



Republika e Kosovës
Republika Kosova - Republic of Kosovo



Autoriteti i Aviacionit Civil i Kosovës
Autoritet Civilnog Vazduhoplovstva Kosova
Civil Aviation Authority of Kosovo

**ANNUAL
REPORT**

2018

Vision

To be credible and globally recognized as a civil aviation regulator and supervisory authority, ranking ahead of others in the region and beyond, regarding the aviation safety.

Mission

To create a civil aviation environment in accordance with international standards, through continuous monitoring, partnership with industry and a high level of professional competency of the staff.

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LIST OF ABBREVIATIONS

CAA	Civil Aviation Authority of the Republic of Kosovo
AMC	Aviation Medical Centre
AME	Aviation Medical Examiner
PIA	Prishtina International Airport Adem Jashari
ANSA	Air Navigation Services Agency
EU	European Union
ICAER	International Cooperation and Aviation Economic Regulation
DSC	Department of Security and Quality in CAA
DFV	Department of Flight Security in CAA
DANS	Department of Air Navigation Services
EASA	European Aviation Safety Agency
ECAC	European Civil Aviation Conference
EUROCONTROL	European Organisation for the Safety of Air Navigation
ECAA	European Common Aviation Area
IATA	International Air Transport Association
ICAO	International Civil Aviation Organization
KIPA	Kosovo Institute for Public Administration
IPA	Instrument for Pre-accession
ISO	International Organization for Standardization
EC	European Commission
KFOR	Kosovo Force
KHAIA	Aeronautical Accident and Incident Investigations Commission
ISC	Independent Supervisory Committee
ATC	Air Traffic Control
LCA	Law on Civil Aviation
LKIA	Private Operator of PIA Adem Jashari
MF	Ministry of Finance
MIT	Ministry of Infrastructure and Transportation
MEI	Ministry of European Integration
MIA	Ministry of Internal Affairs
MFA	Ministry of Foreign Affairs
MLSW	Ministry of Labour and Social Welfare
NATO	North Atlantic Treaty Organization
NPISAA	National Programme for the Implementation of the SAA
SSP	State Safety Program
UAV	Unmanned aerial vehicle (drones)
KFMIS	Kosovo Financial Management Information System
QMS	Quality Management System
SPR	ICAO Standards and Recommended Practices
NAO	National Audit Office

1. EXECUTIVE SUMMARY

The Civil Aviation Authority (CAA) is an independent regulatory agency in charge of regulating civil aviation safety aspects and economic regulation of airports and air navigation service providers. The CAA has full legal capacity; it is a self-financed budget organisation and a public authority subject to relevant provisions of laws and other bylaws applicable in the Republic of Kosovo on budgetary organisations and public authorities.

The CAA is self-financed from dedicated revenues, as defined in the Law No. 03/L-048 on Public Financial Management and Accountability (amended and supplemented). According to Article 25 of Law No. 03/L-051 on Civil Aviation, the CAA dedicated revenues consist of:

- aviation-related taxes, charges and fees;
- a percentage from air navigation services provided within the Republic of Kosovo's airspace;
- passenger safety charges, and certificate and licensing charges; and
- donations, grants and any other financial or technical support designated for the CAA.

The CAA is led by the Director General. On November 22, 2018, the five-year mandate of Mr. Dritan Gjonbalaj, as CAA Director General, has expired. Until the appointment of the new director in January 2019, the CAA was led by the Deputy Director-General, Mr. Xhelil Bekteshi.

CAA's work is supervised by the five-member Supervisory Board. The current CAA Supervisory Board has been appointed by the Government in June 2016. CAA has 28 employees, and despite of continuous requests to the MoF in 2018, the recruitment of new staff for performing core tasks in the field of quality assurance or information technology, has not been approved.

In early January 2018, following a comprehensive consultation, the CAA Work Plan for 2018 was consolidated and approved. This plan includes: Action Plan, Oversight Activities Plan, Recruitment Plan and the Staff Training Plan, and is in full compliance with the CAA strategic objectives. Quarterly and annual reviews have shown that the Work Plan for 2018 was implemented 97%: Action Plan was implemented 94%, Training Plan 100% and the Oversight Activities Plan 100%. Some of the actions that have not been accomplished during 2018, and in previous years, such as membership in international aviation organizations and entry into international contractual arrangements, are related to external factors, mainly political and legal circumstances outside the decision-making powers of institutions of the Republic of Kosovo. Annex 2 of this report contains the Work Plan for 2018 and its implementation.

In order to maintain the certified quality management system in 2016 according to the latest standard ISO 9001:2015, in December 2018, the evaluation of user satisfaction on services provided by CAA has been conducted for the seventh time in a row. From the responses received, an evaluation average of 4.86 was created in 2018 (rating values from 1 to 5). Compared to 2017, which was 4.7, the average satisfaction value shows a slight increase. More importantly, the interviewed operators have also provided recommendations for improvement, which are very valuable to the CAA and are reviewed by management to use when planning their work. The results of the satisfaction evaluation are presented in Annex 3.

CAA continued to exercise its responsibilities towards fulfilling the obligations deriving from the State Safety Program in aviation, coordinating with other authorities and operators for a more efficient civil aviation safety management at the state level. It has been organized an annual meeting of the Senior Level Forum, the SSP Committee, where all state organizations with a role in civil aviation safety in the Republic of Kosovo were represented and coordinated. At the CAA level, within the work of the Safety Council, actions have been identified as necessary for the management of safety. Aviation safety performance indicators have been set, occurrence reporting has been managed, and safety has been promoted among the aviation industry in the country.

NATO has continued to lead the discussions during 2018 with Kosovo state authorities and neighbouring countries to normalize the Kosovo lower airspace. The complete normalization of the lower airspace of Kosovo, among other things, will include the opening of new air routes between the Republic of Kosovo, Albania, Montenegro and Serbia, which would serve all aircraft flying to PIA Adem Jashari. Currently, all flights in Prishtina are only carried out through a route linking the Republic of Kosovo with Northern Macedonia. New routes would shorten the flight time by around 15-20 minutes, and would reduce airlines' operating costs, which consequently would reflect in cheaper airplane tickets for passengers. Although NATO officials were committed to finding the best technical and legal solution to increase the number of air corridors in Kosovo's lower airspace by the end of 2018, but there has been a hesitation on the Serbian side to make any agreement with Kosovo. For more details on this meeting, see section 8.2 b) of this report.

Also during 2018, EASA has hesitated to sign the Working Arrangements with the CAA despite the fact that it had promised to sign it following a comprehensive assessment visit in the field of air traffic management/air navigation services and licensing of air controllers, which EASA undertook in Kosovo during 21-25 November 2016. Despite the on-going bilateral communications, there have been no other developments regarding the signing of Working Arrangements during this time. Signing of Working Arrangements will enable, among other things, CAA's performance audits by EASA and a positive evaluation would guarantee pan-European recognition of aviation licenses and certificates issued by the Republic of Kosovo.



View of the terminal at PIA Adem Jashari

Following the entry into force of the ECAA Agreement on 1 December 2017, the first formal meeting of the Joint Committee of the ECAA Agreement was held on 3 May 2018 in Brussels, where all Kosovo aeronautical authorities were represented. The European Commission announced that it will soon issue Annex I updated with the new legislation in the field of civil aviation, which will be required to be implemented by the parties of the Agreement. However, for Kosovo, despite the advancement in issuing and implementing the legislation and the second phase of the ECAA Agreement related to the safety and security of civil aviation, the challenge to move to the second phase remains the incomplete alignment of EU Directive 2003/88 on working hours in the Law on Labour of the Republic of Kosovo. Although the Draft-Law containing this Directive was submitted to the Assembly of the Republic of Kosovo in December 2018, there is no accurate information on when it will enter into force. Nevertheless, the 2017 Country Report published by the EC recognizes the progress made in the field of civil aviation, saying the following: *“For aviation, Kosovo has made progress in alignment with the EU Acquis and has implemented almost all the requirements from the first transitional phase of the Agreement on the European Common Aviation Area (ECAA), with the exception of certain provisions in the area of economic regulation, particularly with regard to labour law”*.

In the field of legislation, CAA continued to issue bylaws for implementing the Law on Civil Aviation, in order to adopt international standards of the civil aviation published by ICAO and those for implementation of EU legislation in the field of civil aviation, both those within the ECAA Agreement and others applicable to EU countries, but which officially are not part of this Agreement. Eleven specific bylaws have been issued, of which four have been issued for the transposition of EU legislation into our legal order, in various fields within the CAA responsibility. Thus, CAA has fully met its obligations under the National Plan for the Implementation of the SAA for 2018; however, one of the draft regulations, by the end of December, has not been returned by MEI and as such has not yet been issued by the CAA. Each draft regulation drafted by the CAA, which implements a bylaw of the EU, undergoes through the approval procedure by the MEI before being signed by the Director General of the CAA. In addition to these regulations and some technical publications (guidelines) that serve the industry for easier

implementation of regulations, CAA has also published during the year an important regular annual report on the reported occurrences.

During 2018, the CAA was quite active during the public consultation phase on the law package aimed at reforming public administration, respectively the Draft Law on Organization and Functioning of State Administration and Independent Agencies, the Draft Law on Public Officials in the Republic of Kosovo and the Draft Law on Salaries. The comments and remarks of the CAA on these draft laws were submitted to the Ministry of Public Administration and relevant parliamentary committees. CAA remarks were mainly directed at the Draft Law on Organization and Functioning of State Administration and Independent Agencies and the Draft Law on Salaries. The focus of remarks on the Draft Law on Organization and Functioning of State Administration and Independent Agencies was about the status of the CAA, regarding which evidence were provided proving why the CAA should continue to function as an independent regulatory agency, as defined by the Kosovo Constitution, while the focus of remarks on the Draft Law on Salaries was about the exclusion of the CAA's involvement in this law as the CAA is an agency that generates revenue through licenses, certificates and the safety charge, which funds are sufficient for self-financing of the CAA. Complete summary of the submissions and meetings held on this topic can be read in section 8.9 d) of this report.

CAA inspectors have conducted inspections and audits based on the approved plan of supervisory activities to guarantee that civil aviation operations in the Republic of Kosovo are carried out in accordance with the standards in force. These inspections and audits are carried out at Prishtina International Airport Adem Jashari, Air Navigation Services Provider, and foreign airlines operating in Prishtina, at the approved fuel supplier at Prishtina Airport, Kosovo Aeronautical Federation, Aviation Academy and training organizations in the field of civil aviation, approved by the CAA. Inspections have shown that the operations are carried out in accordance with safety standards.

In fulfilling its responsibility of licensing the personnel that hold sensitive responsibility in the safety of civil aviation, CAA has issued a large number of licenses, including the licensing of 8 paragliding pilots and 23 air traffic controllers based on the EU requirements. The licensing of paragliding pilots and instructors has continued.



The key activity of 2018 was the certification of PIA Adem Jashari in November 2018 based on the requirements of the new European regulation on aerodromes, which is also implemented by CAA. PIA Adem Jashari is one of the first airports in the region certified according to new European standards, which are much more demanding than the ICAO standards, with which the airport was certified until the beginning of November 2018. On 8 November 2018, CAA issued the LKIA Aerodrome Certificate in accordance with the provisions of Regulation no. 17/2017 of the CAA stipulating administrative provisions and procedures relating to aerodromes. The certification of PIA Adem Jashari has also been one of the accomplished CAA measures, undertaken by the NPISAA 2018. More details are found in section 8.5 a) of this report.

CAA has supported other institutions responsible for civil aviation in the Republic of Kosovo, so that the entire aviation regulatory and supervisory system functions in a coordinated manner and in accordance with standard and best international practices. It is worth mentioning the support given to the Ministry of Infrastructure, namely to the working group for the drafting of the civil aviation strategy and the working group for drafting the concept document amending the Law no. 03/L-051 on Civil Aviation initiated by MI. Also, CAA was part of the negotiating team appointed by the Kosovo Government to conclude a Bilateral Agreement on Air Transport Services with the United Kingdom of Great Britain and Northern Ireland. This agreement establishes the legal basis necessary for the continuation of direct flights between Pristina International Airport Adem Jashari and UK airports after Brexit.

CAA continued to cooperate with MIA, as another public authority with responsibility in civil aviation. During 2018, CAA has given its contribution to the working group established to implement the search and rescue regulation issued by the MIA.

Technical cooperation with counterpart authorities in the region and beyond, especially with Albania and Macedonia, continued during 2018. A CAA flight safety inspector, specialized in the transportation of dangerous goods, participated in the audit of dangerous goods at the Skopje International Airport, in support of the audit team of the Macedonian CAA.

CAA invests in the continuous professional capacity-building and maintenance of its personnel capacities, in accordance with recommended international standards and practices. Based on a previously approved training plan, during 2018, CAA personnel attended training sessions mainly funded by donors and by the CAA budget. The detailed list of training session is presented in Annex 1 of the Report.

The National Audit Office has issued an “Unmodified Opinion” for 2017 same as in other years, and has confirmed that “the financial statements of CAA for 2017 present a true and fair view in all material respects”. According to the report published in May 2018, budget management is done in full harmony with proper financial management principles. The report of National Audit Office has only one recommendation, which was immediately addressed and implemented by CAA according to the legal provisions in force.

The CAA budget for 2018, after budgetary cuts, was € 942,781.10. During the 2018 fiscal year, CAA has spent € 897,239.22, which means that 95% of the allocated/approved budget was executed. The non-implementation of the budget by 100% is mainly due to savings for utilities. Meanwhile, CAA revenues, from the safety charge paid by each passenger departing from Prishtina Airport and other charges, amounted to € 2,114,835.

During 2018, PIA Adem Jashari provided services to a total of 2,165,749 passengers, according to statistics collected by LKIA operator. This number of passengers represents a two-digit increase of 14.6% of passengers served at this airport compared to last year (1,889,659). The increase in the number of passengers is attributed to, among other things, financial incentives approved by the CAA in early 2018, which the airport operator offers to airlines that open new lines from Pristina or increase the number of flights. The incentive programme for airline companies will be modified in order to attract serious airline companies to provide services in our country. Charts of air traffic statistics to/from Pristina are presented in Annex 4 of the report.

2. LEGAL BASIS

On 13 March 2008, the Parliament of the Republic of Kosovo adopted the Law No. 03/L-051 on Civil Aviation. The Law entered into force on 15 June 2008. This law was adopted by the Assembly of Kosovo pursuant to Article 130 of the Constitution of the Republic of Kosovo, which requires the establishment of the Civil Aviation Authority of the Republic of Kosovo. The Law on Civil Aviation is a fundamental law for the functioning of the CAA, and the regulation of civil aviation in the Republic of Kosovo. Under this law, the CAA is given the competencies to issue bylaws in the form of Regulations, Administrative Instructions and Decisions, whereby the provisions of the Law on Civil Aviation and international standards issued by ICAO and EU have been implemented more specifically. Internal functioning and organisation is regulated with the internal regulation issued by the Director General, pursuant to Article 14.2 of the Law on Civil Aviation and according to the legislation in force, including the Law on State Administration, Law on Civil Service and Regulations of the Government of Kosovo for the Civil Service.

a) Improvement of legal basis

Law on Civil Aviation falls under the first group of laws issued after the Independence. The Ministry of Infrastructure, as the line ministry, should if necessary, initiate amendment of the law, whereas the CAA, MIA, and AAHIC should be part of this process. During the reporting period, MIT initiated a process for amending/supplementing the law, in order to define better the responsibilities of civil aviation public institutions, otherwise, the Law on Civil Aviation was within the legal framework of the EU and was considered a model for other countries in the region.

b) Legal difficulties

As mentioned above, the Law on Civil Aviation and bylaws deriving from it enabled the CAA to exercise its responsibilities and to fulfil the country's international obligations in the field of safety, without any difficulty worth mentioning.

3. DESCRIPTION OF THE CAA

Civil Aviation Authority of the Republic of Kosovo (CAA) was established as independent regulatory agency based on Article 14 of the Law No. 03/L-051 on Civil Aviation. As of 1 January 2009, the CAA acquired complete competencies in accordance with this law. The CAA is one of the public authorities with responsibilities and functions in the field of civil aviation in our country. The law stipulates that the Ministry of Infrastructure (MI) is responsible for the economic regulation of air transport¹, while the Ministry of Internal Affairs (MIA) is responsible for regulating aviation security aspects.² The law also establishes the Aeronautical Accident and Incident Investigation Commission (AAIIC), as an institution that operates under the Office of the Prime Minister of the Republic of Kosovo.³

¹ Law on Civil Aviation, Chapter 2

² Ibid, Chapter 4

³ Ibidem, Article 5

The CAA is in charge of regulating civil aviation safety aspects and economic regulation of airports and air navigation service providers. Economic regulation of airports and air navigation service providers implies approval of charges on the use of services provided by these operators. The CAA has full legal capacity and reports on its work to the Assembly of the Republic of Kosovo. The CAA is a self-financed budgetary organisation and public authority that is subject to the provisions for budgetary organisations and public authorities in laws and other legal acts applicable in the Republic of Kosovo.

Pursuant to Law on Civil Aviation, CAA is responsible for:

- implementation of civil aviation legislation and giving effect to policies adopted by the MIT or the Government in the field of civil aviation;
- providing advice and proposals to the MIT, the Government and the Assembly regarding policies and legislation for the civil aviation field;
- issuing implementing Regulations and air navigation orders, in accordance with the Law on Civil Aviation and the Agreement on the European Common Aviation Area, to implement the MIT's civil aviation policies and relevant legislation related to civil aviation;
- issuing licenses, certificates and permits in accordance with the CAA's competencies and responsibilities defined by the Law on Civil Aviation;
- regulating the safety of air transportation in the Republic of Kosovo;
- regulating the economics of airports and air navigation services;
- providing advice to the MIT in connection with the Minister's development of proposed policies for the use of Kosovo airspace that meet the needs of users, taking into account national security, economic and environmental factors, and the need for a high standard of safety;
- supervising and ensuring effective implementation of civil aviation legislation, standards, rules, procedures and orders, except where the Law on Civil Aviation or another primary normative act exclusively assigns such a function to the MIT or another public authority;
- disseminating information to the public about matters relevant to the functions and activities of the CAA;
- performing such acts, conducting such investigations and inspections, and issuing such orders, rules, regulations, and/or procedures as the CAA may deem reasonably necessary to properly and lawfully (i) implement the applicable provisions of the Law on Civil Aviation or (ii) discharge the powers and duties assigned to the CAA by the present law; and
- performing any other functions pertaining to civil aviation in Kosovo assigned to CAA by the Law on Civil Aviation or another primary legal act.

4. INSTITUTIONAL ORGANISATION

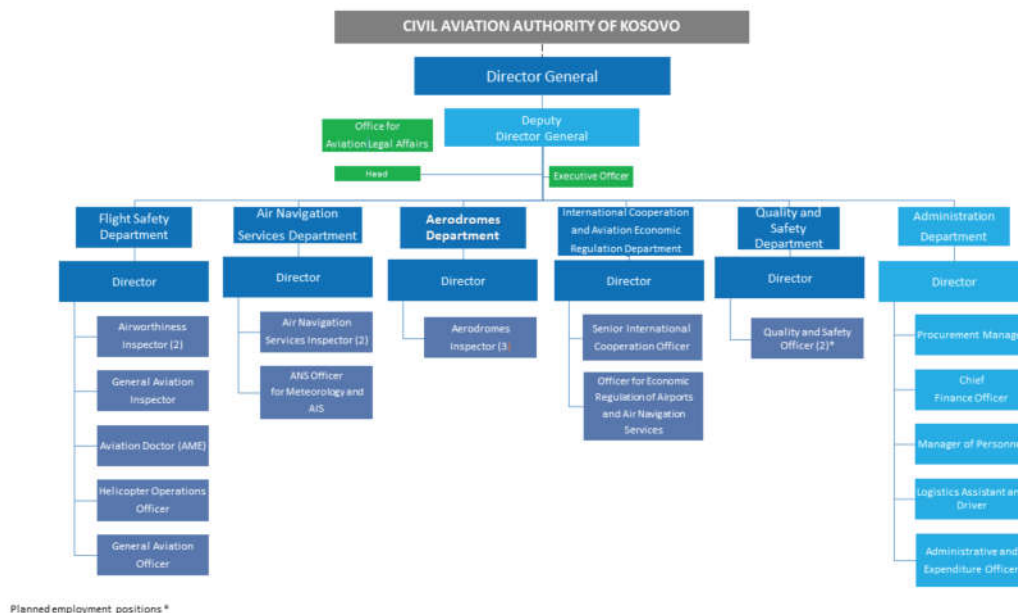
The CAA headquarters is located at Ahmet Krasniqi st., No. 208, Arbëria District, Prishtina. The CAA offices have sufficient space to provide good working conditions for the employees. Since the CAA offices are located in a private building, for which rent is paid, the CAA has formally requested from the Ministry of Public Administration to find a solution to move the CAA into suitable state premises or allocation of a land parcel in Prishtina for the construction of the CAA administrative building which would be funded by its own source revenues.

a) CAA organisational structure

According to the Regulation on Internal Organisation, Functioning and Systematization of Working Positions, the CAA organizational structure consists of:

- a) Director General's Office
 - i. Director General;
 - ii. Deputy Director General;
 - iii. Aviation Legal Affairs Office;
 - iv. Public Relations Office;
- b) Flight Safety Department;
- c) Air Navigation Services Department;
- d) Aerodromes Department;
- e) International Cooperation and Aviation Economic Regulation Department;
- f) Safety and Quality Department; and
- g) Administration and Human Resources Department.

Below is the organisational chart of the CAA, in accordance with the Regulation on the internal organisation and functioning and systematization of working positions.



b) CAA financial revenues

The CAA is self-financed by dedicated revenues, as defined by Law No. 03/L-048 on Public Financial Management and Accountability (amended and supplemented). According to Article 25 of Law No. 03/L-051 on Civil Aviation, dedicated revenues of the CAA consist of:

- aviation-related taxes, charges and fees;
- a percentage of air navigation services provided within the Republic of Kosovo's airspace;
- passenger safety charges, and certificate and licensing charges; and
- donations, grants and any other financial or technical support designated for the CAA.

Since 1 January 2009, the Regulation No. 2008/7 of the Ministry of Transport and Telecommunication on the determination of the safety charge levied on passengers departing on commercial flights from Kosovo has been applied. This Regulation determines a safety charge of 2 Euros per each passenger departing from Kosovo by means of commercial flights. Pursuant to Law on Civil Aviation and provisions of this Regulation, funds collected from this safety charge are dedicated to the CAA in order to cover its operational costs.

As of mid-2011, the CAA, through Regulation No. 7/2011, as amended by Regulation No. 2/2015, has provided the legal basis for the collection of fees for the services it provides, such as issuance of licenses, permits, various certificates and performance of inspections and audits, all within the CAA's competences to regulate civil aviation in the Republic of Kosovo.

Detailed information on CAA revenues in 2018 can be found in section 8.13 b) of this report.

c) Salaries of CAA staff

Civil aviation safety is the mission and number one priority of the CAA. As the civil aviation regulator, CAA ensures that air operations in the Republic of Kosovo are conducted in accordance with applicable laws and international standards, including European Union aviation legislation and standards. To achieve this mission, civil aviation regulatory needs highly qualified and experienced personnel to design standards, procedures, regulations, and ensure their implementation by the operators through continuous supervision, inspections and audits.

Pursuant to Article 24.2 of the Law on Civil Aviation, the CAA staff salaries are determined by the Minister of Finance, on the proposal of the CAA Director General. In determining the level of salaries, the law stipulates that, in addition to professional staff criteria, salaries of the aviation industry staff (airport, air traffic control, airlines) should be taken into account, a standard which is also required by the ICAO. The level of the CAA staff salaries was adopted on 20 March 2009 by the Minister of Economy and Finance, after the proposal of the CAA Director General. The salaries of the Director General and the Deputy Director General of the CAA were later determined by the Government in accordance with Article 20.2 of the Law on Civil Aviation.

4.1 CAA SUPERVISORY BOARD

In accordance with the Law on Civil Aviation, CAA activities are supervised by the Supervisory Board which is comprised of five members. The Board works part-time and meets at least once every calendar quarter. The Chairperson represents the Board in public and manages and organizes the Board's work. The Board takes decisions with the majority of votes and has the required quorum for taking decisions if at least three Board members are present.

The Director General of the CAA submits a comprehensive work report to the Supervisory Board every three months and the annual report at the end of each calendar year.

a) Mandate

Members of the CAA Supervisory Board are appointed by the Government of the Republic of Kosovo by Decision No. 5/98, dated 29 June 2016, in the following composition: Mr Samet Dalipi, Chairperson, Mr Bekim Jashari, Member, Mr Ardian Gaxherri, Member and Ms. Adeline Salihu, Member, whereas the fifth member has not been appointed during 2018 either. According to the Law on Civil Aviation, Board Members' mandate is four years with the possibility of extension for another mandate. Mr. Bekim Jashari did not accept to take over the duty of the CAA Board member.

b) Competencies

The Supervisory Board is responsible for the supervision and review of (i) the CAA's activities and decisions on administrative, executive, regulatory and licensing matters and (ii) all aspects of the CAA's financial management, revenues and expenses. According to Article 16.1 of the Law on Civil Aviation, if the majority of Board members ascertain that there is a reason to believe that the CAA did not comply or is no longer complying with one or more provisions of this Law or any other legal act applicable in Kosovo, the Board shall identify (determine) the area of the suspected failure to comply in a written report, to be submitted to the Auditor General and the Assembly. The Supervisory Board has no executive competences, enforcement competences or regulatory competences.

c) Functioning

The CAA Supervisory Board in the above described composition has been functional since July 2016. During the reporting period, the Board has held 4 regular and several additional meetings. During these meetings, 4 CAA quarterly reports were approved.

4.2 THE EXECUTIVE

The CAA is led by the Director General of Civil Aviation, as the highest executive and administrative leadership body. In his daily work, he is supported by the management structures defined below: the Deputy Director General and middle management.

a) The Director General of CAA

The Director General of the Civil Aviation Authority exercises duties and functions as set out in Article 21 of the Law on Civil Aviation and in accordance with other applicable laws that regulate the activity of public institutions, including management and regular financial reporting. The Director General of Civil Aviation works on a full-time basis. The Director General is a CAA official who is responsible for the daily management and decision-making in the CAA. Pursuant to Article 26 of the Law on Civil Aviation, the Director General reports to the Assembly regarding the CAA's compliance with civil aviation policies and all applicable laws and standards in the Republic of Kosovo.

On 22 November 2018, the mandate of Mr. Dritan Gjonbalaj, as the CAA Director General has expired. Until the appointment of the new director, CAA has been led by the Deputy Director General. The mandate of the Director General lasts five (5) years and may be re-appointed by the Government for other successive mandates of same duration.

b) The Deputy Director General of CAA

Deputy Director General of Civil Aviation also works on a full-time basis. Deputy Director General assists the Director General on the executive and administrative management of the CAA and in absence of the Director General, performs his functions.

On 27 January 2017 by Decision No. 03/129, Mr Xhelil Bektashi was appointed Deputy Director General of the CAA. The mandate of the Director General lasts five (5) years and may be re-appointed by the Government for other successive mandates of same duration.

c) Middle management

Pursuant to the Regulation on internal organisation, functioning and systematization of working positions, the management structure or middle management of the CAA is comprised of Directors of Departments and Office Heads/Managers, who are responsible for their activity within the scope and competencies assigned under their job descriptions. The Director General assigns the management structures with competencies described in sections 12.2 to 18 of this Regulation, which derive from the scope of duties and competences of the CAA under the law. Exceptionally, the Director General may delegate his competences or the competences of the CAA to a structure or employee outside the scope of the duties of this structure, or employee, if needed. The Director General during temporary absence, in accordance with Article 23.1 of the LCA, fully or partially delegates his competences and the competences of the CAA to an employee with leadership responsibilities.

Persons in the management structure of the CAA hold appointment acts with CAA for an indefinite period, whereas the type of the appointment is career one.

During 2018, CAA management held 10 meetings. During these meetings, CAA Offices and Departments report on the works carried out during the reporting period, as well as take decision related to CAA functioning. Meetings are led by the Director General, and in his absence, by the Deputy Director General of the CAA.

4.3 HUMAN RESOURCES

The CAA currently has 28 employees, 26 of whom hold career appointments with the CAA, whereas 2 positions have been appointed.

The position of air operation inspector is not filled yet, after the resignation of this officer. Upon the request of the Executive Officer for unpaid leave, from 1 September 2018 for a period of two (2) years, the request of the same has been approved. On 1 September 2018, CAA has announced a vacancy for this position in the daily newspaper “Epoka e Re”, in the HRMIS and on the CAA official website. However, this vacancy was cancelled due to non-compliance with legal deadlines. The notification was made through the CAA website, whereas the Independent Oversight Board of Civil Service (IOBCS) was notified as well.

In the Regulation for internal organisation, functioning and systematization of working posts are foreseen 37 positions in the CAA. On the 2018 Budget Request addressed to the MoF, the Director General requested employment of two additional employees, but this request was not approved by the Law No. 06/L-020 on the Budget of the Republic of Kosovo for 2018. It is worth noting that due to lack of budget funds for new recruitment, responsibilities of some essential positions, such as information technology officer, quality and safety officer or public relations officer, have been temporarily covered by current employees.

a) Training

The CAA invests in the professional development and refreshment of specialized knowledge of its personnel, in accordance with international standards and recommended practices. During 2018, CAA personnel attended trainings funded by donors and CAA budget, based on a pre-approved training plan. The personnel has been trained mainly at the Joint Aviation Authorities (JAA-TO) training centre on flight safety and operations, at Institute of Air Navigation Services, Luxembourg, as well at the International Air Transport Association (IATA) training centres. The French counterpart authority invited CAA inspectors to attend a number of professional trainings held in the National School of Civil Aviation in Toulouse, France, for free.

During 2018, a total of 47 training sessions were attended by the CAA personnel, including the mandatory training of inspectors of professional departments in the field of civil aviation. 23 of these trainings were offered for free by the French counterpart authority through its National School of Civil Aviation, Kosovo Institute for Public Administration, American University in Kosovo, TAIEX, EASA IPA 4 project, etc. See the table of conducted trainings in 2018 in Annex 1 of this report.

