



Republika e Kosovës
Republika Kosovo - Republic of Kosovo



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

Annual Report

2016

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	Inter. Coop. and Aviation Economic Regulation
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
ISIS	Implementation of Single European Sky in South East Europe
ISO	International Organization for Standardization
AC	Air control
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
MI	Ministry of Infrastructure
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
KFMIS	Kosovo Financial Management Information System
QMS	Quality Management System
SRP	ICAO Standards and Recommended Practices
ANS	Air Navigation Services
OAGK	Office of the Auditor General of Kosovo
SQO	Safety and Quality Office in the CAA

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 organization and a public authority subject to relevant provisions of laws and other bylaws applicable in the Republic of Kosovo on budgetary organizations 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 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.

The CAA is led by the Director General. The Director General of the CAA was re-appointed by the Government of the Republic of Kosovo, under the Decision No. 8/157 of 22 November 2013, for a five-year mandate with the possibility of extension. THE CAA's work is supervised by the Supervisory Board consisting of five members. The CAA's Supervisory Board was appointed by the Government in June 2016.

In early January 2016, following a comprehensive consultation, the entire 2016 CAA Work Plan was consolidated and approved. This plan includes: Action Plan, Oversight Activities Plan, Recruitment Plan and Staff Training Plan, and is in full compliance with the CAA strategic objectives. Quarterly and annual reviews showed that the 2016 Work Plan was implemented at 91%, Action Plan at 84%, Training Plan at 100% and Oversight Activities Plan at 90%. Annex 2 of this report contains the 2016 Work Plan and its implementation.

In November, the audit company for certification with ISO standards, TUV Austria, audited the CAA's Quality Management System, which was established pursuant to the most recent ISO 9001:2015 standard. The audit resulted with no particular finding, and consequently the CAA was certified with the ISO 9001:2015 standard, valid until November 2019. In order to maintain the quality management system, the customer satisfaction survey with the services provided by the CAA was carried out for the fifth time in a row. Based on the responses received, the average score in 2016 was 4.44 (on a scale of 1 to 5). Annex 3 contains the satisfaction survey results.

In June, the Government of the Republic of Kosovo appointed the Aviation State Safety Programme Committee of the Republic of Kosovo, headed by the Director General of the CAA, whereas representatives of public authorities in charge of civil aviation policies and safety were appointed as members. The committee is responsible for the manner in which civil aviation safety at the state level is managed, and has therefore approved the State Safety Program Manual, as reported under section 7.4 of this Report.

During 2016, NATO continued to lead discussion with Kosovo state authorities and neighbouring countries in order to normalize the lower airspace of Kosovo. 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 carried out through a route linking the Republic of Kosovo with 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. During the two meetings held in 2016, parties agreed to commence expert-

level technical dialogue in 2017 facilitated by NATO on opening of new air routes, which includes a range of technical actions.

Signing of the Stabilisation and Association Agreement between the Republic of Kosovo and the EU in October 2015 has opened the path to a meeting between the CAA and the European Aviation Safety Agency (EASA), after many years of such a request. As a result of this meeting, EASA auditors in November 2016 conducted, for the very first time, a comprehensive assessment in Kosovo. This audit has, among other things, served as a fact-finding mission, prior to the formal signing of Working Arrangements between the Civil Aviation Authority and the European Aviation Safety Agency in 2017. The signing of Working Arrangements will enable, inter alia, the audit of the CAA performance by EASA, whereby a positive assessment would guarantee recognition in the pan-European level of licenses and certificates issued by the Republic of Kosovo.

In order to assess the level of implementation of the European Common Aviation Area Agreement (ECAA) in the Republic of Kosovo, a team of EC experts in January conducted an assessment visit. Experts assessed Kosovo's aeronautical authorities (CAA, Ministry of Infrastructure, Ministry of Internal Affairs, and the Aeronautical Accident and Incident Investigations Commission), as well as the Ministry of Labour and Social Welfare, regarding some provisions of the Law on Labour, and Kosovo Competition Authority, regarding protection of competition and state aid in Kosovo. PIA Adem Jashari operator and the Air Navigation Services Agency were also assessed. The report of this assessment confirmed the significant progress made by Kosovo on the implementation of requirements of the agreement, not only with regard to the first transitional phase, but second one as well. The Progress Report 2016 published by the EC in November also confirmed the substantial progress in alignment of national legislation with EU in the field of civil aviation, namely the legislative requirements deriving from ECAA Agreement.

In 2016, Kosovo, for the first time, hosted the European Common Aviation Area Joint Committee meeting. The Joint Committee is the highest supervisory body of the ECAA Agreement, in which the European Commission, representatives of Western Balkan countries, representatives of EU Member States and representatives from the aviation industry discuss progress and challenges faced in the period between two annual meetings. During this meeting, the CAA Director General raised as a concern the unfair competition of Skopje Airport with Prishtina Airport due to the continuation of the Government of Macedonia subsidies for an airline operating in Skopje, resulting in unreasonably low flight tickets, thereby attracting a significant number of passengers from Kosovo. The CAA, as can be noticed in section 7.7 of this report, has continuously raised this issue before the European Commission, who are now conducting an analysis regarding the legality of state aid granted by Macedonia.

The CAA continued to coordinate its activities with the MFA and MI on actions to be taken for the purpose of membership in the International Civil Aviation Organization (ICAO), and continued its efforts to attend the work of various important pan-European aviation organizations such as ECAC and EUROCONTROL, in the observer capacity. For more details on this topic, see section 7.1 of this report.

An extensive activity of a special regulatory importance occurred in the field of air navigation services. In August, the Air Navigation Service Agency (ANSA) was certified for the first time by the CAA after the confirmation that all safety, economic-financial and security criteria were met in accordance with EU provisions on certifying the air navigation services providers. The CAA has also determined the 2017 terminal air navigation charge which will be levied from airlines that receive terminal air navigation services by ANSA. Determination of the charge was made in accordance with the EU legal framework, according to which, ANSA should be able to cover operating costs and other costs necessary to provide services through revenues from terminal navigation charge. Also, for the first time and at the request of the EC, the CAA drafted the Initial Performance Plan for air navigation

services for the years 2017-2019, which provides the long-term performance planning and the setting of performance targets in four key areas: safety, capacity, environment and cost.

With regard to legislative activity, the CAA continued to issue bylaws implementing the Law on Civil Aviation, in order to adopt international civil aviation standards 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. Four separate bylaws have been issued and nineteen others have been drafted for the transposition of EU legislation and ICAO rules in various fields under the CAA's responsibility. In addition to these regulations as well as several technical publications that serve the industry for an easier implementation of regulations, the CAA has published two other reports that are important to the public: the first is a regular annual report on occurrences reported to the CAA and the second on Gjakova Airport. The latter describes in details the current state of infrastructure, lighting and air navigation equipment at this airport. The CAA auditing team was pleased to understand that, although the airport has been out of operation for two years following the departure of Italian KFOR, the Airport personnel has maintained the systems and accompanying documentation with great devotion. The audit report of Gjakova Airport can serve as a good basis for relevant state institutions or potential investors in determining the airport development plan.

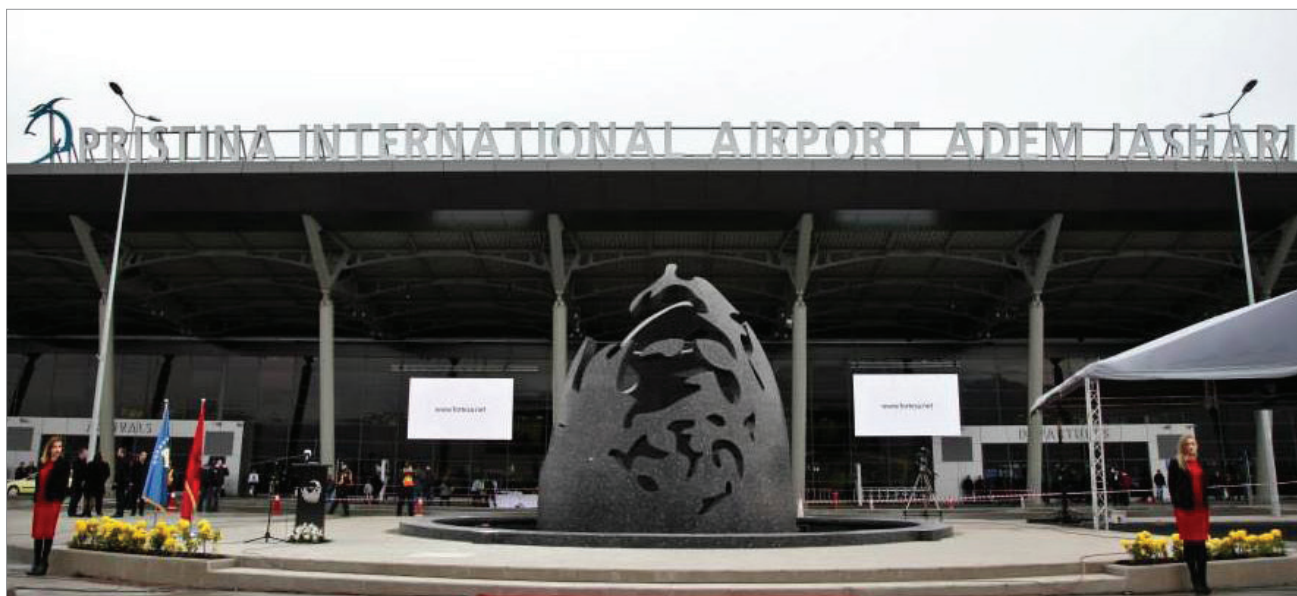
The CAA inspectors have conducted inspections and audits based on the approved plan of oversight activities for 2016 to guarantee that civil aviation operations in the Republic of Kosovo are carried out in accordance with applicable standards. These inspections and audits are carried out at Prishtina International Airport Adem Jashari, Air Navigation Services Agency, foreign airlines operating in Prishtina, approved fuel supplier at Prishtina Airport, as well as in other training organizations in the area 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 personnel that hold sensitive responsibilities in civil aviation safety, the CAA has issued a number of licenses, including the licensing of air traffic controllers based on EU requirements. Also, the licensing of paraglide pilots and instructors has continued.

The CAA has supported other institutions responsible for civil aviation in the Republic of Kosovo, so that the entire aviation regulatory and oversight system functions in a coordinated manner and in accordance with standards and best international practices. It is worth mentioning the support provided to the Ministry of Infrastructure in concluding the Memorandum of Understanding with Hungary on air services, as well as the support provided to the working group for drafting the Strategy on Civil Aviation. Moreover, the Aeronautical Accident and Incident Investigation Commission was also supported in the investigation of the Turkish Airlines accident that occurred in the runway of Prishtina Airport. The CAA also coordinated with the Kosovo Police in cases of drones operated without authorization from the CAA, or when individuals pointed laser lights at aircraft in flight. The CAA has also supported the Minister for Dialogue in drafting the strategy for eventual dialogue with Serbia in the field of air transport and the opening of new air routes with the countries of the region, including Serbia.

Technical cooperation with counterpart authorities in the region and beyond, especially with Albania, continued during 2016. Meetings between the CAAs of the region within the Joint Service Provision Area (JSPA) initiative were focused on the exchange of air navigation service experts between authorities.

The CAA invests in the ongoing capacity-building and maintenance of its personnel capacities, in accordance with recommended international standards and practices. Based on a previously approved training plan, during 2016, the CAA personnel attended training sessions mainly funded by donors and CAA budget. The detailed list of training and workshops attended is presented in Annex 1 of the Report.



Office of the Auditor General of Kosovo (OAGK) has issued an “Unmodified Opinion” and confirmed that “the financial statements of the CAA for 2015 present a true and fair view in all material aspects”. According to this report, budget management was conducted in full harmony with the proper financial management principles. OAGK has issued two recommendations, which the CAA has immediately addressed and put into practice according to the provisions in force.

The CAA budget in 2016, after budgetary cuts, was € 832,556. During the 2016 fiscal year, the CAA spent € 832,147, which means that execution in terms of percentage is 99.95% of the allocated/ approved budget. Failure to spend 100% of the budget was due to savings in utility services. Meanwhile, the CAA’s revenues amounted to € 1,715,809.

Based on statistics collected by the operator LKIA, Prishtina International Airport Adem Jashari served a total of 1,744,202 passengers during 2016. This number of passengers is 12.59% higher than the number of passengers served in this airport during 2015 (1,549,198). The CAA, while accomplishing its responsibility of regulating the airport aeronautical charges, in February 2016 approved an Incentive Program proposed by the PIA operator that is considered to have had an impact in the market entrance of new operators and increase of traffic during the year. Charts of air transport data to/ from Kosovo are presented in detail 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 approved 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 base 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 have been implemented more specifically. Internal functioning and organization 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, MI and AAIC should be part of this process. During the reporting period, there was no legislative initiative for amending the law, taking into account the continuous assessments of the European Commission that the Law on Civil Aviation of Kosovo is in compliance with the legal framework of EU and may serve as a model for other states in the region.

b) Legal difficulties

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

3. DESCRIPTION OF THE CAA

Civil Aviation Authority of the Republic of Kosovo (CAA) was established 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 transport while the Ministry of Internal Affairs (MIA) is responsible for regulating aviation security aspects. The law also establishes the Aeronautical Accident and Incident Investigation Commission (AAIC), as an institution that operates under the Office of the Prime Minister of the Republic of Kosovo.

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The CAA is responsible for:

- implementation of civil aviation legislation and giving effect to policies adopted by the MI or the Government in the field of civil aviation;
- providing advice and proposals to the MI, 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 MI'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 MI 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,

¹ Law on Civil Aviation, Chapter 2

² Ibid, Chapter 4

³ Ibid, Article 5

- 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 MI 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 ORGANIZATION

The CAA headquarters are located at Ahmet Krasniqi st., n.n., 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.

a) CAA organizational structure

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

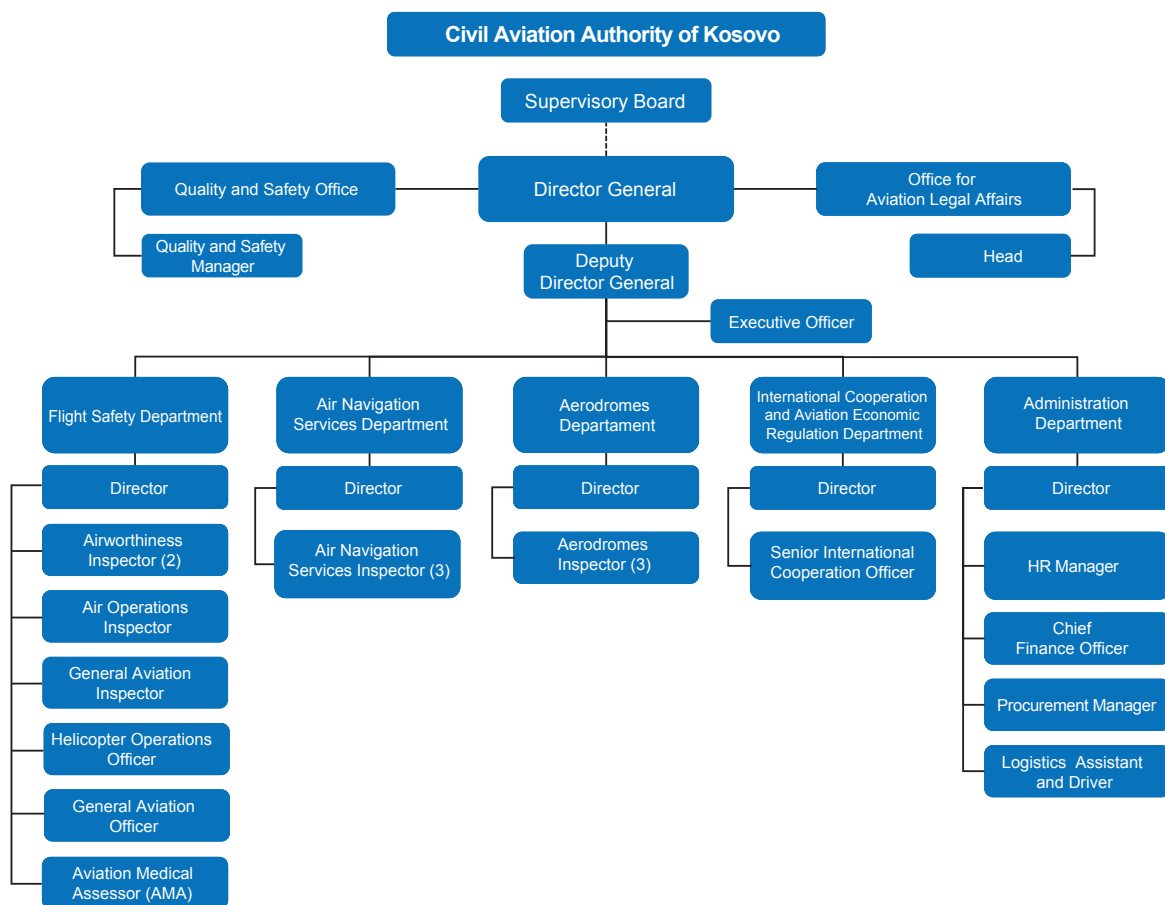
- a) Director General's Office
 - i. Director General
 - ii. Deputy Director General
 - iii. Quality and Safety Office
 - iv. Aviation Legal Affairs Office
 - v. Public Relations Office
- b) Flight Safety Department
- c) Air Navigation Services Department
- d) Aerodromes Department
- International Cooperation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

Below is the organizational chart of the CAA, in accordance with the Regulation on the internal organization 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. 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 Ministry of Infrastructure 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 for each passenger departing from Kosovo by means of commercial flights. Funds raised from this safety charge are dedicated to the CAA in order to cover its operating costs in accordance with the Law no. 3/L-051 on Civil Aviation.

