

A POLICY REPORT BY GROUP FOR LEGAL AND POLITICAL STUDIES

NO. 08 – JUNE 2014



Is the Asset Declarations System in Kosovo helping the fight against Corruption and preventing the Abuse of Power?



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June 2014

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IS THE ASSET DECLARATIONS SYSTEM IN KOSOVO HELPING THE FIGHT AGAINST CORRUPTION AND PREVENTING THE ABUSE OF POWER?

I. BACKGROUND

Developing an anti-corruption framework is a crucial yet a difficult task in any country, with Kosovo being no exception. Asset declaration is a key element of any anti-corruption framework. The assets of public officials, particularly public officials in developing countries, are often excessive in relation to their income which in turn raises an ethical question- where did they get the money? One important tool for identifying the legality of the assets of public officials is asset declarations (AD), also referred to as financial disclosures, which are a foundational element of well-established anti-corruption programmes. Asset declarations refer to “a person’s balance sheet that covers assets, from all homes, valuables and financial portfolios, to liabilities, such as debts and mortgages, and all sources of income from directorships and investments to consulting contracts.”¹ The disclosure of all assets provides a complete picture of a public official’s financial situation. This information contributes to the detection of the theft of public assets, and, thus, furthers democratic development. In general, AD systems, as part of an overall anti-corruption strategy, contribute to the protection of the public interest by ensuring that resources are used in the pursuit of social and economic development goals. Apart from combating corruption, AD systems prompt accountability amongst public officials.² In addition, AD systems have the potential to boost public confidence in the integrity of the government because they ensure that public officials are subject to public scrutiny.³

Systems of asset declarations began to evolve in the early 1950s in response to growing government and corruption scandals in the United States.⁴ Various factors initially prevented the introduction of AD systems; however, after Watergate and other scandals taking place, AD systems were institutionalized in the US.⁵ In the 1980s, AD systems spread throughout Western Europe excluding the eastern and the central part of it. Later on along with the global anti-corruption program and EU enlargement, AD systems were adopted by most Central and Eastern European countries.⁶ Finally, in 2003, financial disclosure amongst public officials become an international standard and was embedded in article 8 of the United Nations Convention against Corruption. Article 8 (paragraph 5) requires all state parties “to establish measures and systems requiring public officials to make declarations to appropriate authorities regarding, inter alia, their outside activities, employment, investments, assets and substantial gifts or benefits from which a conflict may result with respect to their functions as public officials.”⁷ Similar requirements can be found in the African Union Convention on Preventing and Combating

¹Transparency International Zimbabwe. Asset Declaration as a way of Curbing Corruption. Available at <http://www.transparency.org.zw/index.php/ct-menu-item-23/ct-menu-item-25/156-asset-declaration-as-a-way-of-curbing-corruption>

²OECD (2011). Asset Declaration for Public Officials: A Tool to Prevent Corruption. OECD Publishing.

³World Bank (2012). Public Office, Private Interests: Accountability through Income and Asset Disclosure. World Bank, Washington D.C Publishing.

⁴OECD (2011). Asset Declaration for Public Officials: A Tool to Prevent Corruption. OECD Publishing.

⁵Burdescu, R. and Reid, G. and Gilman, S. and Trapnell, S. (2009) Income and Asset Declarations: Tools and Trade-Offs. World Bank and Stolen Asset Recovery (STAR) Initiative Publishing.

⁶OECD (2011). Asset Declaration for Public Officials: A Tool to Prevent Corruption. OECD Publishing.

⁷United Nations Convention against Corruption (2004). United Nations, Office on Drugs and Crime, New York. Available at https://www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026_E.pdf

Corruption (2003) and in the Inter-American Convention against Corruption (1996).⁸There is no clear European Union (EU) directive regulating the field of asset disclosures; however, candidate countries are continually monitored with regard to their achievements/ failures in the anti-corruption framework. As such, asset declarations have become a de facto standard for the EU toward candidate countries.⁹Additionally, there are international agreements that recognize financial disclosure as a tool for detecting and preventing corruption, while international organizations like the OECD and the World Bank have identified policy principles to guide the design, reform, and implementation of AD systems. These policy principles should be taken into account depending on the context of the national policies. This means that these principles may be adjusted to the socio-economic and political environment of a particular country.

In transitioning democracies, there is a prevalent belief that financial disclosure systems are becoming powerful tools in the fight against corruption;¹⁰however, AD systems in developing countries face various implementation challenges¹¹ due to weak law enforcement, improper functioning of the tax system, and a lack of democratic structures.¹²A similar situation is found in Kosovo, where the system faces numerous policy problems. It is important to note that this issue is of particularly high importance for Kosovo, due to the heavy accumulation of unexplained wealth amongst public officials in just a few years' time,¹³ and the common perception spread amongst Kosovar citizens that public officials represent the richest social strata. Although, not all public officials got wealthy in an illicit manner and some are not that wealthy at all, there is commonly accepted belief that public officials, particularly those who have been directly elected, have become affluent after entering politics. It is alarming that people have begun to view entering politics as a "common" way of getting wealthy in an unlawful manner and within a short period of time. Among others, these represent the main issues for addressing this topic in this policy paper.

It is important to note that the financial disclosure system in Kosovo is relatively new¹⁴ and was initially devised in 2000 under the regulations of the Mission to the United Nations Administration in Kosovo (UNMIK) which required all member candidates of the Assembly to submit a declaration of assets.¹⁵In 2010 requirements obliging officials to declare assets were embedded in the legislation of the Republic of Kosovo. Now, after several amendments, the AD system functions according to the latest version of the Law No.04/L-228 on Declaration of Property by Public Officials.¹⁶In 2013, 3869 senior public officials were obliged to declare their

⁸Inter-American Convention against Corruption (1996).African Union Convention on Preventing and Combating Corruption, Article 7, paragraph 1 and 2 (2003). Available at <http://www.oas.org/juridico/english/treaties/b-58.html>

⁹Regional Anti-Corruption Initiative (2012) Rules and Experiences on Integrity Issues. Regional Anti-Corruption Initiative Publishing.

¹⁰Burdescu, R. and Reid, G. and Trapnell, S. and Barnes, D. (2010). Income and Asset Disclosure Systems: Establishing Good Governance through Accountability. World Bank Publishing.

¹¹World Bank (2012). Public Office, Private Interests: Accountability through Income and Asset Disclosure. International Bank for Reconstruction and Development/World Bank Publishing.