4.4 ASSETS

The CAA has in use 878 assets with purchase value of € 266,779.28, including assets above and under € 1000. These assets are mainly office furniture, technology equipment, vehicles, etc. Assets above € 1000 have been purchased with a monetary value of € 115,416.85. The value of these assets has fallen to zero following depreciation, whereas the value given to assets still in use by the CAA Assets Evaluation Commission amounts to € 19,107.25. Assets under € 1000 have been purchased with a monetary value of € 151,362.43, whereas the remaining value from depreciation according to the depreciation rates over the years, based on the Regulation No.

02/2013 of Ministry of Finance on the management of non-financial assets in budgetary organisations, is € 14,081.25. Some of assets belonging to this category with zero value but still in use were evaluated by the Commission to amount to € 24,632.91

In 2019 CAA plans to purchase some low-value assets for staff needs.

5. CAA STRATEGIC OBJECTIVES

During the last quarter of 2018, the CAA Strategic Objectives were drafted for a five-year period 2019-2023. This document has been drafted based on objectives of the period 2013-2018, and was reviewed by the CAA management and approved by the Director General.

Strategic objectives serve the CAA as a good and irreplaceable basis for annual planning carried out by the organisation. Annual plans are drafted at management level, after a process of identification of actions at the level of organisational units. The CAA sets work objectives annually. These objectives are planned according to the S.M.A.R.T concept (Simple, Measurable, Achievable, Reasonable, and Time bound).

For the next five years, CAA shall monitor the following strategic objectives:

1. Normalisation of airspace;
2. Membership in international organisations;
3. Entry into international and regional technical agreements;
4. Complete implementation of regulatory responsibilities;
5. Implementation of State Safety Program (SSP).

6. PLANNING AND REALIZATION OF WORK

The 2018 Work Plan has been based on the CAA Strategic Plan 2013-2018, following strategic objectives and identifying annual objectives necessary for the fulfilment of strategic ones.

During January 2018, the 2018 plan was consolidated by the CAA management and then approved by the Director General. The work plan in its content includes the following: action plan, oversight activities plan, CAA risk management plan, recruitment plan and staff training plan.

Annual work plan has been reviewed every three months and implementation of tasks is reported quarterly by the CAA management. In addition to the quarterly reviews, the CAA also carries out annual review of work.

The work plan for 2018 has been executed at a rate of 97%, the action plan at 94%, the training plan at 100% and the oversight activities plan at 100%.

Some actions not carried out during 2017, and during previous years, for instance membership in international aviation organisations and entering into international contractual agree-

ments, were related to external factors, mainly political and legal circumstances outside the decision-making competences of the institutions of the Republic of Kosovo.

Annual Action Plan for 2018 and its execution are attached to this report as Annex 2.

7. QUALITY MANAGEMENT SYSTEM

a) Audit of CAA by TUV Austria on certificate maintenance

On 6 November 2018, the CAA was audited by the TUV Austria Bureau of Certification with regards to the maintenance of the certificate issued a year ago, proving full compliance with ISO 9001:2015 Standard within the CAA management system.

The audit covered the whole internal system of the CAA. The report from this audit has been submitted to CAA. This was the last supervisory activity within the three-year cycle of the certificate issued on 11 November 2016.

b) Maintenance of the Quality Management System (QMS)

To maintain the certificate, the CAA monitors a number of requirements deriving from ISO 9001:2015. To ensure the sustainability of the certified system, the CAA must annually audit its system, measure the satisfaction of those who receive services from this authority, quarterly review the work and review the organisation's work management in general. In order to accomplish these tasks, during 2018 the CAA has conducted the following actions:

- In January 2018, CAA management held the annual meeting for management review during 2017. This meeting is held on annual basis, it is planned and described also in the Quality Manual, and aims at reviewing the manner of management of the organization in the respective year and what are the opportunities for improvement in management;
- Internal audit for QMS was performed in CAA, with the involvement of all organizational units. One week-long Audit was conducted by the team of three CAA internal auditors for QMS and resulted with recommendations for improving the working processes and procedures within the organization. Fulfilment of the recommendations is monitored through the action plan.
- In December, for the seventh time in a row, the satisfaction of the users of services provided by the CAA was measured. Through a short questionnaire, the operators regulated by the CAA were required to evaluate the level and quality of the CAA drafted documents, various certification and licensing services, supervisory activities of the civil aviation operators, etc. From the responses received, an average rating of 4.86 in 2018 was generated (from a range of 1 to 5). The average rating of 4.7 this year shows a slight increase compared to 2017. More importantly, the interviewed operators have also provided recommendations for improvement, which are very valuable to the CAA and are reviewed by the management so that can be used when planning the works. In addition to external measurement, CAA has also conducted an internal measurement of satisfaction, which is conducted annually, in order to receive recommendations for

improvement by the CAA staff itself. The graph with the measurement results is given in Annex 3 of this report.

- During the year, all documents such as CAA Manuals, Technical Publications, Regulations, Procedures, Processes and Forms, which are managed according to the procedure in use, have been reviewed, controlled, maintained and published. These documents are managed by CAA according to the “Document Management” Procedure.

8. WORK DURING THE PRECEDING YEAR

8.1 EFFORTS FOR MEMBERSHIP OF THE REPUBLIC OF KOSOVO IN INTERNATIONAL AVIATION ORGANISATIONS

a) International Civil Aviation Organization (ICAO)

ICAO is a specialized UN agency, which issues international standards in the field of civil aviation, binding to all 193 member states. The CAA continued the preparatory work for accession to ICAO.

The Director General has been in constant contact with the MFA in order to keep them informed of the possible developments regarding the application for membership in ICAO.

While individual efforts for relevance in ICAO will continue, CAA awaits the decision of the MFA, which in collaboration with international partners, will determine the appropriate time for application in this organisation.

b) ECAC and EUROCONTROL

Membership in ICAO is a prerequisite for a state to be considered for membership in pan-European aviation organisations - the European Civil Aviation Conference (ECAC) and the European Organisation for the Safety of Air Navigation (EUROCONTROL). This condition is continuously impeding access to these technical organisations. Nevertheless, the CAA continued to make efforts to participate in the work of these two organisations in observer capacity.

European Civil Aviation Conference (ECAC) is a European intra-governmental organisation of civil aviation. ECAC covers the widest grouping of Member States of any European organisation dealing with civil aviation. Currently it is composed of 44 Member States, including 28 EU Member States and 38 of 41 EUROCONTROL Member States. Membership in ICAO is a precondition for membership in ECAC. Following the ECAC's response in 2017 for Kosovo to be represented under “UNMIK” inscription, which was rejected by the CAA, there was no attempt to participate in ECAC's technical work during 2018.

On June 22, 2018, the Director General of CAA sent a letter to the General Director of EUROCONTROL to congratulate him on taking the office and to re-activate the request for participation of Kosovo Aeronautical Authorities and Air Navigation Service Providers in the technical work of EUROCONTROL.

On 13 September 2018, Mr. Eammonn Brennan, Director General of EUROCONTROL, responded by expressing his gratitude for the congratulations and stated that the request for participation will be carefully considered and that he will notify in time for any development in this direction.

c) EASA

The CAA continued its efforts to establish technical agreements called “Working Arrangements” with the European Aviation Safety Agency (EASA). EASA is a specialized agency of the EU, with responsibilities in the field of civil aviation safety. These arrangements would enable the CAA access to European aircraft safety database, would create the framework necessary for inspection of the CAA performance by EASA, as well as for assistance from EASA in full implementation of relevant provisions of the ECAA Agreement. So far, EASA has not entered into contractual arrangements with the CAA due to political reasons, outside the scope and reach of the CAA or other institutions of the Republic of Kosovo. The CAA has been continuously supported by the Ministry of Infrastructure and the Ministry of European Integration in its efforts to enter into working arrangements with EASA.

On 1 March 2018, The Director General of the CAA sent a letter to Mr. Patrick Ky, Executive Director of EASA, on the findings of the comprehensive assessment in the ATM/ANS area by EASA in Kosovo and the EASA-Kosovo Working Arrangement. On 4 July 2018, Mr. Ky responded to the letter stating that the follow-up actions of the EASA visit in November 2016 in Kosovo are continuing successfully and that teams of both parties are monitoring the implementation of the corrective actions agreed between them.

Regarding the Working Arrangements between EASA and CAA, he said that after the entry into force of the ECAA Agreement, a general approach with the Western Balkans partners will be reviewed and a dedicated discussion on this issue is expected with the services of European Commission, where the support for Kosovo and cooperation with Kosovo CAA will also be discussed.

8.2 NORMALISATION OF KOSOVO AIRSPACE

a) Description of Kosovo Airspace

Since September 1999, airspace of the Republic of Kosovo is part of the “Balkans Joint Operations Area - JOA” of NATO, under the operational control of the Combined Air Operations Control 5 (CAOC5), which in 2014 was transferred to Combined Air Operation Centre Torrejon (CAOC TJ). This airspace is a controlled space in which air traffic services are provided.

Based on the agreement between NATO/KFOR and Hungary, the upper airspace of Kosovo (above 6205 m) since April 2014 is being managed for a five-year period by the air navigation services provider of Hungary, HungaroControl, which provides services for aircraft that overfly this airspace.

Kosovo lower airspace (under 6205 m) is managed/controlled by the Air Navigation Services Agency, which provides air navigation services to civil aircraft during flight in the Kosovo airspace, for the purpose of landing and taking off from Prishtina Airport. Services are provided to KFOR, EULEX and general aviation flights in the lower airspace of the country as well. Lower airspace has been classified as class D and F airspace, in compliance with the provisions on the classification of airspace contained in ICAO Annex 11.

In the chart below the actual (lower and upper) airspace structures of Kosovo are presented.

Kosovo lower airspace

In the lower airspace, there are currently only 2 air routes (see Figure 1) that are being used for commercial traffic on arrivals and departures at PIA Adem Jashari. These are XAXAN and SARAX, in southern part of Kosovo, in the direction of Macedonia. During 2018, discussions continued under the Balkans Airspace Normalization Meetings (BANM) for normalization of lower airspace and opening of new air routes with all neighbouring countries of Kosovo. These meetings are expected to continue during 2019. More details on this topic are provided below.

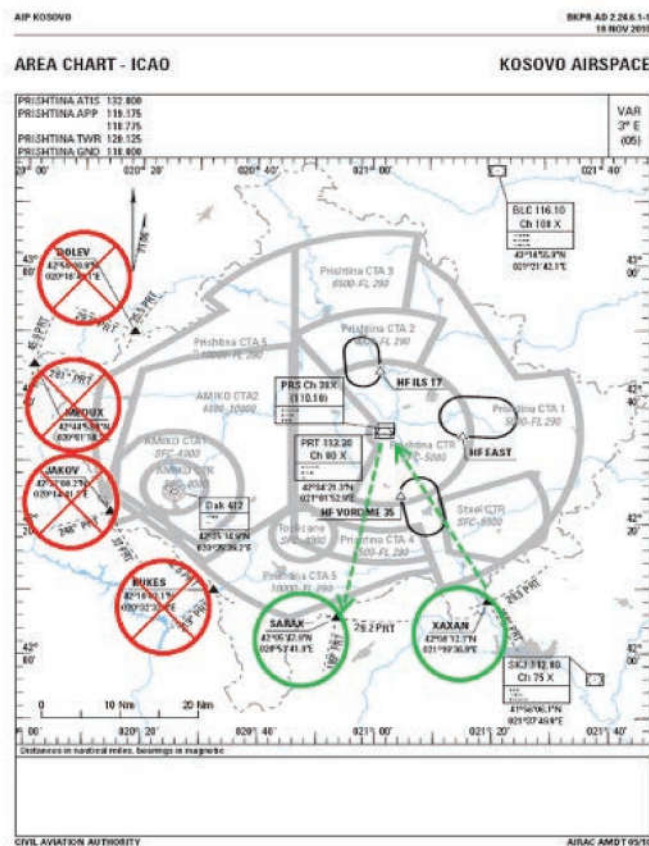


Figure 1. The lower airspace structure in the Republic of Kosovo

Kosovo upper airspace

The structure of upper airspace is comprised of 2 sectors (see Figures 2 and 3) from flight level FL205 (6 km) to FL285 (9 km) and from the flight level FL285 (9 km) to the flight level FL660 (20 km)

Sector 1 (FL205 up to FL285) consists of 4 corridors (air routes):

1. Route M867, which starts from the entry point MEDUX and ends at the exit point KOGAT;
2. Route L616, which starts from the entry point REDVA and ends at the exit point KOGAT;
3. Route L608, which starts from the entry point LONTA and ends at the exit point DOLEV;
4. Route M749, which starts from the entry point LONTA and ends at the exit point UDVAR.

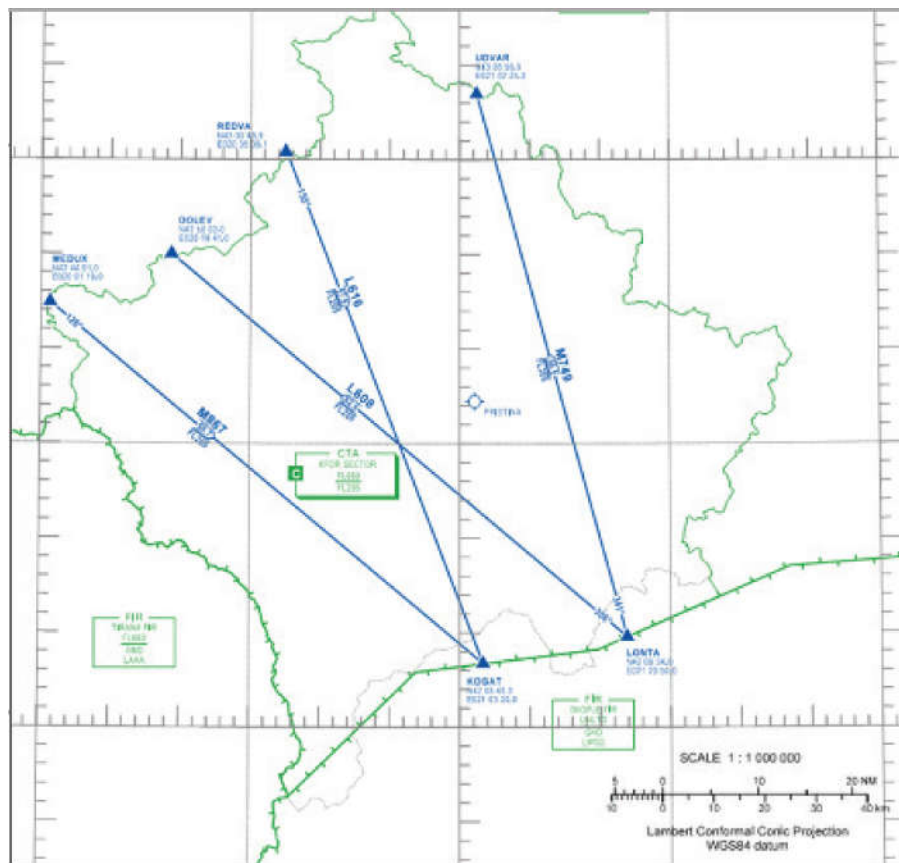


Figure 2. The upper airspace structure in the Republic of Kosovo - Sector 1 (FL205 to FL285)

Sector 2 (FL285 up to FL660) consists of 5 corridors (air routes):

1. Route M867, which starts from the entry point MEDUX and ends at the exit point KOGAT;
2. Route L616, which starts from the entry point REDVA and ends at the exit point KOGAT;
3. Route L608, which starts from the entry point LONTA and ends at the exit point DOLEV;

4. Route M749, which starts from the entry point LONTA and ends at the exit point UDVAR; and
5. Route UL603, which starts from the entry point VABEK and ends at the exit point OLOTA.

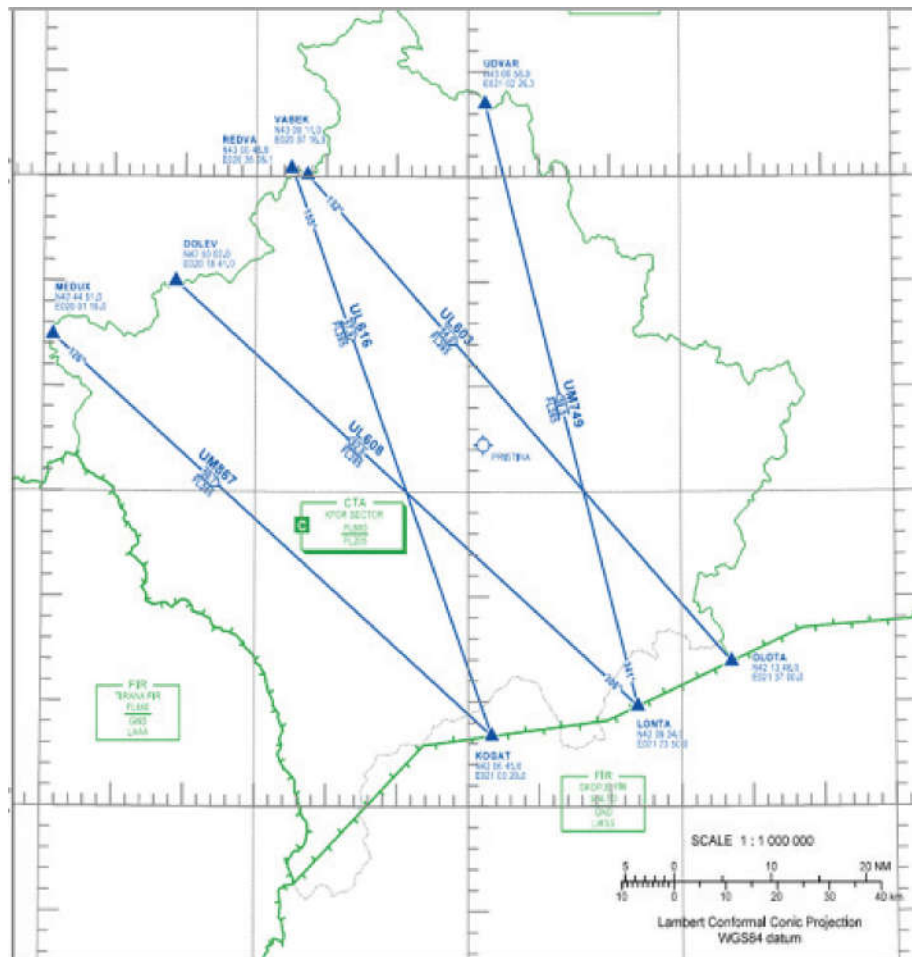


Figure 3. The upper airspace structure in the Republic of Kosovo - Sector 2 (FL285 to FL660)

b) Normalisation of lower airspace of the Republic of Kosovo

Since the end of the war, the upper airspace of the Republic of Kosovo has been closed to overflights of civilian aircraft and is under NATO authority. This space was opened to commercial flights in 2014, under the management of HungaroControl. Our Air Traffic Controllers provide services in the lower airspace and manage take-offs and landings in/from Prishtina International Airport, as well as other flights within the territory of the Republic of Kosovo (mostly KFOR helicopters).

Air traffic control in the lower airspace of Kosovo is under the regulatory supervision of the

Civil Aviation Authority of the Republic of Kosovo. Since the declaration of independence, authorities of the Republic of Kosovo worked closely with NATO, KFOR, EU, ICAO and other stakeholders in the region to normalise the Balkan airspace. This activity was developed under NATO's initiative: Balkans Airspace Normalization Meeting (BANM). Airlines showed great interest, since some routes that have been historically used in the international air traffic crossed over Kosovo. Since the upper airspace is now considered to be normalised, as it has been reopened to commercial flights since 2014, BANM activities are mainly focused on the normalisation of the lower airspace, which, above all, implies the opening of new air routes with all neighbouring countries. Activities undertaken during 2018 are described below.

In 2017, for the first time under NATO leadership, BANM meetings started to be organized at the so-called "expert level". The meetings were attended by representatives of the Republic of Kosovo, the Republic of Serbia, Montenegro, and KFOR.

The second wave of these meetings was scheduled to be organized on 21 and 22 March 2018 between the Kosovo and Serbian parties, with the mediation of NATO. The expert level meeting was foreseen to be held on March 21st, while the political level meeting was planned for March 22nd. The purpose of the expert meeting was the agreement between the parties on the content of the technical/practical parts of the Letter of Agreement proposed by NATO, while the meeting at the political level was aimed towards the approximation of the legal part of this Letter of Agreement, as agreed at the meeting held in October 2017. Unfortunately, due to the hesitance/refusal of the Serbian side to meet with the Kosovar side, no meetings were held. Despite this, on March 22nd, the Kosovo side held a briefing session with the NATO negotiating leader, Mr. Giorgio Cioni, where they were informed about the refusal of the Serbian side and the determination of NATO to reach an agreement between them at the next meeting.

On 5 and 6 September 2018 the third wave of the so-called "expert negotiations" was held in Podgorica, Montenegro. Participants of these negotiations were representatives from NATO, Kosovo, Montenegro, and Serbia. In this meeting, delegation of the Republic of Kosovo was represented by representatives of the Ministry of Infrastructure, Civil Aviation Authority and Air Navigation Services Agency. During the meetings, the flow of the process of normalization of the lower airspace and necessary coordination with the countries of the region was discussed. The Kosovar delegation requested the transfer of responsibilities from KFOR to the national airspace management authorities as soon as possible, and this proposal was accepted, and the deadlines for the implementation of this process were set.

Despite non achievement of any concrete result with the representatives of Serbia, inter alia, the Republic of Kosovo and the NATO International Staff reached an agreement looking at the possibility of establishing two fixed coordination points (JAKOV and KUKES) between of the Republic of Albania and the Republic of Kosovo, for the direct transfer and coordination of air traffic between the two countries. In this context, and since Kosovo is not a member of ICAO, on 15 October 2018, the Director General wrote to his counterpart, Mr Krislen Keri, Executive Director of the Civil Aviation Authority of the Republic of Albania, requesting from the Republic of Albania to apply before ICAO for the fixed coordination points between this country and the Republic of Kosovo. The request for coordination points made by the Albanian authorities to ICAO was approved, and as a result AMOXO, ARBER and KUKAD were allocated.

Within these partnerships, two Letters of Memorandum have been drafted, between COMKFOR and ASHNA, and between ASHNA and ALBCONTROL, which are expected to be final-

ized in 2019, and which comprise the final agreement for opening of the air traffic corridors with Albania through the aforementioned coordination points.

Full normalisation of Kosovo's lower airspace, among other things, means the opening of new air routes between the Republic of Kosovo and Albania, Montenegro and Serbia, which would serve all aircraft flying to PIA Adem Jashari. Currently, all flights to Prishtina are performed through only one air route linking Republic of Kosovo and Macedonia. New routes will shorten the flight time for about 15-20 minutes; will reduce operating costs to airlines, which in turn, should be reflected in cheaper tickets for our passengers. This normalisation will enable transit overflights through our lower airspace for many aircraft flying in other regional airports (e.g. Tirana, Podgorica, Skopje, Thessaloniki, and Nis). This will bring considerable financial benefits to our Air Navigation Services Agency. In addition, normalisation will stimulate the development of general aviation in our country and allow for unlimited utilisation of Gjakova Airport, among other things, for flight schools.

8.3 EUROPEAN COMMON AVIATION AREA AGREEMENT (ECAA AGREEMENT)

ECAA (*European Common Aviation Area*) Agreement is a multilateral agreement that establishes a single common market and common rules in the field of aviation, signed between the governments of the EU Member States, Iceland, Norway and the Western Balkan states. UNMIK signed this agreement on behalf of Kosovo and declared it provisionally applicable on 10 October 2006. The Republic of Kosovo, through the Declaration of Independence, among other things, has accepted all of Kosovo's international obligations, including those concluded by UNMIK on its behalf. These obligations include the implementation of the ECAA Agreement. Implementation of the ECAA Agreement in the Republic of Kosovo has become mandatory through the Law on Civil Aviation and recently through the Stabilisation and Association Agreement.

The ECAA Agreement has formally entered into force on 1 December 2017. The CAA, as a contact point for the Agreement, monitors its implementation by the Kosovo institutions. The CAA regularly monitors the aviation-related legislation issued by the EU, informs other relevant aeronautical authorities of the country about new EU normative acts, and includes in its action plan every legal act, besides mandatory acts, and any other act that it considers necessary and applicable. The EU legislation, planned for implementation in 2018, is included in the National Program for the Implementation of the SAA.

This Agreement is foreseen to be implemented in two transitional phases. According to the EC's assessment, there are two remaining issues for Kosovo's transition to Phase II of the ECAA: the implementation of the Working Time Directive and the abolition of a provision in the Aviation Law on passenger rights. By the end of the reporting period, the Government submitted to the Assembly a new Draft Law on Labour which contains the directive in question, while the Ministry of Infrastructure and Transport has initiated the drafting of the concept document on amending the Law on Civil Aviation.

a) The meeting of the ECAA Agreement Joint Committee

The first formal meeting of the ECAA Agreement Joint Committee established under Article 18 of the ECAA Agreement was held on 3 May 2018 in Brussels. Ten other meetings of this Committee were held during the administrative implementation of the Agreement before its entry into force on 1 December 2017. All Kosovo Aeronautical Authorities were represented at the meeting.

The points for adoption during the meeting were Decision no. 1/2018 on the Rules of Procedure of the Joint Committee, and Decision no. 2/2018 updating Annex I of the ECAA Agreement. In the drafts of the two decisions sent initially were made some changes in order to comply with the terms of the agreement itself. However, since the attendees had additional objections due to the legal language in the first Decision, and due to inaccuracies in referencing the legislation in the second Decision, none of them was been adopted and, thus, they remain to be addressed through written correspondence.

One day after the meeting, a follow-up workshop with questions and answers was held between experts from the European Commission's Directorate-General for Mobility and Transport (DG MOVE) and experts from participating States in order to address the questions that the parties to the agreement had as regards the implementation of the Agreement.

8.4 STATE SAFETY PROGRAM (SSP)

According to the Law No. 03/L-051 on Civil Aviation (LCA), the CAA, as the authority responsible for the safety of civil aviation, should initiate and coordinate drafting and implementation of the State Safety Program (SSP) of civil aviation in the Republic of Kosovo. Drafting and implementation of the SSP is one of the CAA's strategic objectives for 2019-2023.

This is a joint program of all institutions with a role in civil aviation safety and policy, as determined by LCA, describing the activity of each state entity with a role in aviation security, for the regulation and management of safety in the civil aviation.

Standards for drafting of this program are set by the International Civil Aviation Organization (ICAO), through Annex 19 "Safety Management" of the Chicago Convention. This Annex has entered into force in November 2013 and States that have ratified the Convention have an obligation to fully implement it in their medium-term work plans. The Republic of Kosovo has not yet had the possibility to adhere to this Convention; however under the Law on Civil Aviation, Kosovo has undertaken to implement all ICAO standards. Implementation of Annex 19 to the ICAO was carried out by Regulation no. 04/2018 of the CAA on "Security Management", dated 17 August 2018. In order to meet the SSP requirements, the actions described below were undertaken during 2018:

- **Technical support by EASA IPA 4 project**

In the framework of the EASA IPA 4 project, Kosovo was provided with technical support for the implementation of Annex 19 of the ICAO and in particular for the implementation of the State Safety Program (SSP). For the implementation of this project, an expert in this

field has been sent to Kosovo to assess the situation regarding the fulfilment of SSP requirements and to identify the needs for further support from this European instrument.



Presentation by the British consultant as part of support for the implementation of the State Safety Program

During the first week of January 2018 was conducted the first visit of the expert, consultant from the United Kingdom, respectively. In addition, the expert also represented her country at ICAO during the drafting of Annex 19 “Safety Management”. The second visit was conducted from 12 to 16 March 2018. Throughout this mission, the expert has worked closely with the Quality and Safety Manager and other members of the Safety Council at the CAA. As a result of these visits a report was also submitted to EASA.

- **The third meeting of the State Safety Program Committee on civil aviation** was held on 8 October 2018. In this meeting was discussed about the achievements in fulfilling the obligations of the state of Kosovo towards meeting the standards of Annex 19 of the ICAO regarding the management of aviation safety in the country, and the work plan for 2019 for all parties participating in this program.

The meeting was called by the Director General of the CAA in fulfilment of responsibility of the Committee to meet at least once a year, as described in the document “Duties and Responsibilities of the Committee”. As a reminder, the SSP Committee in the Republic of Kosovo was established by the Decision No. 05/96 of the Government of 26 June 2016. Members of this Committee, in addition to the CAA, are the Ministry of Infrastructure and Transport, Air Navigation Services Agency, Emergency Management Agency and Aeronautical Accident and Incident Investigation Commission.

- **CAA Safety Council Activities:** During 2018, the CAA Safety Council held numerous meetings related to reviewing and handling of various safety issues. The Council usually provides recommendation to the Director General in its decisions, changes or immediate solutions in safety issues. Since its establishment in 2015, the Safety Council operates within CAA with the purpose of reviewing and solving aviation safety issues. In order for this

Council to cover all fields of aviation safety, its members are directors of all aviation areas related to safety.

During 2018, the Council:

- with the help of the expert from EASA IPA 4 project, managed to identify the **state indicators for civil aviation safety**, which present the acceptable level of safety performance (ALoSP). Indicators are periodically monitored based on safety data collected on a quarterly and annual basis.
 - managed to complete the procedure **for response to aviation emergencies** and responsibilities of the CAA Duty Officer.
 - managed to complete the process of **managing the events reported** in the CAA.
 - managed to develop the process of **managing aviation risks**.
 - managed to review draft regulations related to aviation safety during their drafting process by the CAA or other institutions such as AAIC, MIA, etc.
- The Civil Aviation Safety Policy for the Republic of Kosovo has been approved.
 - The new edition of the State Safety Program Manual following the changes from the new edition of Annex 19 of the ICAO has been updated and published. The adoption of the new Manual has been completed after the end of the consultation process with the SSP Committee.
 - GAP analysis documents for SSP have been updated to provide the latest information with regards to the fulfilment of duties towards SSP implementation.
 - The applicable audit platform in CAA, which serves to collect data from audit reports performed by the CAA to operators and internal audits for QMS and which was installed last year, has been functionalized and updated with data during 2019.

