying assets and returning them to Kosovo.

A survey addressing gender equality related to corruption risks and vulnerabilities in the civil service according to the UNDP methodology will be conducted to ensure gender is mainstreamed throughout the project's work.

This output will ensure that the legal framework is in place and that its implementation is objectively and accurately monitored by public institutions and, in this way, any deviance is tracked, highlighted and dealt with by the relevant authorities in an efficient manner.

#### Output 1.2 - AC strategy 2020 – 2024 effectively implemented

The Strategy for Anti-Corruption 2020-2024 is expected to be endorsed by the Parliament before SAEK III initiation. The strategy is based on the 2018-2022 Strategy that was developed through SAEK II but was not adopted by Parliament due to procedural issues and early elections. The Strategy will be adopted by the incoming authorities in early 2020 and will be mostly based on the 2018 version, however it needs further revisions to reflect the achievements to date since the expiry of the previous strategy and take in to account the policy of the upcoming government on anti-corruption.

The project will provide technical advice and coaching to KACA staff on the implementation of legislation developed through SAEK II and subsidiary legislation developed through the current phase. To achieve this output, the project will facilitate an inclusive consultation process in close collaboration and under the leadership of the Kosovo Anti-Corruption Agency (KACA) to address key strategic priorities. This will be monitored through the implementation of the online tool to monitor progress of strategy implementation, to be established in 2020. Specifically, the project will support KACA to implement its new mandate as prescribed by the new strategy through technical advice and guidance, as recommended by the mid term evaluation of SAEK 2. Through on the job training and anti-corruption learning for institutions based on European best practices. Capacities of KACA will be further developed in a gender sensitive manner. Efforts will be made to increase effective communication between KACA and anti-corruption institutions/budgetary organisations as well.

Prevention mechanisms will be supported through KACA to embed integrity planning in all institutions. The project will respond to the recommendation from the mid-term evaluation of SAEK 2 to support KACA in establishing a centralised system on integrity plans development. Through this mechanism, KACA with the support of project experts, will provide technical advice and coaching to focal points from public institutions with a focus on municipalities and encompassing all minority municipalities throughout Kosovo, including Serb majority municipalities in the North and South of Kosovo. In addition, the project will provide technical support to KACA to put in place a strong online monitoring tool of integrity plans.

The project will also conduct a survey addressing gender equality related corruption risks and vulnerabilities in the civil service according to the UNDP methodology

This will result with increased competence of KACA to effectively monitor the progress of strategy implementation with a gender lens and identify factors in case of gaps in implementation. Regular communication with anti-corruption institutions will be in place resulting with more clarity regarding reporting lines and strengthened accountability of budget organisations. The online monitoring of implementation tool will ensure a more efficient tracking of strategy implementation.

#### Output 1.3 - Anti-corruption Strategy and Action 2024-2028 developed

KACA is expected to initiate the development of the new Anti-corruption Strategy and Action Plan 2024-2028 in 2023. While the current strategy development process demonstrated efforts by KACA to ensure stronger roles and responsibilities for implementation and monitoring, gaps still exist to consider the current strategy was effectively implemented. The same applies in terms of inclusiveness of other stakeholders particularly for the planning of the strategy. The online monitoring tools previously developed by the project and reports generated from it will be the key platform for setting the new strategic direction. The findings from the mid-term evaluation recommend that the project should continue its efforts in digitalizing the tracking and investigation so as to enable key anti-corruption institutions.

The participatory approach for the new strategy development must improve to ensure ownership, gender balance and support of stakeholders during the design and its implementation. With increasing demand for

accountability by the CSOs and the public, KACA will have to strengthen its communication regarding its implementation of the strategy.

In the third year of SAEK III, the project will provide coaching and on the job support through specific expertise for development of the new Anti-corruption Strategy and Action Plan 2024-2028. The online monitoring tool reports will be used to set the new strategic direction and stronger roles and responsibilities for implementation and monitoring. The project will work closely with and under the leadership of central level authorities and KACA to develop the strategy and its action plan in a participatory manner, engaging all institutions, Civil Society and private sector to ensure an inclusive, transparent and gender sensitive strategic development process. This will be done through sector specific working groups that assess deficiencies, risks and provide recommendations for mitigating corruption. The sectoral corruption risk assessments carried out under SAEK I and II will inform the development of indicators, specific targets and the cost the Action Plan that will be later monitored by the KACA. The process will be done in an open and transparent manner, allowing the stakeholders and the public to provide comments and recommendations prior to submission to the central level authorities and the Assembly for review and approval.

A well-informed strategy, with measurable indicators and specific targets, developed in a highly participatory manner will provide for a more effective and efficient implementation. The stakeholders and the wider public will become aware of the progress and challenges during the strategy implementation.

**Outcome 2:** Anti-corruption institutions detect, repatriate hidden stolen assets and process corruption cases effectively

Output 2.1 - Anti-corruption institutions have improved tools and capacities to issue charges

The progress in fighting corruption can be measured based on the number and complexity of issued corruption and money laundering charges. There has been little progress in terms of both quantity and quality of cases causing public dissolution in the work of the judiciary and concerns that cases of grand corruption go unpunished. Capacities of investigative authorities have been significantly improved through the project, however further efforts are needed to improve their use of increased authorities defined in the latest adopted legislation. Regarding judges there remains a lack of understanding of financial crime and assets seizure, causing a high level of acquittals and low levels of assets confiscation. Judges need to be further educated on how financial crime is conducted, legislative novelties and international best practices in the field of assets recovery.

The project expects to have a direct impact in increased new number of issued corruption and money laundering charges, minimum 5% increase and 2 cases per year respectively through targeted training for judges in a gender balanced manner on corruption and financial crime cases, white collar crime and financial schemes used to hidden stolen assets. Regarding investigators, the project will target key officials who have been accredited in fraud examination, to further build their capacities to fully implement their investigative powers authorized through legislative novelties. This will be done through a ToT process, in line with the recommendation from the SAEK II mid-term evaluation. The online platforms developed under SAEK II, such as case management database and assets and income declaration database will be utilised for investigation of politically exposed persons.

The specialised expertise provided under the output 2.1 will contribute to higher quality parallel financial and criminal investigations leading to improved indictments and higher levels of success on final convictions.

Output 2.2 - Successful adjudication of corruption cases

Output 2.1 While capacities of relevant institutions and officials to implement the anti-corruption framework have improved, there is absence of track records of successful prosecution in addressing corruption cases and asset confiscation. This is result of insufficient capacities of investigators and judges to adjudicate



corruption cases. Political influence and alleged corruption has had a major negative impact in the effectiveness and efficiency of the, police, prosecution and courts. Therefore, the empowerment of the law enforcement and judiciary to effectively process and conclude the cases of corruption leading to asset confiscation is crucial for Kosovo institutions to demonstrate progress as part of its anti-corruption efforts.

The project will continue to develop the capacities of women and men in the relevant institutions to effectively implement the anti-corruption framework and establish a track record of successful corruption prosecutions involving the return of stolen assets. The embedded technical expertise will be provided and will focus on enabling the partners and handing on tools to ensure sustainability and avoid capacity substitution, taking in to account the recommendation of the mid-term evaluation of SAEK 2.

In regard to anti-money laundering, the project will continue to focus on implementing measures to effectively monitor financial transactions by Politically Exposed Persons (PEPs) and their associates. Successful investigations of PEPs and their associates require coordination among the FIU (for financial records), KACA (for public officials' assets and income declarations), the Tax Administration (for tax records), the Business Registry (for ownership structures of companies) and the Cadastral Agency (for property records). Throughout the project's activities on supporting successful adjudication of corruption offenses, particular emphasis is placed on streamlining effective intelligence and data sharing utilizing the online tools developed through SAEK II, and the coaching that will be provided through this project. To solidify and make sustainable these efforts, the project will support the FIU in establishing a new Strategic Analysis Department that will be tasked with analysing risks, threats and vulnerabilities within Kosovo in regard to financial and non-financial services used by PEPs. In addition, this new department will be tasked with improving data exchange measures with the KACA online e-declaration system for public officials' assets and income, the cadastral agency and the tax and customs. Through coaching by the project, and support in drafting an SOP, the FIU will have a fully functional Strategic Analysis Department that will proactively combat money laundering involving PEPs through analyses of emerging trends and recommendations for improving investigations and closing gaps allowing misuse of the financial system.

Training delivered through a specialised organisation based on a standardized training curriculum for both new and advanced investigators, to increase the capabilities of investigators to conduct thorough investigations by following the money trail will be ensured. The investigators will be provided with skills to investigate illicit financial flows with the aim to increase the number of high-level convictions and the amount of confiscated assets. SAEK's approach has been, and will continue to be, highly targeted and specialized trainings for financial crime investigators, women and men, on the most appropriate tools needed to track down hidden illicit assets. To achieve this, the project will identify a local organisation and increase its institutional capacity with support of Basel Institute. This will be done through a ToT process, in line with the recommendation from the SAEK II mid-term evaluation.

Specifically, technical expertise will be provided to develop skills for investigations of criminal corruption cases through Basel Institute on Governance expertise on assets recovery. To ensure sustainability, The project will utilise Basel institute expertise to provide institutional building of ROLAG on Anti-corruption and Assets Recovery Policy Support Service, as a national knowledge hub that develops, maintains and updates guidebooks and checklists for conducting financial crime investigations, tracking down stolen assets and offers initial and continuous training (through ToT) to law enforcement agents, oversight bodies and the judiciary.

On the job specialised training of KACA officials and focal points from public institutions will be delivered on the implementation of corruption prevention measures stemming from expanded mandates. Judges and prosecutors will be trained through mentoring, coaching and learning of European best practices on legal provisions pertaining to assets recovery, economic crime. In addition, exchange of knowledge and best practice with other countries that are more advanced on implementation of the measures will be applied.

The project will work closely with the private sector entities as well on anti-money laundering requirements, evaluation of suspicious clients and transactions.

Investigative authorities will benefit from specialised on the job learning in tracking down stolen assets and

training of trainers (ToT) curricula and training programme for new investigators and anti-corruption officials on how to conduct investigations and run cases will be developed.

The Central Election Commission will be supported with technical advice and mentoring in relation to monitoring political party expenditures, donations and setting up a system for the transparency of political party financing so that citizens can easily view and access information on donors to parties.

With increased knowledge for tracking down hidden assets, through communication with foreign jurisdictions in freezing and confiscating Kosovan assets hidden abroad, authorities will be able to return stolen money to its budget and use these resources for much needed investments and infrastructure projects that will improve the lives of citizens. The partnership with the specialised institutions such as Basel Institute, will bring on board the world leaders in assisting local authorities in tracking down assets hidden abroad and development of local organisation specialised capacity to serve as a knowledge hub contributing to the sustainability of the results.