¹²OECD (2011). Asset Declaration for Public Officials: A Tool to Prevent Corruption. OECD Publishing.

¹³Lëvizja FOL (2011). Enforcement of Legal Provisions on Declaration of Assets of Directly-Elected Central-Level Senior Officials.Lëvizja FOL Publishing.

¹⁴European Union (2013).Assessment Report on Compliance with International Standards in the Anti-Corruption Area. Project against Economic Crime in Kosovo and EU Publishing

¹⁵Hoppe, T. (2013). Comparative Study: Income and Asset Declarations in Practice. Regional School of Public Administration Publishing.

¹⁶ See Law No.04/L-228 on Declaration, Origin and Control of Property of Senior Public Officials and on Declaration, Origin and Control of Gifts of all Public Officials.

wealth. Out of 3869, 99.25% or 3840 have declared their wealth, which represents the largest response so far toward this legal obligation.¹⁷

While progress has been made in regard to AD legislation, implementation of the AD system remains problematic. The 2013 European Progress Report has acknowledged that Kosovo has not yet provided concrete evidence of results in fighting corruption or in implementing the legislative and policy frameworks.¹⁸ The report has also noted that continued efforts are necessary to increase the accountability of high-ranking officials and politicians. Corruption remains widespread, and Kosovo ranks 111th in Transparency International's 2013 Corruption Perception Index.¹⁹ Furthermore, the Office of the Auditor General in Kosovo, notes that asset declarations remain a challenge toward fighting corruptive practices.²⁰ Overall, the system of asset declaration has not yielded tangible results in reducing corruption, likely due to many implementation gaps which need to be seriously addressed by the relevant institutions. This policy report identifies many challenges for the AD system, including inconsistent vocabulary used to fill in the forms, the baseless determination of property values without taking into consideration their market value, lack of a clear verification process or guidelines that assess the accuracy of declarations, lack of an unbiased procedure to decide which declarations to evaluate and lack of legislation and guidelines that identify a course of action for handling public officials with excessive wealth that cannot be properly accounted for. If the unclear and ambiguous process of wealth declarations is not properly addressed, financial corruption will continue to negatively impact Kosovo institutions, the anti-corruption framework, and Kosovo's EU integration efforts.

This policy report therefore analyzes the Law on Asset Declarations and malpractices relating to asset declarations in practice, providing an independent look at the current AD system. The first section discusses international policy practices relating to the asset declarations of public officials and provides SWOT analysis for each international policy principle in the context of Kosovo. Second, this report analyzes irregularities and inconsistencies in disclosure filing practices in Kosovo. The last section presents policy recommendations, in line with international and EU norms that will help Kosovo overcome existing problems of corruption within the AD system, will help stakeholders properly use the AD system as a tool to detect and prevent corruption, and will serve to increase the accountability and integrity of public officials.

II. Contextualizing International Policy Principles for Asset Declarations

Asset declarations by public officials have received increased attention in anti-corruption literature by international, regional, and local organizations including the OECD, the World Bank, the Regional Anti-Corruption Initiative (RAI) and the like.²¹ While scholars and organizations have identified several core elements that should be at the center of any AD system, each AD system must be tailored to the specific country that it serves and must engage local and national stakeholders to support reforms and ensure sustainability, since there is no "one size fits all"

¹⁷Anti-Corruption Agency (2013). Annual Report January-December 2013. Available at <http://www.akk-ks.org/repository/docs/Raportiversionianglisht.pdf>

¹⁸European Commission (2013). Kosovo* 2013 Progress Report. Available at http://ec.europa.eu/enlargement/pdf/key_documents/2013/package/brochures/kosovo_2013.pdf

¹⁹Transparency International (2013) Corruption Perception Index. Available at <http://www.transparency.org/cpi2013/results>

²⁰Office of the Auditor General (2012). Annual Report. Available at http://oag-rks.org/repository/docs/RVA_2012_Shqip_923921.pdf

²¹Hoppe, T. (2013). Comparative Study: Income and Asset Declarations in Practice. Regional School of Public Administration Publishing.

system.²² Assessing the national context is a prerequisite for establishing an effective system, and several institutional, cultural and political elements should be taken into account such as a country's property databases, automobile registries, judicial practices and strength of the courts, the tax system, and the banking system. For instance, financial disclosure systems in developed countries, such as Nordic countries which enjoy very low levels of perceived corruption, high accountability of public officials, and integrity of public administration, differ compared to AD systems in fledgling democracies that have low levels of accountability and transparency and high levels of perceived corruption.²³ A country should take into account its previous experiences with AD systems, its legal history, the integrity of its public officials, and current problems when deciding which legislative framework to put in place. AD systems must address yet may vary in regards to the following elements: the institutions chosen to monitor wealth declarations, the legal framework chosen, whether one regulation applies to all officials, which officials are required to declare their assets, the assets that must be declared, how and which asset declarations should be collected and verified, the sanctions that are needed to enforce asset declaration regimes, and whether asset information should be open to the wider public. While each of these elements may vary from state to state, all states must take each of these elements into account in order to ensure a comprehensive AD system. In the sections below, we identify the core elements of AD systems and analyze the strengths and weaknesses of in the context of Kosovo.

A) *Which institutions should be responsible?* Having an independent institution or body for handling asset declarations is crucial for the successful and effective implementation of an AD system. Different states use different institutions to oversee asset declarations by public officials. The institutions that have been used include election bodies, tax authorities, anti-corruption agencies, and parliamentary bodies.²⁴ In countries like Kosovo where AD systems are relatively new, an empowered autonomous body and a specialized body are advantageous compared to other systems that employ self-monitoring.²⁵ Self-monitoring is used in countries which have well-established AD systems and a long history of democratic practices. On the other hand, developing countries that choose to use autonomous and specialized bodies should ensure that these bodies are capable of collecting and reviewing asset declarations and should have the necessary money and human resources and facilities to do so.²⁶ Regardless of the institutional set-up that is chosen, it is important that the institutional responsibilities are clearly stated in the legislation. Kosovo's legislation establishes the Anti-Corruption Agency, henceforth referred to as the Agency in Kosovo, as the independent body responsible for monitoring, reviewing and administering the financial disclosure of public officials.²⁷ As literature and international practice acknowledges the advantages of having an independent institution

²²OECD (2011). *Asset Declaration for Public Officials: A Tool to Prevent Corruption*. OECD Publishing.
World Bank (2012). *Public Office, Private Interests: Accountability through Income and Asset Disclosure*. World Bank, Washington D.C. Publishing.