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 the CAA's revenues in 2016 can be found in section 7.15(b) of this report.

c) Salaries of CAA staff

Civil aviation safety is the mission and number one priority of the Civil Aviation Authority of the Republic of Kosovo. As the civil aviation regulator, we ensure that aerial 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, a civil aviation regulator 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, with the proposal of the Director General of the CAA. 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 International Civil Aviation Organization (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 Director General of the CAA. The salary of the Director General and the Deputy Director General of the CAA was later set 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, the 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 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, Chairman, Mr. Bekim Jashari, member, Mr. Ardian Gaxherri, member and Ms. Adelina Salihu, member. According to the Law on Civil Aviation, the mandate of the members of the Board is four years with the possibility of extension for another mandate.

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

Supervisory Board of the CAA has been functional since July 2016. Until the end of the year, the Board has held two regular and several additional meetings. During these meetings, two 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: Deputy Director General and middle management.

a) Director General of CAA

The Director General of the Civil Aviation Authority exercises his 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. Based on the 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 2013 by Decision no. 8/157, Mr. Dritan Gjonbalaj was re-appointed Director General of the CAA by the Government of the Republic of Kosovo, following the proposal by the Minister of Infrastructure. The term of the Director General lasts for five (5) years. According to the Law on Civil Aviation, the Director General may be reappointed by the Government for successive terms with the same duration.

b) Deputy Director General of CAA

Deputy Director General of Civil Aviation Authority 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. The government did not appoint the new Deputy Director during 2016 therefore this position has remained vacant since March 2015.

c) Middle management

Pursuant to the Regulation on Internal Organization, Functioning and Systematization of Working Posts, 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 herein, 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 career appointment acts with the CAA.

4.3 HUMAN RESOURCES

The CAA has 27 employees, 26 of which hold career Appointment Acts with the CAA, while one had a special services contract with the CAA until 31 December 2016. During the year, two officers have resigned willingly. The Ministry of Finance has approved recruitment of these two positions and two additional positions for which the CAA has continuously asked for approval.

In the Regulation for internal organization, functioning and systematization of working posts, are foreseen 37 positions in the CAA.

a) Trainings

The CAA invests in professional development and refreshment of specialized knowledge of its personnel, in accordance with international standards and recommended practices. During 2016, the

CAA personnel attended trainings funded by donors and the CAA budget, based on a pre-approved training plan. The personnel are trained mainly at the Joint Aviation Authorities (JAA) training centre regarding flight safety and operations, as well as in the International Air Transport Association (IATA) training centres. Majority of trainings has been undertaken within the framework of the European Commission projects: ISIS II, TAIEX and EASA IPA 3, as described in section 7.9(c) of this report.

During 2016, a total of 75 training sessions were attended by the CAA personnel, including the mandatory training of inspectors of professional departments in the field of civil aviation. 60 of these trainings were offered for free by the EASA IPA 3 project of the EC, French CAA through its National School of Civil Aviation, CAA of Croatia, Kosovo Institute for Public Administration, Ministry of Public Administration and Ministry of Finance. See the table of trainings conducted in 2016 in Annex 1 of this report.

4.4 ASSETS

The CAA has in use 793 assets with purchase value of €244,897.20. Depreciation and asset valuation is carried out each year-end according to the provisions of the Ministry of Finance Regulation no. 02/2013 on the management of non-financial assets in budgetary organizations. These assets are mainly office furniture, technology equipment and similar.

According to the report of the asset assessment commission, the value of the CAA assets after depreciation is €5,027.4. Whereas, the real value of these assets, assessed by the asset assessment commission, is €42,405.75. For 2017 the CAA has planned on buying some low-value assets for staff needs.

5. PLANNING AND REALIZATION OF WORK

The 2016 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.

Strategic objectives serve the CAA as a good and irreplaceable basis for annual planning carried out by the organization. Annual plans are drafted at management level, after a process of identification of actions at the level of organizational 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).

In January, the entire 2016 plan was consolidated and approved by the Director General. The work plan includes the following: action plan, oversight activities 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 2016 has been achieved at a rate of 91%, the action plan at 84%, the training plan at 100% and the oversight activities plan at 90%.

Analysis of the realization of work plan conducted by the management showed that majority of actions not carried out during 2016 were related to procurement activities for which, since February 2016, authority in charge is the Central Procurement Agency (CPA). Some actions not carried out are due to the lack of funds for translation services. Some of the actions, such as membership in international aviation organizations and entering into international contractual arrangements, depend on political and legal circumstances outside the decision-making competences of the institutions of the Republic of Kosovo.

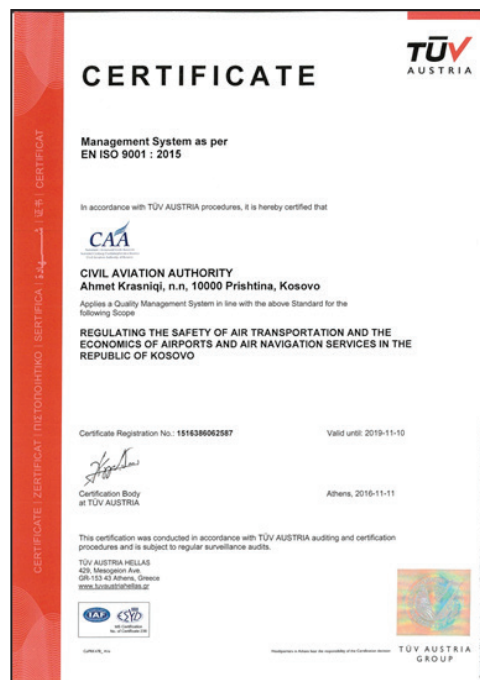
Annual Action Plan for 2016 and its realization are attached to this report as Annex 2.

6. QUALITY MANAGEMENT SYSTEM

a) ISO 9001:2015 certification and external audit

The CAA held an ISO 9001:2008 certificate for quality management for three years in a row. This certificate expired in April 2016 whereas a new standard was issued and changed version from ISO 9001:2008 to ISO 9001:2015. The CAA decided to re-certify the system with the new standard 9001:2015 and started preparations to implement changes at the beginning of the year. Through a procurement process led by Central Procurement Agency, TUV Austria, an Austrian certifying company has been selected to audit and certify the CAA based on the ISO 9001:2015 standard.

TUV Austria audited the CAA's Quality Management System based on the ISO 9001:2015 standard on 8 November 2016. The auditors did not report any findings therefore the CAA was certified according to the ISO 9001:2015 standard until November 2019. This certificate confirms that CAA's management system is in full compliance with the quality management standard. The CAA will be audited annually by TUV Austria in order to ensure maintenance of the certifying criteria throughout the validity years of the certificate.



Certificate issued to the CAA

b) Maintenance of the Quality Management System (QMS)

To maintain the certificate, the CAA monitors a number of requirements deriving from ISO 9001:2015 standard. To ensure the sustainability of a 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 organization's work management. In order to accomplish these tasks, during 2016 the CAA has conducted the following actions:

- A week-long internal audit was carried out at the CAA involving all organizational units. The audit was conducted by the team of four CAA internal auditors for QMS and resulted in recommendations for improving certain processes and procedures within the organization. Accomplishment of the recommendations is monitored by the action plan.
- During the first half of the year risks associated with the implementation of the five strategic objectives of the CAA for the period 2013-2018 have been identified and analysed. Preventive or remedial measures have been determined in order for these risks to be considered as manageable within the organization. This is a requirement of ISO 9001:2015 standard and recommendation of the report of the Office of the Auditor General for 2015. Risk analysis has been performed based on ISO 31000:2009 standard, ISO/IEC Manual 73:2002, ICAO Manual on Safety Management (Doc. 9859) and Procedure no. 4 of the Ministry of Finance Handbook on financial management and control.
- In December the customer satisfaction survey for the services provided by the CAA was carried out for the fifth time in a row. Through a brief questionnaire, the opinion of respective operators was requested in order to assess the level and quality of documents drafted by the CAA, services provided during issuance of various certificates and licenses, supervisory

activities that the CAA provides to civil aviation operators, etc. Analyses of the responses revealed that our customers have rated us with the average score of 4.4 for 2016 (on a scale of 1-5) which is slightly higher than in 2015 when the customer's satisfaction was 4.38. Most importantly, the interviewed operators have given recommendations for improvement which are of great value to the CAA and have been taken into consideration by the management during the work planning process. In addition to external measurement, the CAA also performed the internal satisfaction assessment, which is conducted annually with the aim of making recommendations for improvement by the CAA staff itself. The Report from this measurement is attached as Annex 3 to this report.

7. WORK DURING THE PRECEDING YEAR

7.1 EFFORTS FOR MEMBERSHIP OF THE REPUBLIC OF KOSOVO IN INTERNATIONAL AVIATION ORGANIZATIONS

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.

On 8 September 2016, the Director General wrote to the Minister of Foreign Affairs with the request to reintroduce the issue of application of the Republic of Kosovo for membership in the International Civil Aviation Organization (ICAO), summarizing actions taken in this regard by Minister Hoxhaj's predecessors. A package of relevant documents compiled by the CAA elaborating Kosovo's chances for membership in ICAO and the benefits this membership would bring was attached to the request.

In the context of ongoing efforts to be relevant in ICAO, the Director General wrote to the ICAO Regional Office for Europe in Paris in May and September to seek their advice on filing the request to the President of the Council of ICAO for Kosovo to participate as an observer in the work of the 39th ICAO Assembly which would be held in October. There was no response.

On 10 October 2016, the CAA Director General congratulated his counterparts from countries which have been re/elected in the new composition of the ICAO Council. The composition of the Council changes every 3 years, whereas the ICAO Council is the body that manages the substantive work of ICAO and the question of the legality of Kosovo's membership could be raised in case of application. Of the 36 member countries of the Council, 20 or 55.6% have formally recognized Kosovo, while five others the CAA has assessed to have a positive or neutral attitude towards international legal subjectivity of the Republic of Kosovo.

Likewise, on 24 November 2016, Director General congratulated Mr. Olumuyiwa Benard Aliu on his re-election to the position of President of the ICAO Council. The mandate of the President of the ICAO Council lasts three years with the possibility of re-election.

While individual efforts to associate with ICAO will continue, the CAA remains waiting of the decision of the MFA, which in collaboration with international partners, will determine the appropriate time for application in this organization.

b) ECAC and EUROCONTROL

Membership in ICAO is a prerequisite for a state to be considered for membership in pan-European aviation organizations - the European Civil Aviation Conference (ECAC) and the European Organisation for the Safety of Air Navigation (EUROCONTROL). For this reason, during 2016 there

were also no developments in relation to membership in these two organisations. ECAC issues intergovernmental policies at the European level, while EUROCONTROL assists in the management of European airspace through establishment of rules and provision of services. However, the CAA, as described below, has continued its efforts to participate in the work of such organizations in the observer capacity.

On 6 September 2016, the Director General reminded the office of the Executive Director of EUROCONTROL that the Kosovo CAA is awaiting a response on its request to participate along with ANSA as observers in technical meetings and workshops of this organization. The CAA had addressed this request in May 2015 and EUROCONTROL responded that it was still considering the issue.

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. In these efforts, the CAA had continuous support from the Ministry of Infrastructure and the Ministry of European Integration. On 20 June 2016, the Director General met with Mr. Patrick Ky, EASA Executive Director. The first meeting of this level was held at the EASA headquarters in Cologne, Germany. The purpose of the meeting was to review the application of several years by the CAA to start negotiating Working Arrangements between the Kosovo CAA and EASA. The Director General informed Mr. Ky on the developments in the field of



Mr. Gjonbalaj and EASA's Mr. Ky

aviation safety in Kosovo and the implementation of the EU legal framework in this area, which are our country's obligation under the European Common Aviation Area Agreement. Mr. Ky thanked the CAA for the expressed interest to sign Working Arrangements with EASA and confirmed that after the entry into force of the SAA between Kosovo and the EU, he sees no reason to delay this matter further. These arrangements will enable the CAA to access European aircraft safety database, create the necessary framework for the inspection of the CAA performance by EASA as well as assistance by EASA to fully implement the provisions relevant to the ECAA Agreement. So far, EASA has not entered into contractual arrangements with the CAA for reasons of political nature, outside the scope and reach of the CAA or other institutions of the Republic of Kosovo.

Signing of Working Arrangements with EASA is expected to take place during 2017 following a fact-finding assessment by EASA in Kosovo, conducted in November 2016. More on this assessment can be read in section 7.10(b).

7.2 NORMALIZATION 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 flight level 205, or approximately over 6 km) since April 2014 is managed by the air navigation services provider of Hungary, Hungarocontrol, who control aircraft that overfly this airspace.

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

Kosovo lower airspace

In the lower airspace, there are currently only two air routes (see Figure 1) that are being used for commercial traffic on arrivals and departures at PIA Adem Jashari, and these are XAXAN and SARAX, in southern part of Kosovo, bordering with Macedonia.

In 2016 discussions were initiated under the Balkans Airspace Normalization Meetings (BANM) for the normalization of lower airspace and opening of new air routes with all neighbouring countries of Kosovo. These meetings are expected to continue during 2017.