**Outcome 3:** Civic engagement mechanisms to hold institutions accountable strengthened

Output 3.1 - Public institutions are more responsive and effective in resolving cases of corruption brought forth by the public through CSO

While we are witnessing an increase on pressure and demand for accountability in recent couple of years through citizen's reports for corruption and CSOs monitoring reports, the efforts in this direction should be intensified as the best way to influence the political will and in parallel empower the public to engage more proactively in reporting allegations of corruption. The project will continue to work with kallxo.com, established through SAEK I, as a trusted online media platform for reporting corruption cases and monitor the reports and the processing of cases. The project will continue to increase public awareness about the importance to report allegations of corruption through other project activities, as well and will strongly collaborate with civil society in to enable them to hold accountable the authorities. In addition, the project will work at all levels with anti-corruption institutions and through civil engagement to increase reporting on corruption, with a specific focus on youth engagement through targeted awareness raising events with high school students so as to encourage them to report corruption and play an active role in citizen engagement on anti-corruption related policies.

Specifically, the project will strengthen the Kallxo.com research unit to manage the information flow on www.kallxo.com and coordinate follow-up activities with responsible anti-corruption bodies. Simultaneously to that, the project will provide technical support to develop case studies based on cases revealed through kallxo.com to be used to illustrate to investigators real identified cases and to share information among investigative journalists and investigative authorities. Spokespersons from prosecution offices will be trained on public speaking to improve performance and messaging of their work in combatting corruption. The popular TV show "The Prosecutor" will be aired to highlight the work of the prosecution services in uncovering corruption cases. Finally, an online system will be developed to allow kallxo.com to achieve sustainability through receiving funding from citizens and users of the platform.

Civic engagement is likely to contribute to the decrease of the solicitations of bribery leading to reduction of petty corruption and will have an effect influencing policies that minimise grand corruption. In turn, the citizens will feel empowered to demand pro-poor policies, improved services that will ultimately lead to improved livelihoods.

### ***Resources Required to Achieve the Expected Results***

The project will function with the same structure to SAEK II. Namely, an international Chief Technical Adviser, a National Senior Legal Adviser/Anti-corruption Adviser, a Project Manager, one Project Officer, and an Administrative Assistant. The project will be under the umbrella of the Governance and Peace Building programme. The quality assurance and oversight will be provided by the Assistant Resident Representative and Programme Coordinator. The project will draw from the resources available in the Istanbul Regional Hub and expertise available through UNDP's global policy network platform.

In order to strengthen the civil society and citizens' role in the fight against corruption, the project will continue to cooperate with Civil Society Organisations who will, in the role of implementing partners/Responsible parties to deliver specific project outputs. The project identified a number of CSOs who have comparative advantage in the rule of law sector and in promotion of the role of citizens in transparency and accountability of public institutions. Internews Kosova/Kallxo.com platform will continue to contribute enhance citizens' engagement for corruption reporting, the Rule of Law Advisory Group (RoLAG) will work with the project to establish an Anti-corruption and Assets Recovery Policy Support Service and to support the establishment of the Asset Recovery Unit to the Prosecution Office and the Basel Institute on Governance will contribute to capacities for specialized assets recovery.

### ***Partnerships***

SAEK works closely with local and international partners to further the anti-corruption agenda. SAEK organizes regular partnership briefings with key local stakeholders and international partners to ensure that project activities are in line with each other and that opportunities for collaboration are utilized. The platform is a unique venue to discuss policy issues so as to align messages regarding needed reforms, both legal and structural in relation to fight against corruption. The platform also serves as a venue to explore ways to collaborate and support each other's work. This work leads to a more integrated approach among stakeholders in the area of anti-corruption.

In addition to SAEK, which is the largest donor funded anti-corruption project, there are two EU-funded projects active in the anti-corruption sector in Kosovo: the "Further support to Kosovo institutions in their fight against organised crime and corruption" implemented by a consortium led by B&S Europe. It supports Kosovo institutions in the prevention and fight against organized crime, including money laundering, corruption and violent extremism. The "Project against Economic Crime in Kosovo – Phase II (PECK II)" implemented by the Council of Europe aims to strengthen institutional capacities to counter corruption, money laundering, and the financing of terrorism in Kosovo in accordance with European standards through targeted technical assistance and assessments for improving and streamlining economic crime reforms. SAEK works closely with both of these EU-funded projects and coordinates activities, so as to ensure beneficiaries are receiving optimal support and that donor funded efforts support each other in to maximize overall results. Regular consultations with the CoE will continue to ensure complementarity and partnership with the PECK III project (which has a similar four-year timeline to SAEK III). The project and PECK III will coordinate together with the beneficiary's interventions to ensure that our work supports one another and that the outcomes are multiplied. SAEK also coordinates with the USAID TEAM (Transparency Effective and Accountable Municipalities) project in implementing measures derived through integrity plans at the municipal level.

SAEK has strong synergies with other components of the UNDP country programme. This is evident in the substantive corruption risks in all sectors: employment, local public administration, and the environment. SAEK supports policy work, whereby UNDP's other efforts ensure transparency and the delivery of services to vulnerable groups and those most in need. In terms of security sector reform and the environment, UNDP's anti-corruption work contributes to policy dialogue.

### ***Risks and Assumptions***

In order for the project to succeed the four main project partners represented on the project board (Supreme Court, the Office of the Chief Prosecutor, the Anti-corruption Agency, the Financial Intelligence Unit) must continue to play vital roles in combatting corruption with impartiality, professionalism and must strive to build capacities and undergo restructuring so as to enhance their results in preventing and suppressing corruption. Accelerated progress would be possible if greater political will was shown. Thus far external pressure on the part of the international community has kept anti-corruption on the top of policies. It is

assumed that this external pressure will remain, while internal pressure on the part of voters will remain the same or increase during the course of the project. Demonstrated political will would help our four main project partners complete their tasks faster and would ensure accelerated impact of the project.

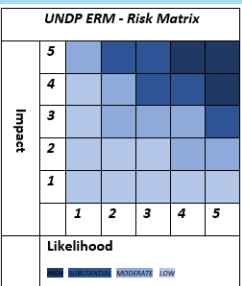
Five risks have been identified and are further elaborated in Annex III, Risk Log.

1. ***Political instability leads to frequent extraordinary elections and extended periods of time with technical central level authorities and a dissolved Assembly:*** Most of the legal and policy framework for anti-corruption will be in place by the beginning of the project, meaning that the lack of speedy adoption of legislation by the AoK will be of limited risk to negatively impact the implementation of activities. Similarly, early elections present a low risk given that most of the policy and legislation on anti-corruption is already in place. Changes in political leadership also present an opportunity for SAEK to present its role and the importance of efforts to create a track record in effectively sanctioning corruption to new authorities. The numerous elections during the implementation of SAEK I and SAEK II were appropriately handled and the project succeeded in redistributing interventions without any notable delays. SAEK III will be less prone to interruptions for political events. Proper monitoring of the implementation of legislation presents a low risk given that the monitoring tools will be in place and that the project will continuously monitor progress through risk assessments.
2. ***Lack of political will to implement laws, policies, and proactively combat corruption:*** Lack of political will to implement anti-corruption legislation and policies remains a high risk, particularly through not allocating enough resources, holding institutions to account in implementing reforms and policies, and frequent turnovers and reassignments of investigative authorities after changes in leadership. Acquittals by Basic Court and Appellate Court judges of corruption cases is also a high risk. Even well drafted indictments and cases run could potentially be quashed or overturned by a judge's interpretation of the law. To mitigate this, the project will educate judges on the severity of white collar crime and monitor the implementation of sentencing guidelines for corruption offenses so as to flag any discrepancies in sentencing that may perhaps indicate poor performance or corruption on the part of judges. SAEK III will continue to work with all key investigative authorities to build their capacities, and to make mandatory specialized training so as to mitigate disruptions caused by reassignments and changes in key positions. Regarding specialized training on assets recovery, participation of investigators presents a low risk given the huge interest in the previous accredited course and the universal support by all heads of Kosovo's investigative authorities. A medium risk exists of prosecutors failing to issue indictments that include money laundering and economic crime charges or proper financial investigations. The project will continue to focus its resources on developing their capabilities to utilize assets recovery and financial investigation techniques (including specialized databases for financial investigations developed through SAEK II) as well as on the policy level to promote the idea that the only effective prosecution of corruption is that which removes the assets illicitly obtained to mitigate this risk.
3. ***Citizens are not sufficiently motivated to report corruption and actively engage in public decision making:*** Lack of participation amongst citizens does not create the desired project impact. Throughout SAEK I and SAEK II there has been a measurable increase in citizen engagement in reporting corruption, and civil society engagement in legislative procedures. It is anticipated that this will continue, however a risk remains that given other political issues Kosovo faces that political discourse and citizens' focus will be primarily on these other matters and corruption will take a subsidiary position in the list of concerns faced by people. SAEK III will continue to support civic engagement and empowerment, a condition in which every citizen has the means to actively engage on transparency and accountability. Through the online platform to report corruption kallxo.com, citizens can exercise their oversight role and influence government anti-corruption agenda. In addition, SAEK III will publicize a gender and corruption survey, all of its activities and will support key institutions in promoting their work.
4. ***Inadequately harmonized and / or competing donor programmes and agendas:*** This risk is evident in many development areas and is visible through insufficiently aligned actions of the key actors (US Embassy, OSCE, CoE, EU and EU funded projects, UK Embassy) in the donor community, resulting in

varied or even conflicting agendas. SAEK II has had success in aligning positions with all key actors, ensuring complementarity of activities and organizing joint activities when appropriate. SAEK III will continue to have regular coordination meetings with key donors and Embassies to align positions on policy matters, and compliment activities (such as ensuring that the same accredited investigators are trained by all development projects in the field). Moreover, institutions such as KACA, FIU and Supreme Court are proactive in setting their agendas and coordinating with development partners so as to avoid overlap.

5. ***Inability to retain core project experts:*** This internal organization risk refers to the SAEK practice of using primarily in-house expertise on interventions pertaining to all three outcomes. As a core conclusion and recommendation of the SAEK II mid-term evaluation, the success of the project rests largely on the ability of the core expert project staff to use the trust and professional rapport with key institutional heads and stakeholders to push through sensitive anti-corruption measures fully in tune with the Kosovo context and mindful of the roll of all relevant bodies in anti-corruption. The core expert project staff – the CTA, and the local Senior Legal/Anti-corruption adviser – have committed to stay fully engaged in the project through its completion to ensure the results of their efforts to build the framework through the earlier stages. The likelihood of this risk is low provided that funding is secured without an interruption between phases II and III.