Transparency International (2013). *Holding Politicians to Account: Asset Declarations*. Available at http://www.transparency.org/news/feature/holding_politicians_to_account_asset_declarations

Burdescu, R. and Reid, G. and Gilman, S. and Trapnell, S. (2009). *Income and Asset Declarations: Tools and Trade-Offs*. Stolen Asset Recovery Initiative and World Bank Publishing.

²³OECD (2011). *Asset Declaration for Public Officials: A Tool to Prevent Corruption*. OECD Publishing.

²⁴Burdescu, R. and Reid, G. and Gilman, S. and Trapnell, S. (2009). *Income and Asset Declarations: Tools and Trade-Offs*. Stolen Asset Recovery Initiative and World Bank Publishing.

²⁵OECD (2011). *Asset Declaration for Public Officials: A Tool to Prevent Corruption*. OECD Publishing.

²⁶Transparency International (2013). *Holding Politicians to Account: Asset Declarations*. Available at http://www.transparency.org/news/feature/holding_politicians_to_account_asset_declarations

²⁷ See Law No.04/L-228 on Declaration, Origin and Control of Property of Senior Public Officials and on Declaration, Origin and Control of Gifts of all Public Officials, article I.

responsible for monitoring AD in developing countries like Kosovo, it is evident that Kosovo complies with this international policy practice by establishing the Anti-Corruption Agency as the body tasked with handling AD. However, full independence of the Agency is crucial for the successful implementation of the AD system. Due to lack of oversight mechanisms, the level of independence of the Agency cannot be assessed at this time and should be evaluated in future studies.

B) Which legal framework should be chosen? Most countries address asset declarations in their primary legislation, but this is not always the case. In addition to having a particular law regulating asset declarations, many countries also address asset declarations in laws relating to the civil service, conflict of interest, etc.²⁸In deciding upon the legislative framework for asset declarations, countries should also consider the specific challenges that they face. In transitioning democracies, asset declarations are considered a powerful tool to combat corruption and more attention should be paid to them by establishing a specific law that specifically tackles asset declarations and the institutions responsible for monitoring them. The high level of perceived corruption²⁹, the poor economic situation, and the high unemployment rate (of around 40 percent³⁰) in Kosovo increase the risk of bribery and corruption amongst public officials. For this reason, addressing financial disclosures in primary legislation is recommended, and Kosovo complies having addressed financial disclosures in primary legislation, Law No.04/L-228.

C) Should one regulation apply to all officials? Considering the fact that public officials differ from each other in terms of their responsibilities, decision-making power, managerial duties, and, consequently, their corruption potential, countries are recommended to consider preparing different AD forms for different categories of public officials.³¹Particularly, it is recommended that MPs are subject to a specific AD form that would be accessible to the wider public, as MPs are directly elected by the people and their accountability to their constituents is a fundamental principle of democracy. Senior public officials, including ministers and judges, (who are more prone to corruption) should also be issued a specific form for asset declaration which requires specific and detailed financial disclosure. In these forms, countries should take into account the domestic limitations and political environment and the capacity of the agency to handle detailed asset information. As it stands, the Agency in Kosovo provides the same basic form to all public officials, as well as a form for documenting property changes which is also the same for all public officials. (Both forms are available online and should be filled out as often as indicated in the Law on Asset Declarations.) Issuing the same form for all public officials might not be the best option for Kosovo, as having specialized forms for different ranks of public officials (at least distinguishing between directly elected officials, high level officials and the judiciary, and indirectly elected officials) has shown to be more effective in developing countries.

D) Who should be obliged to declare assets? There is no standardized list of public officials who must declare assets. Public officials are usually required to declare assets based on their level of responsibility, the extent of their decision-making authority, and their managerial powers.³²However, the capacity of the Agency is also an important determinant that impacts which (and how many) public officials are required to declare assets. If the agency does not have the human and financial resources needed to administer and review the declarations, the AD

²⁸OECD (2011). Asset Declaration for Public Officials: A Tool to Prevent Corruption. OECD Publishing.

²⁹Transparency International (2013) Corruption Perception Index. Available at <http://www.transparency.org/cpi2013/results>

³⁰ CIA FACTBOOK (2011). Kosovo. Available at <https://www.cia.gov/library/publications/the-world-factbook/geos/kv.html>

³¹OECD (2011). Asset Declaration for Public Officials: A Tool to Prevent Corruption. OECD Publishing.

³²OECD (2011). Asset Declaration for Public Officials: A Tool to Prevent Corruption. OECD Publishing.

process becomes only a formality with no real effect on combating and preventing corruption. Therefore, which and how many public officials are required to declare should take into account the type of public official and the capacity of the Agency to receive and monitor declarations. In Kosovo, the Law on Asset Declarations requires senior public officials, ranging from the President of the Republic of Kosovo to central and local Chief Inspectors, to declare their assets.³³The Law on Asset Declarations has seen many amendments and so has the number of those obliged to declare. Currently, the number of public officials that are obliged to declare their assets has reached almost 3,900.³⁴Overall, there are no concrete results that reveal whether widening the scope of public officials who are required to declare has any impact on preventing corruption.³⁵Increasing the number of public officials required to declare is not a priority in itself. Rather, it is more crucial to ensure that a comprehensive list of officials required to declare includes those who are at higher risk for corruption and those that have the authority to handle public funds and grant licenses or building permits and that the Agency can monitor, administer and review all submitted AD forms fully and independently.

E) What should be declared? There is no uniform set of assets that should be declared, but it is important that the declarations reflect all substantial income and assets in order to provide a comprehensive picture of a public official's financial situation. The level of detail required in the declaration form depends on the capacity of the responsible agency to handle the information properly.³⁶The legislation in Kosovo demands that public officials declare their movable and immovable assets, possession of securities, stock owned in companies, cash held in banks, debts to any institution, and annual income, which is in line with international practices. Public officials are also prompted to give additional information with regard to anything not stated in the form.³⁷If public officials declare all of the above information properly, the Agency can garner a relatively comprehensive picture of a public official's financial situation. However, in practice, there are problems with the form such as the lack of a consistent use of property terms which make property declarations ambiguous and inhibit the detection of corruption. This paragraph identifies what should be declared when filing asset declarations, while the following paragraph analyzes the timeline of AD filing practices.