8.5 *AVIATION MATTERS RELATED TO EUROPEAN INTEGRATION*

a) National Programme for the Implementation of the SAA

The National Programme for the Implementation of the SAA (NPISAA) for the period 2018-2022 was approved by the Government of the Republic of Kosovo on 22 February 2018. For 2018, the CAA has foreseen implementation of 7 EU Regulations and implementation of 1 implementing measure. All measures were implemented, with the exception of one regulation that failed to get the legal opinion from the MEI before the end of 2018. Of these regulations, 3 of them cover the area of air traffic management and 4 the area of aviation safety. Implementing measure is conversion of PIA Adem Jashari certificate based on the Regulation (EU) No. 139/2014 planned for Q4.

Below is the list of measures planned for 2018 and relevant progress.

	Planned measure	Planning	Progress update
1	Regulation laying down requirements for the performance and the interoperability of surveillance for the single European sky.	Q2	Adopted through Regulation No 03/2018 (issued on 01.08.2018).
2	Regulation laying down requirements on aircraft identification for surveillance for the single European sky.	Q3	Adopted through Regulation No 07/2018 (issued on 28.09.2018).
3	Regulation as regards alleviations for maintenance procedures for general aviation aircraft.	Q2	Adopted through Regulation No 08/2018 (issued on 28.09.2018).
4	Regulation as regards alignment of rules for continuing airworthiness, critical maintenance tasks and aircraft continuing airworthiness monitoring.	Q2	Adopted through Regulation No 08/2018 (issued on 28.09.2018).
5	Regulation as regards essential requirements for environmental protection.	Q3	Adopted through Regulation No 06/2018 (issued on 26.09.2018).
6	Regulation laying down common airspace usage requirements and operating procedures for airborne collisions avoidance.	Q3	Adopted through Regulation No 02/2017 (issued on 08.08.2017).
7	Regulation as regards the specific approval of single-engine turbine aeroplane operations at night or in instrument meteorological conditions and the approval requirements for the dangerous goods training relating to commercial specialised operations, non-commercial operations of complex motor-powered aircraft and non-commercial specialised operations of complex motor-powered aircraft.	Q4	In progress/moved to 2019.
8	Issuance of Certificate for PIA Adem Jashari based on EU Regulation no. 139/2014.	Q4	(issued on 08.11.2018).

b) European Commission Country Report on Kosovo

On 27 April 2018, the European Commission presented the Country Report on Kosovo, which among other areas covers progress in the area of civil aviation.

With regard to aviation, the report concludes the following:

On aviation, Kosovo has made progress in aligning with the EU Acquis and has implemented nearly all the requirements under the first transitional phase of the European Common Aviation

Area (ECAA) Agreement, with the exception of few provisions in the area of economic regulation relating notably to labour law. Kosovo has made some progress on alignment with the Single European Skies II framework and on implementation of the Law on the Air Navigation Services Agency, for which further efforts are needed for its full application.

On 19 October 2018, the CAA has provided its first input to the MEI for the EC Country Report for Kosovo. CAA has responded to the already standard EC issues for candidate countries and potential candidate countries, which have aimed at a uniform assessment of these countries. This contribution covered the period February 1 - October 31, 2018, while the second report is to be conducted in early 2019 prior to the publication of the report.

c) SAA Sub-Committee Meeting

On 27 February 2018, the CAA has provided its written contribution to the MEI's report sent to the EC in preparing the SAA sub-committee meeting on Environment, Transport, Energy and Regional Development, held on 23 March 2018, in Brussels.

In response to the EC inquiry, CAA has reported on the two remaining issues from Phase I of the ECAA Agreement, the implementation of the Working Time Directive and some issues affecting the rights of passengers in the Law on Civil Aviation. CAA has also reported on the state of implementation of the legislation in Phase II of the Agreement, which includes a large number of issued regulations, and plans for 2018. The CAA has also stated that it intends to certify the Prishtina International Airport based on standards deriving from Regulation (EU) no. 139/2014 implemented in our legal order through Regulation no. 17/2017 of the CAA.

As regards other matters, CAA reported that Working Arrangements between the CAA and EASA have not yet been signed, despite the EASA assessment visit in November 2016 and the withdrawal from the offer to participate in the ECAC working groups as a result of the imposition to appear as "UNMIK".



View from the meeting of the SAA Sub-Committee on transport

As regards the civil aviation field, issues not included in the report were not raised in the meeting. Kosovo's aeronautical authorities were praised for the continued and correct cooperation with the Directorate for Mobility and Transport and for the level of compliance with the requirements of the ECAA Agreement. At the end of the meeting it was concluded that the concept document on regulating the scope of work under EU provisions, including the Working Time Directive should be adopted in the second quarter of 2018. Although this is a MLSW task, CAA was assigned the task of reporting to the sub-committee on this action.

d) Meeting of the SAA Committee and Council

On 21 September 2018, the CAA reported in writing to the MEI regarding the progress achieved between the two meetings of the Stabilisation and Association Committee. The report included activities related to the SAA, namely the NPISAA, in preparation for the second meeting of the EU-Kosovo Stabilisation and Association Committee which was to be held on 9 October 2018.

The CAA has reported on the implementation of the obligations of Phase I of the ECAA and all other legislative developments since the last meeting held in October 2017.

The third meeting of the EU-Kosovo Stabilisation and Association Council (SAC) was convened on 17 December. At the request of the Ministry of Foreign Affairs, as a leading institution together with SAC, the position of the Republic of Kosovo for this meeting was prepared, which was then approved by the Government. To this end, the CAA reported on 29 November to the MFA and on 4 December the same document with the progress of CAA tasks assigned by the SAA was submitted to MEI.

8.6 INTER-INSTITUTIONAL COOPERATION

The CAA has cooperated closely with other institutions responsible for civil aviation in Kosovo so that the entire state regulatory and supervisory system functions in a coordinated manner and in accordance with international standards and best practices. Moreover, professional support has been provided in the field of civil aviation to other state institutions, when necessary.

a) Cooperation with the Parliamentary Committee on EDITIRG

On 27 February 2018, the Chairperson of the Parliamentary Committee on Economic Development, Infrastructure, Trade, Industry and Regional Development, Mrs. Sala Berisha-Shala, visited the Civil Aviation Authority, in the scope of her activities in monitoring of independent agencies which report to the Assembly. The Chairperson of the Board and the Director General of the CAA informed Mrs. Berisha-Shala on the CAA's activities throughout the year, on the achievements in terms of implementation of EU legislation, and on the challenges that the CAA is facing. The Chairperson of the Committee, Mrs. Sala Berisha-Shala praised the CAA for the hitherto work and confirmed the commitment of the Committee to provide support in the accomplishment of some of the strategic goals. The challenges of the CAA were also discussed during the meeting, which included the designation of a government offices for the placement of the CAA or the construction of officer with revenue from own sources. The Chairperson, Mrs. Berisha-Shala promised that in coordination with the Parliamentary Committee on Budget and Finance will review the CAA requirements.



*View from the visit of the Chairman of the Parliamentary Commission for EDITIRG
Mrs. Sela Berisha-Shala at AAC*

At the request of the Parliamentary Committee on Economic Development, Infrastructure, Trade, Industry and Regional Development, on 16 May 2018, the Director General, accompanied by the Chairperson of the Board, International Cooperation and Aviation Economic Regulation Department Director and Safety and Quality Department Manager at the CAA reported to this Committee on the CAA Annual Report for 2017.

b) Cooperation with the Parliamentary Committee for the Oversight of Public Finances

On 22 May 2018, at the request of the Parliamentary Committee, the Director General accompanied by the Deputy Director General, the Director of the Administration and Human Resources Department, and by the Chief Financial Officer, reported to the Committee for the Oversight of Public Finances on the Audit Report of NAO for the CAA Annual Financial Statements for 2017.

c) Cooperation with the Parliamentary Committee on Budget and Finance

On 25 July 2018, at the request of the Committee on Budget and Finance, the Director General reported to the Committee accompanied by the Deputy Director General, Director of Administration and Human Resources Department and by the Chief Financial Officer. Reporting was related to the 2017 Annual Financial Report and to the recommendations from the National Audit Office for 2017 and their implementation.

d) Cooperation with the Ministry of Infrastructure and Transportation

As provided by the Law on Civil Aviation, the CAA offered advice to the Minister of Infrastructure and Transportation and the Civil Aviation Department in this Ministry on performing the responsibilities deriving from the law.



View from the visit of Minister Lekaj to CAA

On 23 May 2018, the Minister of MIT, Mr. Pal Lekaj, together with his associates visited the Civil Aviation Authority of Kosovo. Minister Lekaj was hosted by the Director General and the Deputy Director General, along with the CAA management. In the meeting it was discussed on the cooperation between two state institutions for the development of civil aviation in Kosovo, and both agreed to further deepen the cooperation in order to overcome the main challenges of this sector, such as: membership in international civil aviation organizations, normalization of lower airspace, establishment and maintenance of professional aviation staff, etc.

CAA is part of the working group on the National Civil Aviation Strategy, appointed by the Minister of MIT, therefore has provided support to MIT and contributed to the work of the group during the four technical missions implemented during 2018, relating the normalization of Kosovo's airspace and the establishment of an air traffic management system.

Also, the CAA is represented in the working group, initiated by the MIT, on drafting the Concept Document on the civil aviation sector, which may recommend the amendment of the Law on Civil Aviation. The group aims to issue the Concept Document in the first half of 2019.

e) Cooperation with the Ministry of Internal Affairs

Upon the invitation of the Minister, on 31 May 2018, the Director General met with the Minister of MIA, Mr. Bejtush Gashi, in the framework of National Civil Aviation Security Committee, chaired by this ministry, in which CAA is also represented. In the meeting were discussed various aspects of the oversight of civil aviation security in the Republic of Kosovo and the steps that are being taken to keep the security at the highest level.

In the implementation of the Memorandum of Understanding, signed between the CAA and the Ministry of Internal Affairs in 2017, the technical departments at CAA have been in continuous cooperation with the Division for Civil Aviation Security in the MIA, whenever they

have received an application for approval or certification of any entity so that MIA undertakes necessary steps for the assessment and approval in the field of civil aviation security.

The Director of Aerodromes Department represented the CAA in the working group appointed by the Minister of MIA for drafting the Regulation on search and rescue, as required by Law No. 03/L-51 on Civil Aviation. Regulation (MIA) No. 01/2018 on determining the rules and procedures for search and rescue in civil aviation entered into force in August 2018.

f) Cooperation with KFOR

Very close cooperation with the KFOR aviation unit (J3 Air) has continued, particularly with regard to the normalisation of Kosovo's lower airspace over which KFOR has significant responsibilities, as well as in approving the general aviation flights and coordination of activities related to operation of Unmanned Aircraft Systems (drones).

8.7 CAA ACTIVITIES AT THE INTERNATIONAL LEVEL

The CAA has participated in almost all regional civil aviation initiatives, in which it has been invited. These forums have a special significance for our country, knowing that the Republic of Kosovo is not yet an equal member of the international family of nations in the field of civil aviation. We have used every opportunity to present the work of our authorities and to deepen cooperation with CAAs of other countries. However, because our country has not been able to enter into contractual relations with the EU in the field of civil aviation (e.g. Working Arrangements with EASA), there are still serious obstacles to our treatment as a partner fully equal to the CAAs of the region.

a) Bilateral cooperation in the field of civil aviation

The CAA attaches great importance to cooperation with counterpart authorities in the region, considering that all Western Balkans countries are going through the same challenge - that of harmonization of legislation, regulations and standards in civil aviation with those of the EU. To formalize this collaboration, a number of technical cooperation agreements have been signed since the establishment of the CAA in 2009.

- **Bilateral cooperation with Albania**

In the framework of the agreement with Albania Civil Aviation Authority (ACAA), bilateral cooperation between the two regulators has continued.

Aerodromes Department of the CAA in Kosovo has had mutual consultation with the officials of the Albanian Civil Aviation Authority regarding the process of conversion of certificates, Regulation for issuing credentials and training requirements to maintain inspectors' credentials.

- **Bilateral cooperation with Turkey**

Upon invitation by the Director General of the CAA of Turkey, the Director General participated in the Turkey-Asia Civil Aviation Conference, which was held on 23 and 24 April in Antalya, Turkey. Meanwhile, the Deputy Director General and the Director of Aerodromes Department

participated in the EuroAsia Air Show held on 24-27 April 2018, also in Turkey.

On 28 March 2018, the Director General of CAA wrote to Deputy Director General of the CAA of Turkey relating the inclusion of CAA staff in the “Republic of Turkey - ICAO Developing Countries Training Programme”. Through this program, the staff of many countries in the region benefit from the free of charge training provided by CAA of Turkey. Due to political reasons, Kosovo cannot benefit from this program. In his response of 30 March 2018, the Deputy Director General of the CAA of Turkey confirmed his willingness to include Kosovo in this program; however, there has been no development during the year.

- **Bilateral cooperation with Macedonia**

On 8 and 9 November 2018, the inspector of the Flight Safety Department, specialised in the transport of dangerous goods, participated in the audit of dangerous goods of the Skopje International Airport (TAV Macedonia “SKP”), as an aid to the audit team of Macedonian CAA. Participation was made under the invitation of the Director General of the CAA of Macedonia, pursuant to the Memorandum of Understanding between the two authorities of 2010. Following the audit, the group of inspectors from the two respective countries prepared a report on the audit outcomes and necessary actions, which was presented to the CAA of Macedonia.

- **Air Services Agreement with the United Kingdom after Brexit**

On 4 and 5 April 2018 in Prishtina, meetings between the delegation of the Government of the Republic of Kosovo and that of the United Kingdom of Great Britain and Northern Ireland were held, with the purpose of negotiating a bilateral Air Transport Agreement. Delegations were chaired by Mr. Avdi Kamerolli from the Ministry of Infrastructure and Mr. Mark Bosly from the United Kingdom. Mr. Arianit Dobrosht from CAA was also part of the delegation appointed by the Government of the Republic of Kosovo.

The parties managed to align the agreement and the heads of delegations signed the Agreed Minutes of the meeting. This agreement establishes the legal basis, necessary for the continuation of direct flights between Pristina International Airport Adem Jashari and the United Kingdom airports after Brexit. The United Kingdom is expected to leave the EU on 29 March 2019, while a transitional phase is foreseen from this date until 31 December 2020.

- **Air Services Agreement with Qatar**

On 3 August 2018, the MFA sent to CAA a verbal note of the State of Qatar, notifying that the procedures for ratification of the Agreement for Air Services with the Republic of Kosovo have been completed. MFA also notifies that it has processed the request for decree of ratification to the President of the Republic of Kosovo, which was made on 8 August 2018, thus putting into force the Agreement.

- **Bilateral cooperation with Austria**

On 22 February 2018, the Director General of CAA, accompanied by the Director of International Cooperation and Economic Regulation Department, and the Manager of the Office for Quality and Security, visited Vienna to meet the aviation authorities in Austria. The host of the meeting was Mrs. Silvia Gehrler, Director General of the Civil Aviation Division within the Ministry of Transport, Innovation and Technology of Austria, accompanied by Mr. Wilhelm

Jagritsch from the Aviation Agency, within the Austrian Air Navigation Service Provider, Austrocontrol.

Director General of CAA presented the civil aviation system in Kosovo, public authorities with responsibility in civil aviation with emphasis on the responsibilities of the CAA, successes and challenges that are following it since the establishment. In the meeting it was discussed on the possible support that Austria could offer to Kosovo in terms of professional and institutional capacity building in the field of civil aviation. Austrian counterparts expressed their willingness to provide technical assistance to Kosovo through a twinning project that would be funded by the EU or other donors. They also pledged to be ready to nominate their own experts so they could support Kosovo in implementing EU legislation in the field of aviation through the TAIEX instrument.

The parties agreed to formalize cooperation through an agreement for technical cooperation and explore the possibilities of funding a twinning project through EU IPA funds. In December, the agreement received the final version in which the areas of cooperation were defined. The agreement is expected to be signed during 2019 at a convenient time for both parties.



View from the meeting in Austria

- **Bilateral cooperation with France**

Based on the Memorandum of Technical Cooperation, signed on 20 September 2012 by the CAA and the Directorate General of Civil Aviation of France, technical cooperation continued during 2017 between the authorities of the two countries, which was mostly in relation to professional capacity building of the CAA and ANSA staff. The CAA inspectors have benefited from participation in 6 free technical workshops, mainly in the field of air navigation, organized

by the National School of Civil Aviation - ENAC (Ecole Nationale de l'Aviation Civil) in Toulouse.

b) Multilateral cooperation in the field of civil aviation

On 10 and 11 January 2018 in Tirana, was held a meeting at the level of Executive Directors of Civil Aviation of Kosovo, Montenegro, Macedonia and Albania. All Directors pledged to continue cooperation in terms of safety in aviation, to exchange experiences and training in the service of implementation of passengers' rights by companies, to improve air safety inspections, strengthen cyber security and to address regulations for drone-type flying equipment. Besides the Director General, the meeting was also attended by the Deputy Director General of CAA.

c) Coordination of technical assistance in the field of aviation

The CAA is the focal point for a number of technical assistance projects in aviation, provided to our country by EU, in the scope of instruments available to countries that aim EU membership. During 2018, the amount of technical assistance was significantly smaller than in previous years due to the completion of BEYOND and ISIS projects, whereas assistance received from EU funds through the EASA IPA 4 Project and the TAIEX Technical Assistance Instrument is described below.

• EASA IPA 4 project

EASA IPA 4 is a project funded by the EC and implemented by EASA. Its duration is from 1 January 2018 to 31 December 2019. Through this project, which is the continuation of the EASA IPA 3 project, EASA continues to support partner countries from the Western Balkans to integrate into the EU system in the area of aviation safety and to enhance their knowledge on the EU aviation safety system. During 2018, the CAA benefited from the following two technical missions:

- From 3-5 January 2018, an expert from the United Kingdom has supported the CAA in assessing the situation in the Republic of Kosovo as regards to implementation of the requirements of Annex 19 on Security Management and identification of actions for the Plan towards the adequate implementation of these requirements.
- From 12-16 March 2018, the second mission to implement the "Security Management" at the state level was accomplished. In this mission, the CAA received technical support from a British expert, who among other things was representative of her state at ICAO during the drafting of Annex 19 on Security Management.

EASA IPA 4 project Steering Committee meeting

On 29 November 2018, at the headquarters of the European Aviation Safety Agency (EASA) in Cologne, Germany, was held the meeting of the technical assistance IPA 4 project Steering Committee. The meeting was attended by CAAs of the countries benefiting from this project, such as: Kosovo, Albania, Montenegro, Macedonia and Serbia, as well as EASA officials of the Department for International Cooperation, responsible for project implementation. The Director of the Department for International Cooperation of the CAA of Kosovo reported that

two technical missions carried out during the year under this project aimed at assisting in the implementation of the State Safety Programme have been very useful, have enabled the definition of security indicators at the state level, as Kosovo is in the process of managing safety risk. During the meeting, EASA notified that during 2019, Kosovo will benefit from at least two activities: the first one during which two EASA experts will come to Kosovo to train CAA staff on reporting and analysing air safety occurrences in the ECCAIRS system (European Co-ordination Centre for Accident and Incident Reporting Systems) and the second one, on-the-job training will be held at EASA headquarters during which four EASA experts will train two CAA inspectors on managing the database, its quality, the use of taxonomy, risk assessment, and data analysis.

- **TAIEX technical assistance**

During 2018, the CAA benefited from the four following technical missions financed by TAIEX:

- On 3 and 4 April 2018, the regional seminar “Presentation of Aeronautical Information Management and Digitalization” organized by ANS Department through the TAIEX mission, was held in Prishtina. The mission was conducted by two French experts from the French Civil Aviation University (ENAC), Mr. Philippe Notry and Mr. Bruno Talavera, and Slovenian expert from Slovenian air navigation service provider, Slovenia Control, Mr. Uros Groselj. Representatives from Albania, Montenegro, Bosnia and Herzegovina and Macedonia attended the seminar. The topics discussed in this seminar were mainly concerning the phases of transition from the aeronautical information service to the management of aeronautical information and transition to the common information sharing platform called Global Information Management System (GIMS), as well as the challenges we may face.
- On 11 and 12 July 2018, two FSD inspectors attended the “TAIEX Multinational Workshop on Aircraft Maintenance Licenses and for Maintenance Training Organizations“. The workshop was organized by Civil Aviation Agency of Macedonia held in Skopje, Macedonia.
- On 26 and 27 July 2018, the senior official for international cooperation attended the “TAIEX regional workshop on state aid“. The workshop was organized by the CAA of Montenegro, in Podgorica.
- From 24 to 28 September 2018 the workshop “Transition from Aeronautical Information Services to Aeronautical Information Management“. The purpose of this mission was to support Kosovo authorities in identifying challenges in the transition process from the Aeronautical Information Service (AIA) to Aeronautical Information Management (AIM), then in Information Management (IM) and jointly towards the Global Information Management System (GIMS). To support the results of the abovementioned analysis, the experts came up with necessary guidance on drafting and adapting manuals, procedures and forms, in order to ensure that these phases are successfully implemented.

8.8 **REGULATORY/OVERSIGHT ACTIVITY**

The basic function of the CAA is the oversight and regulation of civil aviation activities in Kosovo in order to guarantee safe operations in accordance with applicable standards. This is achieved through inspections, audits, licensing and certification. The CAA has professional and competent personnel for regulating civil aviation in the country. The Republic of Kosovo has a Law on Civil Aviation, which the European Commission has considered a model law for all Western Balkan countries. The CAA regulatory activity includes civil aviation safety in general and the economic regulation of airports and air navigation services providers in the Republic of Kosovo. Following is a brief overview of the regulatory and oversight activities of the CAA in the field of aviation safety, divided into the following categories: flight safety, air navigation services and aerodromes. A brief overview of the activities of economic regulation at the airport, air navigation services provider and ground handling providers will also be given.

a) Flight Safety

In 2018, the CAA, pursuant to National Programme for Implementation of the Stabilisation and Association Agreement (NPISAA), issued 2 out of 3 regulations in the field of flight safety foreseen by this program. The third regulation has not yet been completed in terms of legal review by MEI. These regulations derive from the European Common Aviation Area (ECAA) Agreement.

The Flight Safety Department has also drafted Regulation (CAA) No. 11/2018 on Parachuting. This Regulation is issued pursuant to the Law on Civil Aviation and it defines the conditions and rules of parachute jumping in the Republic of Kosovo.

• Inspection of foreign aircraft on the apron

In accordance with Article 50 of the Law on Civil Aviation, FSD inspectors conducted thirty-seven (37) Safety Assessments of Foreign Aircraft (SAFA) at PIA Adem Jashari.

The aircraft of the following airlines were inspected: Carpat Air (KRP), Austrian Airlines (AUA), EasyJet Airlines Co. Ltd (EZY), Adria Airways (ADR), Orange2Fly (OTF), Wizz Air (WZZ), Norwegian Air Int. (IBK), Pegasus Airlines (PGT), Eurowings (EWG), Aeroklub Skopje d.o.o., Germania Airlines (GMI), Freebird Airlines (FHY), Germania Flug (GSW), Bulgaria Air (LZB), Swiss Int. Airlines (SWR), Atlasjet Airlines (KKK), Aeroways GmbH, SunExpress (SXS), Corendon Airlines (CAI), Turkish Airlines (THY), Janez Let, Jet Executive (JEI), Scandinavian Airlines (SAS), TUI Airlines Belgium N.V. (JAF), Air Bucharest (BUR), Edelweiss Air AG (EDW), EasyJet Switzerland (EZY), ALK Airlines (VBB).



SAFA inspection of aircraft at PIA apron

During these inspections, a category 3 finding (with major impact on safety) was identified. After corrective measures were taken prior to flight in the presence of FSD inspectors, the aircraft was allowed to depart. During these inspections a category 2 finding was also identified, which had to do with the lack of instructions for operation of the cargo door on the airplane, the pilot-in-command was informed thereof and appropriate measures were requested.

- **Audit of aviation operators**

On 26 March 2018, an audit was conducted by the National Centre of Occupational Medicine in Gjakova (QKMP), approved by CAA in the capacity of Aeromedical Centre (AeMC), by an authorized medical assessor (AMA) and an airworthiness inspector. The audit report of this institution resulted in two findings, which after the concrete addressing by AeMC, through an executive decision by the Director General was extended the authorization of the National Centre of Occupational Medicine in Gjakova (QKMP), in the capacity of Aeromedical Centre (AeMC).

On 22 May 2018, the training organization for paragliding “Aviation Academy” in Prishtina was subject to an audit by the general aviation inspector. The audit report has not resulted in any finding.

On 16 and 18 August 2018, the flight safety inspectors specializing in the transport of dangerous goods audited Prishtina International Airport Adem Jashari (LKIA) in the capacity of the ground handling service provider (including cargo handling), certified for handling dangerous goods and as a provider of dangerous goods trainings. The audit has not resulted in any findings.

On 24 August 2018, the flight safety inspectors specializing in the transport of dangerous goods, have also audited the branch of Turkish Airlines company at PIA Adem Jashari, in the capacity

of aircraft operator (non-EU operator) certified by CAA for the transport of dangerous goods by air, to and from the territory of the Republic of Kosovo. The audit has not resulted in any findings.

On 26 September 2018, the general aviation inspector audited the Kosovo Aeronautical Federation. The audit has not resulted in any findings.

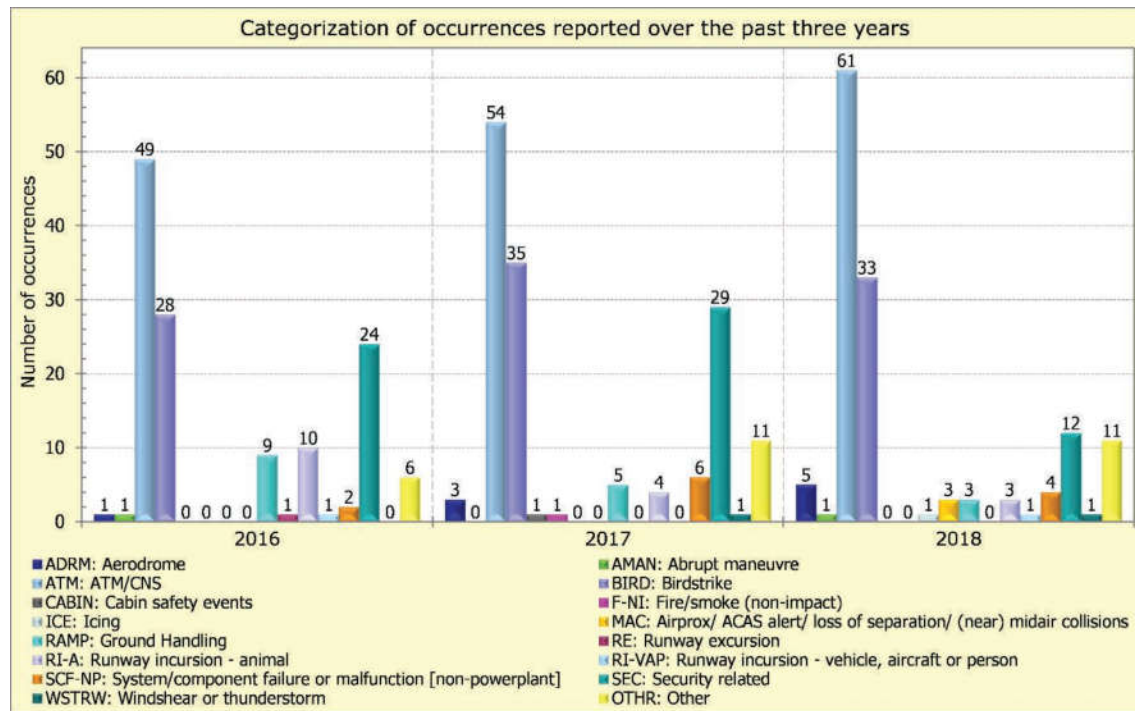
- **Occurrence reporting in aviation**

With the aim at increasing aviation safety by preventing accidents and incidents, the CAA collects and analyses information relevant to the safety of civil aviation through its system of occurrence reporting. This information enables the CAA and the industry to be informed of the safety risks they face in order to support the full spectrum of safety management activities, including the adoption and implementation of mitigation actions where appropriate. Relevant safety information is reported, collected, stored, protected, exchanged, distributed and analysed in accordance with the requirements of CAA Regulation No. 09/2017 on the reporting, analysis and follow-up of occurrences in civil aviation.

Thus, during 2018, the CAA received reporting on a total of 137 occurrences in civil aviation, which represents a slight decrease compared to the number of reported occurrences in 2017, where 149 occurrences were reported. Compared to the number of occurrences reported over the past twelve years, 2018 ranks third in terms of the number of occurrences, following 2014 and 2017, when a total of 174 and 149 occurrences were reported, respectively.

The total number of occurrences reported to the CAA from 2006 to the end of 2018 reached a total of 1350 occurrences. The gradual increase in the number of occurrences from year to year does not represent a decrease in the level of safety in civil aviation, but may be a result of awareness and more accurate reporting by participants in the aviation industry.

The reported occurrences are coded into different categories of occurrences according to the elements (of aviation involved in these occurrence) and together with the occurrences of the past two years are presented in the chart below, which is based on the data extracted from the CAA database in ECCAIRS 5 software (European Coordination Centre for Accident and Incident Reporting Systems).