**Risk Log**

#	Description	Risk Category	Impact & Likelihood = Risk Level	Risk Treatment / Management Measures	Risk Owner
	<p>Enter a brief description of the risk. Risk description should include future event, cause and effects.</p> <p>Risks identified through HACT, SES, Private Sector Due Diligence, and other assessments should be included.</p>	<p>Social and Environmental Financial Operational Organizational Political Regulatory Strategic Safety and Security</p> <p>Subcategories for each risk type should be consulted to understand each risk type (see Enterprise Risk Management Policy)</p>	<p>Describe the potential <b>effect</b> on the project if the future event were to occur.</p> <p>Enter <b>likelihood</b> based on 1-5 scale (1 = Not likely; 5 = Expected)</p> <p>Enter <b>impact</b> based on 1-5 scale (1 = Negligible; 5 = Extreme)</p> <p>Based on Likelihood and Impact, use the Risk Matrix to identify the <b>Risk Level</b> (High, Substantial, Moderate or Low)</p> 	<p>What actions have been taken/will be taken to manage this risk.</p>	<p>The person or entity with the responsibility to manage the risk.</p>
1	<p>Political instability leads to frequent extraordinary elections and extended periods of time with technical central level authorities and a dissolved Assembly</p>	<p>Political</p>	<p>Most of the legal and policy framework for anti-corruption will be in place by the beginning of the project, meaning that the lack of speedy adoption of legislation by the AoK will be of limited risk to negatively impact the implementation of activities. Similarly, early elections present a low risk given that most of the policy and legislation on anti-corruption is already in place.</p>	<p>Changes in political leadership also present an opportunity for SAEK to present its role and the importance of efforts to create a track record in effectively sanctioning corruption to new authorities. The numerous elections during the implementation of SAEK I and SAEK II were appropriately handled and the project succeeded</p>	<p>CTA, SAEK III Project Manager</p>

			L = 5 I = 2	<p>in redistributing interventions without any notable delays. SAEK III will be less prone to interruptions for political events. Proper monitoring of the implementation of legislation presents a low risk given that the monitoring tools will be in place and that the project will continuously monitor progress through risk assessments.</p> <p>The adoption of Law on the Anti-corruption Agency, the Law on Public Officials' Assets and Income Declarations, the Law on Financing of Political Parties as well as the Anti-corruption Strategy and the National Money Laundering Risk Assessment are pending due to early election delay in constitution of the parliament. The project team is in regular communication with key stakeholders to inform them of the importance of timely adoption of these key laws and strategies so as to have quick results in the fight against corruption for the incoming authorities. Once the parliament and central institutions are in place, the laws and strategies are adopted, the impact for this risk will be low since the key policy and legislation will be in place.</p>	
2	Lack of political will to implement laws, policies, and proactively combat corruption	Political	<p>Lack of political will to implement anti-corruption legislation and policies remains a high risk, particularly through not allocating enough resources, holding institutions to account in implementing reforms and policies, and frequent turnovers and reassignments of investigative authorities after changes in leadership. Acquittals by Basic Court and Appellate Court judges of corruption cases is also a high risk. Even well drafted indictments and cases run could potentially be quashed or overturned by a judge's interpretation of the law. To mitigate this, the project will educate judges on the severity of white collar crime, and monitor the</p>	<p>With the current circumstances, following the recent elections, the outcome provides a opportunity for increase in political will to address corruption in a more genuine manner, should an agreement between the two political parties that won the most vote be successfully completed. The project and programme team of UNDP will utilise this momentum to help the authorities execute measures that demonstrate clear political commitment. Discussion in this respect have already been initiated. In the absence of central level authorities and subsequent political</p>	CTA, SAEK III Project Manager

			<p>implementation of sentencing guidelines for corruption offenses so as to flag any discrepancies in sentencing that may perhaps indicate poor performance or corruption on the part of judges.</p> <p>L = 3 I = 4</p>	<p>will, SAEK III will continue to work with all key investigative authorities to build their capacities, and to make mandatory specialized training so as to mitigate disruptions caused by reassignments and changes in key positions. Regarding specialized training on assets recovery, participation of investigators presents a low risk given the huge interest in the previous accredited course and the universal support by all heads of Kosovo's investigative authorities. A medium risk exists of prosecutors failing to issue indictments that include money laundering and economic crime charges or proper financial investigations. The project will continue to focus its resources on developing their capabilities to utilize assets recovery and financial investigation techniques (including specialized databases for financial investigations developed through SAEK II) as well as on the policy level to promote the idea that the only effective prosecution of corruption is that which removes the assets illicitly obtained to mitigate this risk.</p>	
3	<p>Citizens are not sufficiently motivated to report corruption and actively engage in public decision making.</p>	<p>Political</p>	<p>Lack of participation amongst citizens does not create the desired project impact. Throughout SAEK I and SAEK II there has been a measurable increase in citizen engagement in reporting corruption, and civil society engagement in legislative procedures. It is anticipated that this will continue, however a risk remains that given other political issues Kosovo faces that political discourse and citizens' focus will be primarily on these other matters and corruption will take a subsidiary position in the list of concerns faced by people.</p> <p>L = 1 I = 3</p>	<p>The results of the October 2019 elections indicated a resounding desire among voters for change, which in essence means a stronger will to produce results in fighting corruption. It was precisely the desire of voters to see results in fighting corruption that indicates that public commitment to hold authorities accountable to demand elected officials show concrete results. In the case of no agreement for the government coalition between the two most voted political parties, the public focus may shift from issues of corruption to the uncertainty brought by an extended period without constitution of central authorities. The project in this case will maximise efforts to reach out to public through kallxo.com</p>	<p>CTA, SAEK III Project Manager</p>



				and other social media to maintain their interest in the topic. SAEK III will continue to support civic engagement and empowerment, a condition in which every citizen has the means to actively engage on transparency and accountability. Through the online platform to report corruption kallxo.com, citizens can exercise their oversight role and influence government anti-corruption agenda. In addition, SAEK III will publicize a gender and corruption survey, all of its activities and will support key institutions in promoting their work.	
4	Inadequately harmonized and / or competing donor programmes and agendas.	Strategic	This risk is evident in many development areas and is visible through insufficiently aligned actions of the key actors (US Embassy, OSCE, CoE, EU and EU funded projects, UK Embassy) in the donor community, resulting in varied or even conflicting agendas. SAEK II has had success in aligning positions with all key actors, ensuring complementarity of activities and organizing joint activities when appropriate. L = 1 I = 2	During the design of the third phase of SAEK, extensive consultations were held with the CoE and EU (which have plans to implement a project on anti-corruption) to optimize compatibility and ensure there is no overlap. In addition, the project and programme have met with all key stakeholders to discuss their needs and plans for receiving support from donor projects so as to ensure commitment by them to work on the stated activities and outputs in SAEK III. This is to ensure a coherent approach by international actors, as recommended by the mid-term evaluation of SAEK 2. SAEK III will continue to have regular coordination meetings and partnership briefings with key donors and Embassies to align positions on policy matters, messaging, and compliment activities (such as ensuring that the same accredited investigators are trained by all development projects in the field). Moreover, institutions such as KACA, FIU and Supreme Court are proactive in setting their agendas and coordinating with development partners so as to avoid overlap. The project will advise institutions accordingly.	CTA, SAEK III Project Manager

5	Inability to retain core project experts	Organizational	<p>The proper functioning of the project is based on the foundation that key anti-corruption project experts who have a thorough understanding of the complete legal/policy framework and operations of all Kosovo anti-corruption authorities and have gained the trust to work closely with senior officials on sensitive issues remains in place (see SAEK II mid-term evaluation recommendations). The success of the project hinges on the retention of the CTA and the Senior Legal Adviser, without whom expertise would have to be outsourced causing a significant risk of partners rejecting interventions, cessation of work on sensitive issues, and degradation of the quality of outputs.</p> <p>L = 1 I = 5</p>	<p>The project has been conceptualized by the core project experts who have also solicited the commitment of key institutional heads who have agreed to this more robust approach and focusing the new phase on effective assets recovery and implementation of legislation. The CTA and Senior Legal Adviser have invested a huge amount of professional and personal time and capacities to reach this level of trust with beneficiaries and develop an approach that builds on the work of the last phase and will finally produce concrete results that validate all that has been done. Both project experts have committed to stay with SAEK through the end of the next phase to see through the completion of this project and to set up the beneficiaries so as to be fully sustainable upon the completion of the project. Provided that there is no gap in funding between SAEK II and SAEK III, the core project experts will be retained and are committed to stay through the end of the project.</p>	UNDP Assistant Resident Representative
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## Stakeholder Assessment

Prosecution services: A key partner in this project will be the prosecution, given that all criminal investigations are prosecutor led. To date, there have been improved results in the Pristina Basic Prosecution, however the Special Prosecution (SPRK) has underperformed. Most corruption cases are handled by the Basic Prosecution; however, all money laundering cases are under the mandate of the SPRK. In cases in which both money laundering and corruption offenses are involved, the jurisdiction goes to the SPRK, which creates a bottleneck and poor results in assets recovery. Prosecutors have the authority to use joint investigative teams and criminal procedure measures to adequately investigate financial crime, however too often these are not used, and prosecutors rely on evidence gathered by the police. Nevertheless, within the prosecution there are extremely dedicated prosecutors who work on complex cases and involve all relevant investigative authorities in uncovering evidence. These prosecutors need to be further supported and given the resources to conduct their work, while underperforming prosecutors should be professionally evaluated through objective criteria and if necessary, transferred to work on simpler non-corruption or money laundering criminal cases. The project will work extensively with the Basic Prosecution, the Special Prosecution and the Office of the Chief Prosecutor. The Chief Prosecutor will continue to serve as a member of the project board, ensuring full engagement in the project. Prosecutors have presented a willingness and desire to further build their capacities in the field of financial crime investigation and assets recovery.

Supreme Court: The Supreme Court, as the Court of last instance, plays a vital role in ensuring that irregularities that may indicate corruption in lower courts are addressed. Moreover, the Supreme Court may issue guidelines to all judges that sets prescriptions on sentencing and court procedure that play an invaluable role in combating corruption. Indictments of sitting judges for corruption have been issued for all three instances (Basic, Appeal, Supreme), however the indications are that there is a disproportionate amount of risk in the Court of Appeals (second instance). Some judges, particularly those of an older generation, are reluctant to learn about and understand complex financial crime schemes and order assets seizure measures without clear “smoking gun” evidence such as wiretaps and admissions of guilt (which are virtually non-existent in corruption cases). The Supreme Court needs to continue to enhance its role in providing guidance to lower courts, and the judicial system needs improved measures to evaluate the performance of judges. The President of the Supreme Court will continue to serve as a member of the SAEK project board, ensuring engagement in the project. Judges are key players given that the success of prosecutions ultimately rests on the ability of prosecutors to convince judges of the charges raised. This is particularly important in relation to assets recovery, which has been underutilized. The Supreme Court has issued the sentencing guidelines which will be monitored by the project and any trends or instances of discrepancies pertaining to sentences involving corruption offenses will be flagged.