F) Filing Frequency- Filing frequency is an important element of a well-designed AD system. Generally, declarations should be collected as often as reasonably needed to keep the data up to date and available for oversight purposes.³⁸However, when the Agency determines the required filing frequency, it should also consider the Agency's resources and the responsibilities of various public officials. There should be a balance between the number of public officials obliged to declare their assets and the capacity of the agency to receive and monitor these declarations; otherwise, the process becomes only a formality. The AD legislation, henceforth, referred to as legislation in Kosovo, obliges public officials to submit asset declarations in four cases: a) when taking over a public function; b) regular annual declaration; c) declaration after

³³ See Law No.04/L-228 on Declaration, Origin and Control of Property of Senior Public Officials and on Declaration, Origin and Control of Gifts of all Public Officials, article 3.

³⁴Hoppe, T. (2013). Comparative Study: Income and Asset Declarations in Practice. Regional School of Public Administration Publishing.

Anti-Corruption Agency (2013). Annual Report January-December 2013. Available at <http://www.akk-ks.org/repository/docs/Raportiversionianglisht.pdf>

³⁵OECD (2011). Asset Declaration for Public Officials: A Tool to Prevent Corruption. OECD Publishing.

³⁶World Bank (2012). Public Office, Private Interests: Accountability through Income and Asset Disclosure. International Bank for Reconstruction and Development/World Bank Publishing.

³⁷ See Law No.04/L-228 on Declaration, Origin and Control of Property of Senior Public Officials and on Declaration, Origin and Control of Gifts of all Public Officials, article 5.

³⁸OECD (2011). Asset Declaration for Public Officials: A Tool to Prevent Corruption. OECD Publishing.

completing or after being dismissed from a public function; d) declaration upon request of the Agency.³⁹A combination of these four cases requires periodic declarations that help the Anti-Corruption Agency monitor the wealth of public officials. Within thirty days of taking office and after completing or being dismissed from a public function, all public officials should declare their assets in accordance with article 5 of the Law on Asset Declaration.⁴⁰ This is a common and a fairly standard practice in other countries, as well.⁴¹The practice of requiring regular annual declarations is also a commonly preferred approach in most countries.⁴²In Kosovo, during annual declarations, public officials should declare any change in the status of their wealth. However, it is difficult to determine what constitutes a change in wealth. The current legislation in Kosovo does not set any threshold that defines a change in wealth and only obliges public officials to declare any change in the status of their property. Given this limitation, public officials may or may not declare changes in their wealth, which inhibits the success of this approach. The last case in which a public official must declare assets is in response to a request from the Agency. Literature refers to this approach as “ad hoc” wherein the responsible institution, upon receiving warning or notification by the media or citizens, can at any time require a declaration of assets from public officials.⁴³ However, no further clarification is provided in the Law of Asset Declarations.⁴⁴

H) How should asset declarations be verified? The institution responsible for receiving declarations is in charge of verifying the content of declarations. Verification of the declarations is a necessary element for ensuring the integrity of the data. If the content of the declarations are not verified, it is impossible to use the AD system as a means for detecting and combating corruption. Particularly in countries where corruption is high and the accountability of public officials is low, verification of data for the purpose of identifying false reporting and corruption is crucial.⁴⁵In this way, verification of asset declarations also addresses public concern regarding the lifestyles of certain public officials⁴⁶and consequently helps to boost public confidence in the integrity of the system. This policy principle however is one of the hardest to implement. Mechanisms for verifying the accuracy of declarations vary between countries but often include a) cross-checking declarations against other sources of information such as property, land, and automobile registries, b) communicating with the tax administration, c) accessing bank accounts, d) conducting evaluations of lifestyle in relation to declared income, e) checking declarations for internal consistency, f) comparing declarations to monitor changes over time, and g) analyzing declarations for potential conflicts of interest between private interests and official duties.⁴⁷Mechanisms to be used for verifying content declarations should be clearly identified in the legislation so that the responsible agency is aware of the oversight mechanisms that are

³⁹ See Law No.04/L-228 on Declaration, Origin and Control of Property of Senior Public Officials and on Declaration, Origin and Control of Gifts of all Public Officials, article 6, paragraphs 1, 1.1, 1.2, 1.3, 1.4.

⁴⁰ See Law No.04/L-228 on Declaration, Origin and Control of Property of Senior Public Officials and on Declaration, Origin and Control of Gifts of all Public Officials, article 5.

⁴¹Burdescu, R. and Reid, G. and Gilman, S. and Trapnell, S. (2009). *Income and Asset Declarations: Tools and Trade-Offs*. Stolen Asset Recovery Initiative and World Bank Publishing.

⁴²World Bank (2012). *Public Office, Private Interests: Accountability through Income and Asset Disclosure*. International Bank for Reconstruction and Development/World Bank Publishing

⁴³Hoppe, T. (2013). *Comparative Study: Income and Asset Declarations in Practice*. Regional School of Public Administration Publishing.

⁴⁴ See Law No.04/L-228 on Declaration, Origin and Control of Property of Senior Public Officials and on Declaration, Origin and Control of Gifts of all Public Officials, article 9.

⁴⁵Martini, M. (2013). *Asset Declaration Regimes in Selected Asian Countries*. Transparency International Publishing.

⁴⁶OECD (2011). *Asset Declaration for Public Officials: A Tool to Prevent Corruption*. OECD Publishing.

⁴⁷World Bank (2012). *Public Office, Private Interests: Accountability through Income and Asset Disclosure*. International Bank for Reconstruction and Development/World Bank Publishing.

available for evaluating asset declarations. A combination of these approaches is recommended and should take the political, economic and social context of the country into account. The current legislation in Kosovo does not identify any specific mechanisms available for verifying asset declarations. The Law on Asset Declarations stipulates only that “control shall be done in order to verify the truthfulness and accuracy of data contained in the declaration form.”⁴⁸ In an interview with an official from the Agency, the official did not present any guidelines that are used for the purpose of verifying the data in asset declarations but reported that the Agency contacts responsible institutions to verify the data.⁴⁹ However, the Agency did not share information regarding which other agencies are contacted for the purpose of verifying asset declarations. Although, in practice, the Agency may collaborate with other agencies and institutions to verify data, the law does not specify with which institutions the agency should cooperate for this purpose. Thus, both the legislation and the practices are vague in this respect. Overall, the lack of a specific verification process is one of the major policy problems that the AD system faces in Kosovo.

