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| **UNDP Management Response to Evaluation of the:** | | | **Support to Anti-Corruption Efforts in Kosovo, SAEK II** | | | | |
| Date: | 10/11/2022 | | | | | | |
| Prepared by: | | Rrezearta Reka | | Position: | Project Officer | Kosovo Unit/Bureau: | Governance |
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**SAEK III MID-TERM RECOMMENDATIONS**

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| **Evaluation Recommendation 1:**  **Kosovo Anti-Corruption Agency, KACA: SAEK needs to take quick steps in finalizing the online asset declaration platform for KACA, focusing on modules that are not dependent on the adoption of the law on asset declaration, whereas the asset declaration module can also be finalised but not activated until the law is adopted. This will allow KACA to start with the digitalization of some of the internal process, which they’re eager to do at soonest (urgent measure).**Click here to enter text. | | | | |
| **Management Response:**  The law on asset declaration has been approved and the project has addressed the measure recommended, by urgently convening the working group, with KACA representatives and IT company, to: 1. Identify gaps for improvement based on the requirements of the new law; and, 2. Address the gaps. The process of full functionalization of the online asset declaration platform is expected to complete by the end of the year 2022. | | | **Tracking\***  **Initiated** | |
| **Key Action(s)** | **Time Frame** | **Responsible Unit(s)** | **Comments** | **Status** |
| Identify the gaps for improvement, based on the requirements of the newly adopted law. | October 2022- March 2023 | Project | Click here to enter Comments. | Ongoing |

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| **Evaluation Recommendation 2: FIU, Financial Intelligence Unit: The newly established Strategic Analysis Department has started to produce notable results in a short time frame, however further bilateral support from a foreign FIU is needed to gain practical knowledge of how to enhance strategic analysis and operationalize findings further. SIDA is well known to have mechanisms to engage Swedish agencies in assisting sister agencies in the region, an option that the project could explore further in discussion with SIDA.** | | | | |
| Management Response: The selection procedure for the new FIU Director is underway, and upon the recommendation of the acting Director, discussions for an FIU study visit are put on hold. Nevertheless, the FIU Strategic Analysis Department is fully. On 12 June the FIU issued a decision establishing the Strategic Analysis Unit and reorganized staffing to dedicate one analyst to work full time only on strategic analysis. A budget request has been sent to the Ministry of Finance for increasing the Unit with 2 additional staff. The FIU has held meetings with the Prime Minister and with the Minister of Finance to discuss progress and results in strategic analysis. During the reporting meeting 7 strategic analyses investigations were opened on: construction, cryptocurrencies, VIP singers and performers, financial flows to high risk drug countries, financial flows to high risk terrorism countries, remittances, cross border transport of cash. The analysis on cryptocurrencies led to the location of illegal crypto mines and their subsequent seizure. As a knock-on effect, the intelligence produced through these strategic analyses investigations has allowed the FIU to proactively and on their own target Politically Exposed Persons (PEPs) which hitherto were more difficult to target without first receiving a suspicious transaction report (STR) or suspicious activity report (SAR) from a bank or other private sector reporting entity. | | | **Tracking\*** | |
| **Key Action(s)** | **Time Frame** | **Responsible Unit(s)** | **Comments** | **Status** |
| UNDP SAEK team to continue collaboration with the FIU, and coordinate with the FIU Deputy Director for all issues regarding FIU activities. | February 2023 | Project | Click here to enter Comments. | Ongoing |

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| **Evaluation Recommendation 3: Kallxo.com platform: although sustainable to an extent due to an eco-system of products (news, shows, analysis, etc.) build around it, the scale it operates now is still dependent on donor funding, and the sustainability of results achieved through is platform would be significantly impacted after the project ends. Further support is needed in assessing and identifying a business model that is not dependent on donor funds.** | | | | |
| **Management Response:**  Internews Kosova as one the implementing partners of SAEK III, has been looking into subscription models in the last year, (also based on the original project document), as an alternative to funding. However, the process has been challenging due to the status of Internews as an NGO, which local banks consider a bit difficult for subscription accounts. Regardless, kallxo.com will look into other donors, as they consider external funding to be crucial in the independence of the reporting platform. | | | **Tracking\***  **Ongoing** | |
| **Key Action(s)** | **Time Frame** | **Responsible Unit(s)** | **Comments** | **Status** |
| The project to provide support to Internes to explore other funding opportunities that would contribute to the sustainability of the platform. | January- July 2024 | Project | Click here to enter Comments. | Ongoing |