The Anti-Corruption Agency: : The KACA is Kosovo’s primary corruption prevention body tasked with issuing decisions on conflicts of interest, and violations of assets and income declarations by public officials. Its task in these areas is to develop a preliminary investigation using information available. If the results of the preliminary investigation indicates a criminal offense, KACA must immediately hand it over to the police or prosecution. If the preliminary investigation indicates that the offense is a misdemeanour then the KACA continues with the case and issues a decision on its own. This system was designed to help uncover corruptive offenses through utilization of information available to KACA and in this way help law enforcement by providing them with solid criminal complaints. In practice, this often causes delays in criminal investigations and overlap in which KACA is conducting a preliminary investigation and law enforcement a criminal investigation on the same targets. On softer issues such as corruption proofing of legislation, monitoring of integrity plans and monitoring of the Action Plan of the Anti-corruption Strategy, KACA plays a valuable role as an impartial body intended to support public institutions uphold their integrity. The Director of KACA will continue to serve as a Project Board member. The KACA is the lead corruption prevention body in Kosovo and has the mandate to conduct pre-investigations into violations of the Law on Conflicts of Interest and the Law on High Officials’ Assets and Income Declarations. In addition, the KACA will conduct corruption proofing of legislation and monitor integrity plans in public institutions. The KACA also monitors the implementation of the Anti-corruption Strategy and Action Plan and plays a key role in drafting anti-corruption policy documents. Given the substantive amendments to the laws defining the scope of work

for the KACA, the project will work closely with officials to ensure that they are capable to implement their new mandate, as well as to educate public officials and citizens of their rights and responsibilities stemming from the legislation changes.

Special Department of the Basic Court in Pristina: The newly created department that deals with SPRK cases is of great importance for the successful implementation of SAEK interventions. Although still too early to assess the success of this body, the intention of placing corruption and money laundering cases within a specialized body comprising of judges who are familiar with these types of complex cases is highly commendable. Moreover, capacity building of the judiciary in terms of imparting knowledge on how complex financial crime schemes are undertaken and how illicit assets are hidden is greatly improved now that interventions can primarily targets the judges of this department. The project will work closely with this Department and engage with its judges in all efforts related to the successful combating of corruption and asset recovery.

The Financial Intelligence Unit: The FIU is the primary financial intelligence gathering body. Its role is that of a conduit of intelligence from the financial and non-financial sector to law enforcement. The information it receives and analyses through Suspicious Activity Reports (SARs) and Suspicious Transaction Reports (STRs), is to the greatest extent the biggest trigger for initiating money laundering cases and cases involving corruption and Politically Exposed Persons (PEPs). The FIU still functions in gathering and assessing data, and would benefit extensively by improved capacities to conduct strategic analysis of trends allowing proactive investigations. The prosecution would benefit greatly by tapping into the wealth of knowledge and information in the FIU through using FIU analysts in joint investigative teams, particularly those that involve assets recovery measures. The Deputy Director of the FIU will continue to serve on the Project Board. The FIU plays the central role in gathering and analysing financial intelligence and providing this to investigators. The project will work closely with FIU officials in coordinating their work with other agencies as well as with educating the private sector to better identify and report suspicious clients and transactions.

Kosovo Police, Tax Administration, Customs Administration: All three investigative bodies contain invaluable information and evidence pertaining to criminal and financial records. The prosecution relies on requesting information from these bodies to conduct their investigations. However, often prosecutors do not know what to ask for or are imprecise, causing these three bodies inability in providing the right information to prosecutors to conduct corruption investigations. Moreover, the paper-based system by which prosecutors' request information from these three bodies allow a large number of people access to confidential information containing names of targets and witnesses. This in turn has caused significant leakage to the media of ongoing investigations allowing targets to hide their illicit assets better and avoid prosecution and confiscation measures. Steps need to be taken to illuminate leakages and those that leak and publish confidential information allowing criminals to avoid sanctions should be punished. Officials from these investigative authorities will be beneficiaries to the project. Officers from these bodies comprise key roles in joint investigative teams and as such will be trained on financial investigations and assets recovery (initial and continuous training).

Assembly of Kosovo: The AoK Committee on Legislation and Oversight over the Anti-Corruption Agency plays the key role in monitoring the work of the KACA, discussing and reviewing anti-corruption policies and laws and informing the public through public hearings. Over the course of the previous phase of the project, the Committee has vastly improved its monitoring role over the KACA and its use of public hearings. This momentum must be kept after the constitution of the new parliament and new MPs as members of the committee. The vital dual role of monitoring and holding to account the KACA as well as informing the public through open hearings must be kept in order to ensure a properly functioning anti-corruption system. The project will continue to work closely with them and support public hearings to address anti-corruption issues that would benefit from public dialogue and informed opinions.

Central Electoral Commission: The CEC is the monitoring authority for political parties and will be mandated with monitoring political party financing (both regular and campaign expenditure reports). The body lacks both the human resources and the legal mandate to conduct any proper monitoring of political party financing. This results in a lack of transparency for voters who are unaware of how politicians may be influenced in their decision making by financial interest. More worryingly, the lack of proper oversight allows the possibility of embezzlement, money laundering and corruption in the issuing of tenders to companies affiliated with donors to political parties. The Law on Political Party Financing requires a thorough overhaul to bring it in line with international standards and complete Kosovo's anti-corruption legal framework. A law

put forward in 2019, drafted with the support of the SAEK project, was heavily amended in parliament to remove proper oversight and monitoring and would have resulted in continued gaps allowing corruption. Due to heavy pressure by the EU and a large coalition of CSOs who staged large protests, the amended draft was removed from procedure and indications are that the initial draft (supported by SAEK and in line with the Venice Commission Opinion) will be re-tabled by the newly constituted parliament. The CEC, once the legal amendments are adopted, will be a vital role in anti-corruption. The project will work with the CEC and political parties to increase transparency of political party funding and expenditure, particularly as it intersects with procurement fraud, money laundering and the recovery of stolen assets.

Civil Society: CSOs play a vital role in influencing public opinion and holding accountable the public sector. However, the plethora of CSOs in Kosovo has created a situation in which some CSOs are used for political purposes and diffuse anti-corruption messages. CSOs have also been misused for money laundering purposes by which they are awarded grants from public institutions with little oversight over spending and with the purpose of funnelling money to individuals connected to politicians. It is important to support and engage with professional and objective CSOs so as to ensure that their voices are heard. The project will engage with civil society through inclusion in policy making, public hearings and presentations of reports so as to enable greater public pressure and engagement on transparency and accountability issues. In addition, the Project will cooperate with the main implementing partner, Internews Kosova, to organize a series of lectures to high school students, throughout the Municipalities, including the non-majority communities, in coordination with the relevant Municipal education directorates and Ministry of Education, to raise the awareness of students on corruption, and educate them on ways to prevent corruption through reporting and civil engagement.

International partners: The Council of Europe PECK project works with the FIU and the KACA on anti-corruption matters, while the EU-funded project “Further Support to Kosovo Institutions in the Fight Against Organized Crime, Corruption, and Violent Extremism” works with the police, prosecution and the FIU. SAEK maintains regular contact and coordination with these two projects (the only two other large anti-corruption projects in Kosovo), and provides assistance, technical support (including serving as board members, members of working groups and providing peer reviews of reports). Cooperation with these two projects has been optimal and SAEK will continue to work closely with them and the beneficiaries to maximize efforts. The CoE implemented PECK project is expected to be continued for an additional phase which would coincide with SAEK III. Several beneficiary institutions overlap, including KACA, the police, prosecution and FIU. Coordination has been maintained during the development phases of both projects to ensure complementarity and avoid overlap. Moreover, each of the beneficiaries understands the scopes of these projects and has defined which activities will be done with SAEK. Continuous coordination through regular meetings and the partnership briefings will be maintained so as to ensure that development projects maintain complementarity throughout their respective implementation phases. In addition, the USAID TEAM project deals with increasing transparency of municipalities on public procurement. This project has close ties to SAEK in the field of supporting the implementation of anti-corruption measures developed with SAEK’s support at the local level. The project will cooperate closely with all international actors engaged in AC to increase the political leverage and clout required to move ahead with effective implementation of the project, in line with the mid-term evaluation recommendations.

The public: Ultimately, the main beneficiary of the project is the public. Through improving anti-corruption efforts, the public will increase trust in institutions and demand accountability by officials. The project will engage the public as much as possible for them to understand the importance of anti-corruption efforts, and through Kallxo.com actively engage in anti-corruption efforts.

### ***South-South and Triangular Cooperation (SSC/TrC)***

The project will maximize the use of good practices from the region. USKOK, the special prosecution of Croatia has been the model for much of the investigative procedure reforms undertaken by SAEK and the relations developed between USKOK and the Kosovo Prosecution through SAEK will be maintained and increased so as to ensure cooperation and support. Likewise, the collaboration between the Albanian High Inspectorate for Auditing Assets and Income Declarations and the KACA, developed through SAEK, will be maintained and expanded so as to ensure that best practices in the transparency of declarations and coordination with investigative authorities is provided on the basis of exchanges of experience. In addition, SAEK III will continue and increase its work with the private sector through guidance notes and feedback channels with private banks and other financial institutions that are required to submit information

regarding suspicious clients and transactions. The project will facilitate anti-corruption learning for institutions based on European best practices. The project will also utilise UNDPs global advisory platform to support south-south cooperation in a more effective manner.