I) Which declarations to verify? The decision to evaluate all declarations involves high costs for the responsible agency. Therefore, the agency should select only some of the declarations for further investigation. Current practices show that there are various approaches used to identify which declarations should be verified. One approach involves random verification, while another approach is a target approach which prioritizes the declarations of certain public officials whose responsibilities make them more prone to corruption.⁵⁰ With the target approach, the responsible agency may use any number of strategies to prioritize the verification of certain declarations, including a) prioritizing verification of the declarations of high-ranking officials, b) prioritizing verification of the declarations of officials from certain agencies, c) prioritizing verification of the declarations of officials with particular duties or functions, or d) verifying the declarations of officials about whom a particular warning notification has been received (otherwise known as an ad hoc approach). While the target approach is preferred in the majority of countries, this approach is not applicable in Kosovo according to the Law on Asset Declarations. Random verification is the only approach applicable in Kosovo under the Law on Asset Declarations. In Kosovo, 20 percent of AD forms are selected at random, according to an official’s initials or declaration number, by a draw that is open to the public for oversight; the selected declarations are then subjected to full verification.⁵¹ This approach may be less effective because it may leave out public officials who have high-ranking positions or positions that are more prone to corruption. In accordance with the Law on Asset Declarations, a third approach may also be used; the Agency may conduct in-depth investigations wherein public officials are required to file additional information with regard to the declared assets.⁵² Any of these three approaches alone cannot lead to successful results; thus, it is suggested that a combination of the three approaches should be used and embedded in the relevant legislation.

J) Which sanctions are needed to enforce asset declaration regimes? Sanctions are an important mechanism to prompt compliance with the AD requirements. Sanctions can be

⁴⁸ See Law No.04/L-228 on Declaration, Origin and Control of Property of Senior Public Officials and on Declaration, Origin and Control of Gifts of all Public Officials, article 15, paragraph 4.

⁴⁹ Interview with an official from the Anti-Corruption Agency, 03 March 2014. The official wants to remain anonymous.

⁵⁰ World Bank (2012). Public Office, Private Interests: Accountability through Income and Asset Disclosure. International Bank for Reconstruction and Development/World Bank Publishing.

⁵¹ See Law No.04/L-228 on Declaration, Origin and Control of Property of Senior Public Officials and on Declaration, Origin and Control of Gifts of all Public Officials, article 9, paragraph 6.

⁵² See Law No.04/L-228 on Declaration, Origin and Control of Property of Senior Public Officials and on Declaration, Origin and Control of Gifts of all Public Officials, article 9, paragraph 6.

administrative, disciplinary, reputational or criminal, depending on the public official's position and misdeed.⁵³Administrative or disciplinary measures are mainly applied in cases of non-submission or late submission. It is also important to note that different sanctions may apply to different categories of public officials. For example, elected public officials such as MPs, ministers, or heads of state cannot usually be suspended from office for misdeeds related to a declaration of assets.⁵⁴Criminal sanctions, on the other hand, require additional concrete evidence and might be applied in response to the false submission of data. This is not a standard applied in all countries; however, the majority of countries including Kosovo categorize the submission of false data as a criminal offense. According to the latest amendment of the Law on Asset Declaration in Kosovo, in addition to submission of false data, non-submission is also categorized as criminal offense, while other punitive measures have been removed.⁵⁵ . Apart from financial penalties, the institutions responsible may impose reputational penalties wherein the names of wrongdoers may be published on the webpage of that institution or in a gazette. The Law on Asset Declarations in Kosovo states that the "Agency shall publish the names of senior public officials who have not declared..."⁵⁶ but does not stipulate specifically where these names should be published.

K) Should information be open to the wider public? Public disclosure of asset declarations would considerably bolster the integrity of the system by enabling civil society, citizens, and media to scrutinize the asset declarations. Public disclosure can incentivize public officials to not abuse the power delegated to them.⁵⁷ Although, the media and Civil Society Organizations (CSOs) would not have access to all of the information that the Agency has access to (such as land, property, or automobile registries), media and CSOs would have the power to investigate and could invest time in oversight activities that the Agency may not have the capacity for. Additionally, experience has shown that the effectiveness of asset declaration systems in curbing corruption depend to a great extent on the public's ability to access disclosed information.⁵⁸This finding suggests that countries should permit public access to the asset declarations of public officials. In Kosovo, asset declarations are recorded in registers and are kept for ten years in accordance with the Law on Asset Declarations. The data from asset declarations are also published on the webpage of the Anti-Corruption Agency within 60 days of receipt.⁵⁹ The data is accessible online without any payment or restriction. In addition, anyone can submit information to the Agency regarding declarations. Public scrutiny of asset declarations supplements the Agency's capabilities and may contribute to triggering investigations and exposure of corruption.

*Minor offence excludes the submission of false data.

⁵³OECD (2011). Asset Declaration for Public Officials: A Tool to Prevent Corruption. OECD Publishing.

⁵⁴World Bank (2012). Public Office, Private Interests: Accountability through Income and Asset Disclosure. International Bank for Reconstruction and Development / World Bank Publishing.

⁵⁵ See Law No.04/L-228 on Declaration, Origin and Control of Property of Senior Public Officials and on Declaration, Origin and Control of Gifts of all Public Officials, article 17, paragraphs 1,2, and 3.

⁵⁶See Law No.04/L-228 on Declaration, Origin and Control of Property of Senior Public Officials and on Declaration, Origin and Control of Gifts of all Public Officials, article 17.

⁵⁷Aaken, A. and Voigt, S.(2009). Do Disclosure Rules for Parliamentarians Improve Political Outcomes? University of St. Gallen, St. Gallen; and University of Marburg, Marburg.

⁵⁸OECD (2011). Asset Declaration for Public Officials: A Tool to Prevent Corruption. OECD Publishing. World Bank (2012). Public Office, Private Interests: Accountability through Income and Asset Disclosure. International Bank for Reconstruction and Development/World Bank Publishing.

⁵⁹See Law No.04/L-228 on Declaration, Origin and Control of Property of Senior Public Officials and on Declaration, Origin and Control of Gifts of all Public Officials,article 13, paragraph 1.

III. A Check-up of the Asset Declaration Forms Used in Kosovo

The Law on Asset Declarations entered into force in April 2014. Since then, there has been progress in terms of the high rate of compliance with the legal requirements for submitting declarations. However, several problems remain. There is still no specific verification process that must be followed by the Agency, and there is no mechanism to ensure that the selection practices for declaration verification are not biased. Therefore, we have randomly selected twenty asset declarations from a number of institutions, including the parliament, the government, and the judiciary, for analysis. Upon observing and analyzing these declarations, we identify several irregularities and challenges including inconsistent and unclear vocabulary, lack of full reporting on annual income and real property values, lack of mechanisms for investigating huge wealth discrepancies, and lack of international cooperation, among others. The following sections will discuss each problem observed.