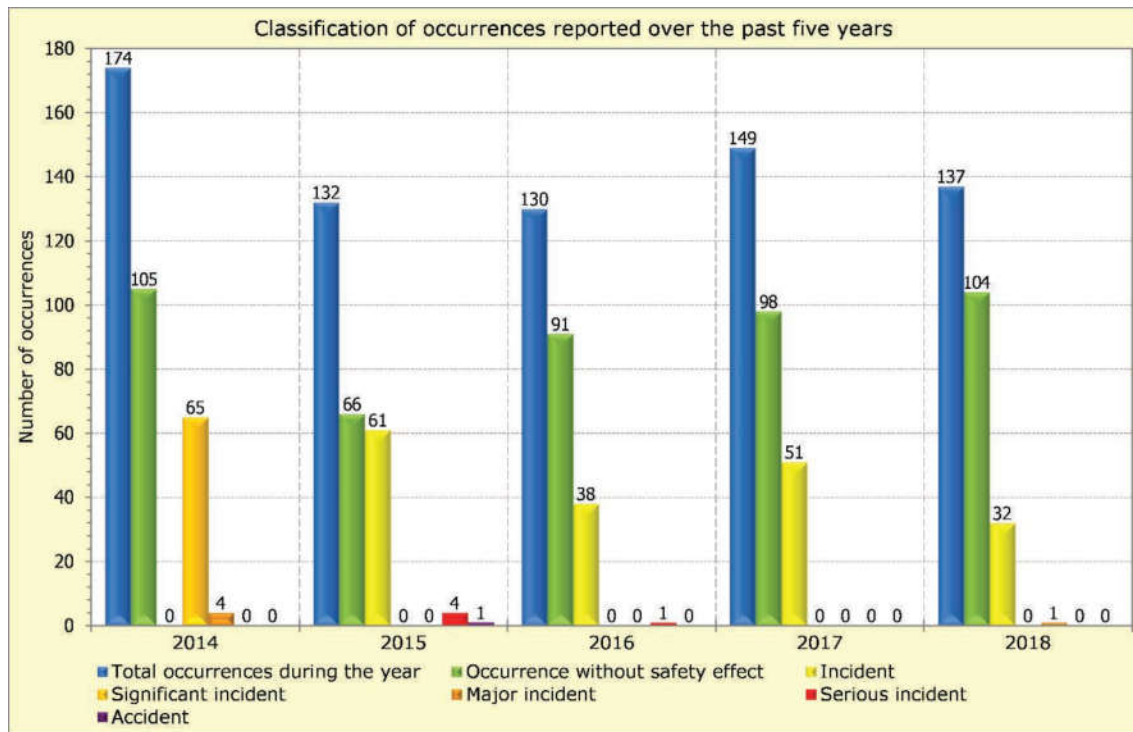
Categorization of the occurrences reported over the years 2016, 2017 and 2018 (coding of occurrences according to the aviation elements involved)

From the chart above it can be noticed that compared to the categories of occurrences over the years 2016 and 2017, the categories of 2018 marked a slight increase were: ADRM (Aerodrome) ATM (Air Traffic Management or Communications, Navigation or Surveillance) and MAC (Airprox/ACAS alert/loss of separation in air).

While the categories that had have marked a decrease and have contributed to reducing the total number of occurrences are: RAMP (Ground Handling), RI-A (Runway incursion - animal) and SEC (Security related), which contains cases associated with laser attacks. The subcategory of laser attack occurrences marked a significant decrease, and this is positive, because the laser beams to flying aircraft pose a serious threat to the safety of passengers and crews as well as people living near airports. Laser attacks may pose a major obstacle to pilots and may blind them during critical flight phases, such as during take-off and landing. These attacks are deliberately carried out by irresponsible persons and constitute a criminal offense.

The other categories did not have a significant impact on the total number of occurrences. For clarification purposes, it should be noted that two of the reported occurrences have been encoded in two categories each and therefore the total number of encoded occurrences appears to be 139, but in fact is 137 occurrences.

Also, the reported occurrences are classified into different classes based on the severity of their impact on safe aircraft operations and on people on board. These classes, together with the classes of occurrences of the past four years are presented in the chart below.



Total number of occurrences reported during 2014-2018 and their classification based on the severity

As it can be noticed from the chart above, out of the 137 occurrences received by the CAA during 2018, 104 of them are classified as “occurrence without safety effect”, 32 are classified as “incident” and one occurrence is classified as “major incident”, and fortunately there have been no occurrences classified as “significant incident”, “serious incident” and “accident”. Also, it can be noticed that the number of “occurrence without safety effect” in percentage was close to 76% of the total number of occurrences, which represents a larger number compared to the percentage of occurrences of this class in the past years, where the percentage was close to 66% in 2017, 70% in 2016, 50% in 2015 and about 60% in 2014.

In the number of 32 occurrences of the “Incident” class, contributed the occurrences coded in the following categories: ADRM (2 occurrences), AMAN (1 occurrence), ATM (1 occurrence), ICE (1 occurrence), MAC (3 occurrences), RAMP (1 occurrence), RI-A (2 occurrences), RI-VAP (1 occurrence), SCF-NP (4 occurrences), SEC (12 occurrences), WSTRW (1 occurrence) and OTHR (4 occurrences). While the occurrence of the “major incident” class, has been one of the occurrences encoded in the ATM category.

• Transport of dangerous goods by air

Pursuant to the Articles 57 and 59 of Law No. 03/L-051 on Civil Aviation and Article 8.1 of the Regulation No. 8/2014 on the conditions and methods of transporting dangerous goods by air in the Republic of Kosovo, during 2018 a total of one hundred and five (105) permits for the transport by air of shipments containing dangerous goods were issued to airlines operating at PIA Adem Jashari, which were previously licensed and possess import licenses for weapons and ammunition issued by the Ministry of Internal Affairs (MIA) or by Kosovo Agency for

radiation protection and nuclear safety for import of radioactive material (ARPNS).

Of this number of permits, ninety (90) were issued to “Turkish Airlines”, ten (10) permits were issued to “Pegasus Hava Tasimaciligi AS”, three (3) permits were issued to “Adria Airways” airline, one (1) permit was issued to airline company “Ukraine Air Alliance” and one (1) permit was issued to airline company “CAVOK Air”.

On 2 March 2018, the CAA approved the updated program of the elementary and periodic training course at Prishtina International Airport Adem Jashari - LKIA on dangerous goods, dedicated to passenger handling staff (ICAO cat. 9) and security screening staff (ICAO cat. 12). Approval of this training course is valid until 31 December 2018. On this occasion, the Flight Safety Department has issued 60 registration numbers for participants in this course. On 5 March 2018, the Inspector of the Flight Safety Department monitored the delivery of this training course.

On 30 May 2018, the CAA approved the amended materials of the elementary and periodic training courses of PIA Adem Jashari LKIA for dangerous goods, dedicated to cargo supervisors, cargo planners and members of flight crew (ICAO cat. 10), to which LKIA applied on 18 May 2018. Approval of this course is valid until 31 December 2018. CAA has issued 30 enrolment numbers for participants in this course. Meanwhile, on 7 June 2018, the FSD has monitored the delivery of this training course.

Following the review of the documents submitted by PIA Adem Jashari LKIA (application forms, CVs and copies of certificates for the trainings attended) for the three applicants who have applied for instructor for dangerous goods and assessment of compliance with the requirements set forth by Regulation No. 8/2014, on 8 June 2018, the CAA has temporarily accepted these three instructors. The instructors will carry out training with the staff of PIA Adem Jashari LKIA under the supervision of a more senior instructor and they will be appointed permanently the moment they assess their skills as satisfactory in preparing of the training materials and carrying out these trainings.

On 15 August 2018, the CAA approved the proposed amendments to the PIA Adem Jashari LKIA Elementary and Periodic Training Course for Dangerous Goods, whereby 150 licenses were issued by CAA for the enrolment of course participants. This type of course is dedicated to apron and warehouse staff (ICAO cat. 8 & 5), to which the PIA applied on 8 May 2018. Approval of this training course is valid until 31 December 2018.

On 29 March and 28 August 2018, CAA inspectors specialized in the transport of dangerous goods held meetings with the representatives of Post of Kosovo (PK) regarding the process of their certification for dangerous goods according to requirements of the Regulation of CAA No. 8/2014 on the conditions and manner of transporting dangerous goods by air.

These meetings discussed the steps taken by the Post of Kosovo and was agreed for the next steps to be met in order to fulfil the legal requirements for the certification process. The difficulties faced by the Post of Kosovo in meeting the requirements and other developments that directly affect the process were also mentioned in the discussion.

• Oversight of General Aviation

During 2018, there was a significant number of general aviation activities in the lower airspace of the Republic of Kosovo, including flights under visual flight rules (VFR) with airplane and helicopter, paragliding, drone operations, etc., which, according to the legal basis and relevant procedures, have undergone through the CAA approval. It is also worth mentioning in this report the fact that on 8 February 2018, the Administrative Instruction No. 01/2018 on the procedures for appointing authorized examiners for delta plan/paragliding. This Administrative Instruction completes the whole licensing process for new paragliders in the Republic of Kosovo, offering the possibility of their examination by Kosovo examiners approved by the CAA. Below are provided more details regarding these activities.

Flights under visual flight rules (VFR)

A total of twenty-seven (27) approvals for flight under visual flight rules (VFR) were issued. All approvals were issued in coordination with the Police of Republic of Kosovo and air unit (J3Air) of the International Force in Kosovo (KFOR).

Licensing of paragliding pilots and paragliding activities

Nine (9) approvals were issued for paragliding and delta plan flights. On the occasion of the celebration of the 10th anniversary of Independence of the Republic of Kosovo, on 8 February 2018, the CAA has approved the Kosovo Aeronautical Federation to paraglide over the city of Prishtina.

On 13 March 2018, CAA has organized a theoretical exam for candidates who applied to obtain paragliding license. Nine (9) new candidates have participated in the exam and all of them successfully completed the theoretical exam.

On 13 May 2018, a practical exam was organized for the candidates who successfully completed the theoretical exam for paragliding license and promotion of co-pilot licenses. A total of twelve (12) candidates participated in the practical exam. Of these, eight (8) candidates were for the paragliding pilot license, while four (4) of them were for the promotion of the co-pilot licenses. The exam was successfully completed by all candidates.

Activities with Unmanned Aircraft Systems (UAS)

After the entry into force of Regulation No. 1/2017 for Unmanned Aircraft Systems (SAP) in 2017, all operators of Unmanned Aircraft Systems or otherwise known as “drone” are obliged to register their drones in CAA, depending on their weight.

During 2018, CAA registered fifty-five (55) new applicants for Unmanned Aircraft Systems (UAS) operations. The total number of registered operators in the Republic of Kosovo for 2017 and 2018 has reached to one hundred and three (103).

The approval of Unmanned Aircraft Systems operators has been conducted in close coordination with the Police of the Republic of Kosovo and Air unit (J3Air) of the International Force in Kosovo (KFOR).

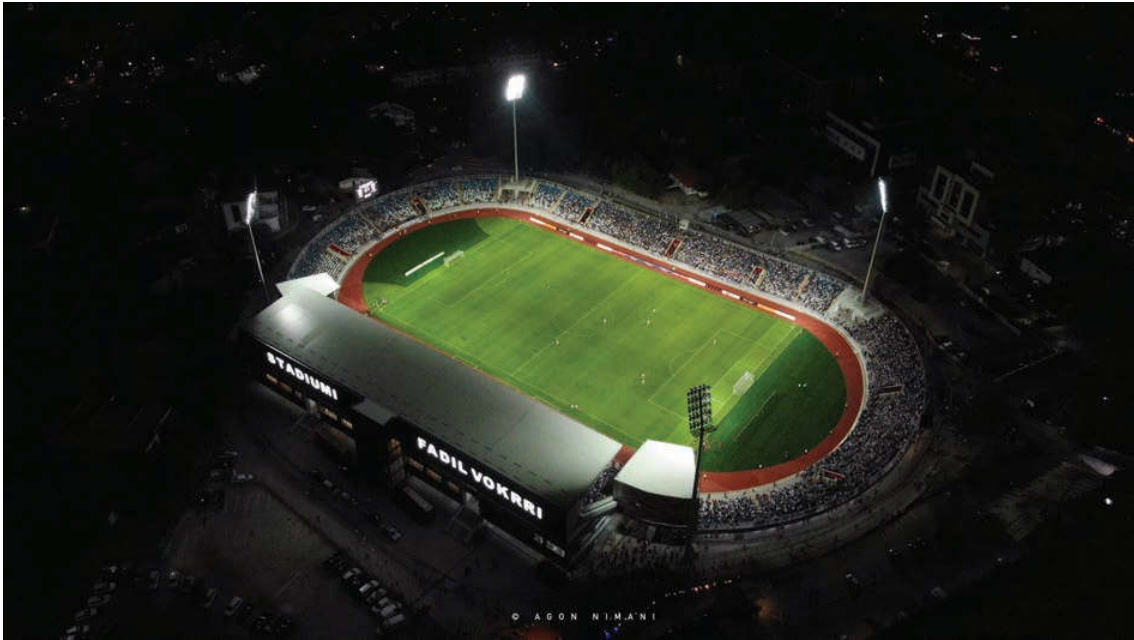


Photo of the stadium Fadil Vokrri from drone, author: Agon Nimani

• **Aviation medicine**

The Aviation Medicine sector operates within the Flight Safety Department (FSD) and is responsible for verifying the health condition of some categories of staff (pilots, air traffic controllers, flight engineers, etc.), who are subject to licensing by the Civil Aviation Authority of Kosovo. Verification of health condition is performed at the National Centre of Occupational Medicine in Gjakova, authorized by the CAA in the capacity of the Aeromedical Centre (AeMC) in accordance with the relevant legislation. This centre is subject to continuous audits and inspections by CAA for verification of on-going oversight of the strict implementation of legal requirements.

During 2018 the following certificates were issued from this center:

- twelve (12) Class 3 medical certificates to air traffic controllers of Air Navigation Services Agency;
- one (1) Class 2 medical certificate to a pilot of the Kosovo Aeronautical Federation; and
- two (2) Class 1 medical certificates to private candidates who have applied before AAC.

Also, on 20 November a Technical Printout (TP) was published in the form of Guidance Material for the Aeromedical Centres (AeMC). This guideline material is used for functions related to safety management, or as direct support to Aeromedical Centres, authorized by CAA in accordance with the legal provisions of the CAA Regulation No.5/2015

• **Banned aircraft in Kosovo**

Some airline companies are forbidden to operate in the European airspace (including the airspace of the Republic of Kosovo), as they are unsafe and/or lack sufficient oversight by their respective licensing authorities. The list of banned airlines is drafted by the European Commis-

sion in close consultation with the aviation security authorities of all EU member states and their partners.

According to Article 45 of the Law No. 03/L-051 on Civil Aviation, aircraft of airlines which were banned by the European Union to operate within the EU airspace of member states are not allowed to fly in the airspace of the Republic of Kosovo. Moreover, the updated EU banned airlines list is posted online in the official website of the CAA.

During 2018 no flight has been carried out by any airlines from this EU list within the airspace of the Republic of Kosovo.

- **Registered civil aircraft and those removed from the civil aircraft register**

In 2018, the CAA has not registered nor removed any aircraft from the civil aircraft register.

- **Approved licenses, certificates and permits, including their suspension and revocation**

License/certificate/permit	LCA Reference/Regulation	Number
Permit for transport of dangerous goods by air	LCA, Article 57 and Regulation 8/2014	105
Permit for general aviation operations	LCA, Article 2 and 75	36
Permit for operation of Unmanned Aircraft Systems	Regulation 1/2017	55
Paragliding pilot license	Regulation 1/2012	8
Medical certificate, Class 3	LCA, Article 37	12
Medical certificate, Class 2	LCA, Article 37	1
Medical certificate, Class 1	LCA, Article 37	2

Presentation of certificates and permits issued by the CAA to operators/crew

b) Air Navigation Services

- **Air Navigation Services Agency (ANSA)**

On 1 January 2016, pursuant to Law No. 04/L-250, the Air Navigation Services Agency was established, as a successor entity of PIA Adem Jashari – Air Control JSC. On 19 August 2016, the CAA certified ANSA for a period of 5 years for the provision of the following services: air traffic control services (ATC), communication, surveillance and navigation services (CNS), aeronautical information services (AIS) and meteorological services (MET). The certificate was issued pursuant to Article 78 of Law No. 03/L-051 on Civil Aviation and upon fulfilment of safety, economic sustainability and security criteria deriving from Regulations No. 9/2009 and 7/2012, transposing into the national legal framework of the Republic of Kosovo Regulation (EC) No. 550/2004 and Regulation (EC) No. 1035/2011, respectively.

In 2018, CAA relicensed 23 air traffic controllers, which currently provide air traffic control services in Kosovo. They are licensed in accordance with Regulation No. 19/2017 of the CAA.



View of the air traffic control tower at ANSA

- **Continuous Oversight of ANSA**

ANSA has been certified as a provider of air navigation services on 19 August 2016. The ANS Department is also responsible for overseeing the maintenance and compliance of certification requirements by ANSA through regular audits and ad-hoc visits and inspections.

During 2018, CAA has continuously audited according to ANSA plan, by verifying the compliance with regulatory requirements.

Audits and inspections

In the light of continuous oversight of Air Navigation Service Agency (ANSA), during 2018, CAA conducted a total of three audits in ANSA:

- During the period 20-26 February 2018, ANS inspectors conducted a safety audit at the Air Navigation Services Agency (ANSA). This audit was planned based on a regular oversight schedule and aimed at verifying all requirements deriving from the CAA Regulation No. 9/2017 on mandatory reporting of occurrences as well as the requirements of Annexes I and V of Regulation No. 7/2012 of the CAA, which deals with the conditions for providing air navigation services. Also, some of the requirements of Annex 10 of ICAO have been verified, which deal with aeronautical telecommunications, implemented in the domestic legal order of the Republic of Kosovo through Regulation No. 2/2016 of the CAA. Within a certain timeframe, the ANSA submitted a report drafted by the DNSA with all identified findings, which are then addressed in the plan with the corrective steps that ANSA prepares and sends to DNSA for approval.

- During the period 18-22 June 2018, the ANS inspectors conducted the second safety audit at ANSA for 2018. This audit was planned based on a regular oversight schedule and aimed at verifying the requirements of Annexes II and III of Regulation No. 7/2012 of the CAA, which deal with the conditions for providing air navigation services and some of the requirements deriving from Annex 3 of ICAO on Meteorology, implemented in our legal order through CAA Regulation No. 2/2014 and ICAO Annex 4 of ICAO implemented through CAA Regulation No. 9/2014 on aeronautical maps. Also, the implementation of some of the findings derived from past audits were verified. In general, the audit made good progress, during which most of the requirements outlined in the abovementioned regulations were met, but there are still some requirements that need to be addressed.
- During the period 22-25 October 2018, ANS inspectors conducted safety audits at ANSA. This audit was planned based on a regular oversight schedule and aimed at verifying the fulfilment of the requirements of Annexes IV and V of Regulation No. 7/2012 of the CAA on the conditions for the provision of air navigation services and some of the requirements deriving from Regulation No. 10/2011 on flight procedures, Regulation No. 10/2009 amended by Regulation No. 1/2016 on the organization and use of airspace and the requirements of Annex 11 of the ICAO on air traffic control services, implemented in the internal legal order through Regulation No. 4/2013 of the CAA. The audit also aimed at following-up some of the findings that are open to past audits, respectively follow-up of the status of implementation of those findings.

- **Oversight of ANSA as Training Organization (TO)**

ANSA was certified on 19 December 2017 by the CAA, for a 3 year period, to provide services that are entitled to a Air Traffic Control (ATC) Training Organization, such as unit training for ATC and continuous training for ATC.

The certification process has started in 2016 when ANSA applied for certification. With the entry into force of Regulation No. 19/2017 on CAA, which has substituted the Regulation No. 5/2012, pursuant to which, at that time ANSA was certified as a Training Organization, the CAA was obliged to make the conversion of the current certificate to the new format set forth by Regulation No. 19/2017.

From the time of certification, ANSA, as a Training Organization, has been audited several times by the ANS Department, in the framework of the continuous oversight process, to ensure and verify that this organization continues to meet all regulatory requirements. In addition, ANSA has submitted for approval to the CAA the Unit Training Plan (UTP) and Unit Competence Scheme (UCS), which were approved by the ANS Department on 31 December 2018, respectively 20 December 2018.

The issuance of the certificate ensures the safety and quality of the services provided, however it requires continuous engagement of ANSA to observe the certification conditions and to further increase of the quality of these services.

- **Assessment audit by EASA**

On 26 October 2017, the CAA received the final report of EASA assessment audit, carried out during 21-25 November 2016 at CAA. Although this report was received almost a year late, the ANS Department has continued to address the findings identified during this audit in accordance with the compiled plan of corrective measures. On 20 December 2017, the corrective action plan was submitted to the EASA audit team, while the proposed plan was received by EASA on 23 February 2018.

The initial plan (version 8.0) submitted to EASA contained 49 corrective actions that address the 23 findings raised by the audit team. All 49 actions proposed by the CAA were acceptable by EASA, but they also requested the addition/proposal of some other actions resulting in a total of 58 actions in the last plan (version 10.0), which was received on 23 February 2018.

Meanwhile, after communicating with EASA it was raised to versions 11 and 12 of the correctional plan, with 57 corrective actions. Of these, 52 are closed and 5 others are expected to be closed.

- **Changes to ANSA systems**

ANSA is very sensitive to the risks that may occur during daily work. The main purpose of these services is to prevent collision of aircraft in the air and on the ground. For this reason, the safety management system requires that prior to any changes to their systems, no matter the size, air navigation service providers must undertake appropriate steps to ensure that the change will not cause intolerable risks to the system. According to CAA Regulation No. 6/2012 which transposes EC Regulation No. 1034/2011 into our national legal order, providers of these services are obliged to notify the CAA of any planned changes that could affect safety, and also are required by Regulation No. 7/2012 which transposes EC Regulation No. 1035/2011 to assess the potential risks and take all the necessary precautionary steps to avoid them, before they start implementing the changes.

During 2018, the ANS Department was notified of 8 new changes expected to be implemented in ANSA systems:

1. **CH/2018/01** - "Horizontal separation of aircraft from 10 to 5 NM"
This change is classified as major and requires full revision and approval by CAA before this change enters into function as required by CAA Regulation No. 6/2012.
2. **CH/2018/02** - "Relocation of ATIS system"
It is classified as minor. This conclusion resulted after the approval of this change by the Safety Assessment. According to Regulation No. 06/2012, this change is not subject to revision and approval by the CAA.
3. **CH/2018/03** - "Relocation update of APP/TWR".
The change is classified as major. In addition to the notification form that was received by the DANS, a safety plan was required and the presentation of evidence related to the preventive measures addressed in relation to the risks that may arise.

4. **CH/2018/04** - “Installing of a new Radio communication System”.
The change is classified as major. So far, preliminary documents of safety assessment have been received, whereas the submission of additional documents is expected in accordance with the implementation plan.
5. **CH/2018/05** - “New Observation System”.
The change is classified as major. So far, preliminary documents of safety assessment have been received, whereas the submission of additional documents is expected in accordance with the implementation plan.
6. **CH/2018/06** - “Safety Assessment for the use of KSFM (Kosovo Safety Flight Messages)”
It is classified as minor. This was concluded after the approval of this change by the Safety Assessment. According to Regulation No. 06/2012, this change is not subject to review and approval by the CAA.
7. **CH/2018/07** - “Relocation of PABX (Communication Line Switching Centre)”.
Based on the assessment of the documents provided by ANSA such as the Preliminary Safety Assessment and Safety Assessment, it is considered that this change should be treated as a minor change.
8. **CH/2018/08** – “Extension of the runway, establishment of the instrumental landing system and radio communication systems at PIA Adem Jashari”.

Safety assessments are those concerning:

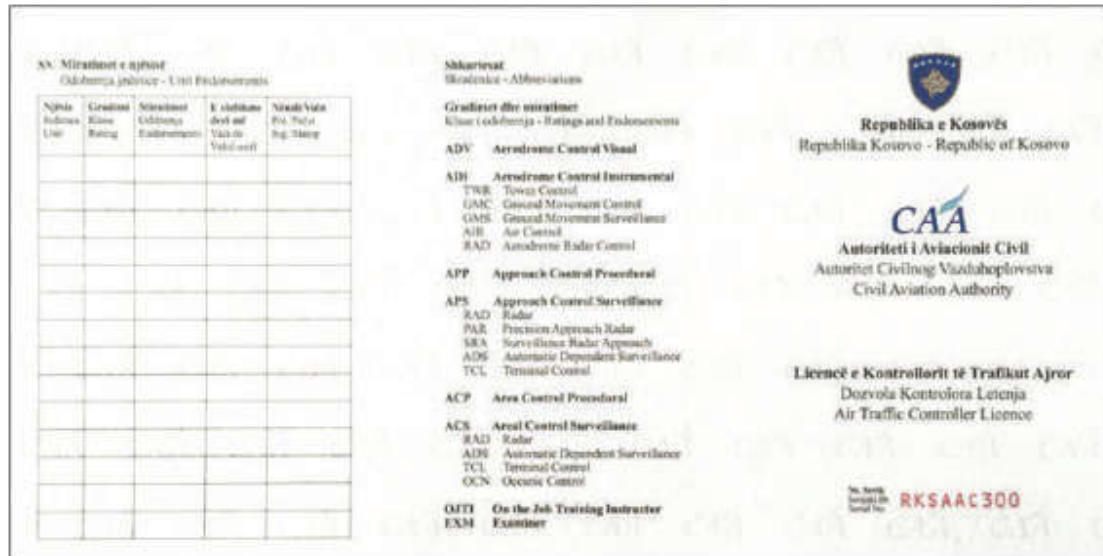
1. The new AWOS system (Weather Observation System);
2. Update of existing AWOS system;
3. Instrumental Landing System ILS CAT III B RWY 17;
4. Instrumental Landing System ILS CAT I RWY 35;
5. Relocation of existing DVOR (Aircraft Navigation Device);
6. Installation of power and communication network cabling in the manoeuvring space;
7. Installing the optical network in Golesh;
8. Golesh-ANSA radio communication system;
9. Power supply system;
10. Conventional instrumental procedures;
11. PBN procedures;
12. Weather Forecast System;
13. Volmet System;
14. Assessment of obstacles;
15. Training of staff on new systems.

All these documents will be handled in accordance with the requirements set out in Regulation No. 6/2012 of CAA dealing with major or minor changes.

The changes have different implementation phases, which will be followed continuously by DNSA to ensure compliance with the requirements of the applicable regulations.

- **Issuance of licenses to air traffic controllers and assessment of ratings**

The CAA is responsible for the issuance and renewal of licenses to air traffic controllers providing air traffic control services in the territory of the Republic of Kosovo. Considering the importance of air traffic control service in flight safety, the controllers should fulfil a range of requirements and conditions to maintain their licenses and approvals, arising from Regulation no. 19/2017 of CAA on licensing of air traffic controllers. The regulation in question has started to be implemented since March 2018 and consequently air traffic controllers have been re-licensed under this Regulation.



Air traffic controller license issued by the CAA

The requirements are mainly related to the level of professional competency, to attendance of professional refreshing trainings and exercise of duties of air traffic controller for a certain number of hours within a year. The controllers are also subject to professional evaluation on an annual basis, in order to verify the skill level.

Particular attention is paid to English language skills, as the communication in international aviation is done in this language. English language skills are evaluated periodically and are taken into account when issuing or renewing the license. Controllers should also have good health, in accordance with legal requirements, and this is verified on a regular basis by the CAA, as part of the licensing process.

Details of renewed licenses and revalidating the ratings for 2018 are provided in the table below.

Licensing of Air Traffic Controllers (ATCs)	Number of licensees
Renewal of licenses for ATC	23
Revalidation of ratings	9
Licensing of ATC students	0
Licensing of ATCs	0

• ANS National Performance Plan

With the entry into force of CAA Regulations No. 1/2016 and 2/2016 at the beginning of January 2016, CAA started working towards implementation of Performance Scheme for air navigation services. The scheme foresees the long-term performance planning and sets the performance targets in four key areas: safety, capacity, environment and cost efficiency.

The transitional phase will be implemented in the period 2017-2019, while the full implementation of the Performance Scheme will start from 2020 onwards. During the transitional phase, Kosovo CAA is obliged to compile and strengthen the National Performance Plan, monitor the achievement of performance targets and collect statistical data for the future.

A detailed work plan with concrete steps to achieve the full implementation of the Performance Scheme, which has been compiled in the framework of the ISIS II Programme, was formalized in the document entitled “Kosovo Roadmap towards the Implementation of the Single European Sky Performance Scheme”.

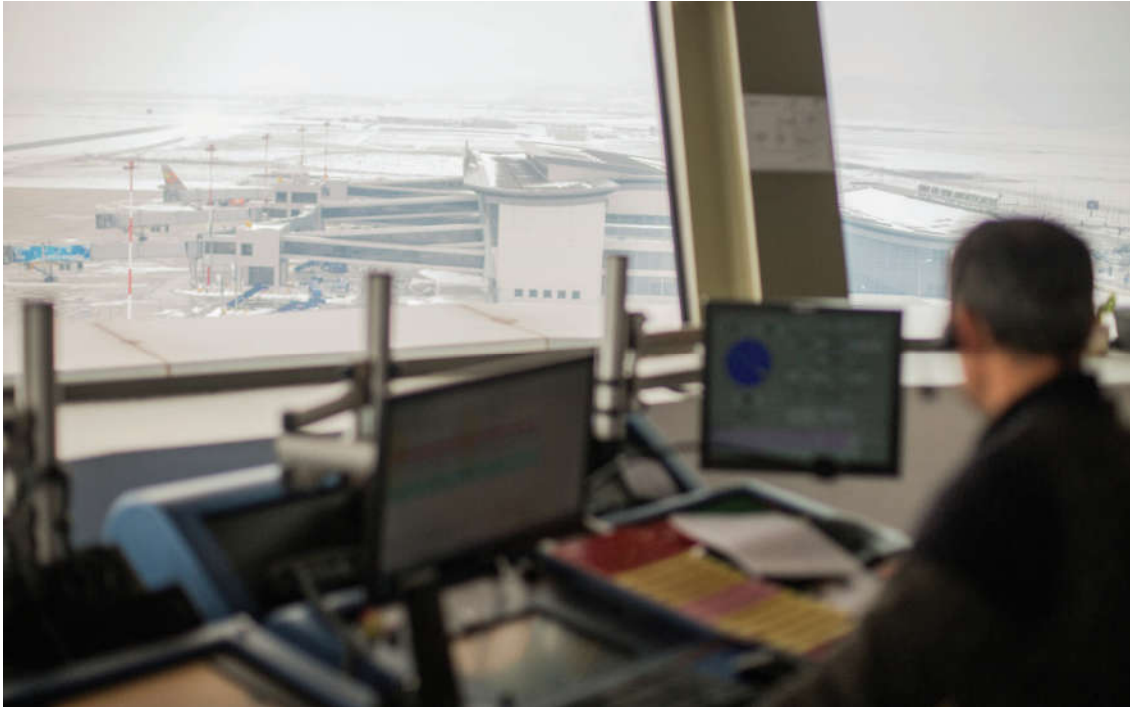
During 2018, in the framework of the process foreseen in the plan, the CAA has worked on the collection of data which help in compiling historical trends in three key performance areas: safety, capacity and cost efficiency (indicators for the area of the environment are currently not applicable in Kosovo). CAA has also monitored the data received for 2017-2018, comparing the results obtained with the targets set in the Performance Plan for 2017-2019.