### ***Knowledge***

The project will develop specialized knowledge products to guide financial crime investigations and assets recovery as well as monitoring reports to flag potential deficiencies and bottlenecks in legislative and policy implementation. Regarding financial crime investigations and assets recovery, the project will develop toolkits, SOPs, course materials for initial and continuous professional training. Moreover, the project will draw from services of Global Development Service Platform as well as from the services of the Istanbul Regional Hub of UNDP. The project will apply the approach prescribed by the 6 signature solutions. Signature solution 2: Strengthen effective, inclusive and accountable governance, recognizes Inclusive and accountable governance systems and processes are as crucial to sustainable development and human security, focusing on supporting diverse pathways towards peaceful, just and inclusive societies, building on SDCs, SIDA's and UNDP comparative advantage and long track record in governance reform. Some development contexts may require support for core governance functions, establishing local service provision for clean environment, rule of law, and access to justice, especially for the poor and more vulnerable. For monitoring of implementation, the project will conduct a comprehensive legislative framework review, institutional and sectoral risk assessments, and reviews of the level of implementation of the UNCAC and Anti-corruption Strategy and Action Plan. Some of these will be drafting in partnership with local authorities and as such will be marked as confidential. However, in cases in which the project assists on documents marked confidential, the work itself will be promoted through social media and when appropriate the issuing of executive summaries, when permissible. On all other documents, the project will publicly promote the works, and will use its close coordination with the AoK Committee on Legislation and Oversight over the Anti-Corruption Agency to promote these reports through public hearings with relevant authorities, civil society and the media.

### ***Sustainability and Scaling Up***

The project will be fully aligned with the 2020-2024 Anti-corruption Strategy and Action Plan, and will be significantly engaged in the development and drafting of the 2024-2028 Strategy – through which all anti-corruption related activities will be monitored. Moreover, the activities envisaged in this project directly derive from the 2019 UNCAC Gap Assessment that serves as a guideline for the Kosovo authorities in ensuring the implementation of effective corruption legislation. Monitoring will be done on two internal levels and one external level. Namely, by the SAEK II developed monitoring mechanism of the AC Strategy for the KACA, public hearings of the AoK supported by SAEK, and SAEK monitoring of the implementation of AC legislation through risk assessments and a comprehensive legal review. The specialized training provided by the project will be institutionalized through the local accreditation agency, as well as through developed train the trainer programmes and curricula for continuous and initial training of financial crime investigators that will be handed over to the local authorities to ensure that investigators are trained regardless of rotation and promotion of officers. Kallxo.com will continue to provide services to those that wish to report corruption allegations through this channel. A local institution will serve as a policy and support service for anti-corruption and assets recovery through providing expert technical advice and serving as a knowledge hub. Upon the completion of the project two bodies will remain as functioning locally owned entities: The Anti-corruption and Assets Recovery Policy Support Service, within a local CSO; and Kallxo.com as part of Internews Kosova. The former will serve as the locally supported central body for anti-corruption and assets recovery policymaking and continuous training, while the later will continue to provide a public service for whistle-blowers and inform the public so as to influence political will to continue to make progress in eradicating systemic corruption from Kosovo. The Policy Support Service will also coordinate donor support in the fields of corruption suppression, financial crime investigation and assets recovery through maintaining in its repository databases of courses, curricula, lists of attendees so as to ensure all donors are optimally using resources to train the right investigators on pertinent topics. An assets recovery office will be established within the Office of the Chief Prosecutor and fully staffed with permanent posts.

## Exit Strategy

The project implementation will take in to account the sustainability the systems put in place throughout phase 2 and 3 of SAEK. The project will ensure that key stakeholders such as the Kosovo Anti-corruption Agency are supported in increasing their capacity to implement its expanded mandate in line with the Law on Anti-corruption Agency and the Law on High Officials Assets and Income Declarations. A ToT approach to increase the sustainability of the KACA and investigative authorities will be utilized.

Effective monitoring of implementation of the Laws and strategies will be established, and capacities will be developed accordingly.

Develop a step-by-step approach ensuring a smooth transition from UNDP-driven to nationally driven approach to integrity plans. This approach should focus on increasing the sustainability of existing integrity plans, in particular, linking them with the budgets of the relevant institutions and communicating the new approach to institutions.

By the end of SAEK 3, the approach to corruption proofing, sentencing guidelines, PEPs typology, E-tools and capacity for implementation of the legal and strategic approach will be in place.

The project will collaborate with a local institution, the Rule of Law Advisory Group (RoLAG) as a responsible party, to establish an Anti-corruption and Asset Recovery Policy Support Service. The organisation will contain a repository of documents regarding national and international anti-corruption strategies, policies, legislation and procedures which can be accessed by public officials, as well as serve as the locally supported central body for anti-corruption and asset recovery policy-making and continuous training. This body will also coordinate donor support in the fields of corruption suppression, financial crime investigation and asset recovery through maintaining in its repository databases of courses, curricula, lists of attendees so as to ensure all donors are optimally using resources to train the right investigators on pertinent topics. It will also develop a monitoring capacity to ensure that all investigators have completed required assets recovery, financial investigation accredited courses and are regularly retrained and recertified.

The services provided by kallxo.com will continue to be relevant and necessary for the public, particularly in terms of informing the public through investigative journalism pieces based on allegations of corruption reported to the online platform. Kallxo.com will explore marketing opportunities to make these services sustainable. Currently, KALLXO.com funding is entirely donor based, whilst having business or advertising support to such a sensitive and complex project is nearly impossible due to strong ties of businesses with crime and corruption. Bearing in mind that gradually donors will leave Kosovo and the existing support may not last past the end of SAEK III, Internews Kosova, aims to develop a funding strategy which aims to see kallxo.com starting to generate funds from other sources and not relying only on donors. Therefore, based on the high credibility and support that the platform enjoys amongst citizens, Internews Kosova will also channel its request for contributions directly to the citizens. Internews Kosova plans to initiate a Research, Development and Promotion segment for a new subscriber model in the first year of the project, which aims to establish a community of loyal readers and citizens willing to financially contribute to the investigative and publishing work of KALLXO.com. This aims to ultimately encourage several thousands of loyal citizens to gradually start pre-paying for KALLXO.com publications and by the third year of the project to contribute to Internews Kosova's activity funding. In addition, the project will work with the central and local authorities to explore possibilities for public funding for kallxo.com to ensure sustainability and that this core function is supported by the public sector.

The Assets recovery office, within the prosecution service, will be a fully functional operational unit specialized in tracking down hidden stolen assets and will have a track record of collaboration with foreign jurisdictions established through this project. The technical adviser tasked with supporting investigations

and tracking down hidden stolen assets domestically and abroad will in the first two years of the project be heavily engaged in case work, while in the last two years they will have a mentoring and advisory roll aimed at handing over all responsibilities to the office. By the end of the project this office will conduct all investigations on its own and require only regular advanced training on emerging trends in financial crime.

The Financial Intelligence Unit will have an established Strategic Analysis Department tasked with analysing global and local trends in financial crime involving PEPs, money laundering, so as to ensure that Kosovo's investigative authorities are prepared to deal with new challenges as they emerge. Setting up the SoPs, coaching and training will have been completed in this phase which would ensure that the department is a stand-alone and fully functioning integral part of the FIU's work, capable of exporting its knowledge to Kosovo's law enforcement bodies.

The KACA will be coached and trained on its new mandates, insuring that it can properly implement the laws under its authority and provide opinions and advice on corruption prevention to all public institutions. The KACA will have had coaching and support on 2 subsequent cycles in drafting Anti-corruption Strategies and Action Plans, enabling it to undertake these future exercises on its own. In terms of monitoring implementation of the Strategy, the fully functioning e-tool for monitoring the Strategy will have been tested and used throughout the implementation of the strategy. The e-declaration system for public officials' assets and income will have been tested through annual declaration cycles and fully utilized in parallel to the case management system. The unit for corruption proofing of methodology will have been created and will have undertaken the review of a large number of primary and secondary legislation with the project's coaching, allowing it fully take responsibility for this mandate. In terms of monitoring integrity plans and coaching public institutions, the agency will have utilized the online monitoring tool and been exposed to the project's coaching and will by the completion of this project be ready to implement this role independently.

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#### **IV. PROJECT MANAGEMENT**

##### ***Cost Efficiency and Effectiveness***

SAEK III activities are aligned with Kosovo's Anti-Corruption Strategy and other strategic documents of relevant institutions working on the field of anti-corruption, to ensure the highest commitment from the authorities to participate and facilitate the implementation of the project. The external independent evaluation conducted in 2018 for the SAEK II project showed that there is a high demand to strengthen institutional capacities to deter, detect and sanction corruption involving institutions and public officials. Moreover, the amended legislative and policy framework is expected to be adopted by the end of 2019, whereby the new Anti-corruption Strategy 2020-2024 and new Law on KACA will equip KACA with the mandate to monitor their implementation. SAEK II delivered results in all three outcomes with the aim to provide more effective anti-corruption institutions oversight over public institutions, online tools for transparency were developed, as well as improved civil society awareness to seek transparency and accountability of public institutions. According to this evaluation, the project design has allowed for substantial degree of flexibility required to address different and emerging needs of key stakeholders and beneficiaries. There are few donors and international organizations providing support to the anti-corruption agenda. The coordination between the players was well established during SAEK II and the activities of SAEK III will be coordinated with the other ongoing projects in the field of anti-corruption in order to avoid any duplication of efforts and maximize results through strategic cooperation.

If the policy and legislative anti-corruption framework is fully in place, then the women and man in targeted institutions will have proper mandates to sanction and prevent corruption. The SAEK II project has been the only project in Kosovo that uses its own staff to draft anti-corruption policies and laws. This approach has eliminated the risk of parachuting foreign laws or good practices without tailoring them to the local context and needs – which has been criticized by Kosovan authorities and has required frequent redrafting of laws that cannot be implemented. The project staff are thoroughly familiar and engaged in the entire anti-corruption framework through their work on the political level with MPs, ministries to that of investigators



with whom they work on improving casework. SAEK is also the only project that works with all institutions involved in anti-corruption (central, local, police, judiciary, tax, customs, FIU, private sector, CSOs, parliament) which ensures that the full scope is taken into account in drafting policies and laws. This allows SAEK to have the most optimal impact in the most efficient manner.

If the targeted anti-corruption institutions' capacities are developed in a gender sensitive manner to undertake thorough financial crime investigations, then the amount of assets recovered will increase and will in turn be used for budgetary spending that will improve the lives of women and men in Kosovo. SAEK targets its capacity building trainings to only key investigators who deal with investigating financial crime and have been accredited in fraud examination through the project. Rather than having one-off three-day trainings, SAEK engages exclusively in longer training programmes that test the knowledge of the participants of both genders.

If citizens are provided instruments to report corruption and are engaged in anti-corruption initiatives, then political pressure will ensure that the central level authorities allow the anti-corruption bodies to work unimpeded and provide them with the necessary support both financial and political. The kallxo.com platform has proven to be the most responsive and trusted avenue for reporting corruption and provides an invaluable service to the public in informing them of allegations of corruption. Civil society plays the most important role in increasing citizen engagement through empirical, factual and objective work on anti-corruption rather than one off awareness raising campaigns that have limited impact in relation to the amount of resources spent. That is why SAEK works with key CSOs that have a proven track record in objectively working on anti-corruption measures that improve peoples' lives.