A) *(Non)Standardization of Asset Declarations*-Consistency is an important element of every well-designed system including AD systems. In the case of AD forms, we evaluate consistency with regard to the terms and manners used to fill in all sections within the two forms*. The form consists of several sections including movable assets, immovable assets, stock owned in companies, possession of securities, debt owed to others, cash held in banks, and annual income. Upon analyzing the selected declarations, we have observed that there are major inconsistencies with the terms used to fill in the sections on immovable and movable assets. This inconsistent vocabulary contributes to ambiguity. For instance, if two public officials possess “land”, the word “land” may be written under different names making the forms difficult to compare and evaluate. Or, if public officials’ possess cars, some write only the type of car, some write only the term “car”, some add the production year, and some include all of this information. These inconsistencies are due to legislation that does not provide a list of clearly defined types of assets and or a list of specific information that should be required in financial disclosure forms. In essence, the forms are not standardized. The table below shows a few randomly selected examples of terms used to describe movable and immovable assets. The declarations which include these terms were found on the webpage of Kosovo’s Anti-Corruption Agency.

No	Name of Public Official	Terms used to describe Immovable Assets	Terms used to describe Movable Assets
I	Adem Grabovci ⁶⁰	Banesë; Truall; Pronë Familjare; Tokë; Pronë	BMW; Golf VI

* The two forms are the same for all public officials. One is filled out in two cases: when taking over a public function and upon request of the agency. The second is filled out (when there is any wealth change) during regular annual declaration and declaration after completing or after being dismissed from a public function.

* Patundshmeri MP Blerta Deliu Kodra, has filled seven boxes in the category of immovable assets, with the term “patundshmeri”, which in English means immovable assets

⁶⁰Anti-Corruption Agency (2013). Asset Declaration Form, Adem Grabovci, Parliament. Available at http://akk-ks.org/2013/Kuvendi/Adem_Grabovci.pdf

2	Ali Sadriu ⁶¹	Truall; Shtëpi;Mal; Livadh;Kopshhtë	Veturë; OrenditshtepiAKE
3	Burim Qori ⁶²	Shtëpi; Dyqane; Tokëpune; Tokë(Mal)	Mercedes ML 400 CDI; Golf 4; Audi A8
4	Blerta Deliu-Kodra ⁶³	Patundshmëri*	Veturë
5	Lutfi Haziri ⁶⁴	Tokë;Shtëpi;Banesë;Truallpërbanim	Veturë BMW; VeturëHundayi
6	Mahir Yagcilar ⁶⁵	Banesë; Shtëpi me Lokal; Troll;Truall; Banesë (parapagimisipaskontratës)	Automjet Renault Modus
7	Fadil Ismaili ⁶⁶	Tokë; Banesë; Tokë-pjese sip. e tere 2162 m2; ParceleBujqesore	Xhip Nissan; Stoliaridheargjenti
8	Xhavit Haliti ⁶⁷	TokëBujqësore; Shtëpifamiljare; Banesë	AutomjetXhip Land Rover; Stoliari
9	Adem Shabani ⁶⁸	Prone private fleteposedimim nr. 13-04. 15.85 aridhe ate 1/4 ; Prone private fleteposedimi nr. 92-01. 31.08 ari 1/4; Shtëpindertese me ngaster; Shtëpindertesebanimi me ngaster	Kombpasagjer
10	Afijete Sada-Gllogjan ⁶⁹	Shtëpi obor-0-00-88,0-03-10	Para tegatshme
11	Adem Ademaj ⁷⁰	Shtëpidhetruall; Tokëbujqesore	-
12	Aferdita Mulhaxha ⁷¹	ShtëpiPrivate; LokalAfarist	Veturë
13	Afrim Shala ⁷²	Arë-Parcellë; Parcellë e PerbashkëtFamiljare; Shtëpi e PërbashkëtFamiljare; Arë e PërbashkëtFamiljare; Male Familjare	-
14	Aziz Shaqiri ⁷³	Shtëpi me oborr	Automobil
15	Azra Cakolli ⁷⁴	Banesë; 1/3 e shtëpisësëprindërve- Shtëpi	Automjet Audi; Veturë Seat Inca; Veturë Opel Vectra
16	Beqir Kalludra ⁷⁵	E paluajtshme troll e toke bujqesore; Shtëpi me	-

⁶¹Anti-Corruption Agency (2013). Asset Declaration Form, Ali Sadriu, Parliament. Available at http://akk-ks.org/2013/Kuvendi/Ali_Sadriu.pdf

⁶²Anti-Corruption Agency (2013). Asset Declaration Form, BurimQori, Government, Ministry of External Affairs. Available at http://akk-ks.org/2013/qeveria/Ministria_e_Puneve_te_Jashtme/Burim_Qorri.pdf

⁶³Anti-Corruption Agency (2013). Asset Declaration Form, BlertaDeliuKodra, Parliament. Available at http://akk-ks.org/2013/Kuvendi/Blerta_Deliu-Kodra.pdf

⁶⁴Anti-Corruption Agency (2013). Asset Declaration Form, LutfiHaziri, Parliament. Available at http://akk-ks.org/2013/Kuvendi/Lutfi_Haziri.pdf

⁶⁵Anti-Corruption Agency (2013). Asset Declaration Form, MahirYagcilar, Government, Ministry of Public Administration. Available at http://akk-ks.org/2013/qeveria/Ministria_e_Administrates_Publike/Mahir_Yagcilar.pdf

⁶⁶Anti-Corruption Agency (2013). Asset Declaration Form, FadilIsmaili, Government. Available at http://akk-ks.org/2013/qeveria/Ministria_per_Zhvillim_Ekonomik/Fadil_Ismaili.pdf

⁶⁷Anti-Corruption Agency (2013). Asset Declaration Form, XhavitHaliti, Parliament. Available at http://akk-ks.org/2013/Kuvendi/Xhavit_Haliti.pdf

⁶⁸Anti-Corruption Agency (2013). Asset Declaration Form, AdemShabani, Kosovo Judiciary Council. Available at http://akk-ks.org/2013/Gjykatat/Adem_Shabani.pdf

⁶⁹Anti-Corruption Agency (2013).Asset Declaration Form, AfijeteSada-Gllogjan, Kosovo Judiciary Council. Available at http://akk-ks.org/2013/Gjykatat/Afijete_Sada-Gllogjani.pdf