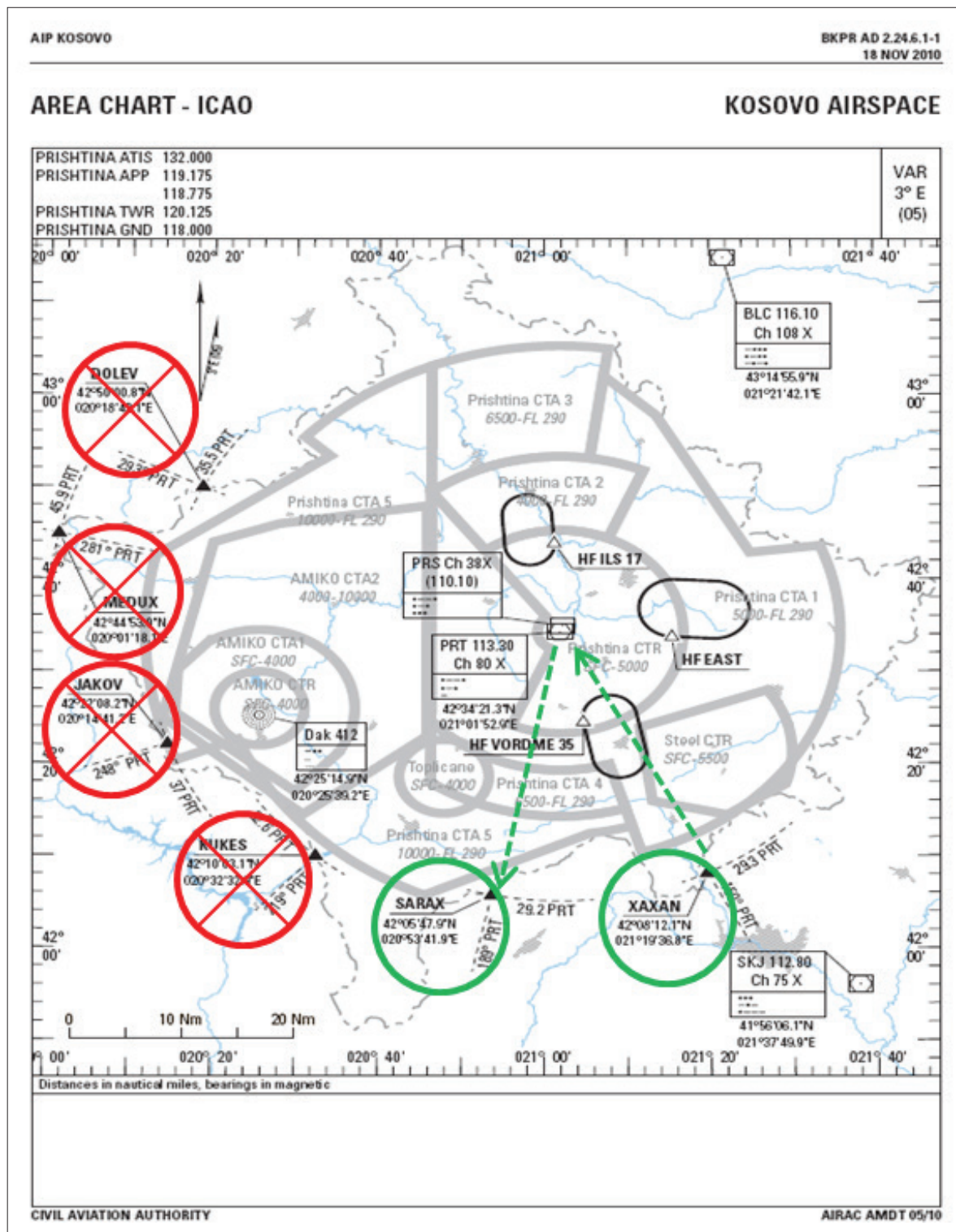
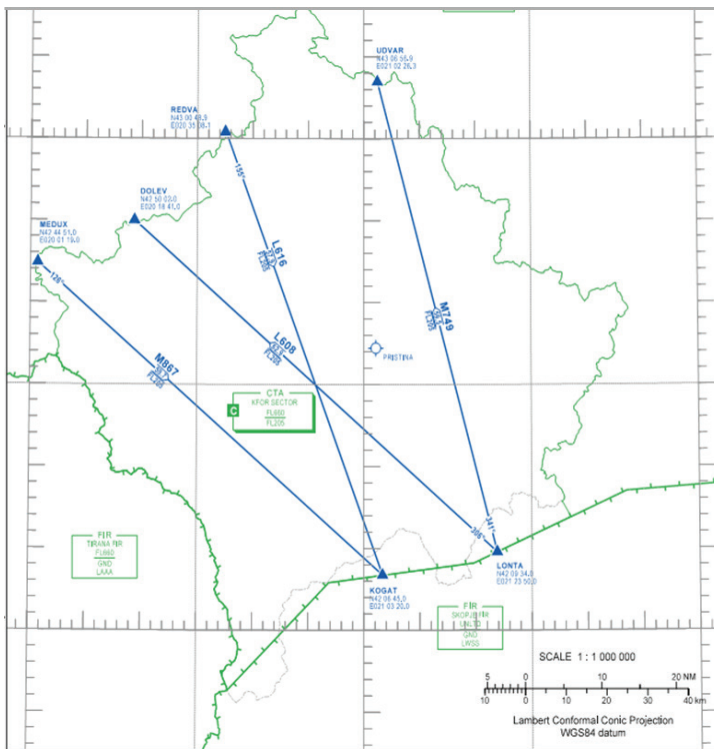


Figure 1. The lower airspace structure in the Republic of Kosovo

Kosovo upper airspace

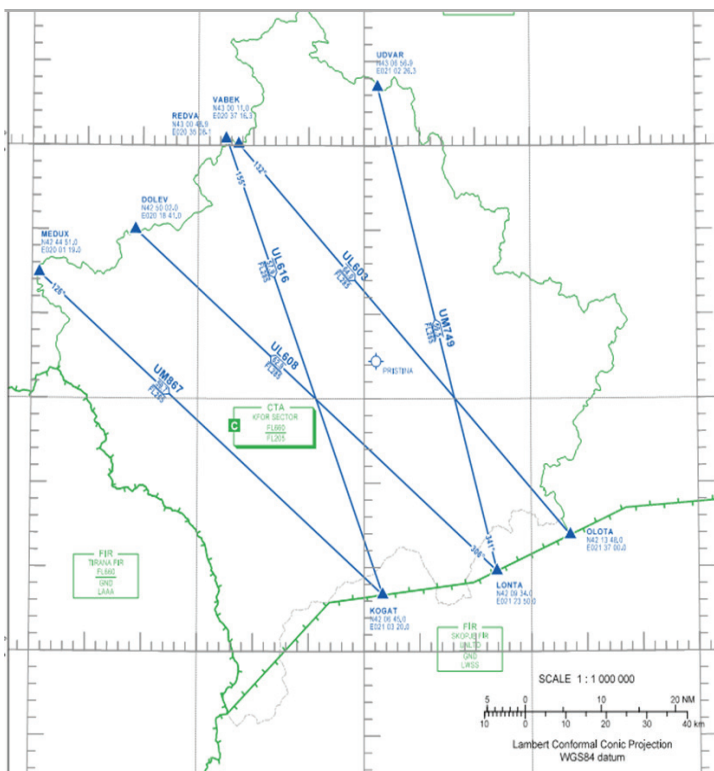
The structure of the upper airspace is comprised of 2 sectors (see figures 2 and 3) from flight level FL205 (6km) to FL285 (9km) and from flight level FL285 to flight level FL660 (20 km).



Sector 1 (FL205 up to FL285) consists of 4 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; and
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 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) Normalization of lower airspace of 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 for arrivals and departures from Prishtina, 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 normalize 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 pass over Kosovo. Since the upper airspace is now considered to be normalized, as it has been reopened to commercial flights since 2014, BANM activities are mainly focused on the normalization of the lower airspace, which, above all, implies the opening of new air routes. Activities undertaken during 2016 are described below.

On 24 February 2016, Ministers Mr. Lutfi Zharku and Ms. Edita Tahiri met with representatives of NATO International Staff regarding the normalization of lower airspace of Republic of Kosovo. The meeting was held at the request of NATO International Staff, with the purpose of discussing NATO's plan regarding the normalization of airspace with representatives of the Government of Republic of Kosovo, and within this context, to obtain permission from the responsible Ministers to launch a series of technical meetings between the Air Navigation Services Agency of Kosovo and Air Traffic Services Agency of Serbia and Montenegro to be held at the NATO Headquarters in Brussels, and to be organized and facilitated by the NATO International Staff.

On 14 December 2016, a regular Balkan Airspace Normalization Meeting was held at NATO Headquarters in Brussels, organized by NATO International Staff. From the Republic of Kosovo, the meeting was attended by representatives from the Ministry of Infrastructure, Civil Aviation Authority, Air Navigation Services Agency and the Defence Attaché from the Embassy of Republic of Kosovo in Brussels. The BANM meeting, which was chaired by NATO International Staff, was also attended by representatives of aeronautical authorities from the Balkan countries, relevant international organizations (ICAO, EUROCONTROL), European Commission, IATA, as well as military and civil mission representatives of NATO countries. Participants at the meeting expressed their willingness in principle to start the technical dialogue between experts, facilitated by NATO, regarding the opening of air routes between Kosovo and all neighbouring countries, including Serbia.

Full normalization of Kosovo's lower airspace, 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 to Prishtina are performed through only one air route linking the Republic of Kosovo and Macedonia. New routes will shorten the flight time for about 15-20 minutes, would reduce operating costs to airlines, which in turn, should be reflected in cheaper tickets for our passengers.

This normalization will enable transit overflight through our lower airspace for many aircraft flying in other regional airports (e.g. Tirana, Podgorica, Skopje, Thessaloniki, and Nis). This will financially benefit our Air Navigation Services Agency. In addition, normalization will stimulate the development of general aviation in our country and unlimited utilization of Gjakova Airport, among other things, for flight schools.

7.3 EUROPEAN COMMON AVIATION AREA AGREEMENT (ECAA AGREEMENT)

The ECAA Agreement (European Common Aviation Area) is a multilateral agreement that establishes a single common internal market and 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. The implementation of the ECAA Agreement in the Republic of Kosovo has become mandatory through the Law on Civil Aviation and recently through the Stabilization and Association Agreement.

ECAA Agreement is not yet in force and is being implemented at the administrative level. According to the latest unofficial announcement of the European Commission, all EU member states have already ratified the agreement, but the EU Council has not yet completed the internal procedures for its entry into force. The CAA, as a focal point for the Agreement, tracks its implementation by Kosovo institutions. The CAA regularly monitors legislation related to aviation issued by the EU, informs the country's other relevant aeronautical authorities about new EU normative acts and includes in its action plan each act other than mandatory acts which it considers necessary and applicable. EU legislation, scheduled for transposition in 2017, is included in the National Plan for the Implementation of the SAA.

The ninth meeting of the Joint Committee of the ECAA Agreement

On 28 January 2016 in Prishtina, organized by the CAA, took place the ninth European Common Aviation Area Agreement Joint Committee Meeting. The meeting was attended by the parties to this agreement, the European Commission, representatives of the Western Balkan countries as well as representatives from six EU Member States and Norway. There were participants from the aviation industry as well.



View from the ECAA Joint Committee Meeting in Prishtina

The Joint Committee is the highest supervisory body of the ECAA Agreement and in the meetings of this body are discussed progress and challenges in its implementation.

The Joint Committee discussed the issues raised by the parties to the Agreement and industry in-between the two meetings. The European Commission has raised with concern the issue of the ban by the Serbian authorities of overflights of Serbian airspace for all airlines who depart or arrive at Prishtina International Airport. This problem has been reported before by the authorities of the Republic of Kosovo and different airline companies. The second issue raised by Kosovo dealt with unfair competition between Skopje and Prishtina airport, driven by state aid provided earlier and still ongoing by the Macedonian state to a European airline that operates in Skopje. Parties were also interested in different legal issues regarding the level of implementation and ratification of the ECAA Agreement.

European Commission assessment visit on the implementation of the ECAA Agreement by the authorities of Kosovo

On 26-27 January 2016, a team of EC experts conducted an assessment visit of the implementation of the ECAA Agreement in Kosovo.

During their stay in Kosovo, experts met with officials of the aeronautical authorities of Kosovo (the CAA, Ministry of Infrastructure, Ministry of Interior and the Aeronautical Accident and Incident Investigation Commission) as well as with officials of the Ministry of Labour and Social Welfare associated with some provisions of the Labour Law and those of the Kosovo Competition Authority concerning the protection of competition and state aid in Kosovo. At the CAA, relevant experts have assessed the transposition of legislation on flight safety, air traffic management and economic regulation.

On 21 September, the CAA received from the Directorate for Mobility and Transport of the European Commission (DG MOVE) the final expert report on the level of implementation of the ECAA Agreement in Kosovo. The report confirms the significant progress achieved in the implementation of the requirements of the Agreement, not only in terms of the first transitional phase, but also the second one. According to the report, the relevant requirements of the first transitional phase are in full compliance in all aviation fields, with the exception of two remaining issues in the area of economic regulation. These relate to the transposition of some provisions of the Directive on working time, which define the fundamental rights of workers, and in the field of consumer protection in relation to the application of passenger rights.

The European Commission services should be informed as soon as the two findings highlighted in the report are closed: one belongs to the Ministry of Labour and Social Welfare and the other to the Ministry of Infrastructure. Closure of these two findings would allow Kosovo transition to the second, more advanced implementation phase of the agreement.

7.4 STATE SAFETY PROGRAM (SSP)

According to the Law no. 03/L-051 on Civil Aviation (LCA), the Civil Aviation Authority, 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 2013-2018.

This is a joint program of all institutions with a role in civil aviation safety and policy, as determined by LCA, describing the state's system 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 ratified this Convention;

however under the Law on Civil Aviation, Kosovo has undertaken to implement all ICAO standards. To meet the SSP requirements, the actions described below were undertaken during 2016.



With the initiation of the CAA as the organization responsible for regulating safety of air transport in the Republic of Kosovo and the proposal of the Minister of Infrastructure, through Decision no. 05/96 dated 26 June 2016, Government appointed the CAA Director General as the Officer in charge of the SSP in the Republic of Kosovo and established the SSP Committee with the following composition: Director General of the Civil Aviation Authority - Head, Director of the Civil Aviation Department in the Ministry of Infrastructure - member, the Chairman of the Commission for Investigation of Aeronautical Accidents and Incidents - member, Chief of the Emergency Management Agency - member, Director of the Air Navigation Services Agency - member.

The first meeting of the SSP Committee was held on 8 July, in which it was decided to draft the Committee's duties and responsibilities and that all institutions assign officials that will continue daily coordination and work according to the SSP

requirements. Coordination for drafting the legislation which transposes relevant ICAO Annexes has also been performed.

On 20 October 2016 Civil Aviation State Safety Program Manual of the Republic of Kosovo has been approved. Through this manual, Kosovo presents the situation as regards meeting the SSP requirements and management of civil aviation safety in the country. The CAA has initiated and drafted the Manual in consultation with members of the SSP Committee. The Manual was signed by the Director General of the CAA in his capacity of Officer in charge for the SSP.

Documents related to SSP GAP analysis have been updated to provide the latest status of compliance with SSP requirements. Version 4 of GAP Analysis and Action Plan have been compiled.

On 10 November 2016, Director General approved the Manual on the enforcement of civil aviation safety regulations. This manual serves the CAA oversight personnel in defining their work processes for industry implementing regulations issued by the CAA. The manual supports the collaborative approach that CAA intends to have with operators, where enforcement of regulations is made willingly and proactively by them. Besides collaborative processes, the manual also describes the response processes if operators fail or delay the implementation of safety standards.

7.5 ASSESSMENT AUDIT OF GJAKOVA AIRPORT

Gjakova airport is located approximately 5 km north of the city of Gjakova. The Airport was reconstructed by the Italian KFOR in order to support the military activity of aircraft involved in NATO's Joint Guardian Operation in our country. At the end of December 2013, an agreement between the Italian Government and the Government of the Republic of Kosovo was signed, which has enabled Gjakova Airport to be transferred to Kosovo authorities, including all of its operational equipment. In March 2015, the Kosovo Government decided to establish the Central Public Enterprise Gjakova Airport and later appointed its management structures.