Regarding Key Performance Indicator (KPI) #1 in the field of Safety: The level of safety management effectiveness at the CAA level, the targets and measured performance are consistent with the targets set at EU and state level. ANSA is expected to achieve the targets set at EU level by 2019, whereas the targets set at state level for 2017 and 2018 have been achieved. ANSA has shown significant progress, especially on the targets related to the culture of safety. Progress has also been marked in other management related targets, thus increasing the level of efficiency.

Regarding KPI#2 in the field of Safety: The application of risk classification through the methodology of Risk Analysis Tool (RAT) at ANSA level, targets and measured performance are consistent with the targets set out at EU level, whereas the targets set at state level for 2018 have been achieved. During 2017, ANSA did not have access to RAT tool of Eurocontrol; therefore it could not apply it during the assessment of the occurrences. Access has been regained in 2018.

At CAA level, the targets and the measured performance are in compliance with the targets set

at EU and state level for 2018. During 2017, CAA did not have access to the RAT tool of Eurocontrol; therefore it could not apply it during the assessment of the events. At the beginning of 2018, the ANS Department has drafted a new procedure for the application of an alternative tool, also based on the RAT methodology, to assess the risk of events, which was applied during 2018. Access to RAT was not granted by Eurocontrol.



ANSA air traffic controller during work

Regarding *KPI#2 in the field of capacity: Delays in arriving at the flight terminal and at the airport*, on airport level, the target set at state level for 2017 was achieved, but not for 2018, as a contributing factor is considered the failure to realize the capital investments which were planned to be realized by 2018 (the new system for observing the weather and the instrumental landing system of category 3), in addition to the increase of the number of flights. According to the Performance Scheme, delays should be monitored through the indicator called ATFM (Air Traffic Flow Management), but since Kosovo is not part of Eurocontrol's Network Manager, it does not participate in the process of arranging and allocating ATFM slots. As a result, Kosovo does not have access to the data needed to calculate these delays correctly. Due to the lack of these data, delays were calculated based on locally allocated slots and scheduled landing time during flight coordination. *KPI#1 from the capacity field: Delays in arrival for overflights is currently not applicable in Kosovo.*

Concerning *Key Performance Area - Cost Effectiveness KPI #2: Unit Cost for Terminal Services Unit*, terminal service units during 2017 were 9,308 out of 10,175 forecasted, in 2018 there were 10,531 out of 10,684 forecasted, while for the year 2019 are forecasted 11,218 service units.

While unit costs, adjusted for inflation in 2012 euro terms, in 2017 were 390.98 EUR from the estimated 383.39 euros; in 2018 397.95 EUR from the estimated 402.56 EUR; and in 2019 the

unit cost was estimated at EUR 453.52.

Tables from the National Performance Plan are presented in Annex 5.

- **Aeronautical Information Publication**

Pursuant to the CAA Regulation No. 5/2013 for the implementation of Annex 15 of the Convention on International Civil Aviation for aeronautical information services, the CAA is responsible for publishing the “Aeronautical Information Publication” document, known by its English acronym as AIP. This is a very important state document where all information about aviation of a state is published. The document itself contains three chapters: the first chapter contains general information on aviation, the second concerns airspace, and the third chapter deals with detailed specifications for each airport/heliport, including flight procedures for aeroplanes.

Since this publication is used to a great extent by the airline companies operating or intending to operate in Kosovo, the CAA ensures that Kosovo AIP is kept up to date and each change that occurs in relation to civil aviation within the state is reflected in the document. These are regular changes and are carried out through amendments on fixed cycles every 28 days, through the so-called Aeronautical Information Regulation and Control (AIRAC), and become effective every 56 days.

During this year, three amendments were approved to AIP and an AIRAC for publication in the AIP (Aeronautical Information Publication Document). The following were published: AIP AMDT 01/2018 became effective on 1 February 2018, AIP AMDT 02/2018 has been published and became effective on 26 April 2018, AIP AMDT 03/2018 has been published and became effective on 16 August 2018, while AIP AIRAC 01/2018 became effective on 29 March 2018.

On 12 December 2018 an AIRAC amendment was approved, became effective on 31 January 2019.

The most recent aeronautical information publication is accessible at any time on the CAA website.

c) Aerodromes

Pursuant to Law No. 03/L-51 on Civil Aviation, CAA is responsible for regulating and developing Aerodrome policies and ground service providers, by verifying the implementation of applicable standards of national and international legislation, and by ensuring a safe civil aviation environment in the Republic of Kosovo.

Depending on the nature of operations and use rate, civil aerodromes are categorized into certified aerodromes, approved aerodromes and registered aerodromes. The Aerodrome Department within the CAA is responsible for certification, approval and registration of available aerodromes in the Republic of Kosovo, including airfields and heliports. Also, for the purpose of setting out the rules and procedures governing access to the ground handling market at civil aviation airports in the Republic of Kosovo, in accordance with the Regulation no. 4/2011 of CAA for access to the ground handling market, the Aerodrome Department is responsible for

assessing the safety of ground service providers at airports in the Republic of Kosovo, including ground service providers for aircraft fuel supply.

To ascertain that the professional education and training of aerodrome and other contractor employees, ground handling providers and aerodrome services users who provide services on ground is done according to the standards and criteria set out by the relevant legislation, the Aerodrome Department is responsible for issuing a recommendation for the approval of professional training organizations in the field of aerodromes.

For the purpose of maintaining the safety of civil aviation in the Republic of Kosovo, the Aerodrome Department is responsible for the designation and monitoring of aerodrome protection zones. This department coordinates the cooperation between aerodrome operators, responsible department at ANSA, legal entities/natural persons, who own or plan to construct an object within the aerodrome protection zones or any high object anywhere in the territory of the Republic of Kosovo and the institutions responsible for issuing construction permits under the Law on Construction. The Aerodrome Department must ensure that all parties involved are respecting the procedures outlined in the Regulation on aerodrome protective zones and Regulation on marking of obstacles.

To verify and ensure full implementation of applicable national and international legislation, the Aerodrome Department continually monitors the safety of aerodromes, ground handling providers and professional training organizations through audits, inspections and monitoring of their activities.

Prishtina International Airport Adem Jashari was certified on 1 December 2008 by the CAA as an international airport in accordance with the Law on Civil Aviation, the CAA Regulation No. 1/2008 on aerodromes, and the ICAO Standards and Recommended Practices. In 2011, the airport was given under concession and its management was transferred into the hands of the private operator, the Turkish-French consortium Limak - Aéroports de Lyon (Limak Kosovo International Airport J.S.C.). On 8 November 2013, based on legal requirements, on the occasion of transferring the operations to the new terminal, the CAA amended the certificate of the operator, Limak Kosovo International Airport J.S.C. (LKIA). Finally, after the entry into force of Regulation no. 17/2017 of CAA, setting out administrative provisions and procedures related to aerodromes, which implements in the national legal order of the Republic of Kosovo the Commission Regulation (EU) no. 139/2014, with the same name, on 8 November 2018, the CAA certified Prishtina International Airport Adem Jashari and the aerodrome operator “Limak Kosovo International Airport” according to the highest standards of aerodrome safety and in accordance with the requirements of the European Union.

Pursuant to Regulation No. 4/2011 on access to the ground handling market, on 1 January 2012, the CAA approved Ex Fis L.L.C. as a ground handling provider for the category of fuel and oil supply. Considering that this approval for the provision of fuel supply services for aircraft would expire by the end of 2018, operator Ex Fis L.L.C. has applied to CAA for continuation of approval. By crossing over the threshold of 2 million passengers served at PIA Adem Jashari, the conditions for engaging more interested companies are met.

On 1 June 2012, the CAA approved LKIA as a provider of several categories of ground handling providers at PIA Adem Jashari.

- **Continuous aerodrome safety oversight**

One of the basic functions of the Aerodromes Department, to ensure safety of aerodromes in the Republic of Kosovo, is the implementation of an effective oversight system. Effective safety oversight is performed through assessment and approval of various operator manuals, programs and procedures, through safety assessment approvals, and in particular through formal inspections (with or without prior notice to the operator) based on the annual oversight plan or depending on the situation that may require additional vigilance in terms of safety.

According to the plan of activities for regular monitoring and verification of the implementation of the standards applicable to PIA Adem Jashari operator and ground handling service providers, during 2018, the Aerodrome Department inspectors conducted two audits and five inspections. A certification audit at PIA Adem Jashari, as part of the process of converting the existing aerodrome certificate and other auditing, as part of the process to extend the approval for the aircraft fuel supply provider “Ex Fis” L.L.C

The inspections conducted at PIA Adem Jashari during 2018 included the safety management system (SMS), with particular focus on staff competence, operations in winter conditions and de-icing and anti-freezing operations of aircraft, vehicle operations in the airfield, airfield maintenance, aeronautical markings and lighting, as well as operations under adverse weather conditions of low visibility, extreme temperatures, strong winds, storms, etc.



View of inspection during low visibility at airport

- **Approval of LKIA Professional Training**

In accordance with the requirements of the Regulations no. 1/2014 of CAA on the professional training of aerodrome employees and other contracted employees, during 2018 several requests from the LKIA operator of PIA Adem Jashari for approvals of various professional training programs were received. After reviewing training programs and instructors and conclusion that

the relevant standards and conditions are met, these programs have been approved.

- **Certification of PIA Adem Jashari in accordance with EU Regulation no. 139/2014 on administrative provisions and procedures related to aerodromes**

During 2018, on the verge of reaching the 2 million annual figure of the number of passengers at PIA Adem Jashari, airport operator “Limak Kosovo International Airport J.S.C.” - LKIA successfully passed the aerodrome certification process for authorization of operations in accordance with the provisions of Regulation no. 17/2017 of the CAA on provisions and administrative procedures related to aerodromes (EU Regulation no. 139/2014).

As one of the first airports in the region with this certification, PIA Adem Jashari proves the application of the highest safety standards in all aspects of operations, including complete infrastructure and systems on the runway, taxiways and aircraft platforms. Procedures and processes related to airport safety and protection and airport operations were also the key conditions for obtaining a certificate, which confirms that the airport operates in compliance with the requirements and standards set out by the European Aviation Safety Agency (EASA).

This process was preceded by the legislative organization of the Civil Aviation Authority during 2017, for the purpose of implementation of Commission Regulation (EU) no. 139/2014, which sets out the conditions and administrative procedures, related to aerodromes, CAA issued Regulation no. 17/2017 on requirements and administrative procedures related to aerodromes. This new regulation on aerodromes differs with the applied ICAO standards since according to ICAO many criteria were in the form of recommendations while with this regulation they are now mandatory standards. After the entry into force of Regulation no. 17/2017 of the CAA, the process of converting the certificate went through two phases:

- Verification of documentation; and
- Verification of the conformity of standards on the site (on the field).

The main documents for guaranteeing the safety of a certified aerodrome and which were included in the verification process are Aerodrome Manual, Emergency Plan, Rescue and Fire-fighters Handbook, Animal World Risk Management Program, Certification Base Checklist, and Operation Basis Checklist.

The CAA inspector team, to conclude that the certification and operation basis were established, and to verify compliance with the applicable requirements, from 24 to 26 October 2018 carried out a comprehensive airport audit on the following areas:

- Infrastructure suitability and aerodrome facilities;
- Compliance with the applicable requirements of Part - ADR.OPS;
- Structure of the management system;
- Safety management and monitoring of compliance with the applicable requirements; and
- Implementation of procedures.

As for the airport's protection system from illegal interventions, inspectors of the Civil Aviation Security Division of the Ministry of Internal Affairs have carried out an audit within the delegated responsibilities under the Law on Civil Aviation.



View from the certification audit of PIA Adem Jashari

Although the Republic of Kosovo was not obliged to implement these standards in the same timeframe with the EU member states, the Civil Aviation Authority of the Republic of Kosovo with this certification was able to confirm the application of European safety standards in the field of aerodrome operations in accordance with the ECAA Agreement.

- **Continuation of approval for the aircraft fuel supplier**

Provider of fuel supplying services, Ex Fis L.L.C., on 15 November 2018, applied to CAA for continuation of the approval. According to the approval process, aerodrome inspectors have reviewed the received documentation and have conducted a two-day audit to verify compliance with the Regulation No. 4/2011 on access to the groundhandling market and Technical Publication No. 16 - Criteria and procedures for the approval of ground services.

The purpose of the audit was that through applicable provisions-based assessment to verify the organizational capability and capacity for aircraft fuel storage management at PIA Adem Jashari, including the assessment of technical competence of Ex Fis L.L.C. as a provider of aircraft fuel supply, procedures manual, description of responsibilities and tasks, equipment in use, staff qualification provisions, relevant training provisions, with particular focus on the operations process, safety management procedures, procedures operating standards and field activities. On 14 December 2018, the audit report was sent to the operator. Through finding AACK/AGA/32-3 sent to the CAA Deputy Director General on 17 December 2018, the Director of Aerodromes Department confirmed the fulfilment of the safety criteria required for the continuation of the approval.

- **The project for extension of PIA Adem Jashari runway**

As required by Regulation No. 17/2017 of CAA, which sets out the administrative provisions

and procedures relating to aerodromes and in accordance with CAA guiding material TP 27 – Procedures for Aerodrome Changes, airport operator - LKIA in the offices of PIA Adem Jashari, on 12 October 2018 organized the initial meeting for the project of runway extension. At this meeting, attended by officials of MIT, ANSA and CAA, the operator introduced the project in its entirety and the methodology of carrying out the works. After a detailed safety review, the draft proposal for runway extension and follow-up works, considering this project as a significant change of infrastructure which will also affect airport operations, according to Regulation No. 17/2017 and TP 27, CAA requested to proceed with the formal application for airport changes.

The Aerodromes Department during 2018 has received safety assessments, as part of the project in question for ground works and extension of the Taxiway Alfa and for construction of two New Rapid Exit Taxiways. After reviewing the assessment, in consultation with the ANS department, these works have been approved, but only for the 60 m distance from the centreline of the runway.

- **Constructions within the protective zones of PIA Adem Jashari**

Within its responsibilities to regulate the airport protective zones, aerodrome inspectors continued to monitor the implementation of Regulation on airport protective zones and Regulation for the Marking and Lighting of Obstacles.

During 2017, several evaluations of applications for constructions within the airport protective zones from LKIA PIA Adem Jashari were received, such as the application for the construction of a new facility by “Karting Arena”, construction of the factory for storing medicines Sante-farm, Construction of the depot JYSK/KFC, construction of the pellet factory by LINA-KS company, all within the territory of the municipality of Fushë Kosovë. The CAA has evaluated and revised in detail the received documentation and, after it was ascertained that the construction will not affect the safety of civil aviation operations, has approved the evaluations, provided that all the recommendations submitted are implemented. Moreover, in order to intensify the cooperation between the parties responsible for implementing the relevant regulations for construction within the aerodrome protective zones, aerodromes inspectors held meetings with responsible officials of the municipality of Fushë Kosovë and LKIA.

The CAA has received from LKIA PIA Adem Jashari a letter stating their concern for the construction project of a hazardous waste storage warehouse near the airport. CAA has notified the Ministry of Environment and Spatial Planning on the issue, which is addressing it within its responsibilities.

- **Impact assessment of wind turbines and high constructions in the safety of air operations in the Republic of Kosovo**

The CAA has continued to exercise the coordinating role in the impact assessment of high constructions on the safety of air operations in the Republic of Kosovo, according to the tasks delegated by LCA. By coordinating the actions under its responsibility, through safety evaluations by the operator of PIA Adem Jashari LKIA and ANSA, CAA must be ensured that the construction, installation and operation of wind turbines will not affect the safety of airport op-

erations and aircraft flight paths in the Republic of Kosovo. During 2018, several consultative meetings were held with representatives of various companies who have expressed interest in installing wind turbines for electricity generation in the Republic of Kosovo. Safety evaluations for projects of “AKUO ENERGY MED”, “SOWI KOSOVO” and “Kosovo Kika WPP” companies were completed according to the process and the respective response was communicated to the operators.

On the other hand, the company “Counter Global Kosovo”, which will construct the new power plant “Kosova e Re”, has submitted a request for aeronautical evaluation of a new high pole (60 m), which will be located in the Kosovo B power plant sub-station, in Obiliq. CAA has initiated a comprehensive aeronautical evaluation by the aerodrome operator and ANSA, and as a result of the evaluation it was concluded that the installation of the pole for meteorological measurements at the proposed location will not pose an obstacle to civil aviation operations. For these evaluations, the respective company and KFOR have been notified in order to register the pole in their aeronautical maps.



Wind turbines in Kikë, Kamenicë

• **Identification of high constructions and inspection of their marking**

Aerodrome inspectors, within the responsibilities, continued with on-site monitoring to confirm the fulfilment of marking requirements of high constructions, based on applicable requirements. In this context, aerodrome inspectors have compiled a detailed action plan divided into three main areas:

- Identification of transmission lines in motorways and national roads;
- Inspection of marking (lighting and dyeing) of the constructions previously identified; and

- Meeting with operators and relevant institutions, for information on the implementation of the regulation.

As part of the process of verification of the implementation of the legislation in force, all actions required for identification of transmission lines in motorways and national roads of the Republic of Kosovo have been completed. Also, based on the action plan, field inspections were carried out for marking (lighting and dyeing) of the identified objects. Even during 2019, the Aerodromes Department will continue the final phase of verifying the implementation of the regulations, initiating meetings with relevant institutions (municipalities located in the vicinity of airport, relevant ministries, representatives of KOSTT, mobile telephony, etc.) and organizing a workshop in which cooperation between them will be discussed regarding the implementation of the relevant regulations.

- **Evaluation of applications for construction of heliports**

Two applications/expressions of interest for construction of heliports in the Republic of Kosovo have been received.

In the consultative meeting with the Head of the Infrastructure Division at the Ministry of Health, a project was presented for the construction of the new Emergency facility within the complex of the University Clinical Centre of Kosovo, where the construction of the heliport to be used for transporting of patients by helicopter is foreseen. The CAA has presented all the requirements and standards to be met for approval of heliport, based on CAA Regulation No. 3/2012 on approved aerodromes. CAA has responded to the letter “Expression of interest to obtain a license” of the Ministry of Health for the approval of heliport – “Emergency Center-Prishtina”, in which the requirements are specified and the necessary instructions are provided to obtain the approval of heliport and air operator.

Also, the consultations with the economic operator “KOS-KOMERC” have continued, which in cooperation with the air operator “VIVA Helicopters” from Albania has expressed interest for approval of a heliport in the municipality of Podujeva. Several meetings with the interested party were held, while the CAA inspectors carried out several visits to the proposed location for construction of the heliport. During this process, applicants were given all the necessary instructions to initiate the process of applying for and approval of a heliport.

- **Comprehensive exercise for emergency response at PIA Adem Jashari**

In accordance with the provisions of CAA Regulation No. 1/2008 on aerodromes and the Aerodrome Emergency Plan, in May 2018, PIA Adem Jashari organized a table-top exercise for emergency response to airline airport emergency plan. In this exercise, in the capacity of observers, two aerodrome inspectors attended together with the CAA’s authorized medical assessor. After the exercise, the inspectors prepared and submitted the observation report of this exercise to the organizer (LKIA).

Table-top exercise presents simulation of an emergency as close as possible to reality (a real accident), where coordination for activation of all airport resources and state agencies for response and deployment is tested. In addition to airport staff, this exercise was also attended by

the Civil Aviation Authority of Kosovo, Air Navigation Services Agency, Emergency Management Agency, Kosovo Police, Kosovo Security Forces, KFOR, representatives of airlines, Ministry of Internal Affairs, Aeronautical Accident and Incident Investigations Commission, etc.



View of the table-top exercise for response to emergencies at PIA Adem Jashari

Based on the meetings held after the exercise and reports received by the responsible internal and external agencies, including the CAA, the exercise demonstrated the level of response readiness, ensuring that the airport can handle a possible emergency. On the other hand, during the exercise alternative ways of improving the functioning of the adequate response to an incident have been identified and all responsible institutions, foreign and airport agencies will perform analysis and the result can be reflected in the improvement of the airport emergency plan and eventually the national response plan, which is also one of the primary purposes of this exercise.

- **Participation in the emergency response exercise at the state level, organized by KFOR**

During the last part of the year, aerodrome inspectors have participated in the national emergency exercise organized by KFOR – “SILVER SABRE 2018-2”.

The purpose of the exercise was to test all state institutions and mechanisms for emergency response, in particular the coordination processes between them.

In this exercise, CAA had a consultative role to contribute with advice and organizational support for the exercise scenario. In the exercise held in October, all state institutions with active

role in emergency response took part, including emergency agencies, police, KSF, health institutions, etc.

d) Economic regulation of aviation

Pursuant to Article 15, item e) of the LCA, CAA is responsible for regulating the economics of airports and air navigation services in the Republic of Kosovo. The economic regulation of these operators implies the measures taken by an aviation regulator to ensure that the charges levied by the airport and the air navigation service provider on airlines are set in a reasonable, transparent and non-discriminatory manner. Moreover, the regulator ensures that these charges are levied only after the service providers and users consult each other by exchanging information in a transparent manner. The CAA regulates and approves only the aeronautical charges which are related to the services provided by the airport and the air navigation service provider exclusively, without any competition, such as the passenger service charge, landing charge and terminal air navigation charge. In addition, the regulator ensures that the financial sustainability of operators is at an appropriate level in order not to affect the safety of operations. These responsibilities are exercised by the Department responsible for economic regulation of aviation within the CAA.

- **Economic oversight of the airport**

The analysis of audited financial statements on the financial health of LKIA, operator of PIA Adem Jashari, at the end of 2017 confirmed the positive business and financial viability of the company. During the submission of audited financial reports for charges regulated by CAA and groundhandling ones, CAA verified that these financial accounts are separated, as required by Article 4 of Regulation no. 4/2011 of CAA on access to the groundhandling market.

It has also been verified that the insurance policy on the third party risk, with adequate coverage for damages the airport may cause, was extended in time. The insurance policy for responsibility in aviation covers the period 4 April 2018 - 3 April 2019, and has coverage of EUR 100,000,000 for any occasion and in aggregate in relation to responsibility for products. This is another important element of the economic supervision of operators in the field of civil aviation.

On 24 January 2018, the Director General, following the recommendation of the Department for ICAER, through Decision No. 02/2018 approved the Incentive Program for PIA Adem Jashari for the period 25 March 2018 - 28 March 2020. The inspectors for economic regulation of aviation evaluated in detail the incentive proposal program submitted by LKIA on 20 November 2017 and recommended its approval after having received the opinions of airlines, as required by Regulation no. 3/2015 of the CAA on airport charges. The Incentive Program 2018-2020 contains the following incentives: incentives for developing new destinations, incentives for developing new frequencies, incentives for high-volume airline companies and incentives for companies that station at least one airplane at PIA, and support for airline marketing activities that open new destinations or frequencies at PIA. Airlines that have met the conditions set out in the program have applied for a full exemption or a discount from the payment of several aeronautical charges, most often the landing charge. The CAA, on the basis of the Incentive Program implementation report submitted by LKIA, has concluded that the Incentive Program has been useful to the public as the opportunities for travel by PIA Adem Jashari have increased.

- **Economic oversight of ANSA**

Pursuant to CAA Regulation No. 3/2016 laying down a common charging scheme for air navigation services, ANSA annually proposes to the CAA for approval a terminal unit charge rate applicable the following year. In this context, ANSA submitted to the CAA, throughout 2018, valid documents to support their proposal for the cost of providing the air navigation terminal service during 2019, the forecasted terminal unit services for 2019 and hence the rate of the proposed charge. Following a comprehensive analysis by the ICAER Department of the entire documentation submitted by ANSA for 2019, it recommended to the Director General of CAA the issuance of Executive Decision No. 19/ZDP/VE/2018, through which it is determined the terminal unit charge in the Republic of Kosovo is EUR 378 starting from 1 January 2019, valid for one year. This value determined by the CAA is lower than the one proposed by ANSA (EUR 397), while it is the same as that collected during 2018. Under the assumption that terminal services units will increase by 15% in 2019 compared to 2018, this charge is expected to bring to ANSA revenues of approximately EUR 4.58 million.

The navigation terminal charge is levied on airlines by ANSA for terminal air navigation services it provides in the airspace of the Republic of Kosovo and this is the only source of income for ANSA. HungaroControl will continue to provide services to aircraft that overfly Kosovo until April 2019 therefore the revenues for this service go to the Hungarian air navigation service provider. While setting aeronautical charges, the CAA takes care to approve only eligible and necessary costs to provide service in accordance with the applicable regulation in order to protect passengers' interest and airport competitiveness.

The CAA has confirmed the validity of the ANSA insurance policy of 29 December 2017. The insurance policy for liability in aviation covers the period from 1 January to 31 December 2018 and covers EUR 200,000,000 for each case and in aggregate in relation to liability for products.



View of the apron at PIA Adem Jashari

- **Economic oversight of groundhandling service providers**

There are two groundhandling service providers operating at PIA, which are approved by the CAA for this purpose: the operator of PIA Adem Jashari, LKIA, as provider of a wide range of services (passenger handling service, baggage handling service, aircraft handling on the ground etc.) as well as Ex Fis LLC which supplies aircraft fuel. Both operators are in constant supervision by the CAA on the maintenance of safety and economic criteria.

In terms of the economic oversight of groundhandling service providers, the validity of the LKIA insurance policy for operations at PIA, covering the period from 4 April 2018 to 3 April 2019 with EUR 100,000,000 coverage for each case and in aggregate in respect of product liability has been confirmed. Also, the validity of the Ex Fis L.L.C. insurance policy covering USD 500,000,000 for each case and in aggregate in respect of product liability covering the period from 26 May 2018 to 25 May 2020, has also been confirmed.

Analysis of audited financial statements of Ex Fis L.L.C. has proven that the company approved by the CAA for the supply of aircraft with fuel has a sound financial situation, and the requirements of CAA Regulation No. 4/2011 for separation of financial accounts regarding activities carried out at the airport from other business activities provided by this company have been met.

On 15 November 2018 the applicant, Ex Fis L.L.C. submitted an application for renewal of the approval as ground handling service provider for third parties for the category of fuel supply. Fulfilment of the economic criteria required under Regulation No. 4/2011 on access to the groundhandling market and CAA Technical Publication No. 16 on criteria and procedures for approval of ground handling services have been reviewed at the department. On 17 December 2018, the Director of ICAER issued a conclusion with Reference no. AACK/BNRREA/4 addressed to the Deputy Director General, whereby it was concluded that the applicant Ex Fis L.L.C. meets all conditions related to the financial sustainability and insurance policy provided for in Article 11.2 of Regulation No. 4/2011 on access to groundhandling market.

8.9 LEGISLATIVE ACTIVITY

Based on the competencies vested by Law No. 03/L-051 on Civil Aviation, the CAA is authorised to issue bylaws for implementation of the Law on Civil Aviation, transposing international civil aviation standards (known as Standards and Recommended Practices “SARP” of the Annexes to the International Convention on Civil Aviation – Chicago Convention) and for the implementation of EU legislation in the field of civil aviation, in terms of ECAA Agreement and others, which are applicable to EU countries, but that have not yet officially become part of this Agreement.

The CAA applies the EU legislation in full compliance with the provisions of the Kosovo Government Administrative Instruction No. 3/2013 on standards for the drafting of normative acts. This implies that each draft regulation drafted by the CAA, which applies an EU bylaw, passes through the procedure of approval by the Ministry of European Integration before being signed by the Director General.

a) Bylaws

The CAA applies transparent procedures during the issuance of bylaws in compliance with CAA Administrative Instruction No. 1/2012 on public consultation procedures. All the CAA bylaws are subject to public consultation by stakeholders. This consultation follows the procedures and time limits provided, during which each stakeholder, whether natural or legal person has the right to give comments, suggestions or require additional information from the CAA structures that place a draft-act in public consultation. The form of receiving these comments/suggestions from stakeholders can be organized in the form of roundtables, depending on the number of interested persons, or through electronic correspondence. Following the completion of the public consultation process, the CAA structures are required within two weeks to prepare a report which provides answers on the comments received, and explains the reasons for accepting or rejecting suggestions to change the provisions of draft bylaws subject of public consultation.

The CAA bylaws are published in the electronic platform of the Official Gazette of the Republic of Kosovo and the official website of the CAA.