⁷⁰Anti-Corruption Agency (2013). Asset Declaration Form, AdemAdemaj, Kosovo Judiciary Council. Available at http://akk-ks.org/2013/Gjykatat/Adem_Ademaj.pdf

⁷¹Anti-Corruption Agency (2013). Asset Declaration Form, AferditaMulhaxha, Kosovo Judiciary Council. Available at http://akk-ks.org/2013/Gjykatat/Aferdita_Mulhaxha.pdf

⁷²Anti-Corruption Agency (2013). Asset Declaration Form, AfrimShala, Kosovo Judiciary Council. Available at http://akk-ks.org/2013/Gjykatat/Afrim_Shala.pdf

⁷³Anti-Corruption Agency (2013). Asset Declaration Form, Aziz Shaqiri, Kosovo Judiciary Council. Available at http://akk-ks.org/2013/Gjykatat/Aziz_Shaqiri.pdf

⁷⁴Anti-Corruption Agency (2013). Asset Declaration Form, AzraCakolli, Kosovo Judiciary Council.Available at http://akk-ks.org/2013/Gjykatat/Azra_Cakolli.pdf

		I2 aritruall	
17	Eset Murati ⁷⁶	Shtëpi; Tokëbujqësore 1/3 ;Tokë 1/3	-
18	Bahri Hyseni ⁷⁷	Shtëpi me lokal; Shtëpi 170-200; Shtëpi e nderuar e pa mobiluar 180-200 ;Toke	Vetur Audi 4
19	Laura Pula ⁷⁸	Banesë; Shtëpi me oborr; Parcel kadastrale (ville ne ndertim)	Veturë
20	Sefer Morina ⁷⁹	Tokë Pune; ShtëpiBanimi; Oborr;Mal (Pyllë)	Vetura; Motikultivator; Vetura

Source: Author's compilation based on the Anti-Corruption Agency's 2013 Asset Declarations Forms

In the immovable assets section, it is difficult to understand the difference between the terms “truall”, “prone”, “livadh”, “kopsht”, “patundshmeri”, “parcelebujqësore”, “toke bujqësore”, “truall per banim”, “trolle”, “toke (mal).”The Albanian word “patundshmeri”, in English, means “immovable assets.”As shown in table 1, Ms. Blerta Deliu Kodra used only this term to describe her assets that fall under the category of “immovable assets”, leaving room for misinterpretation as immovable assets can refer to land, flats, or houses, among others things. Thus, we are not sure as to what assets the MP has referred. Another example of an irregularity would be Ms. Sada-Gillogjani's description of her “immovable assets” -“Shtëpi obor-0-00-88,0-03-10.”These numbers are completely unclear, and she has not provided any explanation. A similar phenomenon is found on the declaration form of Mr. Adem Shabani who has submitted numbers without clarification. Furthermore, under the category of movable assets, public officials use different terms to describe their vehicles including “automobile”, “veture”, “auto”, and “makine”. In some cases, as is the case with Mr. Ali Sadriu, officials only write “car” without giving additional details about the type of car or year of production. On the other hand, Mr. Mahir Yagcilar and a few others provide the type of their car. Overall, many orthographic mistakes are found throughout declarations which reflects a low level of education among individuals in high-ranking positions.

In the category of “annual income”, the majority of the AD forms report personal income but do not report the annual income of family members in accordance with the Law on Asset Declarations.⁸⁰This type of reporting could be used to hide their wealth under the names of their family members. In addition, the majority of officials do not declare their per-diems which can be comparable to annual incomes. It is also unclear if the annual income declared is gross or net income, as some declare it as gross and some others as net. Moreover, it is important to note that many public officials have loans, even those that have huge amounts of money in bank accounts. Another problematic area is the origin of wealth section, which in many cases is left blank or is only marked as inherited without further explanation; it is crucial to verify the origin of wealth for this reason. Clearly these irregularities and inconsistencies make it difficult to verify the data in the asset declaration forms. With low levels of readability and consistency, the asset declarations can hardly serve their purpose.

⁷⁵Anti-Corruption Agency (2013). Asset Declaration Form, Beqir Kalludra, Kosovo Judiciary Council. Available at http://akk-ks.org/2013/Gjykatat/Beqir_Kalludra.pdf

⁷⁶Anti-Corruption Agency (2013). Asset Declaration Form, Eset Murati, Kosovo Judiciary Council. Available at http://akk-ks.org/2013/Gjykatat/Eset_Murati.pdf

⁷⁷Anti-Corruption Agency (2013). Asset Declaration Form, Bahri Hyseni, State Prosecutor. Available at http://akk-ks.org/2013/Institucionet_e_Pavarura/Prokuroria_e_Shtetit/Bahri_Hyseni.pdf

⁷⁸Anti-Corruption Agency (2013). Asset Declaration Form, Laura Pula, State Prosecutor. Available at http://akk-ks.org/2013/Institucionet_e_Pavarura/Prokuroria_e_Shtetit/Laura_Pula.pdf

⁷⁹Anti-Corruption Agency (2013). Asset Declaration Form, Sefer Morina, State Prosecutor. Available at http://akk-ks.org/2013/Institucionet_e_Pavarura/Prokuroria_e_Shtetit/Sefer_Morina.pdf

⁸⁰See Law No.04/L-228 on Declaration, Origin and Control of Property of Senior Public Officials and on Declaration, Origin and Control of Gifts of all Public Officials, article 5, paragraph 2.

B) Determining the value of property in monetary figures- Another major policy problem related to the AD forms is the declaration of assets in the form of “goodwill.” Current practices show that public officials tend to determine the value of their wealth and assets based on their own beliefs and rather than on current market value; therefore, the accuracy of the wealth declared is called into question. The current form leaves room for manipulation and artificial increase in the price of the property. As such, public officials can use certain transactions to hide other financial expenditures under this roof. There is no mechanism that the Agency can use to ensure that reported property prices are based on the market price or on the accrual price of the property when it was purchased. The law is vague in the sense that it does not contain any provision that specifies measures that can be taken to cross-check reported property values.

C) The huge wealth discrepancy within few years (rapid wealth accumulation)- Regarding huge wealth differences evidenced based on declared data within few years⁸¹; the legislation does not identify any mechanisms that the Agency could use to verify the origin of a public official’s wealth or the accuracy of a public official’s declaration of wealth. The law only states that “if a full control reveals...,” suggesting that some sort of control is conducted. However, the law is vague in this regard and does not clarify what is meant by a full control. The law requires the Agency to manage the verification of data and does not include any “alert” provision that would help the Agency handle situations where there are major discrepancies between perceived and reported wealth. The law does not clearly require the agency to evaluate incompatibilities between perceived and declared wealth or cases of rapid wealth accumulation.