At the request of the management of Gjakova Airport, the CAA has carried out a comprehensive audit at Gjakova Airport, from 25 to 29 April 2016, for the assessment of the existing condition of aviation infrastructure and facilities such as airfield facilities (runway, taxiways, including associated signage, lighting and marking), navigational aids, RFF and fuelling facilities and equipment, infrastructure

used to facilitate transfer of passengers and cargo from/to airport etc. All available documents and information related to Gjakova Airport were analysed during the audit process, checklists with the reference to the applicable legislation in the Republic of Kosovo were created as well. The audit plan and scope was designed and customized in order to satisfy the objective of the audit.

One week after completion of the audit, the responsible departments (Aerodromes and ANS) prepared and published a report which reflects the state of the airport. The report in Albanian and English was submitted to the airport management as well as other relevant state institutions.

Based on the report this airport has a single runway system with a parallel taxiway. The runway is 1799 meters long, 30 meters wide and oriented in the north-south direction (runway 17/35). The surface of the runway is made of asphalt, the shoulders are 7.5 meters wide made of gravel. The airport terminal area consist of passenger and cargo terminal buildings, aircraft parking, aircraft loading/unloading, and service areas such as passenger service facilities. Airport utilities such as water supply and power supply are available. Water distribution system for different facilities such as passenger terminal, cargo building, hangars etc. is provided through the main city network and backup supply. For backup supply, separate water distribution system (water substation), with capacity of 20.000 l is available. Power supply for terminal and administrative buildings is provided through two sources, from the main network substation and from the secondary system to back up the main power intake network. Backup system is composed of 4 generators with a total capacity of 1100 kVA. Power supply for the Aeronautical Ground Lighting (AGL) system and navigational aids including radio communication is provided through the main city network and by the generators system inside the airport. Rescue, firefighting and fuelling facilities and equipment are provided at the airport as well.



CAA audit team and Gjakova Airport staff

An inspection of the available infrastructure for the eventual provision of air traffic control services and of the existing navigation, communication and meteorological equipment, shows that Gjakova Airport is equipped with a mobile air traffic control tower, fully equipped with the necessary systems for ground-air communications and working positions. Gjakova Airport is equipped with an instrumental landing system and NDB (Non-directional Beacon) navigation system. The airport is also

equipped with a range of meteorological equipment for measurement of air pressure, temperature, wind speed and direction, humidity and cloud height.

The CAA audit team was pleased to note that, even though the airport has been out of function for two years, airport staff showed special dedication to preserving the existing equipment and the supporting documentation. Gjakova Airport is currently closed for operations.

7.6 AVIATION MATTERS RELATED TO EUROPEAN INTEGRATION

a) National Programme for the Implementation of the SAA

On 27 October 2015 the Stabilisation and Association Agreement (SAA) between Kosovo and the European Union was signed. The Agreement foresees obligations in air transport as well, making ECAA Agreement an integral part. Led by the Ministry of European Integration (MIE), institutions of the Republic of Kosovo, including the CAA, provide input in drafting and then apply in annual periods the National Programme for the Implementation of the SAA (NPISAA) arising from obligations assumed through this Agreement and the European integration process.

Pursuant to this plan, the CAA has concluded three legislative measures and one implementing measure during the reporting year. Whereas 17 legislative measures are planned to be carried out during 2017, of which 8 are completely new measures.

b) European Commission's Kosovo Country Report

On 9 November 2016, the European Commission published the Kosovo Country Report. Regarding aviation, the Report states that Kosovo has made substantial progress in aligning with the Acquis and has implemented almost all the requirements of the first transitional phase of the ECAA Agreement, except for a few provisions in the area of economic regulation. In respect of 'Single European Sky' (SES), it is stated that Kosovo has completed the harmonization and implementation of SES legislation and has made progress on SES II. It also notes that Working Arrangements with the European Aviation Safety Agency are still not concluded.

The report further adds that there has been some progress in the implementation of the Law on the Air Navigation Services Agency. However, implementing legislation still needs to be completed including the criteria for leading positions. Air navigation services provider is certified, the report concludes on aviation.

c) SAPD Plenary meeting on the transport sector

On 15 January 2016, the CAA made its contribution in writing to the report sent by MEI to EC in preparation for the sectorial meeting of the Committee on Environment, Transport, Energy and Regional Development in the framework of the Stabilisation and Association Process Dialogue (SAPD), held on 25 February 2016 in Brussels. In response to the EC, the CAA reported on ANSA certification, developments in the implementation of the ECAA, the international cooperation that included the JSPA Initiative, cooperation with Albania and EASA-IPA 3 Project, and certification of air operators.

The report has been supplemented verbally during the meeting of 25 February to report the transposition of Regulation (EC) no. 1070/2009, an action which arose during the last SAPD meeting held in May 2015, and Regulation (EC) no. 1794/2006. In the draft report that came out of the meeting, as remaining actions are mentioned "the fulfilment of some outstanding requirements from Phase I of the ECAA such as the Directive on working time" and "the implementation of the Law on the Agency for Air Navigation Services, focusing on hiring of key personnel and resources", both issues that are not within the scope of the CAA.

On 27 December 2016, the CAA reported to MEI in preparation for the meeting of the SAA Subcommittee on Transport, Environment, Energy and Regional Development, which is planned to be held in February 2017 in Prishtina.

7.7 REACTION TO STATE AID PROVIDED BY MACEDONIA TO AIRLINES

In 2012, the Republic of Macedonia established a three-year scheme to encourage operations of a low cost airline. This scheme was extended in 2014 for the period 2015-2018. Since the subsidies of the Government of Macedonia for the winner of this tender could constitute a violation of EU rules in the field of competition and state aid, given the negative impact that these subsidies could have on the operations of PIA Adem Jashari, the CAA and MI had addressed this issue at various levels, directly with Macedonia and with the European Commission. As reported in section 7.3 above, this was the topic of discussion at the ninth meeting of the Joint Committee of the ECAA Agreement held on 28 January 2016 in Prishtina. However, Kosovo's authorities have never received any decision from the Commission on the concern raised.

On 13 July 2016, the Director General sent the European Commission a legal study, drafted by the CAA, which further built and updated the case elaborating state aid granted by the Government of Macedonia and how it contributes to unfair competition towards PIA Adem Jashari.

Mr. Carlos Bermejo Acosta, Head of unit for aviation and international transport issues in the EC, responded on 21 September stating that he has instructed his services to process this information in consultation with the responsible Commission departments. "The information is really valuable for further examination of this issue", Mr. Acosta states in the letter. "Please be assured that the Commission will do its utmost to prevent any distortion of competition in the Common Aviation Area and to ensure compliance with the applicable provisions of EU law," he concludes. By the year's end, the CAA had not received any conclusion from the review by EC.

In the Country Report on Macedonia for 2016, the European Commission notes that "concerns about possible state aid in the aviation sector should be addressed."

7.8 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 for other state institutions, when necessary.

a) Cooperation with the Parliamentary Commission for EDICI

Parliamentary Commission for Economic Development, Infrastructure, Commerce and Industry visited the Civil Aviation Authority on 25 October 2016. The Commission oversees the activities of the independent agencies reporting to the Parliament, including the CAA.

The Commission members were welcomed by the CAA Supervisory Board headed by Mr. Samet Dalipi and the CAA management headed by the Director General. Chairman of the Board and the Director General informed the Commission about the activities of the CAA during 2016, achievements in EU aviation Acquis transposition as well as about the challenges faced by the CAA.

Chairman of the Commission, Mr. Muhamet Mustafa congratulated the CAA on the great work and confirmed the preparedness of the Commission to offer support in achievement of some of the strategic objectives such as membership in ICAO or in alignment of national legislation with EU

legislative acts. Other matters of great importance for the CAA's scope of work were also discussed at the meeting.



Meeting between the CAA and Parliamentary Commission

b) Cooperation with the Ministry of Infrastructure

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

The CAA is part of the working group on the National Civil Aviation Strategy, appointed by the Minister of Infrastructure, therefore has provided support to MI and contributed to the work of the group.

The CAA has also supported MI in reviewing the Memorandum of Understanding between MI and the homologue Ministry in Hungary on air services between Budapest and Prishtina.

c) Cooperation with the Minister for Dialogue

The CAA has continued to provide its professional support whenever it was necessary within the framework of the activities for normalization of Kosovo's airspace and in drafting strategic documents for the eventual dialogue with Serbia in the field of air transport, facilitated by the EU.

At the request of the Minister for Dialogue, on 18 January 2016, the Director General was part of the delegation of the Republic of Kosovo led by Minister Tahiri in an informative meeting with NATO and EU related to the expected topics of discussion in the dialogue for normalization of relations with Serbia in the field of civil aviation.

The CAA drafted a concept paper for Ministers Mr. Lutfi Zharku and Ms. Edita Tahiri before their meeting with representatives of the NATO International Staff, on 24 February 2016 in Prishtina, on normalization of the lower airspace of the Republic of Kosovo. The meeting was held at the request of the latter in order to discuss with the Government of the Republic of Kosovo NATO plan to normalize the lower airspace of Kosovo, and in this context, to get the approval of the responsible Ministers for starting a series of technical meetings between the Air Navigation Services Agency of Kosovo and the Air Traffic Services Agency of Serbia and Montenegro, facilitated by the International staff of NATO.

No meetings have been held with the Serb side yet.

d) Cooperation with KFOR

Very close cooperation with the KFOR J3 air unit has continued, particularly with regard to the normalization 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 remotely piloted aircraft systems (drones).

e) Cooperation with AAIC

The CAA has provided professional assistance to the Aeronautical Accident and Incident Investigation Commission (AAIC) within Prime Minister's Office regarding the investigation of the accident of Turkish Airlines of 2 May 2016 in Prishtina.

f) Cooperation with aeronautical organisations in Kosovo

During 2016, the CAA held a number of joint meetings with Kosovo Aeronautical Federation. These meetings were aimed at coordinating the activities related to the development of general aviation, licensing of young sports pilots, as well as the possibility of using sports airfields in the territory of Kosovo, with particular emphasis on the possibility of using Batllava sports airfield in Dumosh.

The CAA inspectors have also cooperated closely with the paragliding training organization Kosovo Fly Academy (KFA) not only during the certification process but also during the preparatory phase that KFA had undertaken to build a runway and other associated facilities in the municipality of Istog.

g) Cooperation with Kosovo Police

A series of meetings with Kosovo Police (KP) officials were held regarding the strategy at the state level in terms of reporting and response procedures for cases of aircraft illuminated with laser light in the airspace of the Republic of Kosovo. Advancement of the Memorandum of Understanding on Mutual Cooperation, signed between the CAA, KP and ANSA was also discussed during these meetings. On 13 June 2016, one CAA air operations inspector along with the KFOR unit and Kosovo Police, participated in the awareness campaign "Direction of lasers against aircraft" held at Xhavit Ahmeti School in Gjilan. Furthermore, the CAA and Kosovo Police officials organized four joint meetings in relation to persons operating drones. During these meetings, procedures for issuing licenses to drone operators by the CAA have been harmonised and enforcement and punitive measures in case of legal violations by operators were discussed.

h) Cooperation with Energy Regulatory Office

The CAA Director General, Mr. Dritan Gjonbalaj, and Mr. Krenar Bujupi, Acting Head of the Energy Regulatory Office (ERO) Board, signed on 3 November 2016 a Memorandum of Understanding between the two regulators. Aim of this Memorandum is exchange of technical expertise in the economic regulation area.



From the signing ceremony of the Memorandum of Understanding

7.9 CAA ACTIVITIES AT THE INTERNATIONAL LEVEL

The CAA has participated in almost all regional civil aviation initiatives. These forums have a special significance for our country, knowing that 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 the 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 fully equal partner with 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 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.

A delegation of the Air Safety Department of ACAA visited their counterparts at KCAA on 12-15 April 2016. Officials of the two Authorities agreed to deepen this cooperation through joint audits of operators, licensing of personnel and exchange of instructional materials and other technical documentation. In this vein, the inspectors of the Flight Safety Department (FSD) together with ACAA inspectors have carried out twelve joint safety assessments of foreign aircraft (SAFA) at Tirana International Airport Mother Teresa in October. This cooperation has enabled, among other things, exchange of experiences and knowledge of experts, which will help in continuously raising the level of safety and aviation standards in both countries as well as in the integration processes in international bodies such as EASA.



Kosovo and Albania SAFA Inspectors at Mother Teresa Airport in Tirana

In December, the Aerodromes Department staff of Albanian CAA stayed in Prishtina to discuss *inter alia* the risk to aircraft in the initial take-off phase from the animal world. For this purpose, the wildlife management unit at PIA Adem Jashari was visited to present the practical measures that the operator takes to prevent these risks.

Also in December, four officials from the Air Transport Development Department at ACAA conducted a working visit in Prishtina in order to exchange experiences with the International Cooperation and Aviation Economic Regulation Department in the Kosovo CAA in reporting air transport statistics and monitoring the implementation of the ECAA Agreement.

- **Bilateral cooperation with Croatia**

Two CAA officials responsible for economic regulation, and two officials responsible for finance and budget at ANSA, visited Croatia in January to meet with their counterparts from Croatia CAA and air navigation services provider of Croatia, Croatia Control. The purpose of the meetings was practical training in the application of European rules for determining terminal navigation charge, whose implementation in Kosovo began in early 2016, while Croatia has a multi-year experience in its implementation. The knowledge gained during these meetings have been very helpful during the process of determination of terminal unit charge applicable in the Republic of Kosovo for 2017, which the CAA has carried out for the first time. More in depth on this process can be read in section 7.10(d) of this report.

- **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 2016 between the authorities of the two countries, which was mostly of 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 Civile) in Toulouse. Also, in June an air navigation services expert from the CAA of France supported the CAA inspectors during the audit they conducted of the Air Navigation Services Agency, before recommending its certification.

b) Regional multilateral cooperation

Regional and multilateral cooperation between the aeronautical authorities has proven an added value due to the various benefits from the exchange of experiences and expertise in all fields of civil aviation. Besides the trilateral cooperation with Albania and Macedonia, the activities described below are part of JSPA regional initiative.

- **Cooperation with Albania and Macedonia**

On 22 November 2016, the Director General hosted a meeting with the new Director of Civil Aviation Authority of Albania, Mr. Flamur Çelaj, and the Director General of Civil Aviation Agency of Macedonia, Mr. Goran Jandreoski. Mr. Gjonbalaj congratulated Mr. Çelaj on his new assignment and reiterated the commitment of the CAA to further deepen the excellent cooperation between KCAA and ACAA. He also thanked Mr. Jandreoski for the good cooperation between the two authorities, in accordance with the Memorandum of Understanding signed several years ago by the directors general of civil aviation of the three states.

The three directors have agreed to a more intensive cooperation and exchange of experiences among staff in order to complete the integration of our countries in the European Common Aviation Area.

- The initiative for the creation of the Joint Service Provision Area

The initiative for the creation of the Joint Service Provision Area (JSPA) is a regional project started in 2013. This initiative aims at creating conditions for closer cooperation between CAAs and air navigation services providers in the region, especially in the implementation of the requirements arising from the creation of the Single European Sky.

During 2016 there were two activities under the auspices of preparatory group of the JSPA initiative:

- On 10 May, in Budapest, Hungary, a regular meeting of the preparatory group of JSPA Initiative took place. The meeting was attended by representatives of the secretariat of ISIS II program, RCC, Albania, Montenegro, Hungary and Kosovo. During the meeting a draft cooperation agreement has been proposed, which provides a general framework for cooperation between the participating countries. Cooperation between JSPA, RCC (Regional Cooperation Council), SES 2020 (achievements, plans, activities and financial support) as well as plans and activities to be undertaken by the end 2016 were discussed.
- On 15 December in Vienna, Austria, the meeting of the working group on exchange of experts of aeronautical authorities was held, organized by JSPA Initiative in cooperation with RCC. In addition to the meeting, the representatives participated in the conference on air transport in the Western Balkans, also organized by JSPA and RCC. The conference, held on 16 December in Vienna, mainly covered topics related to European integration of the Balkan region and harmonization of air transport strategies.