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| **Evaluation Recommendation 4:**   **Gender: Follow-up on the report on Gender Corruption Risks and Vulnerabilities survey, in formulating anti-corruption interventions with a gender perspective, addressing women vulnerabilities in particular, especially the ones related to nepotism, favouritism and patronage in the civil service. In this regard, Integrity Plans offer the best opportunity for integrating novel practices in tackling nepotism, favouritism and patronage in the civil service from gender perspective. The project can start in developing such guidance now, to be ready by the time the draft law that mandates KACA with development and monitoring of integrity plans, is adopted. With regard to women participation in project activities, especially at the local level, which is expected to be the case with Integrity Plans, the project should seek to hold as many activities in spaces other than hotels and restaurants. Holding activities in public spaces, for example schools, municipal halls, NGO premisses, etc. may prompt more women to participate.** | | | | |
| **Management Response:**  As the law on new competences for the Kosovo Agency for the Prevention for Corruption has now been approved, also including development and monitoring of the integrity plans, (facilitated by the new platform for electronic asset declaration), SAEK III has already initiated work towards developing instructions for the implementation of integrity plan methodology. At the same time, the Project has recruited an expert to conduct a capacity needs assessment for the Agency, including assigned staff in charge of the integrity plans’ component. In addition, once the process for the development of the new anti-corruption strategy is initiated, (based on the new law, the Government is now the lead of the process), key recommendation from the Report on Gender Corruption Risks and Vulnerabilities will be incorporated in the Integrity Plans. In addition, the project will continue its efforts to have equal representation of women in project activities, and take all the necessary measures when possible to enable better accessibility for women, and this includes activities in public spaces as recommended. | | | **Tracking\***  **Initiated** | |
| **Key Action(s)** | **Time Frame** | **Responsible Unit(s)** | **Comments** | **Status** |
| 1.) Provide expertise support to instructions; | March 2023 | Project | Click here to enter Comments. | Ongoing |
| 2.) Organize meetings with the Office of the Prime Minister to discuss initiation steps for the Strategy. | March 2023 | Project | Click here to enter Comments. | Ongoing |

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| **Evaluation Recommendation 5: Sustainability and exit strategy: Given that the project is the third phase, with two more years remaining until end of project, the upcoming implementation period should focus on sustainability. SAEK team should take immediate steps in ensuring gradual exit from activities, moving towards more of an advisory role. No new emerging priorities or activities ought to be undertaken without a clear exit strategy in place. The team is encouraged to develop a clear exit strategy in participatory manner with each of the stakeholders involved and in close coordination with funding partners SDC and SIDA.** | | | | |
| **Management Response:**  As the Project is entering its final two years of implementation, an exit strategy will be developed in an inclusive manner with key beneficiaries and project partners in the final year of the project. The principles of this strategy is providing recommendations on how to continue key functions that have been created through the project without the support of SAEK. In practical terms this means proper operation of the Asset Recovery Unit within the prosecution and continuing to provide specialized advice for investigations, and delivery of Asset Recovery training exclusively through the Judicial Academy. The ongoing operation of the Strategic Analysis Unit within the FIU and conducting independently risk assessments. The implementation and monitoring of Sentencing Guidelines for corruption offenses. In terms of the Anti-corruption Agency and the Central Election Commission, fulfilling their new mandates and providing recommendations for any foreseeable needed legal or institutional changes in the future. And finally, for our implementing partner kallxo.com, an exit strategy allowing them to continue to provide their corruption citizen complaint system through stable funding sources. | | | **Tracking\***  **Initiated** | |
| **Key Action(s)** | **Time Frame** | **Responsible Unit(s)** | **Comments** | **Status** |
| Organize a team retreat to assess progress of implementation, results, adaptation of activities based on external developments (political changes, delays of legislative action, changes in key management positions with partner institutions), and propose some modification of the original project document. This action will also drive discussion for final exit strategy, which will then be communicated to donors, partners, and beneficiaries. | October 2022 | Project |  | Completed |

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| **Evaluation Recommendation 6: Future direction: Establishment of a system for the Verification of Unexplained Wealth.** | | | | |
| **Management Response:** The recommendation for UNDP to develop a new project for the establishment of a system for the verification of unexplained wealth has already been implemented, as there is a concept note and broad project document already in place. It is also recognized that the system is an institutional priority, and the Venice Commission, in June 2022, issued an Opinion on the draft law which gave Kosovo a green light to go ahead with the law. In addition, considering the evolution of SAEK’s work throughout the different stages, it is also considered a logical progression of SAEK’s work. | | | **Tracking\***  **Initiated** | |
| **Key Action(s)** | **Time Frame** | **Responsible Unit(s)** | **Comments** | **Status** |
| Develop a concept note and a basic project document outlining main activities towards establishing the system for the verification of unexplained wealth. Based on this, partner discussions must now take place, along with fund-raising activities. | January 2023 | Project | A draft concept note is already developed by the Project. Both Project and Programme must coordinate efforts, to ensure support for the partners and fundings from donors. | Ongoing |