The project is positioned within the Governance and peace Building Portfolio programme in UNDP. Under the leadership of the Assistant Resident Representative and Programme Coordinator, the programme team and the operations team will provide quality assurance, ensure synergy with other ongoing projects and enhance partnerships. The teams will ensure efficient procurement and other contracting modalities based on thorough market research.

### ***Project Management***

The management of the project will be carried out by the UNDP SAEK Project Team in Kosovo within the overall framework of the UNDP Kosovo Programme Action Plan in a Direct Implementation Modality (DIM). UNDP shall be responsible for the overall management and administration of the project, primarily with regard to the responsibility for the achievement of the outputs and the stated outcome. Similarly, UNDP will be accountable to the Project Board for the use of project resources. UNDP will delegate managerial duties for the day-to-day running of the Project to the Project Manager.

In addition to the Project Board, the Assistant Resident Representative & Programme Coordinator of UNDP, Chief Technical Advisor and Anti-corruption and RoL advisor will partake in work of a joint coordination group between UNDP and other project donors, thereby ensuring programmatic monitoring. The project team will monitor progress towards the programme's objectives from a social and gender inclusiveness perspective and report accordingly.

The Project Manager has the authority to run the project on a day-to-day basis on behalf of the Project Board within the constraints laid down by the Project Board. The Project Manager is responsible for day-to-day management and decision-making for the project. The Project Manager's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost. The Project Manager will report directly to the UNDP Assistant Resident Representative & Programme Coordinator.

The project staff will be located within the UN Common Premises in Pristina.

## ***Project Quality Assurance***

Quality Assurance is provided by the UNDP programme team supporting the project team by ensuring appropriate project management milestones are managed and completed. Quality Assurance and oversight responsibilities lie with the Assistant Deputy Resident Representative due to the comprehensive nature and the complexities of the project. The remaining roles and responsibilities will be assigned in line with the needs arising from the implementation of the project.

Based on the last 2018 Mid-term Evaluation of the SAEK II Project<sup>9</sup>, the implementation of activities has transformed available resources while using efficient approaches that lead to intended results. Particularly, the technical advice provided by project staff in the drafting of essential policy and legislation such as the new inclusive anti-corruption strategy and the law on political party financing led to efficiency gains. This is due to the fact that resources for external consultants have been saved, with the project team's deepening relations with key stakeholders, efficiently used their expertise in providing technical advice. Based on the evaluation, this approach is particularly efficient as it resulted in high quality deliverables and the expected quantity due to participatory approaches and high-level technical input.

In terms of efficiency of available resources to achieve the expected results, the Project will continue to use technical experts based in key institutions to provide advice and mentoring as a demonstrated efficient approach. Additionally, the technical experts provide the project team with day-to-day information about the needs and functioning of the institutions. This approach will allow the project team to address the needs of the institution in a tailor-made and timely manner, hence contributing to the quality of the implementation. Moreover, as emphasized by the mid-term evaluation report, the approach of the project to provide tailor-made long-term training courses to prosecutors and investigative authorities to specialize on handling corruption cases and other anti-corruption bodies was found to be an efficient way to achieve the intended results with the available resources.

### ***Audit arrangements***

The Project is subject to standard UNDP audit arrangements. Being a subsidiary organ of the UN General Assembly and fully a part of the United Nations, UNDP enjoys a special status deriving from the UN Charter, the general legal framework of the UN, including the privileges and immunities enjoyed by the organization pursuant to the Convention on the Privileges and Immunities of the UN adopted by the General Assembly in 1946. In accordance with this status, audits of UNDP are guided by the 'single audit' principle. Under that principle, any review by any external authority, including any governmental authority, is precluded under regulation 7.6 of the Financial Regulations and Rules of the United Nations<sup>10</sup>, which provides that "the Board of Auditors shall be completely independent and solely responsible for the conduct of audit." This principle was reaffirmed by the General Assembly in its resolution 59/272: "The General Assembly [...] 11. Reaffirms the role of the Board of Auditors and the Joint Inspection Unit as external oversight bodies, and, in this regard, affirms that any external review, audit, inspection, monitoring, evaluation or investigation of the Office can be undertaken only by such bodies or those mandated to do so by the General Assembly".

### ***Financial management***

Financial management of the project will be conducted under UNDP Financial Regulation and Rules (FRR)<sup>11</sup>. FRR are regulations that govern the financial management of the United Nations Development Programme and shall apply to all resources administered by UNDP and to all the Funds and Programmes administered by the Administrator. They ensure acceptable levels of controls, as well as separation of duties. The FRR govern the broad financial management of UNDP and the funds administered by UNDP, including the

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<sup>9</sup> SAEK II Mid-term Evaluation Report, January 2019;

<sup>10</sup> Financial Regulations and Rules of the United Nations at: <https://i.unu.edu/media/ehs.unu.edu/page/445/UN-Financial-Rules-and-Regulations.pdf>;

<sup>11</sup> UNDP Financial Regulation and Rules (FRR), at: <http://web.undp.org/execbrd/pdf/UNDPFinRegsRules.pdf>

budgeting and accounting of resources. They have been updated to reflect the adoption of IPSAS and its terminology; and the revised harmonized cost classifications of the Joint report of UNDP, UNFPA and UNICEF on the road map to an integrated budget. Financial reporting mechanisms for SAEK III will be in compliance with the UNDP rules and procedures<sup>12</sup> and also in conformity with the reporting requirements of the donors. In addition to periodical financial reports, ad-hoc reporting will be also utilized as per the request of each respective donor.

***Intellectual property rights and use of logo***

Project materials, publications, print or digital deliverables will be branded by the relevant UNDP logo and typography (subject to corporate brand-book) and the logo of the donor. All intellectual products produced under the SAEK III Project will be equipped with a standard UNDP intellectual property right disclaimer and, at discretion and agreement with the donor, the donor's logo may be placed into creative commons.

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<sup>12</sup> UNDP Rules and Procedures at: <https://popp.undp.org/SitePages/POPPRoot.aspx>

## V. RESULTS FRAMEWORK

**UNDP Strategic Plan** relevant output:

Output 1.2.3: Institutions and systems enabled to address awareness, prevention and enforcement of anti-corruption measures to maximize availability of resources for poverty eradication

UNDP Results and Resources Framework for Kosovo:

Outcome 1: Rule of law system and institutions are accessible to all and perform in a more efficient and effective manner

Output 1.1 Perception of corruption reduced in the public

**Project title:** Support to Anti-corruption Efforts in Kosovo III (SAEK III)

**Project's Goal:** reduce corruption in targeted Kosovo public institutions, to set up a functioning assets recovery system to identify and repatriate stolen assets, and to more efficiently process and adjudicate corruption cases.

**Outcome 1:** Policy, regulatory and monitoring framework on the prevention and suppression of corruption enhanced

**Indicators:** # Anti-corruption laws, strategies developed

**Baseline:** 0

**Target:** 3 Laws; 2 Strategies

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)					DATA COLLECTION METHODS & RISKS
			Value	Year	Year 1	Year 2	Year 3	Year 4	FINAL	
<b>Output 1.1</b> <i>Policy and legal anti-corruption framework implemented in gender sensitive manner</i>	<i>1.1.1 Number of anti-corruption policies and laws (bylaws, regulations, SOPs) adopted in line with the UNCAC and relevant international standards, and gender balanced by 2024</i>	<i>Official gazette and internal reports</i>	3	2019	2	2	2	2	8	<i>Based on the 2019 UNCAC GAP Assessment, EU Annual Reports, KACA reports adopted and pending anti-corruption legislation will be evaluated against the intended impact. A risk remains that some pending legislation and policies will not be adopted timely due to political circumstances, however support to the implementation of existing</i>

										legislation/policies will continue.
Output 1.2: AC strategy 2020-2024 effectively implemented in gender sensitive manner	1.2.1 Percentage of measures implemented in gender sensitive manner, of the Action Plan of the Anti-Corruption Strategy 2020-2024 by 2023	Report of the Kosovo Anti-Corruption Agency	0	2019	25%	25%	25%	25%	100%	The online tool for monitoring the implementation of the AC Strategy will clearly indicate progress achieved, measure the effectiveness of implementation and flag potential bottlenecks.
	1.2.2 # Municipalities and local institutions adopt KACA integrity plans	KACA Integrity Plan online database	0	2019	5	5	5	5	20	Reports generated through KACA's online database of integrity plans developed by SAEK II
Output 1.3 Anti-corruption Strategy and Action 2024-2028 developed in gender sensitive manner	1.3.1 Anti-corruption Strategy and Action Plan 2024-2028	Official Gazette and internal reports	0	2019	1	0	0	1	2	SAEK III will again support the development of the new Strategy and Action Plan and ensure that it is submitted on time. Due to an ever-increasing backlog on the AoK agenda, a risk remains that the AoK again does not adopt it on time.
<p><b>Outcome 2: Anti-corruption institutions detect, repatriate hidden stolen assets and process corruption cases effectively</b></p> <p>1. Indicators: Corruption charges issued</p> <p>Baseline: 1,247 cases, involving 2,319 persons (2018)</p> <p>Target: % 25 increase by 2024</p>										
Output 2.1 Anti-corruption institutions have improved tools and capacities to issue charges	2.1.1 Number of new cases issued on corruption charges	Court and prosecution records	1,247 cases, involving 2,319 persons	2018	+5% on the previous year	+10% on the previous year	+15% on the previous year	+20% on the previous year	+50% on the 2018	Data on court cases and issued indictments are issued by the relevant courts and prosecution offices regularly. Given the low level of confiscated assets and economic crime indictments a marked increase should be visible after the interventions.

	2.1.2 Number of new cases issued on money laundering charges	Court and prosecution records	6 cases, involving 12 persons	2018	8 cases	10 cases	12 cases	14 cases	44 cases	Ibid.
	2.1.3 Number of individuals investigated through e-platforms	Internal reports from the Prosecution, FIU, KACA	20	2018	50	75	100	100	325	The Prosecution, FIU and KACA have records of cases initiated through their respective online platforms and can provide this information in numeric form.
	2.1.4 Number of investigators, women and men, specialized in assets recovery investigative techniques	Internal reports from the Prosecution, FIU, KACA, Tax, Customs authorities	43	2019	50	50	50	50	200	Licenses issued by the relevant local authority.
<b>Output 2.2</b> Successful adjudication of corruption cases	2.2.1 Amount of preliminary assets confiscated	EU Annual Report, Court and prosecution records	€ 28 million	2018	+5% on the previous year	+10% on the previous year	+ 15% on the previous year	+ 20% on the previous year	+ 50% on the 2018	Data on court cases and issued indictments are issued by the relevant courts and prosecution offices regularly. Given the low level of confiscated assets and economic crime indictments a marked increase should be visible after the interventions.
	2.2.2 Amount of final assets confiscated	EU Annual Report, Court and prosecution records	€ 27,000	2018	+5% on the previous year	+10% on the previous year	+15% on the previous year	+20% on the previous year	+50% on the 2018	Ibid.