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 the EU, within the instruments available to countries that aim EU membership. During 2016, the CAA benefited from EU funding through the ISIS II Programme, EASA IPA 3 Project, BEYOND Project and TAIEX instrument for technical assistance.

- ISIS II program

ISIS Programme (Implementation of Single European Sky in South East Europe) is an initiative funded by the European Commission to support Southeastern European countries in the implementation of the Single European Sky (SES) and the ECAA Agreement. The main objectives of this program are the strengthening and development of the National Supervisory Authorities (NSA) in the region, transposition of SES legislation in the legal framework of the countries of the region, implementation of safety culture and the creation of training standards. The CAA is part of this program since the signing of ISIS between the countries of the region and the European Commission in April 2008. ISIS II program is a continuation of the successful ISIS I program, which was focused on the legislative package SES I. ISIS II Programme aims to provide technical support to countries in the region in the planning and preparation phase for the full implementation of the Performance Scheme for air navigation services from 2020 onwards. Below are reported two activities held in the framework of this program:

- On 19 May 2016 in Prishtina, program experts held a workshop for the CAA and ANSA staff, involved in the implementation of the Performance Scheme. The purpose of the workshop was introduction to Initial Performance Plan (2017-2019), its contents and compilation by each state. ECAA Agreement signatory states had the obligation to submit to the EC the Initial performance plan by 1 October 2016, an obligation which, as can be read below, the CAA has performed on time.
- On 2 June 2016, at the invitation of the European Commission, Director General participated

in the final meeting of the ISIS II Governing Body Program. This meeting was held in Tirana, attended by representatives of the CAA countries benefiting from this program and representatives of ICAO as observers. During the meeting, the completion of the program in February 2017 was announced.

- EASA IPA 3 Project

The technical assistance project funded by the EC and implemented by EASA started in late 2015 and ends on 30 June 2017. EASA IPA 3 Project is a continuation of two previous projects, of which Kosovo has benefited over the years 2009 to 2014, and aims to develop a sustainable system of civil aviation oversight in countries that are parties to the ECAA Agreement and Turkey. During 2016, the CAA professional staff benefited from these activities:

1. Senior management workshop, held on 23-26 May 2016;
2. Middle management workshop, held on 7-10 June 2016;
3. Licensing of aircraft maintenance personnel on-job training, held on 19-20 May 2016;
4. Runway safety workshop, held on 28-29 June 2016;
5. On-job training for airworthiness inspectors, held on 6- 8 September 2016;
6. Workshop on EASA Regulation no. 139/2014 on aerodromes, held on 4-5 October 2016;
7. Seventh pan-European meeting, held on 14-15 November 2016;
8. Second meeting of the project Steering Committee, held on 16 November 2016.

- BEYOND project

BEYOND is an international cooperation project funded by the European Commission through the European Agency for Global Navigation Satellite Systems (European GNSS Agency - GSA), which represents an important asset to support the GSA in the implementation of the Galileo European Global Navigation Satellite System. Kosovo is a beneficiary of this project, and in 2016 two activities listed below took place:

- On 23 February 2016, in Podgorica, Montenegro, the workshop titled “PBN Strategy in GNSS” took place. Topic of the meeting was presentation of work undertaken so far by participants within this project.
- On 27 May 2016, in Rome, the workshop “Scenarios of the Future” took place. Topics of this meeting were: a collection of scenarios for future EGNSS, LVP200 performance and coverage area, and improvement of performance using Galileo and double frequencies.

- TAIEX technical assistance

During 2016, the CAA personnel benefited from several workshops or trainings funded by TAIEX, as follows:

- On 3-4 February 2016, Macedonia CAA organized in Skopje a regional workshop on EU legislation in the field of airworthiness. At the invitation of TAIEX, the training was attended by the CAA flight safety inspectors;
- On 20-21 April 2016, Macedonia CAA organized in Skopje a regional workshop on EU legislation in the field of airport and ANS charges. At the invitation of TAIEX, the training was attended by CAA economic regulation officials;
- On 13-15 September 2016, Kosovo CAA organized the workshop “Design and Optimisation of Airspace” in Prishtina. The workshop brought together participants from the CAA, ANSA, Albania, Montenegro, Macedonia, Hungary and the Czech Republic;

- On 12-16 September 2016, the CAA aerodrome inspectors conducted a study visit to Edinburgh, Scotland regarding firefighting services at airports.



From the study visit of aerodrome inspectors in Scotland, realized through TAIEX

7.10 REGULATORY 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. Next, a brief overview of the regulatory activities of the CAA in the field of aviation safety will be given, 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 providers and groundhandling providers will also be given.

a) Flight Safety

During 2016, Flight Safety Department (FSD) has worked intensively in the drafting of 16 draft regulations, which derive from the latest update of the European Common Aviation Area (ECAA) Agreement. All these draft regulations are expected to enter into force during 2017. In addition, FSD has worked intensively on the design of new instructional materials, which facilitate the implementation

of new regulations. There are a total of 4 new manuals, along with about 200 forms, procedures and relevant checklists, which have been completed and are being implemented.

- Inspection of foreign aircraft on the apron

In accordance with Article 50 of the Law on Civil Aviation, the CAA inspectors have conducted 54 Safety Assessment of Foreign Aircraft (SAFA) at PIA Adem Jashari .



CAA inspector during SAFA inspection on the PIA apron

The aircraft of the following airlines were inspected:

Austrian Airlines (AUA); Bulgaria Air (LZB); Time Air (TIE); Easy Jet Switzerland SA (EZS); Smartlynx Airlines (ART); Germanwings (GWI); Adria Airways (ADR); EasyJet Airline Ltd UK (EZY); Belair Airlines AG (BHP); Pegasus Hava Tasimaciligi A.S. (PGT); Germania Flug (GSW); Travel Servis Skytravel (TVS); Germania Fluggesellschaft (GMI); MHS Aviation GmbH (MHV); SunExpress (SXS); SunExpress/leased to Turkish Airlines (THY); Corendon Airlines (CAI); Freebird Airlines (FHY); OnurAir (OHY); Norwegian Air Shuttle AS (NAX); AviroAir Airlines (AVG); Air Bucharest (BUR); Swiss International Air Lines (SWR); Scandinavian Airlines System (SAS); Air Alliance Express (AYY); Helvetic Airways AG (OAW); Atlasjet Airlines (KKK); Tuifly (TUI); Aviostart Ltd (VSR); JetairFly (JAF); Croatia Airlines (CTN); Air Pink (PNK); Cobrex (CBX); Aero-Dienst (AND); Jet Story Sp. (JDI); Edelweiss (EDW); Balkan Bulgarian Airlines (LAZ); Fly 365 Aviation (FLA); SprintAir (SRN); Enter Air (ENT); Small Planet (LLX); Bul Air (BVL) and SunExpress Deutschland (SXD).

During these inspections, no category three findings (with major impact on safety) were identified nor any findings of the second category (with considerable impact on safety).

Only two findings of the first category (with small impact on safety) have been identified and the pilot-in-command was informed of these findings and appropriate measures were requested.

- Auditing of aviation operators

On 23 May 2016, inspectors of the Flight Safety Department have conducted an audit of the organization Kosovo Fly Academy to assess its eligibility for certification as a training organization for paragliders. On 14 June 2016, Kosovo Fly Academy was certified as an approved paragliding training organization.

Organizations listed below have been audited in order to continue the validity of certificates for dangerous goods Approved Training Organizations:

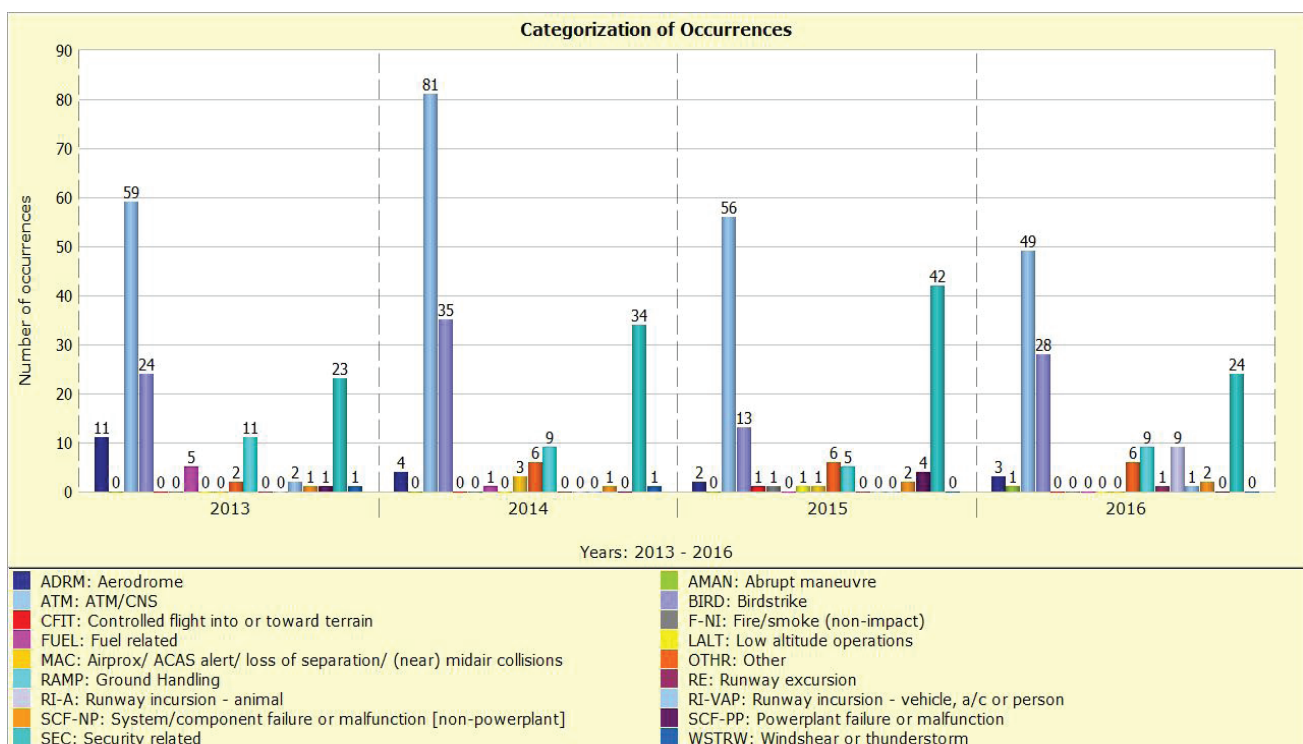
- College of Applied Sciences Tempulli on 24 November 2016;
- PIA Adem Jashari on 8 December 2016;
- Turkish Airlines on 23 December 2016.

• Occurrence reporting in aviation

With the aim of increasing aviation safety by preventing accidents and incidents, the CAA manages the system of occurrence reporting in civil aviation, whereby it collects information relevant to the safety of civil aviation, their processing, investigation, analysis, storage, exchange and dissemination, excluding attribution of blame or liability. This activity does not include serious incidents and accidents, which are the competence of the AAIC. Based on the analysis of the information collected, the CAA identifies the risks that may threaten safety of aircraft and persons within or outside the aircraft and takes adequate safety measures in due time.

Occurrences which may pose a significant risk to aviation safety and which relate to the operation of aircraft; technical conditions, maintenance and repair of aircraft; air navigation services and equipment; aerodromes and ground services; are mandatory to be reported by the relevant persons involved in these four categories of aviation. While details of the occurrence, which may not be included in mandatory reporting, and other information related to safety, which are perceived by the reporter as a real or potential threat to aviation safety, are collected through voluntary reporting from other persons who are not included in the four categories mentioned above.

During 2016, the CAA received 130 reports of occurrences in aviation. This number is smaller than the number of occurrences reported during the previous four years (132 occurrences in 2015, 174 in 2014 and 134 in 2013). On 4 August, the CAA processed the thousandth occurrence report since 2006, and by the end of 2016 the total number reached 1,063 occurrences.



The graph extracted from the database - Occurrences reported are divided by category (aviation sector)

Occurrences reported are divided by category (aviation sector) and together with occurrences of the past three years are shown in the graph above, which is extracted from the ECCAIRS 5 software (European Co-ordination Centre for Aviation Incident Reporting System (ECCAIRS) CAA database.

From the graph, we can see that occurrences associated with air traffic management (ATM) have continued to decline, while the number of bird strikes (BIRD), after a decline, is back to a high average level. Also, it can be noted that laser attacks (lighting of aircraft with laser light), included in the category (SEC), have declined considerably approaching the 2013 level. In 2016 a new category emerged (RI-A), unreported in the previous three years, associated with the introduction of animals on the runway and other manoeuvring areas at PIA Adem Jashari, under which 8 occurrences are reported of entry of dogs and one of a bird. Likewise, another kind of occurrence has emerged: unauthorized drone activity, with two such occurrences included in the category Other (OTHR). Three out of the total reported occurrences are included in two categories.

- 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 2016, a total of 58 permits for the transport by air of shipments containing dangerous goods were issued to airlines operating at PIA Adem Jashari.

Fifty-four permits were issued to Turkish Airlines, three to Pegasus Hava Tasimaciligi A.Ş. and one to Croatia Airlines.

These permits were issued to airlines that transport shipments to Kosovo for consignees, which have been previously licensed and also obtained permit to import weapons and ammunition, issued by the MIA.

The CAA was focused on the implementation of the legal requirements arising from Regulation no. 8/2014 on the conditions and methods of transporting dangerous goods by air, related to the certification of air operators who transport dangerous goods by air as well as service providers of ground handling and cargo handling agents of dangerous goods. In this regard, on 7 September 2016, a CAA airworthiness inspector participated in the round table “Universal services and liberalization in a competitive postal market”, organized by the Tempulli College, where he presented requirements of Regulation no. 8/2014 regarding training of mail staff, express mail services staff and dangerous goods handling agents staff.

The CAA has reviewed the updated training materials of PIA Adem Jashari dangerous goods course intended for passenger handling staff (ICAO Category 9) and the security screening staff (ICAO Category 12), and on 23 February 2016 has formally approved these changes. Registration numbers were issued for 60 course participants. Approval of this course was valid until 31 December 2016.

During March, the CAA monitored PIA Adem Jashari’s initial course on dangerous goods of for passenger handling staff (ICAO Category 9) and the security screening staff (ICAO Category 12).

On 3 June 2016, the CAA staff met with representatives of freight forwarders, express mail couriers and shippers of dangerous goods, regarding training needs of their staff, in accordance with the provisions of the CAA Regulation no. 8/2014 on the conditions and methods of transporting dangerous goods by air. They were invited to the meeting to understand the necessary level of training, depending on whether or not they process shipments of dangerous goods via air transport through PIA Adem Jashari. Some of them have provided evidence of completed training, while the rest is aware of the need for training based on the requirements set by the CAA.

Course materials of PIA Adem Jashari LKIA dangerous goods training, intended for platform and

storage personnel (ICAO Categories 8 and 5) have been assessed and on 13 October 2016 this periodic course held in Albanian language, was approved.

A list of express mail couriers and freight forwarding agents has been compiled and their staff trained for handling of dangerous goods for transport by air identified.



Paragliding activity

• General aviation oversight

During the year, the number of general aviation activities has increased, which includes GAT-VFR flights, paragliding, drone operations etc. These activities have undergone the approval process by the CAA, in accordance with Law on Civil Aviation and other relevant regulations. Below are more details on these activities.

GAT-VFR flights

Thirty-nine applications were received for general aviation flights, which operate under visual flight rules (VFR). Thirty-five of these applications were approved in coordination with KFOR's J3-Air unit.