Below are the bylaws that were issued during 2018:

1. Regulation No. 01/2018 on Requirements for Service Providers Related to Training and Competence Assessment for Air Traffic Safety Electronics Personnel (ATSEP). The regulation has passed the public consultation process and entered into force on 1 March 2018, while its implementation will commence on 1 January 2019.
2. Regulation No. 02/2018 Amending and Supplementing Regulation No. 1/2012 on the Conditions and Methods of use of Hang-Gliders and Paragliders. Regulation has entered into force on 8 March 2018.
3. Regulation No. 03/2018 laying down requirements for the performance and the interoperability of surveillance for the single European sky, issued on 01.08.2018.
4. Regulation (CAA) No. 04/2018 for safety management, issued on 07.08.2018.
5. Regulation No. 05/2018 on amending and supplementing the Regulation No. 02/2015 on the fees levied by the Civil Aviation Authority of the Republic of Kosovo, issued on 06.09.2018.
6. Regulation No. 06/2018 amending CAA regulation No. 3/2009 as regards essential requirements for environmental protection, issued on 26.09.2018.
7. Regulation No. 07/2018 laying down requirements on aircraft identification for surveillance for the single European sky, issued on 28.09.2018.
8. Regulation No. 08/2018 on the continuing airworthiness of aircraft and aeronautical products, parts and appliances, and on the approval of organisations and personnel involved in these tasks, issued on 28.09.2018.
9. Regulation (CAA) No. 09/2018 on aerodrome protective zones, issued on 16.11.2018.
10. Regulation (CAA) No. 10/2018 on amending and supplementing the Regulation No. 3/2012 on approved aerodromes, issued on 16.11.2018.
11. Regulation (CAA) No. 11/2018 on parachuting, issued on 13.12.2018.

The following draft-regulations have been drafted:

1. Regulation (CAA) No. xx/2018 on administrative fines imposed by Civil Aviation Au-

- thority of Kosovo (consultation period 29 October - 5 December 2018).
2. Regulation (CAA) No. xx/2018 laying down technical requirements and administrative procedures related to air operations pursuant to CAA Regulation No. 03/2009 (consultation period 27 November – 12 December 2018).

The above draft regulations are expected to enter into force during 2019.

b) Executive decisions and administrative decisions

The following are the Executive and Administrative Decisions issued by the CAA Director General during 2018:

Executive decisions

1. Decision No. 01/ZDP/VE/2018, dated 17 January 2018, imposing a fine of EUR 50 to B.B. due to unmanned aircraft operation without the CAA authorization.
2. Decision No. 02/ZDP/VE/2018, dated 24 January 2018, for PIA Adem Jashari on the approval of the Incentive Program 2018-2020.
3. Decision No. 03/ZDP/VE dated 2 May 2018, imposing a fine of EUR 50 to D.B. due to unmanned aircraft operation without the CAA authorization.
4. Decision No. 04/ZDP/VE, dated 24 May 2018, authorizing G.S. as an examiner for the practical part of the exams for hang-glider and glider pilots' license in the Republic of Kosovo.
5. Decision No. 05/ZDP/VE, dated 24 May 2018, authorizing SH.V. as an examiner for the practical part of the exams for hang-glider and glider pilots' license in the Republic of Kosovo.
6. Decision No.06/ZDP/VE, dated 24 May 2018, authorizing F.G. as an examiner for the practical part of the exams for hang-glider and glider pilots' license in the Republic of Kosovo.
7. Decision No.07/ZDP/VE, dated 29 May 2018, appointing SH.V. as an authorized examiner for hang-gliders/paragliders on the practical part of the test for paragliders held on 9 June 2018 at the place called Kodra e Goleshit.
8. Decision No. 08/ZDP/VE, dated 29 May 2018 on appointing F.G. as an authorized examiner for hang-gliders/gliders on the practical part of the test for paragliders held on 9 June 2018 at the place called Kodra e Goleshit.
9. Decision No. 09/ZDP/VE dated 05 June 2018 authorising the National Occupational Medicine Centre in Gjakova as the Aviation Medicine Centre in the Republic of Kosovo.
10. Decision No. 10/ZDP/VE/2018 dated 24 July 2018 imposing a fine of EUR 50 to A.N. due to unmanned aircraft operation without prior authorization.
11. Decision No. 11/ZDP/VE/2018 dated 17 August 2018 imposing a fine of EUR 200 to A.K. due to unmanned aircraft operation without prior authorization.
12. Decision No. 12/ZDP/VE/2018 dated 13 September 2018 imposing a fine of EUR 50 to F.K. due to unmanned aircraft operation without prior authorization.
13. Decision No. 13/ZDP/VE/2018 dated 27 September 2018 imposing a fine of EUR 50 to J.B. due to unmanned aircraft operation without prior authorization.
14. Decision No. 14/ZDP/VE/2018 dated 05 October 2018 imposing a fine of EUR 50 to S.A. due to unmanned aircraft operation without prior authorization.
15. Decision No. 15/ZDP/VE/2018 dated 08 October 2018 imposing a fine of EUR 50 to V.H. due to unmanned aircraft operation without prior authorization.

16. Decision No. 16/ZDP/VE/2018 dated 06 November 2018 imposing a fine of EUR 50 to B.H. due to unmanned aircraft operation without prior authorization.
17. Decision No. 17/ZDP/VE/2018 dated 06 December 2018 authorising National Occupational Medicine Centre in Gjakova as the Aviation Medicine Centre.
18. Decision No. 18/ZDP/VE/2018 dated 07 December rejecting the terminal fee per unit for 2019 proposed by ANSA.
19. Decision No. 19/ZDP/VE/2018 dated 21 December 2018 determining the terminal fee per unit for 2019.

Administrative decisions

1. Decision No. 01/2018 dated 19 January 2018 appointing the working group for drafting the Administrative Instruction for assessment, alienation and management of property.
2. Decision No. 02/2018 dated 07 June 2018 appointing the Commission for registration of archive files and destruction of unnecessary files.
3. Decision No. 03/2018 dated 21 June 2018 whereby the Organisational Unit “Quality and Safety Office” is changed to “Quality and Safety Department”, and the position “Quality and Safety Manager” is changed to “Director of the Quality and Safety Department”.
4. Decision No. 04/2018 dated 01 August 2018 authorising the unpaid leave for Mrs. Sala Ahmet for a period of 2 years (from the date of 1 September 2018 until 1 September 2020).
5. Decision No. 05/2018, dated 17 August 2018, for the appointment of an *Ad Hoc* Commission for review of violations and recommendation of administrative fines.
6. Decision No. 06/2018, dated 03 September 2018, appointing the third member of the Disciplinary Commission.
7. Decision no. 07/2018, dated 18.09.2018 of the Disciplinary Commission.
8. Decision No. 08/2018, dated 18.09.2018, appointing the acting Personnel Manager.
9. Decision No. 09/2018, dated 24.09.2018 appointing the third member of the Commission for Dispute and Complaints Resolution at the CAA.
10. Decision No.10/2018, dated 2 October 2018, appointing the Civil Service Selection Committee.
11. Decision No.10-1/2018 dated 3 October 2018 for the improvement of the composition of the Civil Service Selection Committee.
12. Decision No.11/2018 dated 16 October 2018 appointing the Commission for inventorying.
13. Decision No. 12/2018, dated 16 October 2018, on the appointment of the Commission for valuation and depreciation of assets.
14. Decision No. 13-1/2018, dated 23 November 2018, appointing the third member of the Complaints Commission.

Orders and Administrative Instructions

- Administrative Instruction No. 01/2018 on procedures for the appointment of authorized examiners for hang-gliders/paragliders, dated 25 January 2018.
- Administrative Instruction (CAA) No. 02/2018 on valuation, alienation and management of non-financial assets dated 17.12.2018.

c) Penalties/Complaints/Disputes

Out of the nineteen Executive Decisions issued during 2018, nine of them contain penalties for unauthorized operation of unmanned aircrafts. All penalties imposed were paid. There were no complaints or disputes.

d) Summary of the CAA submissions regarding the law package on public administration reform

During the public consultation phase regarding the law package which aims at reforming the public administration, namely the Draft Law on Organization and Functioning of State Administration and Independent Agencies, Draft Law on Public Officials in the Republic of Kosovo, Draft Law on Salaries, CAA has addressed its comments and remarks regarding these laws to the Ministry of Public Administration. The CAA remarks were mainly addressed to the Draft Law on Organization and Functioning of State Administration and Independent Agencies and the Draft Law on Salaries.

The remarks made regarding the Draft Law on Organization and Functioning of State Administration and Independent Agencies were focused on the status of the CAA, whereby evidence was provided that the Civil Aviation Authority should continue to operate as an independent agency with full legal capacity.

Given the fact that CAA is an agency that generates revenues through issuance of licenses, certificates as well as through the safety charge, funds that are sufficient for the CAA to have financial independence, the comments on the Draft Law on Salaries were related to the request for non-inclusion of CAA in this law or assignment of CAA personnel as a special category in the “Public Administration Positions Framework” with current ranks and categories.

In addition to the comments and remarks addressed to the MPA, the Director General of CAA, on 27 July 2018, met the National Coordinator for State Reform of the Government of the Republic of Kosovo, to express the dissatisfaction of CAA regarding this law package. The Director General provided evidence that the Civil Aviation Authority should continue to operate as an independent agency with full legal capacity instead of being transformed into an executive agency within the Ministry of Infrastructure, as proposed in the Draft Law on Organization and Functioning of State Administration and Independent Agencies.

In addition to this meeting the CAA Director General, in order to express this concern of the CAA, addressed letters to the President of the Assembly of the Republic of Kosovo (27.02.2018), Chairperson of the Parliamentary Committee for Economic Development, Infrastructure, Trade, Industry and Regional Development (26.07.2018), Chairperson of the Parliamentary Committee on European Integration (26.07.2018), Chairperson of the Parliamentary Committee on Legislation, Mandates, Immunities, Rules of Procedure of the Assembly and Supervision of Anti-Corruption Agency (26.07.2018), Chairperson of the Parliamentary Committee on Internal Affairs, Safety, Supervision of the Kosovo Security Force (26.07.2018) as well as the

Chairperson of the Parliamentary Committee on Administration, Local Government and Media (26.07.2018).

On 30 October 2018, the Director General participated in the public hearing on the law package for the public administration reform, organized by the Parliamentary Committee on Public Administration, Local Government and Media. On this occasion, the Director General emphasized that, according to the Constitution of the Republic of Kosovo, CAA is an independent regulatory body; therefore, transforming the CAA into an executive agency would mean violation of the Constitution and as such would not stand to any legal test. He requested from this Committee to take into account the remarks provided by CAA during that meeting, which were submitted in advance, in written form, to the secretary of the Committee on 29.10.2018.

In addition to this Committee, the CAA Director General again addressed a letter to the Chairperson of the Parliamentary Committee on Economic Development, Infrastructure, Trade, Industry and Regional Development on 29.10.2018, as well as to the Chairperson of the Parliamentary Committee on Legislation, Mandates, Immunities, Rules of Procedure of the Assembly and Supervision of the Anti-Corruption Agency, whereby reiterated CAA's concern regarding the Draft Law on Organization and Functioning of State Administration and Independent Agencies. CAA reiterated its opinion that transformation from an independent regulatory agency into an executive agency is in contradiction with the Constitution of the Republic of Kosovo, the obligations of the Republic of Kosovo deriving from the European Common Aviation Area Agreement (ECAA Agreement) and best international practices, including the practices of the countries of the region.

8.10 TECHNICAL PUBLICATIONS FOR THE INDUSTRY

In order to support the operators in the implementation of the legislation in force, the CAA continuously publishes technical publication for the civil aviation industry. New technical publications are listed below:

- Technical Publication TP-27 “Procedures for Aerodrome Changes” repealing publication TP 08 – “Aerodrome Development” was published on 18 June 2018. This technical publication is very useful in terms of providing instructions to aerodrome operators on the procedures to be used for notifying the CAA regarding changes to an aerodrome.
- Technical Publication TP-28 Safety Management Systems (SMS) Aeromedical Centres Guide (AeMC) was published on 28 November 2018. This guide applies to functions related to safety management, or as direct support of Aerospace Centers authorized by CAA in accordance with the legal provisions of CAA Regulation No. 5/2015.

Upon completion of internal procedures of drafting, control, quality and approval the new versions of the following technical publications were published:

- TP 18 - Aircraft Fuelling;
- TP 20 - Aerodrome Wildlife Strike Hazard Management;
- TP 21 - Apron Risk Management;

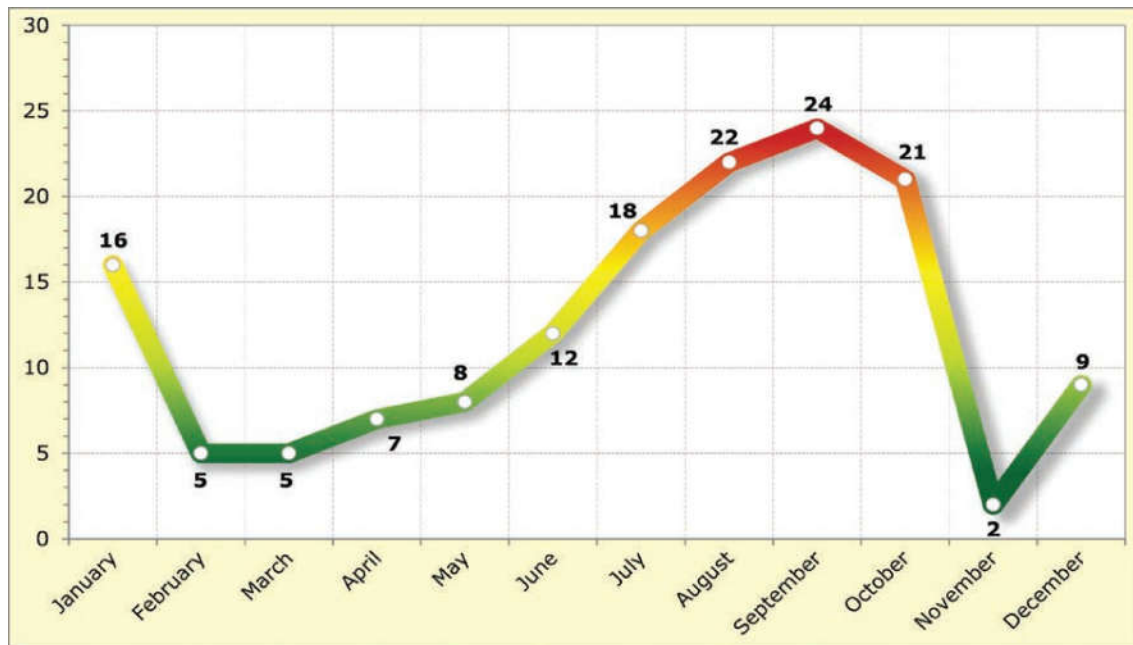
- TP 24 - The measurement and assessment of runway surface friction characteristics;
- TP 25 - Aeronautical Ground Lighting and Maintenance;
- TP-03 – Aerodrome Protective Zones.

- **Publication of the Occurrence Reporting Overview**

In March 2018, CAA published the report Occurrence Reporting Overview 2017, which summarized all occurrences reported to the CAA during 2017. According to applicable legislation in the Republic of Kosovo, “occurrence” means any event related to safety that endangers or that may, if not corrected or addressed, endanger the aircraft, the passengers on board and one that, in particular, includes serious accidents or incidents.

During 2017, a total of 149 occurrences were reported to CAA. These occurrences were categorized according to aviation elements included in these occurrences and classified according to the severity of their impact on the safe operation of the aircraft and passengers on board. These occurrences were reported by the staff of PIA Adem Jashari, ANSA, KFOR and airlines. Occurrence Reporting Overview contains a brief explanation of occurrence classes and categories, an analysis of statistics of occurrences reported in 2017, a more detailed description of coded occurrence categories, as well as a detailed description of some of the selected occurrences.

The Document “Occurrence Reporting Overview 2017” is available on the CAA official website www.caa-ks.org.



Occurrences reported to CAA by month in 2017

8.11 PUBLIC INFORMATION AND ACCESS TO PUBLIC DOCUMENTS

a) CAA Bulletin “The Aviator”

Civil Aviation Authority publishes a monthly bulletin “The Aviator”, with an emphasis on developments in the CAA and the aviation industry in general. A total of 10 editions of this bulletin were published during 2018, and distributed to the Kosovo institutions, industry and general public electronically through email and the CAA official website.



View of the November 2018 Bulletin

b) Access to public documents

By means of Decision no. 19/2012, the Director General appointed an officer in charge for communication with the public, at the same time responsible for receiving and processing requests made by legal and physical persons for access to public documents of the CAA in accordance with Law no. 03/L-215 on Access to Public Documents.

During 2018, a total of 6 requests for access to public documents were received. All requests received positive response within the legal deadline. Out of a total number of applicants requesting access to public documents, three of them were from the media, two from the civil society and one from a student. Out of all requests, 3 were for questions, one for statistics, one regarding salaries and one regarding airspace.

c) Official website of the CAA

Upon completion of the contract and in accordance with the terms of the new contract for “Redesign and Maintenance of the Website of the Civil Aviation Authority of Kosovo”, during 2018, the winning company selected by the CPA introduced and launched the redesigned CAA website. The new website is structured and designed to meet all the needs of the CAA and users of this website.

The official website of the CAA is constantly updated by the staff, in order to reflect the new regulations and instructions published by CAA, as well as the latest versions of online forms that serve for voluntary and mandatory reporting of occurrences. Direct online reporting facilitates and encourages the procedure for reporting of aviation occurrences.

8.12 ADMINISTRATION AND HUMAN RESOURCES

Department of Administration and Human Resources, as the supporting unit at CAA, supported the regulatory activities of CAA by enforcing procedures for human resources, finances, procurement and logistics. In order to ensure an effective activity, new legislation and amendments of legislation in the public administration field in Republic of Kosovo was constantly monitored. CAA staff was kept informed on the changes and Internal Administration Procedures Manual was updated to reflect the changes.

a) Procurement during 2018

Procurement activities conducted by two CPA Departments: 1. Department for Centralized Procurement at the Central Level 2. Department of Procurement on behalf of Contracting Authorities with less than 50 employees	Name of Economic Operator being granted the contract	Contract signing date and contract duration	Contract value
1. CPA - Department for Independent Agencies - Supply with drinking water	“ADEA” SH.P.K.	36 months contract 18.01.2018 17.01.2021	1,950 €
2. CPA - Centralized Procurement at the Central Level - Use of leased photocopies and printers LOT I	Consortium: N.T.SH. “RIKON & ARITECH” L.L.C.	72 months contract 27.02.2018 26.02.2024	Measuring unit – printed/copied pages 1 page/0.0069
3. CPA - Department for Independent Agencies - Design and printing services	N.T.G.I. “Grafo Loni”	12 months period 23.04.2017 22.04.2018	2,393.50 €

4. CPA - Department for Independent Agencies - Supply with IT equipment	“ARITECH” L.L.C	One-time supply 10.09.2018	3,242.00 €
5. CPA – Centralized Procurement at the Central Level - Air transport services	“Malësia Reisen” L.L.C.	36 month contract 01.12.2018 30.11.2021	Service fee offered by the EO 3.00 €
6. CPA - Department for Independent Agencies - Supply with furniture	NTG “Blendi”	One-time supply 26.11.2018	1,304.00 €

8.13 FINANCIAL REPORT

a) The ratio of budget and expenses

The CAA’s approved budget for 2018 was 953,652 €. There was no budget review in 2018. CAA had budgetary cuts in the economic categories according to the decisions of the Government of the Republic of Kosovo. The Government of the Republic of Kosovo rendered a decision on savings and budget allocations, as well as for the transfers, reallocations of budgetary organisations for 2018, according to the Decision No. 02/70, dated 19 October 2018, the Decision No. 08/76, dated 21 November 2018 and the Decision No. 07/80, dated 18 December 2018 of the Government of Kosovo.

Following the Government decisions on savings, the CAA final budget for 2018 in KFMIS was €942,781.10, including the funds received in the amount of €6,664.40, from “BEYOND” project funded by the European Commission.

During the fiscal year 2018, CAA spent €897,239.22, which means that the realization in percentage is 95% of the final allocated budget. The table 1 represents the approved budget and incurred expenditures in percentage for each category.

Table 1 – Budget and expenditures expressed in %

Description	Final Budget in KFMIS	Expenditures	Expenditures in %
Wages and salaries	699,326.70	699,326.70	100%
Goods and services	232,216.40	192,026.23	83%
Utilities	11,238.00	5,886.29	52%
Total	942,781.10	897,239.22	95%

b) Revenues

CAA revenues are deposited in the official bank account created by the Director of the Treasury Department of the Ministry of Finance. Revenues from the passenger safety charge for November and December 2018 are registered at the beginning of 2019, in accordance with the memorandum signed between the CAA and the PIA Adem Jashari operator. These revenues are transferred 45 days after the end of the month.

The CAA revenues from the passenger safety charge, fines, UAS registration as well as from the licensing and certification fees in accordance with the Regulation No. 2/2015 on the fees levied by the CAA, as amended by the Regulation No. 05/2018 are shown in the Table 2 below.

Table 2 - Own Revenues

Description	Notes	2018	2017-1	2016-2	% of the total 2017	% of the change from 2016-1
		€	€	€		
Tax Revenue 1					%	%
Tax Revenue 2					%	%
Revenue from penalties - Fines 1		600	750	200	%	%
Revenue from penalties - Fines 2					%	%
Revenues from certification & licensing 1		39,575	15,950	30,835	%	%
Revenue from SAP registration charge		820	830		%	%
Revenues from sale of assets and services					%	%
Revenues from the passenger security charge		2,073,840	1,847,534	1,684,774	%	%
Bank interest income					%	%
Revenue from exchange position changes					%	%
Accreditation fees					%	%
Revenues from property					%	%
Other Receipts					%	%
Total		2,114,835	1,865,064	1,715,809	0%	%

c) Donor Designated Grants

In November 2018, CAA received another part of a donation from the European Commission for the project “Design and flight procedures through satellite signals” in the amount of EUR 1,970.56. The remaining part in the amount of EUR 4,693.84 from 2017 was carried to 2018. During 2018, the CAA had expenditures from the project “Design and flight procedures through satellite signals” in the amount of EUR 1,000.

Table 3 – Carried grants received, spent and unspent

	2018	2017 -1	2016-2
	€	€	€
Own revenues/donations carried over from the previous year	4,694	0	4,129
Own revenues/donation received during this year (2018)	1,971	4,694	-
Total available for allocation during the current year	6,664	4,694	4,129
The amount spent during the current year (2018)	(1,000)	-	(4,129)
The amount remained to be carried over to 2019	5,664	4,694	0

d) Budget Expenditures

The financing of all the CAA activities for 2018 according to economic classifications is presented in the tables below. Expenditures were €897,239.22. CAA employees are paid the base salary (including work experience) and no other allowances.

Budget expenditures based on categories are presented in the Table 4, the salaries in the Table 5, while the budget expenditures based on activities (goods and services, and utilities) are presented in the Tables 6 and 7.

Table 4 - Statement of cash receipts and payments

			Single Treasury Account		Single Treasury Account		Single Treasury Account	
			KCB	Payments from external third	KCB	Payments from external third	KCB	Payments from external third
		Notes						
SOURCES OF FUNDS								
	Governmental grant		896,239		839,595		828,018	
	Own Revenues							
	Dedicated revenues							
	Donor designated grants		1,000				4,129	
	Borrowings							
	Development trust funds							
	Other receipts							
Total			897,239	-	839,595	-	832,147	-
USE OF FUNDS								
	Operations							
	Wages and salaries	2	699,327		639,919		625,223	
	Goods and services	3	192,026		193,185		200,339	
	Utilities	4	5,886		6,490		6,585	
			897,239	-	839,595	-	832,147	-
	Transfers							
	Transfers and subsidies	5						
	Capital expenditures							
	Properties, buildings and equipment	6						
	Return of borrowings	7						
	Other payments	8						
Total			897,239	-	839,595	-	832,147	-

Table 5 - Salaries

Description	Final	2018						Total	Comparison	2017 -1	2016 -2
	Budget	GQ	THV	THD	GPD	H	FZHM	Payments		€	€
	€	€	€	€	€	€	€	€			
Net wages through payroll	577,067	577,067						577,067		528,270	516,035
Union payment								-			
Net payment overtime								-			
Contract employees (net on payroll)								-			
Tax withheld on personal income	55,658	55,658						55,658		50,705	49,642
Pension contribution - employees	33,301	33,301						33,301		30,472	29,773
Pension contribution - employer	33,301	33,301						33,301		30,472	29,773
Wages and salaries	699,327	699,327	-	-	-	-	-	699,327	1	639,919	625,223

Table 6 - Goods and services

Description	Final	2018						Total	Comparison	2017-1	2016 -2
	Budget	GQ	THV	THD	GPD	H	FZH	Payments		€ '000	€ '000
	€	€	€	€	€	€	€	€			
Other Expenses- official travels within the country	25	2						2		6	
Official travel expenses abroad	12,790	11,754						11,754		13,355	11,158
Per diem for official travel abroad	13,800	12,903						12,903		13,040	12,552
Accommodation on official travels abroad	12,210	10,017						10,017		10,741	8,639
Other expenses on official travel abroad	3,000	2,103						2,103		2,095	2,450
Mobile phone expenses	11,000	10,352						10,352		9,869	9,888
Mailing expenses	600	558						558		409	754
Expenses for use of optical cable	100	-						-		146	145
Education and training services	22,739	22,739						22,739		17,982	10,650
Various intellectual advisory expenses	33,061	21,992						21,992		20,860	23,629
Printing services, not marketing	4,000	1,188						1,188		2,075	3,896
Other contracting services	6,646	6,055						6,055		4,147	3,699
Technical services	854	729						729		1,609	1,647
Furniture (less than €1000)	2,000	786						786		1,935	
Phones	100	99						99		118	
Computer	4,000	3,124						3,124		4,195	9,057
Other equipment	800	599						599		564	151
Office supplies	7,994	3,021						3,021		10,253	11,189
Food and drink supplies (not official lunches)	1,500	1,224						1,224		895	1,017
Cleaning supplies	3,500	2,705						2,705		2,526	3,492
Oil for heating	17,130	17,064						17,064		13,996	18,763
Fuel for generator	223	223						223			
Fuel for vehicles	2,600	2,281						2,281		1,800	2,361
Vehicle registration	350	325						325		315	315
Vehicle insurance	1,000	890						890		783	1,004
Municipal taxes	30	30						30		30	30
Security of facility - others	10,000	9,732						9,732		9,732	10,341
Maintenance and repair	4,500	4,251						4,251		4,653	4,413
Maintenance of the facility	1,000	-						-		95	
Maintenance of the information technology	1,500	442						442		694	867
Maintenance of furniture and equipment	500	304						304		319	153
Rent for the facility	42,000	42,000						42,000		42,000	42,000
Vacancy advertisements	1,000	175						175		1,110	400
Official lunches	3,000	1,361						1,361		839	1,549
Donation from the European Commission	6,664				1,000			1,000			4,129
Goods and services	232,216	191,026	-	-	1,000	-	-	192,026		193,185	200,339

Table 7 - Utilities

Description	Final	GQ	THV	THD	GPD	H	FZHM	Payments	Comparison		
	€	€	€	€	€	€	€	€	%	€ '	€
Electricity	6,862	4,378						4,378		4,879	4,726
Water	1,200	399						399		424	513
Waste	600	337						337		252	254
Central heating								-			
Telephone expenses	2,576	773						773		935	1,092
Payment- Court decisions								-			
Utilities	11,238	5,886	-	-	-	-	-	5,886	1	6,490	6,585

e) Budget forecast/ execution

Table 8 represents the revenues collected, the approved budget and its execution. As explained in Table 1 above, the CAA has executed 95% of the final allocated budget.

9. AUDITING OF THE CAA

a) Audit by the Office of the Auditor General of Kosovo

In February 2018, the Office of the Auditor General (OAG) conducted an audit of the annual financial statements of the CAA for the year ended 31 December 2017. This audit focused on the financial statements, financial management and internal control (including management and budget execution) and the internal audit system. The OAG report, received in May 2018, in the overall conclusion states that CAA has designed a good system for internal control and financial management. This year, as in the previous ones, OAG has given an “Unmodified Opinion” and confirmed that “the financial statements of the CAA for 2017 represent a true and fair view in all material aspects”. According to this report, budget management is performed in compliance with the adequate principles of financial management. The Report of the Office of the Auditor General has given some recommendations, which the CAA has immediately addressed and implemented based on the provisions in force.

Recommendations	Management action	Planned date for completion	Person in charge
Recommendation no. 1 The Chairperson of the Supervisory Board and the General Director shall ensure that an analysis to determine the reasons for the improper presentation of the final budget and unexpended donation in AFS is performed, and it shall not be submitted to the Ministry of Finance, unless all necessary controls and revisions are applied to AFS	AFSs are already disclosed according to the recommendation	Completed	Under the responsibility of the position

b) Internal Audit by the Ministry of Finance

In May 2018, the CAA was audited by the Internal Audit Department of the Ministry of Finance. In July 2018, this department submitted the final report for 2017 with several recommendations, which CAA immediately addressed and implemented in accordance with the provisions in force.

Recommendations of the Internal Auditor of the Ministry of Finance and their implementation:

Recommendations	Management action	Planned date for completion	Person in charge
Recommendation no. 1 We recommend the CAA senior management take appropriate measures to respect the reporting lines in compliance with the organogram	Although we consider that there are no problematic issues at this point, CAA management will take into consideration recommendations and will be more careful in their implementation.	From now and onwards	Under the responsibility of the position
Recommendation no. 2 We recommend the CAA senior management take appropriate measures so while recruiting staff the selection of candidates is in line with the vacancy requirements, pursuant to the laws in force. The selection committee for recruiting staff shall make the proper assessment.	Although we consider that there are no problematic issues at this point, CAA management will take into consideration the recommendations and will be more careful in their implementation	From now and onwards	Under the responsibility of the position
Recommendation no. 3 We recommend the CAA senior management performs job classifying and grading process so as to be conducted pursuant to MPA requirements, pursuant to Regulation No. 09/2012 on Standards of Internal Organization and Systematization of Jobs in State Administration	In the shortest period possible, the CAA management will review the Regulation on internal organization and functioning according to the laws in force, as long as these MPA normative acts are applicable to independent state agencies.	From now and onwards	

<p>Recommendation no. 4</p> <p>We recommend the CAA senior management take appropriate measures to reflect the changes in the CAA Organizational Structure and the Internal Regulation, so that there is alignment between the Acts of Appointment, Organizational Structure and the Internal Regulation for the classification of jobs.</p>	<p>The CAA management, in support of the legal basis and responsibilities in the structure, will review and align the Regulation on Internal Organization and Functioning.</p>	<p>From now and onwards</p>	
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c) Audit by the Independent Oversight Board for the Civil Service

During March 2018, CAA was audited by the Independent Oversight Board for the Civil Service. No report has yet been received by the IOBCS.