**Outcome 3:** Civic engagement mechanisms to hold institutions accountable strengthened

Indicators: Cases of corruption identified, filed and convictions made widely public by kallxo.com

Baseline: 852 Cases (2018)

Target: 200% Increase

<b>Output 3.1</b> <i>Public institutions are more responsive and effective in resolving cases of corruption brought forth by the public through CSO</i>	3.1.1 % of cases processed by Kallxo.com	Kallxo reports	27.3%	October 2017-December 2018	30%	30%	30%	30%	30%	30% (of the total cases)	Kallxo.com reports on the progress of all cases regularly.
	3.1.2 number of sanctions (administrative and criminal) issued by relevant authorities by 2024	Kallxo reports	64	October 2017-December 2018	20	20	20	20	20	80	Ibid.
	3.1.3 Number of social media followers, disaggregated by gender, of Kallxo.com	Kallxo reports	166,919 Facebook followers	2018	+10% on the previous year	+10% on the previous year	+10% on the previous year	+10% on the previous year	+10% on the previous year	+40% on 2018	Kallxo.com reports on social media users subscriptions and follows.
	3.1.4 Number of high school female and male students (senior) reached during lectures	Project Reports	0	December 2020	At least one high school per municipality	+20% on the previous year	+20% on the previous year	+20% on the previous year	+20% on the previous year	30 high schools	Project reports will indicate the number of high school seniors reached throughout the duration of the project.
	3.1.5 Number of registered subscribers on the paid subscription platform	Project Reports	0	December 2020	At least one hundred				100	100	Kallxo.com reports

## VI. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans: *[Note: monitoring and evaluation plans should be adapted to project context, as needed]*

### Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
<b>Track results progress</b>	Progress data (gender disaggregated) against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management.		
<b>Monitor and Manage Risk</b>	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.		
<b>Learn</b>	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.		
<b>Annual Project Quality Assurance</b>	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses, through the gender and human rights lens, demonstrated through disaggregated data and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.		



<b>Review and Make Course Corrections</b>	Internal review of data, disaggregated by gender, and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.		
<b>Project Report</b>	A progress report will be presented to the Project Board and key stakeholders, consisting of progress, gender desegregated data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period.	Annually, and at the end of the project (final report)			
<b>Project Review (Project Board)</b>	The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.	Specify frequency (i.e., at least annually)	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.		

#### Evaluation Plan

<b>Evaluation Title</b>	<b>Partners (if joint)</b>	<b>Related Strategic Plan Output</b>	<b>UNDAF/CPD Outcome</b>	<b>Planned Completion Date</b>	<b>Key Evaluation Stakeholders</b>	<b>Cost and Source of Funding</b>
Mid-Term Evaluation				2022		
Final evaluation				2024		

## VII. MULTI-YEAR BUDGET & WORK PLAN

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year				RESPONSIBLE PARTY	PLANNED BUDGET		
		Y1	Y2	Y3	Y4		Funding Source	Budget Description	Amount EUR
Outcome 1: Policy, regulatory and monitoring framework on the prevention and suppression of corruption enhanced in a gender sensitive manner									
<b>Output 1.1:</b> Policy and legal anti-corruption framework implemented in gender sensitive manner  Gender marker 1, 2 and 3: The Project will ensure that at least 50% of participants in the working groups are women. In addition, the Project will ensure to reflect a gender equal approach to the Strategy and Action Plan.	1.1.1 Legislative drafting (primary and secondary) on outstanding anti-corruption legislation in line with the UNCAC and AC Strategy in a gender sensitive manner	10,000	15,000	20,000	5,000	UNDP		Consultancy services; Venue/Travel;	50,000
	1.1.2 Support to public officials – women and men, MPs, independent agencies in fulfilling SDG 16 through legislative drafting, implementation of National Strategies and Action Plans	10,000	15,000	20,000	10,000	UNDP		Consultancy services; Venue/Travel;	55,000
	1.1.3 Comprehensive review of the anti-corruption regulatory framework, including the Constitution to identify deficiencies and constraints for effective criminal and financial investigations and prosecutions and develop legal prescriptions to dismantle harmful regulations	25,000	30,000	35,000	20,000	UNDP		Consultancy services; Venue/Travel;	110,000

	1.1.4 Development of a comprehensive assets' recovery guidelines defining scope, mandate, rules of procedure		30,000	30,000	15,000	UNDP		Consultancy services; Venue/Travel;	75,000
	1.1.5 Monitoring sentencing guidelines criteria for mitigating and aggravating circumstances pertaining to corruption offenses so as to ensure equal treatment and eliminate actual or perceived corruption in meting out sentences	30,000	30,000	35,000	30,000	UNDP		Consultancy services; Venue/Travel;	125,000
	1.1.6 Support to the AoK and other relevant bodies in promoting inclusive and gender sensitive anti-corruption policies and legislation, including capacity building of municipalities (including non-majority) to develop integrity plans	15,000	20,000	25,000	20,000	UNDP		Contractual services; Venue	80,000
<b>Output 1.2:</b> AC strategy 2020-2024 effectively implemented in gender sensitive manner  Gender marker 1, 2 and 3: The Project will ensure that at least 50% of participants in the working groups are women. In addition, the Project will ensure to reflect a gender equal approach to the	1.2.1 Monitoring of the implementation of the 2020-2024 Anti-corruption Strategy and Action Plan	5,000	5,000	6,000		UNDP		Venue/ Catering; Travel;	16,000
	1.2.2 Monitoring of the implementation of AC legislation through the Action Plan, risk assessments	8,000	10,000	10,000	7,000	UNDP		Consultancy services; Venue;	35,000
	1.2.3 Support to anti-corruption bodies through technical experts	50,000	60,000	60,000	50,000	UNDP		Consultancy services;	220,000
	1.2.4 Conducting a survey addressing gender equality related corruption risks and vulnerabilities in the civil	10,000			10,000	UNDP		Consultancy services;	20,000

Strategy and Action Plan.	service according to the UNDP methodology								
	1.2.5 Facilitate anti-corruption learning for women and men in institutions based on European best practices	10,000	10,000	10,000	10,000	UNDP		Travel (DSA&Terminals)/ Learning fee;	40,000
<b>Output 1.3:</b> Anti-corruption Strategy and Action Plan 2024-2028 developed in gender sensitive manner  Gender marker 1, 2 and 3: The Project will ensure that at least 50% of participants in the working groups are women. In addition, the Project will ensure to reflect a gender equal approach to the Strategy and Action Plan.	1.3 Development of the 2024-2028 Anti-corruption Strategy and Action Plan in an inclusive and gender sensitive manner			15,000	20,000	UNDP		Consultancy services; Venue/Travel;	35,000
	Technical Expertise								
	Chief Technical Adviser	45,550	45,550	45,550	45,550				182,200
	Senior Anti-Corruption and Legal Advisor	24,000	24,000	24,000	24,000				96,000
	<b>Sub-Total for Output 1</b>	<b>242,550</b>	<b>294,550</b>	<b>335,550</b>	<b>266,550</b>				<b>1,139,200</b>
Outcome 2: Anti-corruption institutions detect, repatriate hidden stolen assets and process corruption cases effectively									

<b>Output 2.1</b> Anti-corruption institutions have improved tools and capacities to issue charges	2.1.1 Specialized training of public officials – women and men on the implementation of corruption prevention measures stemming from expanded mandates	20,000	20,000	30,000	20,000	UNDP		Consultancy services; Venue/Travel	90,000
	2.1.2 Training of judges and prosecutors in a gender sensitive manner on legal provisions pertaining to assets recovery, economic crime	30,000	28,000	27,000	20,000	UNDP		Consultancy services; Venue/Travel;	105,000
<b>Gender marker 2:</b> The Project will strive to ensure that at least 50% of women participate in trainings	2.1.3 Training of private sector entities, in gender balanced manner, on anti-money laundering requirements, evaluating suspicious clients and transactions	20,000	20,000	25,000	14,000	UNDP		Consultancy services; Venue/Travel;	79,000
	2.1.4 Support to the establishment of a Strategic Analysis Department within the Financial Intelligence Unit	20,000	25,000	25,000	15,000	UNDP		Consultancy services; Travel;	85,000
	2.1.5 Develop a Training of Trainers (ToT) curricula and training programme for new investigators and anti-corruption officials on how to conduct investigations and run cases		15,000	20,000	10,000	UNDP		Consultancy services; Venue/Travel;	45,000
	2.1.6 Develop a financial crime investigation toolkit based on the Criminal Procedure Code, Criminal Code and internal rules of procedure.	15,000	15,000	25,000	10,000	UNDP		Consultancy services; Venue/Travel;	65,000

	2.1.7 Support to the CEC, political parties, CSOs in transparency of political party financing	13,500	10,000	10,000	9,000	UNDP		Consultancy services; Venue/Travel;	42,500
<b>Output 2.2</b> Successful adjudication of corruption cases  Gender marker 2: The Project will strive to ensure that at least 50% of women participate in trainings	2.2.1 Support to the investigations of criminal corruption cases through Basel Institute on Governance expertise on assets recovery	100,000	100,000	80,000	40,000	Basel Institute		Responsible Party Agreement	320,000
	2.2.2. Institution development for ROLAG on local specialization on asset recovery	50,000	50,000			Basel Institute		RPA	100,000
	2.2.3 Development of an accredited course for women and men in target institutions on assets recovery for investigators	20,000	20,000	40,000	20,000	UNDP		Consultancy services; Venue/Travel	100,000
	2.2.4 Establish an Anti-corruption and Assets Recovery Policy Support Service within RoLAG, as a national knowledge hub that develops, maintains and updates guidebooks and checklists for conducting financial crime investigations, tracking down stolen assets and offers initial and continuous training (through ToT) to law enforcement agents, oversight bodies and the judiciary, in a gender sensitive manner	50,000	50,000	50,000	50,000	Rolag		Responsible Party Agreement	200,000
	Technical Expertise:								
	Chief Technical Adviser	45,550	45,550	45,550	45,550				182,200