Licensing of paragliding pilots and paragliding activities

Flight safety inspectors worked on updating and supplementing the catalogue of theoretical test questions for paragliding pilot license and instructor privileges. This catalogue is supplemented with additional questions for the category of paragliding instructors. The updated catalogue has been published on the official CAA website on 16 March 2016.

On 26 March, a theoretical test was organized for new applicants for paragliding license and for candidates who have applied for paragliding instructor grade. A total of 16 candidates participated in the test and successfully passed the theoretical test. In the practical part of the exam, held in the Golesh Hill near PIA Adem Jashari on April 13, all 16 candidates successfully passed the practical test.

The following Kosovo Aeronautical Federation applications for paraglide activities were approved:

- 5th Paragliding National Championship, held on 15-16 April 2016;
- 6th Paragliding National Championship, held on 2-3 July 2016;
- International Paragliding Championship, held on 5-6 November 2016.

Activities with remotely piloted aircraft systems

In 2016, twenty-eight applications for approval of activities with remotely piloted aircraft systems (RPAS), also known as drones were received. The approval of these activities was done in accordance with requirements deriving from the Regulation no. 6/2014.

• Aviation medicine

Aviation medicine sector operates within the Flight Safety Department and is responsible for verifying

the health condition of some categories of personnel that are licensed by the CAA.

On 18 January 2016, an inspection of the Aero-Medical Centre in the city of Gjakova was carried out. This inspection was conducted according to the requirements arising from the CAA Regulation no. 5/2015, which determines the technical and administrative procedures related to civil aviation personnel.

After conducting a medical examination of the applicants in the Gjakova Aero-Medical Centre, aviation medicine sector has issued medical certificates as follows:

- Extended Class 3 medical certificates for seven air traffic controllers of ANSA;
- Issued Class 2 medical certificates to nine members of Kosovo Aeronautical Federation;
- Five members of the cabin crew of Slovenian airline Adria Airways have been equipped with medical reports;
- Issued Class 2 medical certificate to a helicopter pilot of Shega Air from Albania;
- Extended by one year the validity of Class 3 medical certificate of an "Alb-CONTROL" air navigation services provider of the Republic of Albania controller.

In accordance with the Memorandum of Understanding with Albania CAA, since 2014 aviation personnel licensed by Albania CAA uses the services of Aero-Medical Centre in Gjakova for aero-medical examinations. Also, starting from February 2014, services of aero-medical examinations of this centre are also being used by cabin crew of Slovenian airline Adria Airways.

During this period, the privileges of authorized medical examiner (AME) Dr. Naim Bardiqi have been extended and are valid for 3 years, as required by the CAA Regulation no. 5/2015 and CAA Regulation no. 5/2012.

- Banned aircraft in Kosovo

According to Article 45 of the Law on Civil Aviation, aircraft of airlines which were banned by the EU to operate within the EU airspace 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 2016, no flight has been carried out by any airline from this EU list within the airspace of the Republic of Kosovo.

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

License/certificate/permit	LCA Reference / Regulation	Number
Transport of dangerous goods by air permit	Article 57	58
General aviation operation permit (GAT VFR)	Article 2 and 75	35
Remotely piloted aircraft system permit (RPAS)	Regulation 6/2014	28
Paragliding pilot license	Regulation 1/2012	16
Medical certificate, Class 3	Article 37	7
Medical certificate, Class 2	Article 37	10

Presentation of certificates and permits issued by the CAA for 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 to PIA Adem Jashari – Air Control JSC. This agency provides air traffic control services (ATC), communication, surveillance and navigation services (CNS), aeronautical information services (AIS) and meteorological services (MET) in the lower airspace of Kosovo. ANSA currently employs 32 air traffic controllers licensed by the CAA in accordance with Regulation no. 5/2012.

- ANSA Certification

ANSA certification by the CAA is an obligation that stems from the currently enforced legislation (CAA Regulation no. 12/2010). The goal of the certification process is to verify that the safety level of provided services remains constantly at an acceptable level, which ensures the safety of air transport in Kosovo.

After receiving confirmations from the ANS Department and the ICAER Department that all safety and economic-financial requirements for certification have been met, as well as from the Ministry of Interior Affairs regarding requirements on security, on 19 August 2016 the Director General issued the certificate to ANSA. This certificate is valid 5 years from the date of issue, and covers the following services: air traffic 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 in accordance with Regulation no. 9/2009 and Regulation no. 7/2012, which transpose into the national legal framework EC Regulation no. 550/2004 and EC Regulation no. 1035/2011, respectively.

The certification process began in 2011, when ANSA, which at the time was a Publicly Owned Enterprise (POE), submitted the application for certification for the first time. Since then, ANSA continued submitting the relevant documentation, such as certification questionnaires required by the CAA, as well as documents pertaining to the organisation, which were updated continuously. During this period, the ANS Department performed eleven safety audits at the organisation, as foreseen by the Certification Process. Results from the last audit held during the period 16-22 June 2016 and results from previous audits confirmed that the sole provider of air navigation services of Kosovo fulfils all safety requirements for certification.

The CAA has been reluctant to certify ANSA until the end of 2015, due to its weak financial stability as a POE, and the negative effect the financial situation could have on the safety of operations. Nonetheless, the position of ANSA with respect to the certification requirements on financial and economic stability improved in 2016 due to the fact that ANSA is now an independent budget organisation included in the Budget Law of Republic of Kosovo. This status enables ANSA to cover all operational and capital costs and makes it eligible to benefit from grants destined for capital investments, which are necessary to prepare ANSA for the provision of services in the upper airspace of Kosovo in the future.

The CAA will continuously monitor ANSA to ensure that the validity of the certificate is maintained and to guarantee that all international standards, safety as well as economic requirements, are continuously met. If at any time the level of provided services is degraded or standards are not properly met, the CAA has the right to revoke the certificate.

- Continuous Oversight of ANSA

Within the scope of continuous oversight of Air Navigation Services Agency, during 2016 the CAA inspectors have conducted one audit and one inspection visit. Additionally ANSA was also subject



Ceremony of certificate delivery to ANSA

of the EASA assessment visit:

- In 13 January 2016 an inspection visit was conducted at ANSA, with the purpose of requesting and verifying some additional documents related to the Safety Case submitted to the CAA concerning change CH/2013/06, regarding the Relocation of TWR and APP units to the new location. These documents concerned the evidence required regarding necessary training for controllers and technical staff. The visit also covered some occurrences which were reported in December of the previous year, and which were under CAA investigation.
- During the period 16-22 June, the CAA conducted a planned audit at ANSA. This audit was supported by Mr. Franck Giraud, an expert from French CAA, within the scope of the Cooperation Agreement signed between the two CAAs. The main objective of the audit was to verify the overall implementation of the requirements of Regulation no. 7/2012 on the conditions for the provision of air navigation services, with a special emphasis on the requirements of Annex II of this regulation. In particular, taking into consideration the decline in occurrence reporting trend, the auditors focused more closely on those parts of the regulation which address the reporting and investigation of occurrences, distribution of lessons learned and the implementation of recommendations resulting from occurrence investigation and safety assessments. Overall, the audit team was very satisfied with the cooperation shown by ANSA staff in sharing information and providing requested documentation. The auditors reported that there was an overall positive approach to continuously improving safety at ANSA. During the audit no new findings were identified and one previous finding was closed.
- Certification of ANSA as a Training Organisation

On 18 October 2016 ANSA submitted its application for certification as a Training Organisation (TO), in accordance with Regulation no. 5/2012. Together with the application, ANSA submitted all relevant documentation as required by the Regulation and the CAA internal procedures. The CAA has reviewed the submitted documents and considers the application to be acceptable. Since several

findings were identified at ANSA TO during the EASA audit, the CAA requested ANSA amend the Unit Training Plan (UTP) and the Unit Competency Scheme (UCS). The certification process will continue during 2017.

- EASA assessment audit

During the period 21-25 November 2016, the European Aviation Safety Agency (EASA) conducted an assessment visit at Kosovo CAA, with a special focus in the field of air traffic management (ATM) and air navigation services (ANS). This visit was another step in the formalization of the relationship between the Kosovo CAA and EASA. The objective of the audit was to assess the situation at the CAA and ANSA with regards to the implementation of requirements stemming from EU legislation, transposed by the CAA into the national legal framework of Republic of Kosovo.

During the audit, the auditing team composed of three experts from the ANS field, visited the ANS Department in the CAA and ANSA, as well as meeting with the CAA ICAER Department, responsible for economic regulation of ANSA, and the Ministry of Internal Affairs, which is responsible for aviation security. During the audits, special attention was paid to the following processes: ATC licensing and certification of training organisations, certification and continuous oversight of ANSA through regular planning of audits and review of changes. In addition to these processes, the auditing team verified the implementation of regulatory requirements regarding the CAA organisational structure as well as issuance of regulations according to EU legislation and ICAO international standards. During the visit at ANSA, the auditors had the opportunity to assess the level of implementation of relevant regulations at ANSA, as well as assess the results and effectiveness of the CAA oversight.

The CAA has still not received the official report from EASA regarding the visit; however, during the closing meeting, the auditing team notified the CAA that they had identified 23 observations at the CAA and 18 at ANSA. Out of these observations, only one, concerning stress management at work, was considered to have a serious impact on safety, and the CAA took immediate steps to address it. The EASA auditing team thanked the CAA for the cooperation and hospitality and praised the CAA staff for its dedication and willingness to continuously improve. The number of observations, according to the EASA team, was consistent with the average number of observations identified at EU member states.

On 2 December 2016 ANS Department drafted a corrective action plan to address each EASA observation, and on December 8, a meeting was held with ANSA to discuss the observations identified at the organisation and ways to address them.

- Changes to ANSP systems

Provision of air navigation services is very sensitive to the risks that may occur during daily operations. 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 the CAA Regulation no. 6/2012, which transposes EC Regulation no. 1034/2011, 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 2016, the CAA was not notified of any change planned in ANSP systems, but has conducted continuous monitoring of changes notified earlier. In particular, the CAA reviewed the following change: CH/2013/06 "Relocation of TWR and APP units". After careful review and consideration of submitted documentation and Safety Case, and after verifying during audits and inspection visits, that

all safety recommendations were implemented, the CAA formally accepted the entry into operation of the change on 15 January 2016.

- 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 Republic of Kosovo. Considering the importance of 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. 5/2012 on licensing of air traffic controllers. The requirements are mainly related to the level of professional competency, respectively to attendance of professional refresher 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 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 a license. The CAA is obliged to ensure a high level of safety in providing air navigation services in the Republic of Kosovo airspace, therefore it verifies the fulfilment of these requirements on a yearly basis and licenses air traffic controllers accordingly. 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.



ANSA air traffic control tower

During 2016, the CAA has revalidated assessor ratings for 3 ATC, has issued instructor (OJTI) ratings for 10 ATC, revalidated unit ratings for 5 ATC, and in December renewed the unit ratings for 26, as shown in the table below.

Licensing of Air Traffic Controllers (ATC)	Number of licenses
Renewal of ATC licenses	26
Revalidation of ratings	3+10+5
Licensing of ATC students	0
Licensing of ATCs	0

- **ANS National Performance Plan**

With the entry into force of the CAA Regulations no. 1/2016 and 3/2016 in January 2016, the CAA started working towards implementation of Performance Scheme for air navigation services. The scheme envisions long-term performance planning and target setting for four key performance areas: safety, capacity, environment and cost-efficiency.

The transitional phase will be implemented in the period 2017-2019, with full implementation of the Performance Scheme expected to start from 2020, in accordance with Reference Period (RP) 3. During the transitional phase, the CAA will draft and sign the Initial National Performance Plan, and will monitor the fulfilment of performance targets, while collecting statistical data for future implementation. Starting from 2020, the Republic of Kosovo will be required to fully implement the Performance Plan, guarantee that performance targets set at the European level will be met, and monitor the implementation of the Performance Plan and report annually to the European Commission.

A detailed roadmap to support the full implementation of the Performance Scheme, was drafted with the support of the ISIS II Programme, and was approved and signed as an official document titled "Kosovo Country-specific Roadmap towards the implementation of the SES Performance Scheme".

In August 2016, a consultation meeting was held in Brussels, with representatives of the European Commission and the Performance Review Body (PRB), which is responsible for reviewing and approving performance plans at the European level. At the meeting the following topics were discussed: Kosovo's special situation regarding the implementation of the performance regulation, Kosovo upper airspace, and coordination and exchange of information with the Network Manager which operates within the PRB and is responsible for planning and management of European air traffic.

Working groups composed of the CAA and ANSA experts worked together in collecting the necessary data for compiling historical trends in three key performance areas: safety, capacity and cost-efficiency (performance indicators regarding environment are not currently applicable in Kosovo). After historical trends were obtained, working groups were able to propose initial performance targets in these three performance areas for the next three years (2017-2019). The proposed targets were discussed in three consultation meetings held with ANSA during September. After agreement on the values was reached, a finalised version of the Initial Performance Plan was submitted to the PRB on 30 September 2016 for further evaluation.

- **Aeronautical Information Publication**

Pursuant to the CAA Regulation no. 5/2013 for the implementation of Annex 15 of the International Convention on Civil Aviation for aeronautical information services, the CAA is responsible for publishing the document Aeronautical Information Publication, known by its English acronym as

AIP. This is a state document of great importance in which all information regarding a country's aviation is published. The document contains three chapters: the first chapter contains general information about aviation; the second deals with the airspace; whereas the third chapter consists of detailed specifications for each airport/heliport, including aircraft flight procedures.

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 in certain cycles every 28 days, through the so-called Aeronautical Information Regulation and Control - AIRAC, and become effective every 56 days.

During this year, within the Aeronautical Information Publication, five amendments and one AIRAC cycle were approved and published. The following were published: AIP AMDT 01/2016, which entered into force on 28 April, AIP AMDT 02/2016 which entered into force on 23 June, AIP AMDT 03/2016 which entered into force on 15 September, AIP AMDT 04/2016 which entered into force on 10 November, and AIP AMDT 05/2016 which entered into force on 18 November. AIP AIRAC 01/2016 cycle was also published, which became effective on 12 February 2016.

The current and updated publication of aeronautical information is accessible at any time on the official CAA website.

c) Aerodromes

Regulatory and safety airport supervision is achieved through certification, approval and registration of aerodromes, approval of groundhandling providers, conduct of audits and inspections, as well as through the monitoring of activities to verify and ensure compliance with relevant legislation and standards.

PIA Adem Jashari was certified on 1 December 2008 by the CAA as an international airport in accordance with the Law on Civil Aviation and CAA Regulation no. 1/2008 on aerodromes. In 2011, the airport was given under concession and its management was transferred into the hands of the private operator, Turkish-French consortium Limak - Aéroports de Lyon (International Airport Limak Kosovo JSC). On 8 November 2013, based on legal requirements, on the occasion of transfer of operations at the new terminal, the CAA amended the operator certificate of Limak Kosovo International Airport JSC (LKIA).

Pursuant to Regulation no. 4/2011 on access to the groundhandling market, on 1 January 2012, the CAA approved Ex Fis LLC as a fuel supplier at Prishtina Airport, whereas on 1 June 2012, the CAA approved operator LKIA of PIA Adem Jashari for provision of groundhandling services in several categories.

On 28 August 2014, the CAA approved the first heliport in Republic of Kosovo. The operator Kosovo Air Service LLC was authorised to operate the heliport located in the village of Përlepnica, Gjilan, within the business complex Vali Ranch.

However, on 21 September 2016, the CAA received official notification from the Executive Director of Kosovo Air Service LLC, related to the termination of operations at the heliport. Based on the received letter, pursuant to Articles 14.2 and 21.2 of the Law on Civil Aviation and in accordance with Article 10.2 of the Regulation no. 3/2012 on approved aerodromes, the CAA decided to revoke the heliport approval. This information has been sent to the aeronautical information service (AIS), to reflect the cancellation on the Aeronautical Information Publication (AIP).