10. CHALLENGES

Also during 2018 CAA has faced numerous challenges, which in the technical-professional aspect were related to the fact that the CAA still, for political reasons outside its scope, cannot become an equal member of the family of aviation organisations, be they European or global. Although the CAA strictly meets the requirements of the European Common Aviation Area Agreement, the other party to this Agreement, the European Commission on behalf of the European Union, despite our efforts, has not ensured that the CAA is treated equally with other associated agreement parties by accepting the conclusion of Working Arrangements between EASA and CAA and giving Kosovo the status of observer in this EU agency. At the same time, the failure to gain membership in intergovernmental organisations, ICAO, ECAC and EUROCONTROL represent daily obstacles in the work of the CAA and the overall development of aviation in Kosovo.

The insufficient budget that is still being allocated to the CAA year after year, regardless of the revenue generated, is significantly hindering the regular operation of the organisation. The insufficient budget for training, which would enable inspectors to pursue refresher trainings, which are mandatory under international standards in order to hold inspector credentials, is becoming a concern with each passing year. The aviation *Acquis* is constantly being amended and supplemented and the aviation regulator should have a well-trained staff, either through trainings or through consultations, in order to oversee the implementation of these requirements

in the industry it regulates. Similarly, the CAA is not being enabled to recruit the staff needed, as foreseen by the internal regulation of the organisation and, as a consequence, part of the professional and technical staff is delegated administrative responsibilities.

Loss of technical staff is a challenge that is accompanying the CAA in the recent years and this is even more worrying given the deficit of aviation educated staff in Kosovo. This will be even more serious if it is decided by the laws on public administration reform that the salaries of CAA's professional and technical staff be reduced. Another challenge remains the provision of a government building for CAA needs or the construction of a CAA building with own source revenues, in order to avoid paying rent.

11. AIR TRAFFIC STATISTICS

According to the statistics collected by the operator LKIA, in 2018, the Prishtina International Airport Adem Jashari served a total of 2,165,749 passengers. This number of passengers represents a two-digit increase of 14.6% compared to the number of passengers served in this airport last year (1,889,659).

August had the highest passenger number, a total of 275,057 passengers, which is followed by July with 256,317, while the lowest was in January with 144,352 passengers and February with 123,921. There was a double-digit increase during almost all the months of the year, except in April and July.

The number of flights performed in Prishtina during 2018 was 8,388 flights or 11.7% more than the last year. More flights were noted in August, with 1,010. On the other hand, February had the lowest number of flights, 472.

Of destinations, Zurich leads with 16.2% of all passenger traffic, Basel (BSL/MLH) – 13.3%, Düsseldorf – 8.8%, Stuttgart - 7.5%, Istanbul (IST) - 7.1%, Geneva - 6.2%, Munich - 5.5% Istanbul (SAW) - 4.6%. By country, Switzerland leads with 36% of the total traffic from Prishtina, followed by Germany with 31%, Turkey with 16%, Austria with 5%, England with 3%, and so on.

By airline, Germania leads with 321,499 passengers served during 2018 to and from Prishtina, followed by Easy Jet with 241,809, Edelweiss – 240,200, Orange2fly 200,278, Turkish Airlines – 179,218, Eurowings – 163,982, Adria – 157,931 and so on.

Regarding onward destinations from Prishtina, New York (JFK) is on the lead, followed by London (Heathrow), Chicago, Frankfurt, Zurich and Copenhagen.

Transport of freight and mail by air marked an increase of 2%.

Complete statistics are found in Annex 4 of this report and on the CAA website: <http://caa-ks.org>

As can be seen in the following table, during 2018, the entire Western Balkans region, including Kosovo, served over 20 million passengers. Table below also indicates that the largest increase in the number of passengers in the region during 2018 was marked in Skopje, Prishtina and Podgorica airports, by about 15%. In contrast to Kosovo citizens, citizens of other states in this table travel without visa to Europe.

	Number of passengers in 2018	Number of passengers in 2017	Difference (%)	Difference
Skopje	2,158,258	1,868,272	15.5%	+289,986
Prishtina	2,165,749	1,889,659	14.6%	+276,090
Podgorica	1,208,525	1,055,142	14.5%	+153,383
Tirana	2,947,172	2,630,338	12%	+316,784
Sarajevo	1,046,635	957,696	9.3%	+88,937
Zagreb	3,336,310	3,092,047	7.9%	+244,263
Ljubljana	1,812,411	1,683,045	7.7%	+129,366
Beograd	5,641,105	5,343,420	6.6%	+297,685

Prishtina Airport's position compared to other airports in capital cities of the region

ANNEX 1 – LIST OF TRAININGS

* sponsored trainings are marked in blue

Position	Training/Workshop	Training institution
Airworthiness Inspector 1	Training for public servants - Public Policy Development and Leadership (PPDL) Programme	RIT Kosovo (AUK)
	Training on Legislation for Dangerous Goods - Beginners - Category 6	IATA
	TAIEX Multinational Workshop on Aircraft Maintenance License and Maintenance Training Organizations	TAIEX
Airworthiness Inspector 2	ISO 9001:2015 Quality Management System (QMS) Internal Auditor Training Course	TUV Academy
	Training on Transportation of Lithium by Air	IATA
	TAIEX Multinational Workshop on Aircraft Maintenance License and Maintenance Training Organizations	TAIEX
	Training in the field of Information Technology MS Office (Power Point, Outlook)	KIPA
	Training in the field of Information Technology MS Excel 2013	KIPA
Helicopter Operations Officer	Training on Regulatory Auditing Techniques	JAA Training Organisation
Authorized Medical Examiner	Training on EASA Training Course for Inspectors - Aeromedical Requirements and Auditing	JAA Training Organisation
Director of Aerodromes Department	Search And Rescue - On Scene Coordinator Training Course	RACVIAC - Centre for Security Cooperation
Aerodrome Inspector 1	ISO 9001:2015 Quality Management System (QMS) Internal Auditor Training Course	TUV Academy
	Airfield Ground Lighting training	ADB
	Workshop on Reporting and Management of data on Aviation Occurrences in accordance with the provisions of the relevant EASA Regulations	ACI

Aerodrome Inspector 2	ISO 9001:2015 Quality Management System (QMS) Internal Auditor Training Course	TUV Academy
	Training on Aeronautical Studies and Risk Analysis	ACI
Aerodrome Inspector 3	Training on Obstacle Assessment at Aerodromes and Protected Areas	ACI
ANS Director	Workshop on Optimization of military missions impact on civilian 4D trajectories	French National School of Civil Aviation
ANS Inspector 1	Search And Rescue - On Scene Coordinator Training Course	RACVIAC - Centre for Security Cooperation
	Training in Microsoft Visio and Microsoft Publisher 2013	KIPA
	Workshop on the switch-over from aeronautical information services to aeronautical information management	TAIEX
ANS Inspector 2	Training on ATSEP competences (LEX-COMP-ATSEP)	Air Navigation Services Institute
	Workshop on the switch-over from aeronautical information services to aeronautical information management	TAIEX
ANS Officer 3	ISO 9001:2015 Quality Management System (QMS) Internal Auditor Training Course	TUV Academy
	Training on ATSEP competences (LEX-COMP-ATSEP)	Air Navigation Services Agency
	Training in Microsoft Visio and Microsoft Publisher 2013	KIPA

Senior International Cooperation Officer	Training on the SES Performance Scheme	Air Navigation Services Agency
	ISO 9001:2015 Quality Management System (QMS) Internal Auditor Training Course	TUV Academy
	Workshop on the implementation of new manual and guidelines for drafting Concept Documents	SIDA
	TAIEX Regional Workshop on State Aid	CAA of Montenegro, Podgorica
Economic Regulation of Airports and Air Navigation Services Officer	Training for Accounting Technicians	Society of Certified Accountants and Auditors of Kosovo
	Training on Air Transport Economics	IATA
Director of Quality and Safety Department	Seminar on International Standard ISO 22301 for Business Continuity Management System	Sigma & Integra
	Training on the implementation of ICAO Annex 19 and the implementation of the State Safety Programme (SSP)	EASA IPA 4 Project
	Training on State-level Safety Management	EASA IPA 4 Project
Legal Advisor for Aviation Matters	Training on International Aviation Law & Policy	JAA Training Organisation
	Training on approximation of national legislation with the European Union legislation	KIPA
	Workshop on the implementation of new manual and guidelines for drafting Concept Documents	SIDA
AHRD Director	Training on changes in the Salary System, Organization of State Administration, Budget Planning for this Category, and Engagement of Persons for Special Services	FLSA
Procurement Manager	Training on practical aspects of e-Procurement Implementation and Contract Management	FLSA
	Training in Microsoft Visio and Microsoft Publisher 2013	KIPA

Personnel Manager	Training in Microsoft Visio and Microsoft Publisher 2013	KIPA
	Training on Human Resource Management	IATA
	Training for public servants - Public Policy Development and Leadership (PPDL) Programme	RIT Kosovo (AUK)
ADM Officer	Training on Internal Audit ISO 9001:2015	TUV Academy, Salzburg
Logistics Officer	Training on administration of office duties, communication, document management and preparation of a list of documents with storage limits	FLSA
	Training for public servants - Public Policy Development and Leadership (PPDL) Programme	RIT Kosovo (AUK)

ANNEX 2 – CAA ACTION PLAN FOR 2018 AND ITS REALIZATION

1. AIRSPACE NORMALIZATION									
1	ACTIONS (planned)	Responsible department	DEADLINE				STATUS Brief report	In Progress	
			Q 1	Q 2	Q 3	Q 4		Completed	Not completed
1.1 Complete normalization of the lower airspace for general aviation									
	1.1.1 Request to ANSA for preparation of VFR maps	ANS/FSD/AGA	X	X	X				
	1.1.2 Preparation of VFR maps	ANSA							
	1.1.3 Approval of VFR maps (following receipt by ANSA)	ANS/DSF/AGA				X			
	1.1.4 Delegation of lower airspace to Kosovo authorities	COMKFOR							
2. MEMBERSHIP IN INTERNATIONAL ORGANIZATIONS									
2.1 ICAO Membership									
2	ACTIONS (planned)	Responsible department	DEADLINE				STATUS Brief report	In Progress	
			Q 1	Q 2	Q 3	Q 4		Completed	Not completed
	2.1.1 Technical support of MFA in the process of applying for membership in ICAO	ODG/ICAERD	X	X	X	X			
	2.1.2 ICAO Membership	MFA							
2.2 Membership in ECAC									
	2.2.1 Technical support to MFA in the process of applying for membership. Next steps toward membership can only commence after membership in ICAO (item 1.2.4)	ICAERD/ODG	X	X	X	X			
2.3 Membership in EUROCONTROL									
	2.3.1 Technical support to the MFA in the process of applying for membership. Next steps toward membership can only commence after membership in ICAO (item 1.2.4)	ICAERD/ODG	X	X	X	X			
3. ENTRY INTO INTERNATIONAL AND REGIONAL TECHNICAL AGREEMENTS									
3.1 Entry into Working Arrangements with EASA									
3	ACTIONS (planned)	Responsible department	DEADLINE				STATUS Brief report	In Progress	
			Q 1	Q 2	Q 3	Q 4		Completed	Not completed
	3.1.1 Signing of working arrangements between CAA and EASA on standardisation	ODG							
	3.1.2 Signing of working arrangements between CAA and EASA on SAFA	ODG							
	3.1.3 Signing of working arrangements between CAA and EASA on ECCAIRS	ODG							
4. COMPLETE IMPLEMENTATION OF REGULATORY RESPONSIBILITIES									
4.1 Supplementing secondary legislation									
4	ACTIONS (planned)	Responsible department	DEADLINE				STATUS Brief report	In Progress	
			Q 1	Q 2	Q 3	Q 4		Completed	Not completed
	4.1.1 Regulation on the transposition of ICAO Annex 19 "Safety Management"	QSD		X	X				
	4.1.2 Regulation on the transposition of ICAO Annex 12 "Search and Rescue" (for MIA-EMA)	QSD			X		2019		
	4.1.3 Civil Aviation Regulation on Fines	Working group			X		In Progress-Publication in Q1		

4.1.4	Draft Regulation laying down the common rules of the air and operational provisions regarding services and procedures in air navigation, implementing Regulation (EU) No. 923/2012 of the European Parliament and of the Council	ANS/FSD		X	X	X	In Progress- Scheduled for 2019
4.1.5	Transposition of Regulation (EU) No. 1207/2011 laying down requirements for the performance and the interoperability of surveillance for the single European sky, as amended by the Regulation No. 1028/2014	ANS		X	X		
4.1.6	Transposition of Regulation (EU) No. 1206/2011 laying down requirements on aircraft identification for surveillance for the single European sky	ANS			X		
4.1.7	Draft Regulation No. 01/2018 on Requirements for Service Providers Concerning Air Traffic Safety Electronics Personnel (ATSEP) Training and Competence Assessment	ANS	X				
4.1.8	Amendment of the Regulation 01/2014 on Professional Training of Aerodrome Employees	AGA		X	X		In Progress-Publication in Q1 2019
4.1.9	Amendment of the Regulation No. 3/2012 on Approved Aerodromes	AGA	X		X		
4.1.10	Amendment of the Regulation No. 05/2010 on Aerodrome Protective Zones	AGA				X	
4.1.11	Amendment of the Regulation No. 02/2015 on the fees levied by the Civil Aviation Authority of the Republic of Kosovo	AGA/ FSD/ ANS/ ICAERD			X		
4.1.12	Amending and supplementing of the Aerodrome Manual, based on the findings from the annual revision of the documentation and the "Authority requirements" by the EASA Regulation No. 139/2014	AGA			X		
4.1.13	Amendment and supplementing of the Regulations and TPs, based on the findings from the annual revision of the documentation	AGA	X	X			
4.1.14	Revision of Manuals, Procedures and other Documents of PIA and other operators	AGA	X	X	X	X	
4.1.15	Drafting of the CAA Professional Training Manual	FSD/AGA/ANS/QSD			X	X	In Progress - Scheduled to be completed in 2019 upon harmonization with other manuals
4.1.16	Amendment and supplement of the National Supervisory Authority Manual (NSA-MAN) to reflect the requirements of the regulations in force	ANS			X		
4.1.17	Transposition of Commission Regulation (EU) 2015/1088 of 3 July 2015, amending Regulation (EU) No.1321/2014 as regards to alleviations for maintenance procedures for general aviation aircraft	FSD		X		X	
4.1.18	Transposition of Commission Regulation (EU) 2015/1536 of 16 September 2015, amending Regulation (EU) No. 1321/2014 as regards to alignment of rules for continuing airworthiness with Regulation (EC) No. 216/2008, critical maintenance tasks and aircraft continuing airworthiness monitoring	FSD		X		X	
4.1.19	Transposition of Commission Regulation (EU) 2016/4 of 5 January 2016, amending Regulation (EC) No.216/2008 of the European Parliament and of the Council as regards to essential requirements for environmental protection	FSD			X		
4.1.20	Transposition of Commission Regulation (EU) 2017/363 of 1 March 2017, amending Regulation (EU) No. 965/2012 as regards to specific approval of single-engine turbine aeroplane operations at night or in instrument meteorological conditions and the approval of requirements for the dangerous goods training relating to commercial specialized operations, non-commercial operations of complex motor-powered aircraft and non-commercial specialized operations of complex motor-powered aircraft.	FSD				X	In Progress - Awaiting the issuance of a legal opinion by MEI
4.1.21	Draft Regulation (CAA) No. 11/2018 on parachuting	FSD			X	X	
4.2 Implementation of the foreseen steps in accordance with the ISIS project for the performance scheme							

4.2.1	Data collection and analysis	ANS/ICAERD	X	X		
4.2.2	Monitoring of performance scheme implementation	ANS/ICAERD	X	X		
4.3 Implementation of the correctional plan for addressing EASA findings						
4.3.1	Implementation of the CAA correctional plan	ANS	X	X	X	X
4.3.2	Monitoring the implementation of the ANSA correctional plan	ANS	X	X	X	X
4.4 Issuance and re-validation of operators' personnel licenses and issuance of permits						
4.4.1	Issuance and validation of aeronautical licenses	FSD	X	X	X	X
4.4.2	Issuance and validation of medical certificates	FSD	X	X	X	X
4.4.3	Licensing of Controllers (continuous process)	ANS	X	X	X	X
4.4.4	Issuance of permits for DGR (upon request)	FSD	X	X	X	X
4.4.5	Registration of SAP operators	FSD	X	X	X	X
4.6 Continuous supervision of operators and internal oversight						
4.6.1	<i>A detailed plan for oversight activities is part of 2018 plan, CAACK/QSD-PLN 03</i>	AGA/ANS/FSD/ICAERD/QSD				
4.7 Economic oversight of ANSA, PIA Adem Jashari LKIA and ground handling service providers						
4.7.1	Economic oversight of ANSA (insurance policy 2019)	ICAERD	X			
4.7.2	Economic oversight of PIA Adem Jashari LKIA L.L.C. (insurance policy 2019, financial performance in 2018, audited financial reports in 2018)	ICAERD		X		
4.7.3	Economic oversight of ANSA (assessment of financial performance in 2018, audited financial statements 2018)	ICAERD		X		
4.7.4	Economic assessment of ExFis application for the extension of the approval as ground handling service provider	ICAERD				X
4.7.5	Economic oversight of ExFis L.L.C for airport kerosene supply services (2019 insurance policy on liability for groundhandling services and the validity of the certificates issued)	ICAERD		X		
4.7.6	Economic oversight of ExFis L.L.C for kerosene supply services at the airport (separation of financial accounts, assessment of financial performance in 2018, audited financial statements 2018)	ICAERD		X		
4.8 Internal and Inter-Institutional reporting						
4.8.2	Consolidation of the CAA Annual Report	ICAERD	X	X		
4.8.3	Submission of Annual Report to the Assembly of Kosovo	ODG	X			
4.8.4	Consolidation of CAA Quarterly Reports	ICAERD	X	X	X	X
4.8.5	Submission of the Quarterly Report to the Supervisory Board	ODG	X	X	X	X
4.8.6	Report regarding the integration processes (Country Report, SAA Subcommittee on Transport)	ICAERD	X	X	X	X
4.8.7	Reporting on NPISAA	ICAERD / AGA/ANS/FSD	X	X	X	X
4.8.8	Submission of financial statements to MoF and OAG	ADM/ ODG	X			
4.8.9	Submission of financial report to the Parliamentary Budget and Finance Committee	ADM/ ODG	X			
4.8.10	Submission of Medium-Term Expenditure Framework 2016-2018	ADM/ ODG		X		
4.8.11	Annual budget planning	ADM/ ODG		X		
4.8.12	Implementation of forecasted revenues from passenger safety charge	ADM/ ODG	X	X	X	X
4.8.13	MoF quarterly financial report	ADM/ ODG	X	X	X	X

4.8.14	ODG quarterly financial report	ADM/ ODG	X	X	X	X	
4.9 Implementation of ECAA Agreement							
4.9.1	Update of matrix and notification of personnel for transposition of remaining legislation from Annex 1 of ECAA agreement	ICAERD	X	X	X	X	
4.10 CAA reorganization							
4.10.1	Amendment of Internal Regulation according to Government catalogue (if applicable - depending on the Judgment of the Constitutional Court)	ODG /ALAO/ADM		X		X	
4.11 Approval of regulated aeronautical charges							
4.11.1	Checking the initial ANSA request on the terminal unit charge	ICAERD	X				
4.11.2	Checking the second ANSA request on the terminal unit charge	ICAERD			X		
4.11.3	Issuance of Administrative Decision on the rate of terminal unit charge in RKS for 2019	ICAERD				X	
4.11.4	Evaluation of the Incentive Program 2018-2020 of PIA Adem Jashari LKIA L.L.C	ICAERD	X				
4.12 Drafting of the national strategy for the development of Civil Aviation							
4.12.1	Support for drafting Civil Aviation Strategy	ICAERD /QSD	X	X			
4.13 Arrangement of cooperation agreements with state authorities on environmental protection							
4.13.1	Meeting with the Ministry of Environment for information and accordance for the agreement	ODG /AGA/ANS			X		In Progress -to be completed in 2019
4.13.2	MoU with stakeholders	ODG /AGA/ANS				X	Related to 4.13.1
4.14 Conversion of PIA Adem Jashari aerodrome certificate according to the requirements of the new Regulation on aerodromes, which transposes Commission Regulation (EU) No. 139/2014							
4.14.1	Process of review of operator's documentation	AGA	X	X			
4.14.2	Audit and evaluation of the factual situation	AGA			X		
4.14.3	Process of issuance of the certificate	AGA				X	
4.15 Renewal of the approval for ground handling service providers - Airplanes fuel supply (ExFis)							
4.15.1	Application reviewing and supporting documentation process	AGA/ ICAERD				X	
4.15.2	Factual situation audit and evaluation	AGA / ICAERD				X	
4.15.3	Preparation of the recommendation and certificate issuance	AGA / ICAERD				X	
4.16 Implementation of Regulation 2/2010 on marking of obstacles, especially the inspection and identification of high voltage power lines passing over highways							
4.16.1	Identification of obstacles	AGA			X		
4.16.2	Meeting and communicating with operators/owners	AGA			X		The meeting with municipalities is scheduled to be held in 2019 after the enforcement of Regulation 09/2018.
4.16.3	Supervision/inspection of implementation	AGA			X	X	
5. DRAFTING AND IMPLEMENTATION OF STATE SAFETY PROGRAM - SSP							
5.1 Implementation of SSP requirements related only to CAA							
5	ACTIONS (planned)	Responsible department	DEADLINE				STATUS Brief report
			Q 1	Q 2	Q 3	Q 4	
							<div>In-Progress</div> <div>Completed</div> <div>Not completed</div> <div>Outside CAA or externally dependent</div>
5.1.1	Organisation of the Safety Council meeting	QSD/ ODG			X		
5.1.2	Safety Council meetings at CAA	Safety Council	X	X	X	X	
5.1.3	Analysing the ORs and drafting of the report	Working group	X				
5.1.4	Preparation of summary list of reported occurrences (management of occurrence reporting system)	FSD	X	X	X	X	
5.1.5	Meetings with EMA and LKIA on Plan and Response under the Emergency Plan	QSD/ AGA	X	X			

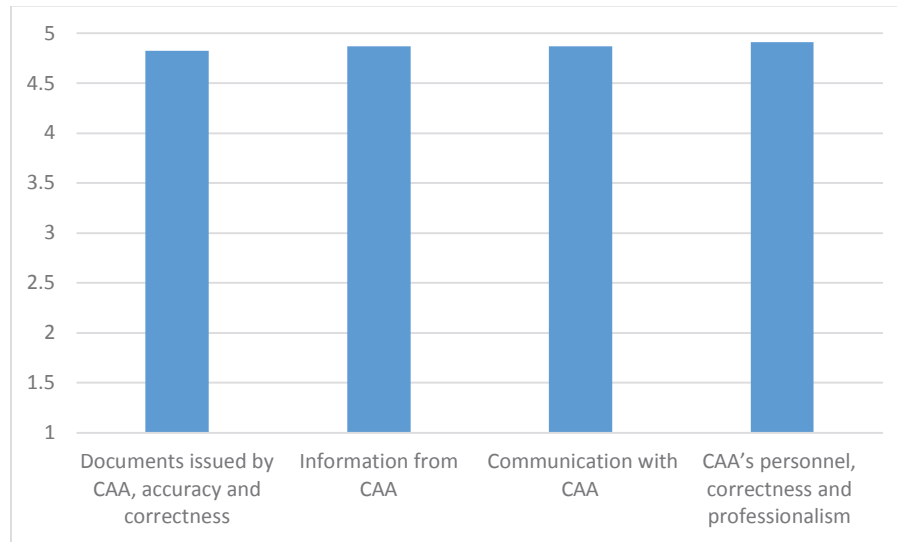
5.1.6	Approval of the Security Policy by the Minister of MI	QSD/ ODG	X	X				
5.1.7	Amendment of SSP MAN, GAP, Implementation Plan, during the Realization of the SSP expert mission supported by the EASA IPA 4 project	QSD	X	X				
5.2 Initiation and monitoring the transposition of the ICAO Annexes (which are not CAA competencies)								
5.2.1	Letter to EMA for initiating the establishment of the working group for the harmonization of the legislation in force and ICAO Annex 12.	ODG /AGA		X				
5.2.2	Letter to MIA for the transposition of ICAO Annex 9 and Annex 17	ODG /FSD		X	X			
6. CONTINUOUS IMPLEMENTATION AND IMPROVEMENT OF QMS								
6	6.1 Continuous Implementation and Improvement of QMS							
	ACTIONS (planned)	Responsible department	DEADLINE				STATUS Brief report	In-Progress
								Completed
								Not completed
			Q 1	Q 2	Q 3	Q 4		Outside CAA or dependent by outside
6.1.1	Closure of recommendations from QMS's internal audit.	QSD/All departments		X				
6.1.2	Revision of ADM MAN	ADM		X		X		
6.1.3	Review of Regulations transposing the ICAO Annexes for the Article that obligates the publication in AIP of "Differences" by SARPs	AGA/ANS/FSD	X	X		X	Ongoing process - Finalized in Q1 2019	
6.1.4	Amendment of the Code of Ethics	ADM		X				
6.1.5	Drafting the training procedure for the beginning officer at CAA	ADM				X		
6.1.6	Instruction for asset evaluation, alienation and management	ADM/ ODG				X		
6.2 Execution of budget expenditure according to cash flow planning (in %)								
6.2.2	Total Realization (allocated budget expenditures)	ADM	X	X	X	X		
6.2.1	PACFT and allowances	ADM	X	X	X	X		
6.2.2	Goods and services	ADM	X	X	X	X		
6.2.3	Utilities	ADM	X	X	X	X		
6.3 Implementation of plans as approved by CAA management								
6.3.1	Implementation of training plan for CAA civil servants (AACK/ADM/BNJ-PLN 03)	ADM	X	X	X	X		
6.3.2	Implementation of the Recruitment Plan (AACK/ADM/BNJ-PLN 04)	ADM	X	X	X	X		
6.3.3	Implementation of the procurement plan	ADM	X	X	X	X		
6.3.4	Implementation of asset management plan	ADM	X	X	X	X		

LIST OF ABBREVIATIONS:

ADM	Administration and Human Resources Department
AGA	Aerodromes Department
ANSA	Air Navigation Services Agency
ICAERD	International Cooperation and Aviation Economic Regulation Department
FSD	Flight Safety Department
ANS	Air Navigation Services Department
GDO	General Director's Office
QSD	Quality and Safety Department
ALAO	Aviation Legal Affairs Office

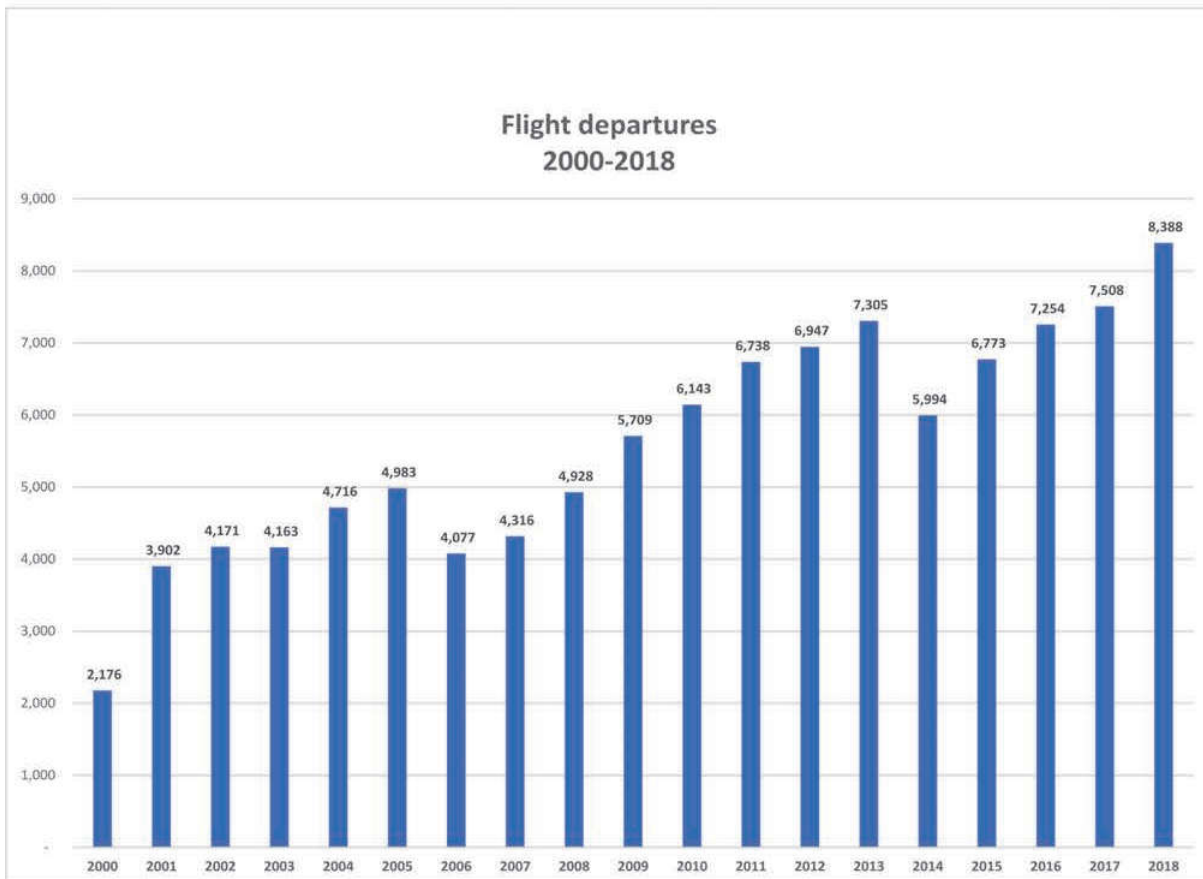
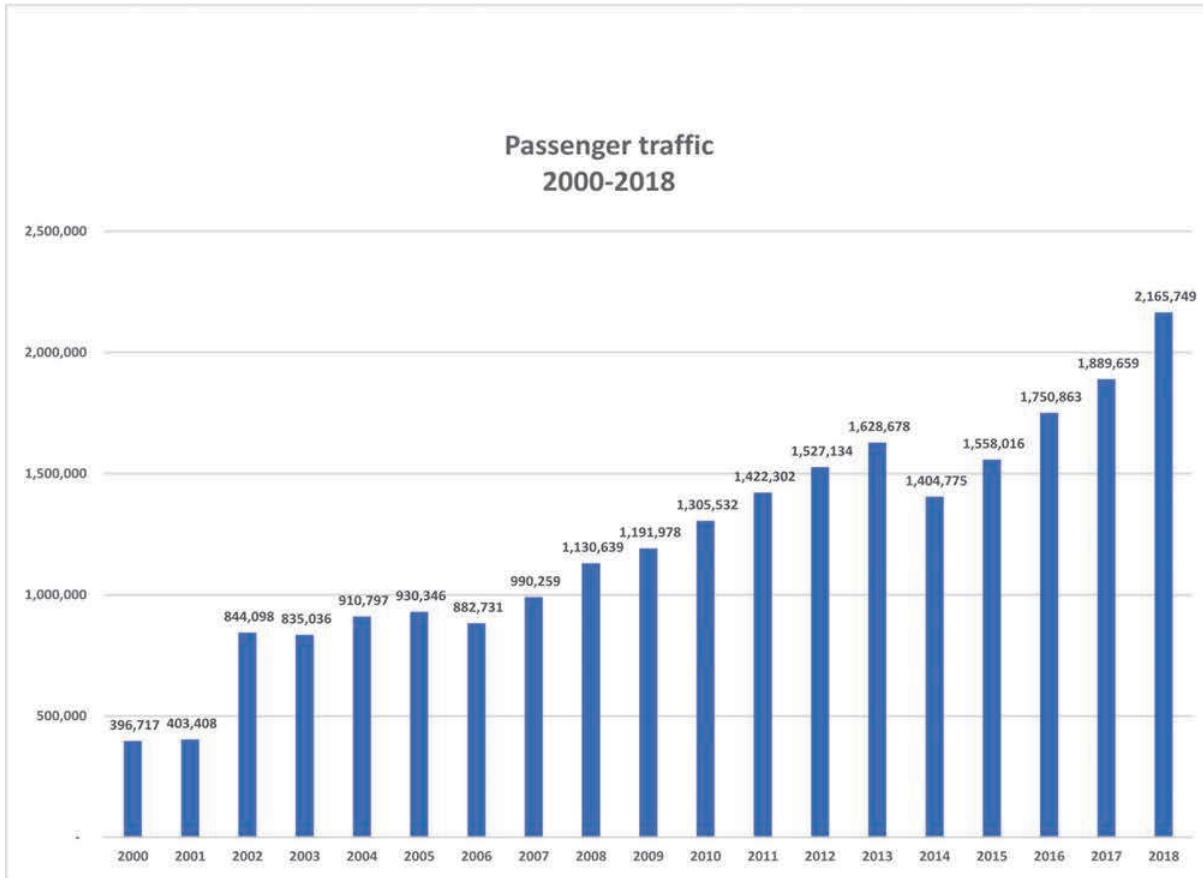
ANNEX 3 – SATISFACTION MEASUREMENT RESULTS