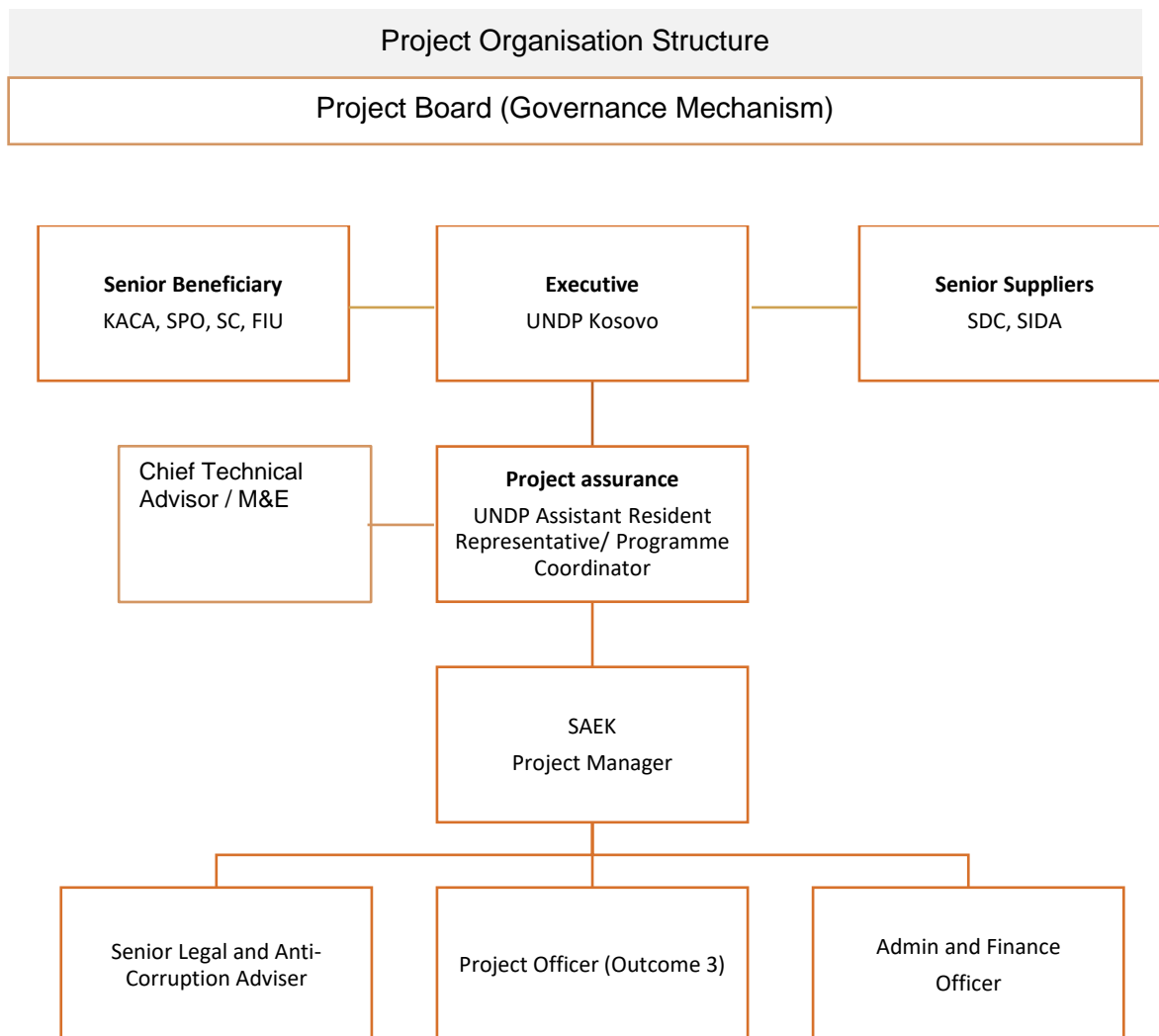
	Senior Anti-Corruption and Legal Advisor	24,000	24,000	24,000	24,000				96,000
	<b>Sub-Total for Output 2</b>	<b>408,050</b>	<b>422,550</b>	<b>401,550</b>	<b>277,550</b>				<b>1,509,700</b>
Outcome 3: Civic engagement mechanisms to hold institutions accountable strengthened									
<b>Output 3.1:</b> Increased transparency and accountability of institutions towards public  Gender marker 2: The Project will ensure that gender disaggregated data are provided when it is feasible (as reports received are anonymous) and ensure to reflect any gender aspect related to potential corruption cases	3.1.1 Strengthen the Kallxo.com Research Unit to manage the information flow on www.kallxo.com and coordinate follow-up activities with responsible anti-corruption bodies	129,400	129,400	129,400	114,400	Interviews Kosova		Implementing Party Agreement	502,600
	3.1.2 TV programme "The Prosecutor" depicting the work of the prosecution in uncovering corruption cases (10 per year).	20,000	20,000	20,000	20,000	Interviews Kosova		Implementing Party Agreement	80,000
	3.1.3 Training of investigators on public communication in a gender balanced manner	5,600	5,600	5,600	5,600	Interviews Kosova		Implementing Party Agreement	22,400
	3.1.4 Delivering lectures to high school students (seniors), throughout the Municipalities, including the non-majority communities, to raise awareness on preventing corruption, through reporting and civic engagement.	5,000	5,000	5,000	5,000	Interviews Kosova		Implementing Party Agreement	20,000
	3.1.5 Subscription server for the kallxo.com platform to enable sustainability upon the completion of the project				15,000	Interviews Kosova		Implementing Party Agreement	15,000
	Technical Expertise:								

	Chief Technical Adviser	45,550	45,550	45,550	45,550				182,200
	Senior Anti-Corruption and Legal Advisor	24,000	24,000	24,000	24,000				96,000
	<b>Sub-Total for Output 3</b>	<b>229,550</b>	<b>229,550</b>	<b>229,550</b>	<b>229,550</b>				<b>918,200</b>
<b>Evaluation relevant</b>	(as EVALUATION		20,000		20,000	UNDP		Consultancy services	<b>40,000</b>
<b>Operational expenses</b>	<b>Operational cost for project activities implementation:</b>								
	Publications: Printing, design; Media /advertisement costs;	12,100	15,100	15,100	9,100				
	Translation services;	12,000	14,000	14,000	10,000				
	<b>Operational running costs:</b> Office supplies and stationary/consumables;	3,000	3,500	3,500	2,500				
	Communication charges; LAN/IT assistance/Internet; Vizibility	4,000	4,000	4,000	4,000				
	Vehicle insurance and maintenances;	4,500	5,000	5,000	4,000				
	Transportation services;								
	Office premises:								
	Office rent, Electricity, Water supply, Waste, Security, Maintenance, Office cleaning; Heating;	30,000	30,000	30,000	30,000				
	<b>Total for Operational expenses</b>	<b>65,600</b>	<b>71,600</b>	<b>71,600</b>	<b>59,600</b>	<b>UNDP</b>			<b>268,400</b>
<b>Project Staff</b>	Project Manager	24,994	24,994	24,994	24,994				99,976
	Project Officer	24,994	24,994	24,994	24,994				99,976



	Project Associate	22,762	22,762	22,762	22,762				91,048
	<b>Total for Staff costs</b>	<b>72,750</b>	<b>72,750</b>	<b>72,750</b>	<b>72,750</b>	UNDP			<b>291,000</b>
<b>General Management Support (8%)</b>		<b>81,500</b>	<b>89,000</b>	<b>89,000</b>	<b>74,000</b>	UNDP			<b>333,500</b>
<b>TOTAL</b>		<b>1,100,000</b>	<b>1,200,000</b>	<b>1,200,000</b>	<b>1,000,000</b>				<b>4,500,000</b>

## VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS



**The Project Board:** The role of the Project Board as part of the Quality Assurance process, will monitor project's progress, lessons and decide on the way forward. Project Board will meet twice a year, in order to address the following questions:

- Is the project still relevant and effectively contributing to the intended outcomes?
- Is the project yielding the desired results?
- Are risks managed?
- Is the project being implemented as planned?
- Is there a need to redesign, cancel or modify the project in any way in order to ensure meaningful contribution to development results?

The Board contains three roles:

- Executive (role represented by UNDP);

- Senior Supplier (role represented by SDC and SIDA) that provides guidance regarding the technical feasibility of the project, and use of programme resources;
- Beneficiary (represented by national stakeholders)

The Project Board will hold meetings on a semi-annual basis, or more frequently if deemed necessary. The Board will monitor programme progress, decide on strategic decisions to ensure continued coherence between implementation and goals and objectives, decide on annual work plans and budgets, revise annual plans and budgets, as well as requests for funds presented by UNDP. Amendments to the budget, including use of contingencies, will be subject to the approval of the Project Board.

UNDP Assistant Resident Representative/Programme Coordinator will maintain regular communication to ensure high quality project outputs.

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## **IX. LEGAL CONTEXT**

Where the country has NOT signed the [Standard Basic Assistance Agreement \(SBAA\)](#)

The project document shall be the instrument envisaged and defined in the [Supplemental Provisions](#) to the Project Document, attached hereto and forming an integral part hereof, as “the Project Document”.

This project will be implemented by Internews Kosova (“Implementing Partner”) in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

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## **X. RISK MANAGEMENT**

### **Option b. UNDP (DIM)**

1. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
2. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the [project funds]<sup>13</sup> [UNDP funds received pursuant to the Project Document]<sup>14</sup> are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via [http://www.un.org/sc/committees/1267/aq\\_sanctions\\_list.shtml](http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml). This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.
3. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
4. UNDP as the Implementing Partner will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP

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<sup>13</sup> To be used where UNDP is the Implementing Partner

<sup>14</sup> To be used where the UN, a UN fund/programme or a specialized agency is the Implementing Partner

will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

5. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
6. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor and sub-recipient:
  - a. Consistent with the Article III of the SBAA [*or the Supplemental Provisions to the Project Document*], the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP's property in such responsible party's, subcontractor's and sub-recipient's custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:
    - i. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
    - ii. assume all risks and liabilities related to such responsible party's, subcontractor's and sub-recipient's security, and the full implementation of the security plan.
  - b. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible party's, subcontractor's and sub-recipient's obligations under this Project Document.
  - c. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
  - d. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at [www.undp.org](http://www.undp.org).
  - e. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.
  - f. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where it becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-

recipient will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). It will provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

*g. Choose one of the three following options:*

*Option 1:* UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of this Project Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail any responsible party's, subcontractor's or sub-recipient's obligations under this Project Document.

*Note:* The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

- h.* Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.
- i.* Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.

Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled "Risk Management Standard Clauses" are adequately reflected, *mutatis mutandis*, in all its sub-contracts or sub-agreements entered into further to this Project Document.