- Continuous safety oversight of aerodromes

According to the plan of activities for regular oversight of PIA Adem Jashari, groundhandling providers and Heliport Vali Ranch, in order to verify organizational competency and their capacities, Aerodromes Department conducted ten inspections and a regular audit in 2016.

LKIA's audit as a groundhandling service provider is meant to verify the practical implementation standard safety procedures for groundhandling services, practical verification of personnel competency and equipment for provision of these services.

The above mentioned inspections were focused on the verification of the implementation of applicable standards for the PIA Adem Jashari as operator, such as wildlife management services, implementation of procedures for monitoring of objects inside and in the vicinity of the airport, that potentially may be considered as operating obstacles, implementation of procedures and measures for the supervision of power supply systems at the airport etc. Aircraft fuelling service and Vali Ranch heliport in the village of Përlepnica, Gjilan were also inspected.

The Aerodromes Department assessed the new procedures for aircraft fuelling, approved LKIA's training program, held meetings with KFOR related to the implementation of the military heliport project, and safety assessments were approved on the implementation of various projects and airport procedures, manuals, maps etc. As part of the inter-institutional working group, appointed by the Government, the feasibility study for the extension of the runway and the upgrade of the category of the runway at PIA Adem Jashari from precision approach runway CAT II into "precision approach runway CAT IIIb" was carried out.



US Air Force C5 Galaxy, one of the largest planes to have operated at PIA

- High-voltage line project nearby Gjakova Airport

The CAA continued to closely cooperate with the Transmission System and Electricity Market Operator (KOSTT) regarding the previously approved by the CAA 400 kV high-voltage line project between Albania and Kosovo that passes nearby Gjakova Airport.

KOSTT was given professional support in the interpretation of the requirements for marking of obstacles in accordance with Regulation no. 2/2010 on marking of the obstacles, amended and supplemented by Regulation no. 2/2013.

During April, the CAA inspectors controlled and verified the marking and painting of the high voltage line and noted that the marking of the 400kV line was being conducted in accordance with the project approved by the CAA including painting of the poles, placement of red-white spheres and lighting.

- Supervision of constructions in the airport protective zone

Within its responsibilities to regulate the airport protective zones, the CAA continued to monitor the implementation of Regulation no. 5/2010 on airport protective zones as amended and supplemented by Regulation no. 4/2016 and implementation of Regulation no. 2/2010 on marking of obstacles as amended and supplemented by Regulation no. 2/2013.

During 2016, several assessments were received by PIA Adem Jashari LKIA for construction within the airport protective zones, as the case is with an object from Albanian Display in the Harilaq village, Fushë Kosovë, dislocation of the apron floodlights at the KFOR heliport and placement of an antenna for KFOR needs. The CAA has evaluated and reviewed in detail the documentation received with respect to possible obstacles that these facilities may pose to the safety of PIA operations, after ensuring that construction would not affect the safety of civil aviation operations, the CAA has issued approvals.

On 20 October 2016, a German company submitted a request to the CAA for evaluation of the project proposal for construction of a wind turbine farm in the village Selac, Bajgora Mountains, for potential obstacles that these turbines may cause to the operations of Prishtina International Airport. Following close cooperation between the CAA Aerodromes and Air Navigation Services Departments, and based on preliminary assessments received from PIA Adem Jashari and ANSP, the preliminary approval related to the proposed project was given on 16 November 2016. Applicant was advised about the requirements and conditions to be fulfilled, based on the applicable legislation of the Republic of Kosovo to obtain final approval for this project.

As part of this assessment, and after the installation of a meteorological mast for wind measurements, approved earlier by the CAA, Aerodromes Inspectors verified the site to confirm the fulfilment of the requirements for marking of high objects based on requirements in force. The CAA will continue to follow the implementation of this project.

- Assessments of the applications for heliports construction

Three applications - expressions of interest, for construction of heliports were received: first one within the American Hospital complex in Prishtina, another in the Municipality of Podujeva and one in the Municipality of Peja. While the first application was related to the provision of emergency medical services, two others have been intended for the development of recreational activities.

After review and assessment of all applications, the CAA has advised the applicants and presented all the requirements and standards that should be met, to obtain heliport approval based on Regulation no. 3/2012 on approved aerodromes.

- Approval of LKIA's professional trainings

Pursuant to Regulation no. 1/2014 on professional training of employees and other aerodrome contracted workers, providers of ground handling services, and users of aerodrome services providing self-handling of ground handling services, LKIA applied for approval of professional trainings for different services at the airport, such as baggage handling services, push-back operations of aircraft,

marshalling, aircraft movement, ramp operations, passenger bridge operations etc. During this process, Aerodromes Department evaluated the received documentation and held regular meetings with the operator. Following evaluation of documentation, the CAA approved these training programs.

d) Economic Regulation

The CAA is responsible for the economic regulation of airports and air navigation services providers in the Republic of Kosovo. Economic regulation of these operators means the measures that are undertaken by an aviation regulator to ensure that the charges levied by the airport and the air navigation services provider on airlines are set in a reasonable, transparent manner and are applicable to all without discrimination. Moreover, the regulator ensures that these charges are set only after providers and service users consult each other by exchanging information in a transparent manner. The CAA only regulates and approves aeronautical charges related to the services which an airport or an air navigation service provider offers exclusively without competition, such as 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.

- Economic oversight of the airport

The analysis of audited financial statements on the financial situation of the airport operator at the end of 2015 showed the positive business and financial viability of the airport. It has also been checked that the insurance policy, with adequate coverage on damages that the airport may cause, was extended in time. This is another important element of economic oversight of licensed operators in the field of civil aviation.

After evaluation of the proposal of the airport operator, on 15 February 2016, the CAA approved PIA Adem Jashari Incentive Program 2016-2018 which should be offered to all airlines already operating and those that are planning to operate at this airport. This incentive program is valid from 27 March 2016 until 24 March 2018. Executive Decision approving the program along with the Incentive Program itself has been published in the CAA official internet site.

Incentive Program 2016-2018 includes the following:

1. New route incentive;
2. New frequency incentive;
3. Additional volume incentive;
4. Incentive for basing aircraft in Prishtina;
5. Off-peak operations incentive;
6. Financial support for marketing new destinations or frequencies.

Airlines fulfilling the criteria specified in the program can apply for one or more incentives. Depending on the incentives for which they apply, airlines may benefit from exemption to pay landing charge for two years as is the case with the new route/frequency incentive or they can benefit financially for every additional passenger they carry according to a specified scheme in the program. The CAA issued the decision to approve this program only after it had ensured that the proposed criteria were not discriminatory to any airline. The CAA also ensured that airlines were properly consulted by the airport operator for this incentive program in accordance with the CAA Regulation no. 3/2015 on airport charges. Financial incentives are often used by the airport operators in Europe to stimulate increase of passenger traffic.

The CAA Director General has been invited to present the Incentive Program in front of the Public Private Partnership Committee on 9 March 2016. During the presentation, the Director General gave



details, not only on the administrative procedure followed to approve this program but also on financial costs and benefits foreseen to be generated by the program implementation.

- Economic oversight of the ANSP

Based on Law no. 04/L-250 on Air Navigation Services Agency (ANSA), Public Enterprise PIA Adem Jashari – Air Control has been transformed into a governmental agency beginning in 2016. The CAA has analysed the 2015 audited financial statements of the public enterprise that was operational until the end of 2015. The audit company issued a qualified opinion on a number of issues presented in the financial statements of Public Enterprise PIA Adem Jashari – Air Control which could not be verified or with which it did not agree.

Based on the audited financial statements, the public enterprise did not have financial sustainability during 2015 due to, among other reasons, inheritance of legal proceedings with considerable financial impact. Transformation of the enterprise into a governmental agency since 1 January 2016 ensures eligibility of the agency to qualify for governmental grants which is expected to help ANSA in carrying out its capital investments.

The CAA Regulation no. 3/2016 on common charging scheme for air navigation services entered into force on 25 February 2016. This regulation transposes into the national legal order EC Regulation no. 1794/2006 with the same title and is part of EC's SES I (Single European Sky) legislative package. Based on this regulation, ANSA can cover its operational and other costs deriving from the provision of the air navigation services to aircraft flying in the Republic of Kosovo airspace through a charge that is levied on airlines. This charge is proposed by ANSA and determined by the CAA every year for the subsequent year. By implementation of this regulation, the CAA Director General issued on 30 December 2016 the Executive Decision no. 11/ZDP/VE/2016 determining the amount of the terminal unit rate in the Republic of Kosovo applicable as of 1 January 2017. This charge is levied on airlines by ANSA for the terminal air navigation services it provides in the airspace of the Republic of

Kosovo. Under the assumption that terminal services units will increase at a rate of 10% in 2017, total costs approved by the CAA for ANSA are 3.7 million Euros. The CAA has made the decision after it had evaluated two ANSA proposals for the amount of the terminal unit rate in 2017 as well as the consultation with airlines, pursuant to Regulation no. 3/2016. Implementation of this Regulation is expected to promote operational and financial efficiency of ANSA.

Regarding risk insurance which is a requirement for every certified service provider, the ANSP demonstrated that it has an adequate insurance policy, valid for 2016, to cover its liability for damages that may be caused to airlines and third parties during the performance of service.

- **Economic oversight of groundhandling providers**

There are two groundhandling providers 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 with fuel. Both operators are in constant supervision by the CAA on the maintenance of safety and economic criteria.

Both of these companies, through independent auditors' reports, reviewed by the CAA have demonstrated a stable financial situation, and moreover have demonstrated fulfilment of Article 4 of the CAA Regulation no. 4/2011 on groundhandling market, which stipulates that in cases when the operators provide other services as well, the financial accounts for groundhandling should be separated from other activities they provide.

It has also been ensured that Ex Fis LLC is equipped with an insurance policy and has valid coverage for damages it may cause to parties during service performance.

7.11 LEGISLATIVE ACTIVITY

The CAA differs from other independent agencies due to its legislative competencies. Based on the competencies vested by Law No. 03/L-051 on Civil Aviation, the CAA is authorized 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.

Consequently, during 2015, as in previous years, the CAA continued with the issuance of regulations which have made possible the adoption of several international standards of civil aviation in the Republic of Kosovo as well as regulation of some important areas for the civil aviation in the country. The CAA has designed a model of adopting these standards which has been lacking in the practice of law in the country and beyond. The Chicago Convention SARPs are applicable in the Republic of Kosovo via the Law on Civil Aviation, but considering that each of these standards contains parts that may not be applicable in our country (e.g. hydroplanes operations at sea), which therefore should be excluded, the CAA has designed a model of adopting all standards that can be applied, excluding those that are not applicable. Moreover in order to increase safety standards, through the CAA implementing regulations, the implementation of a number of practices recommended by ICAO, not mandatory to the states, has become obligatory. This model is in compliance with Chicago Convention. Hence almost all SARPs of Chicago Convention have become applicable in the Republic of Kosovo legal order. With this, the legal framework for civil aviation regulation in our country is considerably closer to completion.

Since 1 January 2016, the CAA is transposing EU legislation in full compliance with the provisions of the Government Administrative Instruction no. 03/2013 on standards for the drafting of normative

acts, dated 17/06/2013. This implies that each draft-regulation drafted by the CAA transposing an EU legal act should undergo the adoption procedure 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 Administrative Instruction No. 1/2012 on public consultation procedures. All the CAA bylaws are subject to public consultation by the 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 15 days 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 sub-legal act that is the 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.

Find below the bylaws that have been issued during 2016:

- Regulation no. 1/2016 amending Regulation no. 8/2009, on the single European sky, Regulation no. 9/2009, on the provision of air navigation services in the single European sky, Regulation no. 10/2009 on the organisation and use of the airspace in the single European sky, and Regulation no. 11/2009 on the interoperability of the European air traffic management network;
- Regulation no. 2/2016 on implementation of Annex 10 to the Convention on International Civil Aviation on Aeronautical Telecommunications;
- Regulation no. 3/2016 laying down a common charging scheme for air navigation services;
- Regulation no. 4/2016 amending and supplementing Regulation no. 5/2010 on airport protective zones.

Also, the following draft regulations have been drafted:

- Draft-regulation on common airspace usage requirements and operating procedures for airborne collision avoidance, which transposes Regulation (EU) no. 1332/2011.
- Draft-regulation on the reporting, analysis and follow-up of occurrences in civil aviation, which transposes the Regulation (EU) no. 376/2014.
- Draft-regulation on working methods of the European Aviation Safety Agency for conducting standardisation inspections and for monitoring the application of the rules of basic Regulation, which transposes Regulation (EU) no. 628/2013.
- Draft-regulation on additional airworthiness specifications for a given type of operations, which transposes Regulation (EU) no. 2015/640.
- Draft-regulation laying down technical requirements and administrative procedures related

to air operations of third country operators, which transposes Regulation (EU) no. 452/2014.

- Draft-regulation on the fees and charges levied by the European Aviation Safety Agency (EASA), which transposes Regulation (EU) no. 319/2014.
- Draft-regulation as regards pilot training, testing and periodic checking for performance-based navigation, which transposes Regulation (EU) No. 2016/539.
- Draft regulation as regards technical requirements and administrative procedures related to civil aviation aircrew, which transposes Regulation (EU) no. 2015/445.
- Draft-regulation as regards operations by Union air carriers of aircraft registered in a third country, which transposes Regulation (EU) no. 2015/1329.
- Draft-regulation as regards requirements for flight recorders, underwater locating devices and aircraft tracking systems, which transposes Regulation (EU) No. 2015/2338.
- Draft-regulation as regards flight testing, which transposes Regulation (EU) no. 2015/1039.
- Draft-regulation as regards the implementation of essential requirements for environmental protection, which transposes Regulation (EU) no. 2016/5.
- Draft-regulation on remotely piloted aircraft systems which repeals Regulation no. 6/2014 on remotely piloted aircraft systems weighing less than 20 kilogrammes.
- Draft-regulation laying down a list classifying occurrences in civil aviation to be mandatorily reported according to Regulation (EU) no. 376/2014, which transposes Regulation (EU) no. 2015/1018.
- Draft-regulation laying down the common rules of the air and operational provisions regarding services and procedures in air navigation, which transposes Regulation (EU) no. 923/2012.
- Draft-regulation on common rules in the field of civil aviation and establishing a European Aviation Safety Agency, which transposes Regulation (EU) no. 6/2013 and updates CAA Regulation no. 3/2009.
- Draft-regulation laying down detailed rules on fines and periodic penalty payments, which transposes Regulation (EU) No. 646/2012.
- Draft-regulation laying down common rules on air traffic flow management, which transposes the Regulation (EU) No. 255/2010.
- Draft-regulation laying down requirements and administrative procedures related to aerodromes, which transposes Regulation (EU) no. 139/2014.

Draft-regulations listed above are expected to enter into force during 2017.

b) Executive Decisions and Administrative Directions

The following are the executive decisions and administrative directions issued by the CAA Director General in 2016:

Executive Decisions

- Decision No. 01/ZDP/VE/2016 to extend the deadline for implementation of Chapter I and II of the Regulation No. 1/2014 on the airport operator, issued on 12 February 2016;
- Decision No. 02/ZDP/VE/2016 for the approval of the incentive program of PIA Adem Jashari, issued on 15 February 2016;
- Decision No. 03/ZDP/VE/2016 for Mr. Zlatko Spirkovski, issued on 8 April 2016;
- Decision No. 04/ZDP/VE/2016 for Mr. Halil Halili, issued on 13 July 2016;
- Decision No. 05/ZDP/VE/2016 for Mr. Drin Gashi, issued on 13 July 2016;
- Decision No. 06/ZDP/VE/2016 for Mr. Erland Dalliu, issued on 31 August 2016;
- Decision No. 07/ZDP/VE/2016 for Mr. Xhelal Tetaj, issued on 5 September 2016;
- Decision No. 08/ZDP/VE/2016 for Mr. Musli Mehmeti, issued on 21 September 2016;
- Decision No. 09/ZDP/VE/2016 for the operator Kosovo Air Service, issued on 10 October 2016;
- Decision No. 10/ZDP/VE/2016 rejecting the 2017 terminal unit rate proposed by ANSA, issued on 16 December 2016;
- Decision No. 11/ZDP/VE/2016 stipulating the 2017 terminal unit rate, issued on 30 December 2016.