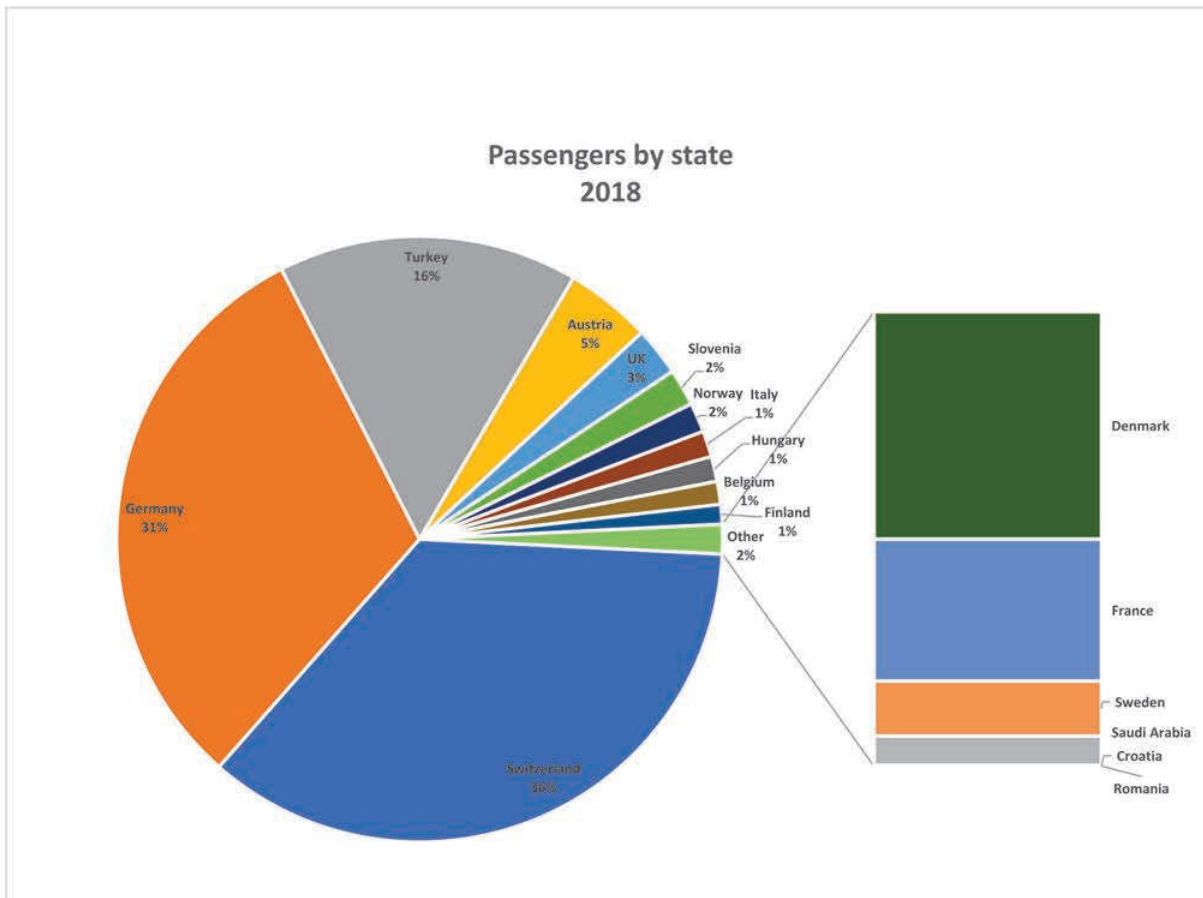
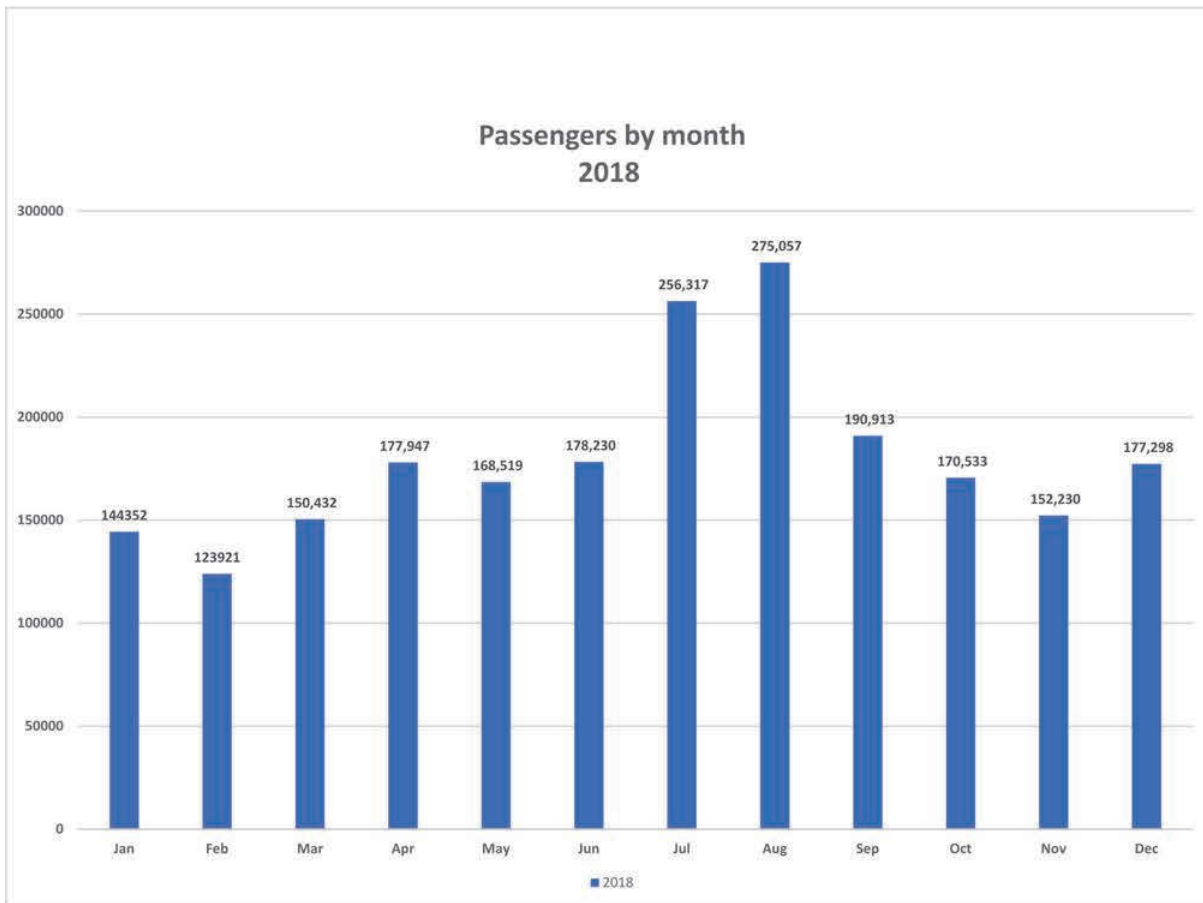
External measurement 2018



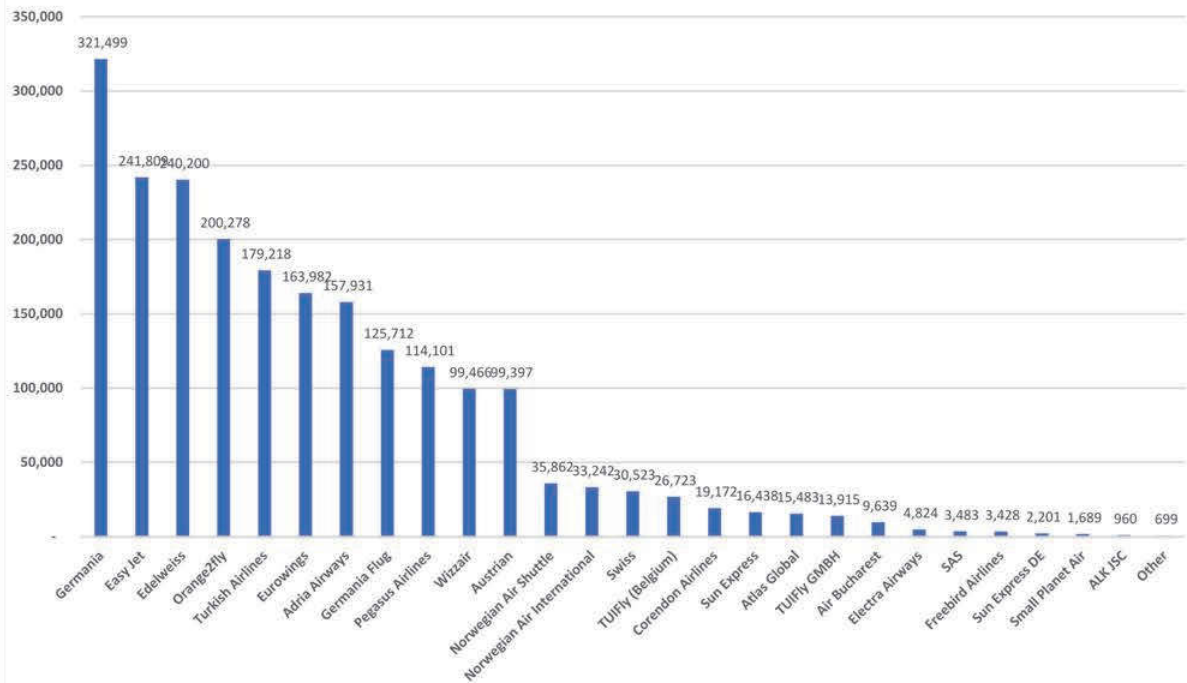
Measurement results (grade 1-5)

ANNEX 4 – AIR TRANSPORT STATISTICS

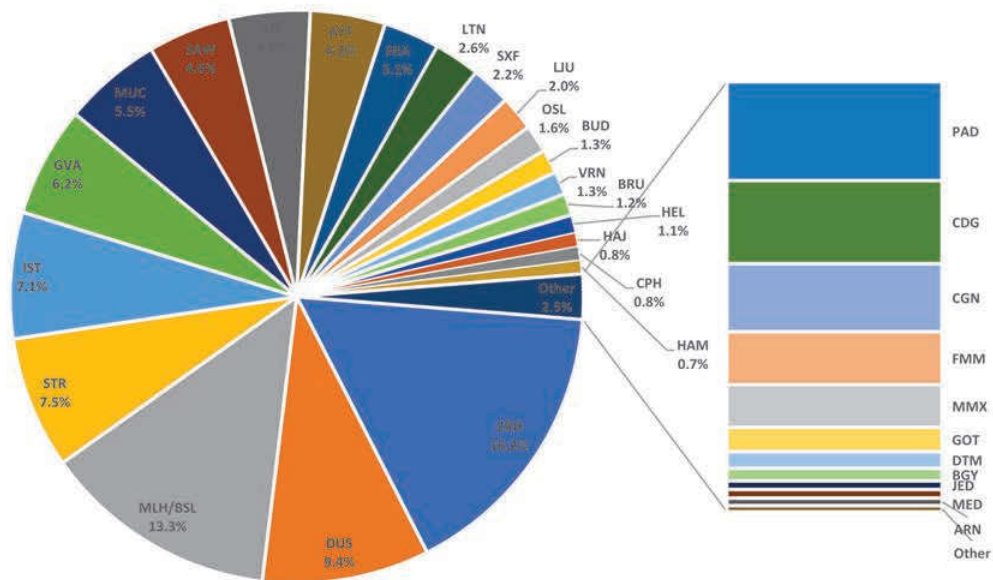


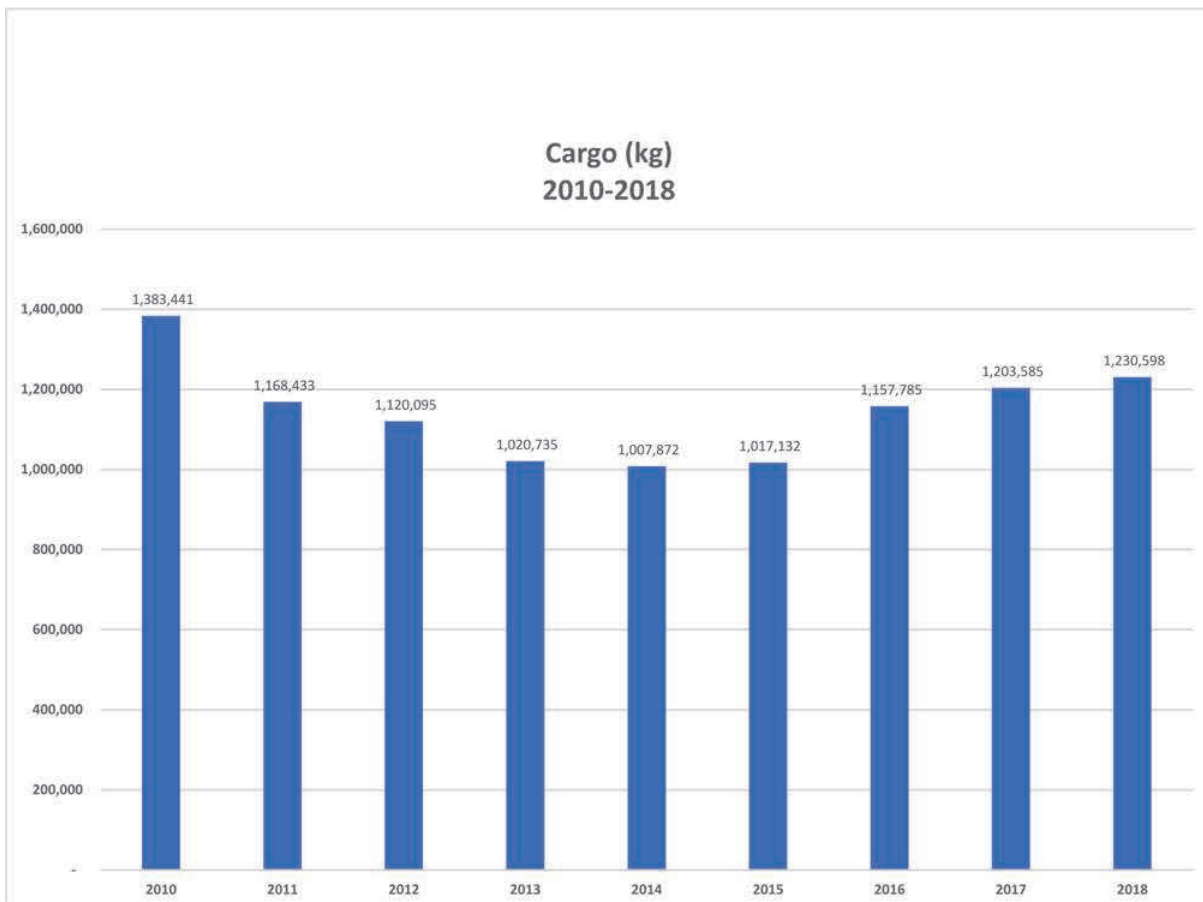
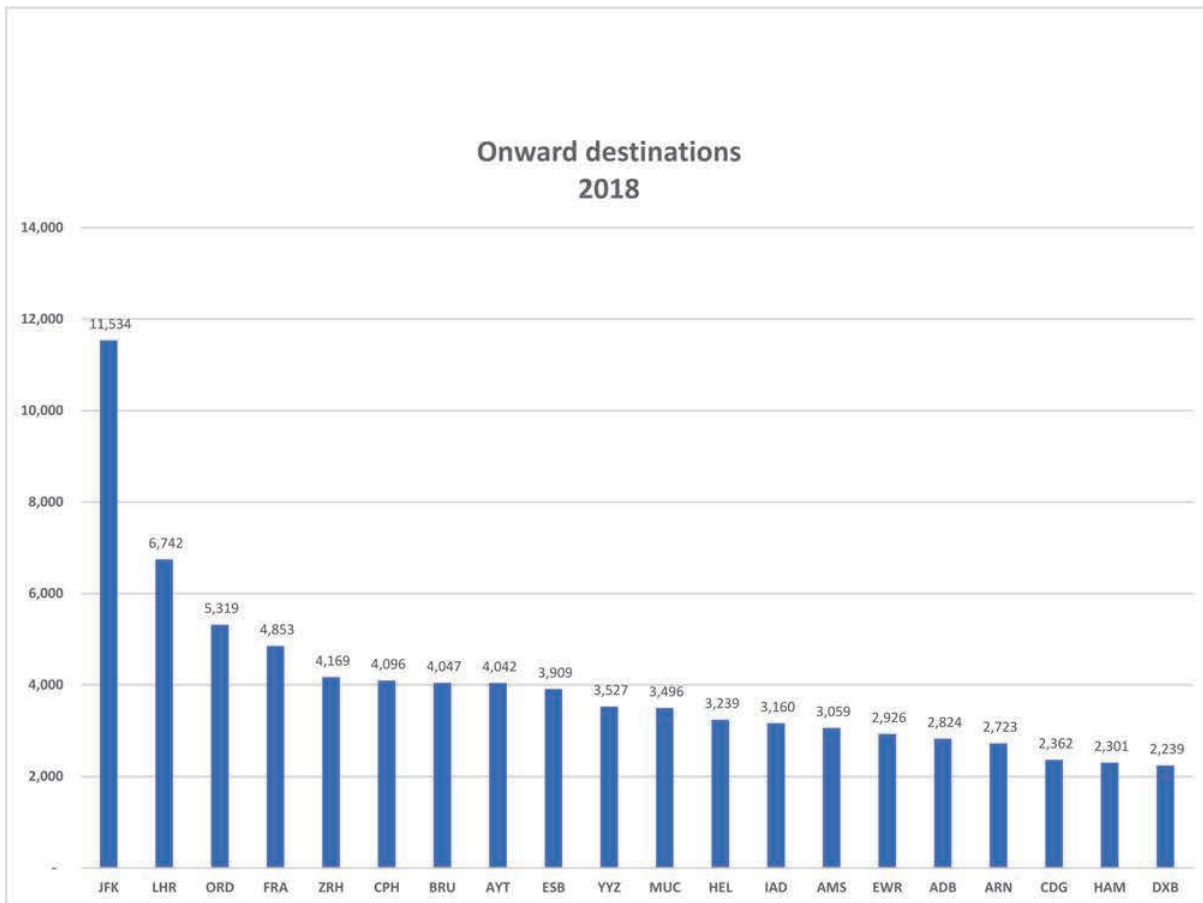


Passengers by air carrier
2018



Passengers by destination
2018





ANNEX 5 –NATIONAL PERFORMANCE PLAN FOR ANS

SAFETY KEY PERFORMANCE AREA

Safety KPI #1: Level of Effectiveness of Safety Management

	2017 Target	2017 Actual	2018 Target	2018 Actual	2019 Target
Union-wide targets at State level	-	-	-	-	C

Union-wide targets at ANSP level	For Safety Culture MO	-	-	-	-	C
	For all other MOs	-	-	-	-	D

	Regulatory authorities (State level)	C	C (55)	C	C (59)	C
	Description of the consistency between local and Union-wide targets	At the State Level (CAA), the targets are consistent with union-wide targets.				
	Detailed justification in case of inconsistency					
	ANSPs (for Safety Culture MO)	B	B (37.5)	B	C (50)	C
	ANSPs (for all other MOs)	C	C (48.1)	C	C (55.2)	D
	Description of the consistency between local and Union-wide targets	ANSA is expected to reach union-wide targets by 2019, meanwhile it has reached the targets defined at the state level for years 2017 and 2018. ANSA has shown significant improvement especially in respect to MOs related to Safety Culture. Improvement is shown also in other MOs where we see an increase of effectiveness level from 48.1 to 55.2 ¹ .				
	Detailed justification in case of inconsistency					

¹ Out of 100.

Safety KPI #2: Application of the severity classification based on the Risk Analysis Tool (RAT) methodology

Ground Score		2017 Target	2017 Actual	2018 Target	2018 Actual	2019 Target
Union-wide targets	SMI ²	≥ 80%	-	≥ 80%	-	100%
	RI ³	≥ 80%	-	≥ 80%	-	100%
	ATM-S ⁴	≥ 80%	-	≥ 80%	-	100%

ANSP level (IPP target)	SMIs	90%	N/A	95%	N/A	100%
	RIIs	90%	N/A	95%		100%
	ATM-S	90%	N/A	95%	60%	100%
Description of the consistency between local and Union-wide targets		At ANSA targets and actual monitored values are consistent with union-wide and state targets for 2018.				
Detailed justification in case of inconsistency		During 2017, ANSA did not have access to <u>Eurocontrol</u> RAT tool. The access has been regained in 2018.				

Overall Score		2017 Target	2017 Actual	2018 Target	2018 Actual	2019 Target
Union-wide targets	SMI	≥ 80%	-	≥ 80%	-	≥ 80%
	RI	≥ 80%	-	≥ 80%	-	≥ 80%
	ATM-S	≥ 80%	-	-	-	100

State level (IPP target)	SMIs	80%	N/A	85%	N/A
	RIIs	80%	N/A	85%	98%
	ATM-S	80%	N/A	85%	98%
Description of the consistency between local and Union-wide targets		At the State Level, the targets are consistent with union-wide targets for year 2018.			
Detailed justification in case of inconsistency		During 2017, CAA did not have access to the <u>Eurocontrol</u> RAT tool. Since 2018 CAA has been applying an alternative tool, also based on the RAT methodology, to assess the severity of reported occurrences. <u>Eurocontrol</u> has not enabled access to RAT for CAA.			

² Separation Minima Infringement - SMI

³ Runway incursion – RI

⁴ Air Traffic Management related occurrences

CAPACITY KEY PERFORMANCE AREA

Capacity KPI #2: Terminal and airport ANS ATFM arrival delay per flight

	2017 Target	2017 Actual	2018 Target	2018 Actual	2019 Target
National/Local level	3.5 (min/flight t)	3.46 (min/flight t)	3 (min/flight t)	3.46 (min/flight t)	3 (min/flight t)

Number of airports within IPP scope	1
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Airport level	BKPR (Prishtina International Airport)	3.5 (min/flight)	3.46 (min/fligh ht)	3 (min/flight t)	3.46 (min/flight t)	3 (min/flight t)
	Airport contribution to Initial Performance target	100%				
	Detailed justification in case of inconsistency	At airport level the target for year 2017 has been reached, but not for year 2018. Capital investments planned for 2018 which were not completed (new weather observation system, ILS Cat 3), along increasing number of flights, are considered as contributing factors				

Additional comments	
According to the Performance Scheme, this indicator monitors the AFTM delays. However, as Kosovo is currently not part of the Network Manager, it is also not part of the ATFM slot allocation/regulation. For this reason, Kosovo NSA currently does not have the necessary data from the Network Manager to accurately calculate this delay. As an alternative, the delay has been calculated based on locally regulated slots and expected arrival times obtained during flight coordination. The detailed calculation of the delay is described in the Initial Performance Plan.	

COST EFFICIENCY KEY PERFORMANCE AREA

	Initial Performance Plan							
	2015 A	2016 P	2016 A	2017 P	2017 A	2018 P	2018 A	2019 P
Total terminal actual/forecast costs in nominal terms (in EUR)	4,127,097.00	3,912,495.00	3,779,559.00	4,078,021.00	3,571,775.00	4,279,822.05	4,003,199.00	4,493,813.15
Inflation%	-0.54%	0.22%	0.27%	1.53%	1.49%	1.78%	0.99%	1.92%
Inflation index (Base=100 in 2012)	101.65	104.17	101.87	104.40	103.44	106.00	105.28	107.89
Total terminal actual/forecast costs in real terms (in EUR at 2012 prices)	4,149,259.51	3,840,505.09	3,771,395.15	3,938,251.49	3,517,019.45	4,058,127.27	3,931,861.99	4,172,056.13
Total terminal Service Units	8114	9250	8959	10,175	9,308	10,684	10,531	11,218
Real UCs (in national currency at 2012 prices)	285.41	285.00	285.00	400.59	390.98	400.59	397.95	400.59

Value at 2012 prices	2015 A	2016 E	2016 A	2017 P	2017 A	2018 P	2018 A	2019 P
2012 average exchange rate (1EUR=)	1	1	1	1	1	1	1	1
Total terminal costs in real terms (in 2012 prices)	4,149,259.51	3,840,505.09	3,771,395.15	3,938,251.49	3,517,019.45	4,058,127.27	3,931,861.99	4,172,056.13
Trend in total terminal costs in real terms %n/n-1		-7.44%	-9.11%	2.55%	-6.74%	3.04%	11.80%	2.81%
Real terminal UCs (in 2012 prices)	290.13	285.00	290.34	383.39	390.98	402.56	397.95	453.52
Trend in real terminal UCs (in 2012 prices) %n/n-1		-1.77%		34.52%	34.66%	5.00%	1.78%	12.66%

Justification

Description and justification of how the local initial performance targets contribute to the performance of the European ATM network	
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	2015 A	2016 E	2016 A	2017 P	2017 A	2018 P	2018 A	2019 P
Inflation %	-0.54%	0.22%	0.27%	1.53%	1.49%	1.78%	0.99%	1.92%
Inflation index (2012=100)	104.73	104.17	101.87	104.40	103.44	106.00	105.28	107.89
Eurostat HICP (actuals) and IMF CPI (forecasts)	-0.54%	0.22%	0.27%	1.53%	1.49%	1.78%	0.99%	1.92%
Inflation index (2012=100) HICP and IMF	104.73	104.17	101.87	104.40	103.44	106.00	105.28	107.89
Difference in percentage points			0.05%		-0.04%		-0.79%	
Cumulative difference in percentage points					0.01%		-0.78%	
Justification and data source in case of deviation from inflation references								

		2015 A	2016 E	2016 A	2017 P	2017 A	2018 P	2018 A	2019 P
Total terminal service units (TSU)		8114	9250	8,959	10,175	9,308	10,684	10,531	11,218
Year on Year variation TSU			14.00%	10.41%	10.00%	3.90%	5.00%	13.14%	5.00%
baseline	STATFOR terminal service units forecast (Baseline scenario)	8114	9250	8,959	10175	9,308	11701	10,531	12637
	Year on Year variation TSU STATFOR		14%	10.41%	10%	3.90%	15%	13.14%	20%
	Difference in percentage points			-3.59%		-6.52%		13.14%	-7
	Cumulative difference in percentage points					-10.10%		3.03%	
low	STATFOR terminal service units forecast (Low scenario)	8114	9250	8,959	9990	10,684	10489	10,531	11014
	Year on Year variation TSU STATFOR		14%	10.41%	8%	19.25%	5%	-1.43%	5%
	Difference in percentage points			-3.59%		8.84%		-1.43%	-7
	Cumulative difference in percentage points					5.25%		3.82%	
Explanation of the differences (if any), justification, rationale and source									