D) International Cooperation- Formal international cooperation between agencies in different countries is very important for the purpose of exchanging and verifying the declared data of public officials. Bilateral and multilateral agreements on the exchange of data are considered less time-consuming than other forms of information exchange such as “mutual legal assistance,” which would be the responsibility of the Ministry of Justice or equivalent body.⁸² Kosovo, so far, has only a memorandum of cooperation for the exchange of data with Albania and is developing a memorandum with Montenegro. The agency also uses the Financial Intelligence Unit (FIU) international network to attain data from abroad in a less formal way.⁸³ Although, as shown, formal international cooperation is an important element for the verification of the data, Kosovo has not tackled this issue, and there is no information available on the Agency webpage with regard to international cooperation for the purpose of data exchange.

IV. RECOMMENDATIONS

As mentioned above, despite the legislative progress, several problems remain for Kosovo’s AD system. As such, this policy report puts forward a set of policy recommendations that should be addressed promptly by the respective institutions in order to effectively use asset declarations as a mechanism for detecting, combating, and preventing corruption and consequently boosting public trust in the integrity of the government.

1) The Need To Standardize Asset Declaration Forms

⁸¹Qosaj-Mustafa, A. (2013). *The Impunity in Kosovo: Inexplicable Wealth*. KIPRED Publishing. Two enormous differences reported in wealth declarations are XhavitHaliti, 428 % increase in wealth from 2010-2011 and LutfiHaziri, 258% increase in wealth from 2010-2011.

⁸²Hoppe, T. (2013). *Comparative Study: Income and Asset Declarations in Practice*. Regional School of Public Administration Publishing.

⁸³Hoppe, T. (2013). *Comparative Study: Income and Asset Declarations in Practice*. Regional School of Public Administration Publishing.

As noted above, we have observed several inconsistencies and irregularities in the vocabulary used to describe assets, particularly movable and immovable assets. The inconsistencies in the vocabulary used to describe assets make the asset declarations ambiguous and difficult to verify. Therefore, we strongly suggest that the Agency develops a list of terms that can be used to describe movable and immovable assets. The list should be updated at regular intervals and should be available on the Agency's webpage. If any declaration is not submitted in accordance with the list, it should be returned to the public official for revision. In order to standardize asset declarations, we recommend that the Agency stipulates whether annual income should be reported as gross or net income. For the purpose of receiving accurate data, the Agency should also indicate the level of specificity that it expects. For instance, for cars, the Agency may decide to request that all public officials declare the type of car and the year of production. The Agency should provide additional clarifications and requirements that will help public officials declare their wealth in a comprehensible manner. Furthermore, the Agency should indicate that any form not filled in accordingly will be turned back for revision. If the public official does not revise the form to the satisfaction of the Agency, the declaration should be classified as a non-submission.

2) Establish Mechanisms That Would Help Determine The Real Value of Property

There is no mechanism or guideline that enables the Agency to accurately determine the monetary value of reported properties. This, in turn, allows public officials to provide inaccurate property values that do not correlate with the current market value or the accrued value of the property. Therefore, the Agency should establish specific guidelines which will allow public figures to determine the monetary value of their assets. If this occurs, declarations will do a better job of showing how wealthy public officials are and of revealing corruption.

3) Set Up Clear Guidelines For The Verification Process of Asset Declarations

As discussed, the current legislation does not set out any guidelines for the verification process, which negatively affects the integrity of the system. The Agency should establish a clearly defined verification process which identifies the institutions with which the Agency collaborates and indicates activities that should be conducted in order to verify the data in asset declarations. The verification process should be transparent and open to the public as it has the potential to enhance the integrity of the system. An administrative instruction could be used to call for the establishment of a verification system, since verifying the data is crucial to the effective implementation of the AD system.

4) A Need For a More Representative Sample of Verified Asset Declarations

Since the decision to evaluate all declarations would be costly, the Law in Kosovo stipulates that 20% of all declarations be randomly selected for verification. As explained above, this approach is limited in that it may leave out public officials in positions that are more prone to corruption. Therefore, we suggest that the Agency prioritizes the declarations and verifies the top 20 percent. The Agency can prioritize declarations based on the rank of officials, the agency in which the official works, or the duties or functions of the official. 5% of the total number of declarations can be chosen in line with each approach, totaling 15% of the total declarations. This approach is much more likely to ensure the verification of declarations submitted by officials that are in positions that are prone to corruption. The other 5% can be chosen randomly. In addition, verification of declarations of officials about whom a particular warning notification has been received should be conducted.

5) Establish International Cooperation For The Exchange of Information

The agreement with Albania is the only international agreement that provides for the exchange of data for the verification of asset declarations between Kosovo and another country. This, in turn, makes it easier for public officials to hide wealth in other countries, particularly in other states in the region where they may have family or friends and are familiar with the culture and procedures. Therefore, the Agency should seriously address this issue and establish bilateral agreements with countries for the purpose of exchanging information that relates to the wealth of public officials. Kosovo should prioritize countries in the region, since there is a greater likelihood that a public official will purchase assets or will hold accounts in another Balkan country due to proximity, familiarity with the culture and procedures, and close networks.

6) Some Smaller Policy Interventions

A number of small policy recommendations should also be addressed by the competent authorities. First, there is only one form of declaration for all public officials. Since the literature acknowledges the advantages of having separate forms for different ranks of public officials, the Agency should create multiple declaration forms that, at the very least, distinguish between elected public officials, the judiciary and other public officials. Second, with regard to obvious discrepancies between actual and reported wealth which are not addressed by the current legislation, we recommend that the Committee on Legislation in collaboration with the Agency address this issue by creating a “warning” provision in the legislation. Third, article 15 of the Law states that the data received from public officials should be published, but it does not clarify where the data should be published. We suggest that the Agency publishes the reported data, as well as the names of officials who do not submit declarations or who submit late declarations, on their webpage and in a gazette that has high readership. Posting the data online and in print is important for ensuring that the data is seen by citizens and is publicly tied to the reputation of the official. Identifying public officials who do not comply with the AD system will increase the reputational and political cost (in the form of lost votes for elected officials) of non-compliance. Finally, the Agency should continue to publish asset declarations online with no restrictions or financial cost for those who wish to access this information. This practice enhances the credibility and integrity of the system.

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