Administrative Decisions

- Decision No. 01/2016 on amending the act of appointment for Ms. Safete Selmani from the position of Human Resources Officer to the position of Staff Manager, issued on 4 March 2016;
- Decision No. 02/2016 on the termination of employment relations for Mr. Ylber Aliu, issued on 31 March 2016;
- Decision No. 03/2016 on the appointment of Ms. Shqipe Krasniqi-Selishta Acting Director of the Department of Administration and Human Resources, issued on 1 April 2016;
- Decision No. 04/2016 amending and supplementing Decision no. 15/2012 on the appointment of the internal audit team of the quality management system, issued on 11 May 2016;
- Decision No. 05/2016 on the appointment of financial officials to exercise additional tasks regarding the management of CAA expenditures, issued on 17 May 2016;
- Decision No. 06/2016 on the termination of employment relations for Mr. Eset Berisha, issued on 3 October 2016;
- Decision No. 07/2016 authorizing unpaid leave for Mr. Naser Grajçevci, issued on 18 November 2016;
- Decision No. 08/2016 on the appointment of the Recruitment Commission, issued on 13 December 2016;
- Decision No. 09/2016 on the appointment of the Recruitment Commission, issued on 13 December 2016.

c) Penalties/Complaints/Disputes

Executive decisions No. 04-07 listed above contain penalties for unauthorized operation of drones and they have been paid by all persons, while the Decision No. 08 contains a penalty for unauthorized operation of micro light aircraft not paid by the end of the year. There were no complaints or disputes.

7.12 TECHNICAL PUBLICATIONS FOR THE INDUSTRY

To support operators in implementing legislation, the CAA continuously issues technical publications for the civil aviation industry. During the year a new guidance manual has been published and all other manuals published by the CAA have been kept current with the legislation on which they are based when they have been amended during the year. The new publication is:

- Technical Publication 26 – Safety Management System (SMS) for Service Providers

New versions of the following technical publications have been published:

- Technical Publication 02 – Aerodrome Certification
- Technical Publication 03 – Airport Protective Zones
- Technical Publication 07 – Air Operation Certificate
- Technical Publication 08 – Aerodrome Development

Whereas the following have been revised:

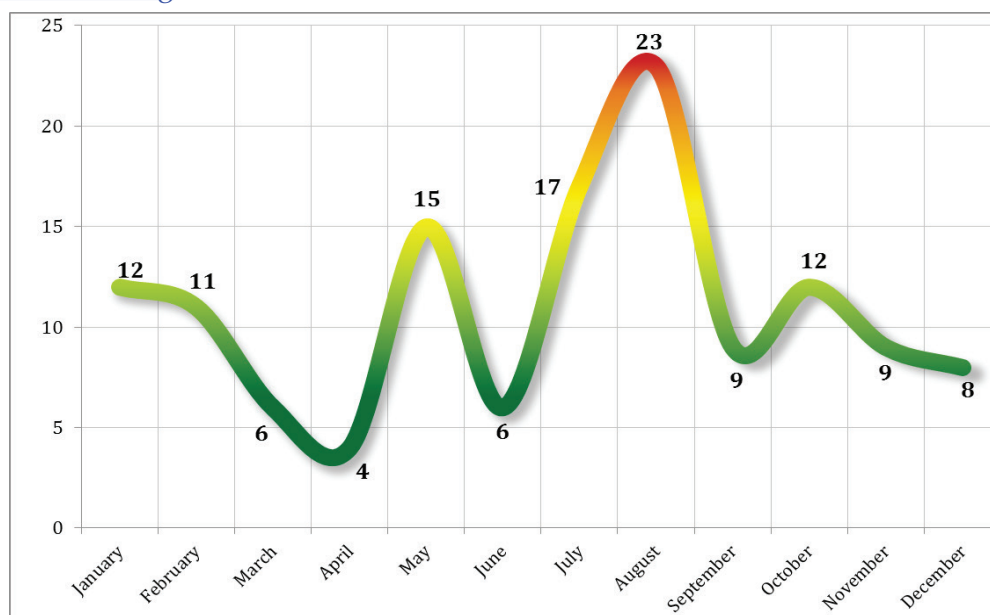
- Technical Publication 18 – Aircraft Fuelling
- Technical Publication 20 – Aerodrome Wildlife Strike Hazard Management
- Technical Publication 21 – Apron Risk Management.

- Publication of the occurrence reporting overview

In early 2016, the CAA published the report “Occurrence Reporting Overview 2015”, in which are summarized all occurrences reported to the CAA in 2015. According to the legislation in force in the Republic of Kosovo, “incident” implies an operational hurdle, defect, error or other irregular circumstances that affects or could affect the safety of flight.

During 2015 a total of 132 occurrences were reported to the CAA, which are classified and categorized depending on the impact on aviation safety as well as their nature. These reports were submitted by the staff of the Prishtina International Airport Adem Jashari LKIA, Air Navigation Services Agency, KFOR and the airlines. “Occurrence Reporting Overview” contains statistics of these events, a brief description for each category of events, as well as a description of some selected events.

Document “Occurrence Reporting Overview 2015” can be found on the official Internet website of the CAA at www.caa-ks.org.



Occurrences reported to CAA by month in 2015

7.13 INFORMATION OF THE PUBLIC AND ACCESS TO PUBLIC DOCUMENTS

a) CAA Bulletin *Aviatori*

Civil Aviation Authority publishes the monthly bulletin *Aviatori*, with emphasis on the CAA developments and the aviation industry in general. In 2016 a total of 10 issues were published and distributed electronically to the Kosovo institutions, industry and the general public through email and the official Internet website of the CAA.

b) Access to public documents

Through Decision no. 19/2012, the Director General has appointed the public relations officer, at the same time responsible for receiving and processing requests by legal and natural persons for access to public documents of the CAA, in accordance with Law no. 03/L-215 on Access to Public Documents.

In 2016 3 requests for access to public documents have been received. All requests have been addressed within the deadline. From the applicants, one was from the media, one from civil society and one from the business community. By category, one request dealt with statistics, one with drones and one with contracts for employees engaged for special services.

c) CAA official website

In September, the CAA launched its new Internet website. The redesign of the website has enabled better organization of the material made available to the public and updated it in step with technological developments in this field, starting from cyber-security and adaptation of content displayed to different screens, such as those on mobile devices.



View of the Bulletin for the month of November 2016

7.14 ADMINISTRATION AND HUMAN RESOURCES

The Administration and Human Resources Department, as the supporting unit in the CAA, has supported the CAA's regulatory activities by enforcing procedures for human resources, finances, procurement, logistics and archive. In order to ensure an effective work, the new legislation and amendments of legislation in the field of public administration of the Republic of Kosovo were constantly monitored. The CAA staff is informed about the changes, and the Internal Administration Procedures Manual updated in order reflect the changes.

a) Procurement in 2016

Procurement activities conducted	Name of Economic Operator awarded the contract	Date of contract signing	Contract value
Central Procurement Agency (CPA) - Central Level Public framework contract for fuel supply	HIB PETROL	11.02.2016 - 11.02.2019	Premium for fuel 0.055 € 36 month contract
Physical security of the CAA facility and property, with one position (bodyguard)	Body Guard	31.03.2016	950.40 €
Physical security of the CAA facility and property, with one position (bodyguard)	LUANI LLC	03.05.2016	29,997.00 € 36 month contract
Water supply	ADEA GROUP LLC	24.05.2016	670.00 € 12 month contract
Technical design and print services	EUROPRINTY LLC	13.06.2016	2,449.00 € 12 month contract
Insurance services for three CAA official vehicles (Full Casco, TPL and TPL+)	KS ILLYRIA JSC	03.06.2016	989.52 € 12 month contract
CPA - Central Level Public framework contract for supply with office material LOT 1	NTG BLENDI & NTL RILINDJA	04.08.2016 - 04.08.2019	1724.40 € 36 month contract
CPA - Central Level Public framework contract for supply with office material LOT 2	EUROPRINTY LLC	04.08.2016 - 04.08.2019	2338.29 € 36 month contract
CPA - Central Level Public framework contract for air transport services	ALTAVIA TRAVEL & AS TRAVEL	04.08.2016 - 04.08.2019	1.27 € (profit on tickets) 36 month contract

CPA - Central Level Public framework contract for supply with tires	EUROGOMA LLC	04.08.2016 - 04.08.2019	1,230 € 36 month contract
CPA - Central Level Public framework contract for supply with hygienic material LOT II	BENI DONA PLAST SHPK & PERFECT BLUES	09.08.2016 - 09.08.2019	4,709.20 € 36 month contract
CPA – for Independent Agencies (less than 50 employees) Public framework contract for vehicle insurance	SIGMA INTERALBANIAN VIENNA INSURANCE GROUP JSC	26.09.2016 - 26.09.2019	2,790.90 € 36 month contract
CPA – for Independent Agencies (less than 50 employees) Certification of Quality Management System of the CAA according to Standard ISO 9001:2015	TUV AUSTRIA HELLAS LTD	24.10.2016 - 24.10.2019	4,700.00 € 36 month contract
CPA – for Independent Agencies (less than 50 employees) Supply with toner	NTG BLENDI	30.11.2017	764.00 €
CPA – for Independent Agencies (less than 50 employees) Supply with IT devices	EUROPRINTY LLC	07.12.2016	9,057.00 €

7.15 FINANCIAL REPORT

a) Budget and expenses ratio

The CAA's approved budget for 2016 was €925,274. Based on the Government Decision No. 11/120 dated 14.12.2016 and Decision No. 01/123 dated 28.12.2016, savings were made to the allocated budget for 2016. After the budgetary cuts, the CAA budget for 2016 in KFMIS was €832,555.93, including the remaining funds of €4,129.43 that were transferred in 2016 from "BEYOND" project funded by the European Commission.

During the fiscal year 2016 the CAA spent €832,147.17, including the amount of €4,129.40 for the "BEYOND" project funded by the European Commission, meaning 99.95% execution of the final allocated budget. Table 1 represents the approved budget and expenses incurred for each category in percentage.

Table 1 – Budget and expenses expressed in %

Description	Final Budget in KFMIS	Expenditures	Expenditures in %
Wages and salaries	625,222.83	625,222.83	100%
Goods and services	200,339.42	200,339.42	100%
Utilities	6,993.68	6,584.92	94%
Total	832,555.93	832,147.17	99.95%

b) Revenues

The 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 the months of November and December 2016 are registered at the beginning of 2017, in accordance with the memorandum signed between the CAA and PIA Adem Jashari operator. These revenues are transferred 45 days after the end of the month.

Revenues from the CAA passenger safety charge, as well as from the licensing and certification fees in accordance with Regulation no. 2/2015 on the fees levied by the CAA, are shown in Table 2 below.

Table 2 – Own Revenues

Description	Notes	2016 €	2015-1 €	2014-2 €
Tax Revenue 1				
Tax Revenue 2				
Revenue from penalties - Fines 1		200	550	
Revenue from penalties - Fines 2				
Revenues from certification & licensing 1		30,835	19,370	9,400
Revenue from licenses 2				
Revenues from sale of assets and services				
Revenues from the passenger security charge		1,684,774	1,512,842	1,359,146
Bank interest income				
Revenue from exchange position changes				
Accreditation fees				
Revenues from property				
Other Receipts				
Total		1,715,809	1,532,762	1,368,546

c) Budget Expenditures

The financing of all the CAA activities for 2016 according to economic classifications is presented in the tables below. Expenditures were €832,147.17, including the funds from the “BEYOND” project funded by the European Commission. The CAA employees were paid only the base salaries (including work experience) and no other allowances.

Budget expenditures based on categories are presented in Table 3, salaries in Table 4, whereas Tables 5 and 6 present the budget expenditures based on activities (goods and services, utilities and grants/donations).

Table 3 - Statement of cash receipts and payments

Statement of cash receipts and payments for the Civil Aviation Authority of Kosovo									
For the year ended on 31 December 2016									
			2016		2015 -1		2014 -2		
			Single treasury Account		Single treasury Account		Single treasury Account		
			KCB	Payments from External Third	KCB	Payments from External Third	KCB	Payments from External Third	
			Shënimë						
Sources of Funds									
	Government grant		828,018		821,860		822,116		
	Own revenues								
	Dedicated revenues								
	Determined donor funds		4,129		2,609				
	Borrowings								
	Development trust fund								
	Other receipts								
Total			832,147	-	824,469	-	822,116	-	
USE OF FUNDS									
	Operations								
	Wages and salaries	2	625,223		622,980		594,457		
	Goods and Services	3	200,339		194,478		220,039		
	Utilities	4	6,585		7,011		7,619		
			832,147	-	824,469	-	822,116	-	
	Transfers								
	Transfers and subsidies	5							
	Capital expenditures								
	Properties, buildings and equipment	6							
	Return of borrowings	7							
	Other payments	8							
Total			832,147	-	824,469	-	822,116	-	

Table 4 - Salaries

	Buxheti	2016						Gjithsej		2015 -1	2014 -2
	Final	GQ	THV	THD	GPD	H	FZHM	Pagesat	Krahasim		
Description	€	€	€	€	€	€	€	€	%	€	€
Net wages through payroll	516,035	516,035						516,035		514,408	491,393
Union payment								-			
Net payment for overtime								-			
Contract employees(not on payroll)								-			
Tax withheld on personal income	49,642	49,642						49,642		49,239	46,448
Pension Contribution- Employee	29,773	29,773						29,773		29,666	28,308
Pension Contribution-Employer	29,773	29,773						29,773		29,666	28,308
Wages and salaries	625,223	625,223	-	-	-	-	-	625,223	1	622,980	594,457

Table 5 – Goods and Services

	Budget	2016						Total		2015-1	2014 -2
Description	Final €	GQ €	THV €	THD €	GPD €	H €	FZHM €	Payment €	Compariso n	€ '000	€ '000
Official travel expenses outside the country		11,158						11,158		13,472	18,420
Per diem for official travels outside the country		12,552						12,552		15,192	23,129
Accommodation on official travels outside the country		8,639						8,639		11,680	20,299
Other expenses on official travels outside the country		2,450						2,450		2,339	4,104
Mobile phone expenses		9,888						9,888		9,993	9,943
Mailing expenses		754						754		440	457
Expenses for use of optical cable		145						145		145	120
Education and training services		10,650			4,129			14,779		21,837	23,417
Various Intellectual Advisory Expenses		23,629						23,629		9,862	11,038
Printing services, not marketing		3,896						3,896		4,474	4,905
Other Contracting Services		3,699						3,699		2,805	5,593
Technical services		1,647						1,647		4,348	1,558
Telephones		-						-			
Computers		9,057						9,057			
Other equipment		151						151		400	550
Office supplies		11,189						11,189		10,093	8,710
Supplies for food and drinks (not official lunches))		1,017						1,017		1,136	1,750
Cleaning supplies		3,492						3,492		3,474	3,496
Central heating diesel		18,763						18,763		14,773	14,106
Fuel for generator		-						-			237
Fuel for cars		2,361						2,361		2,796	3,710
Vehicle registration		315						315		315	330
Vehicle insurance		1,004						1,004		1,642	1,616
Municipal taxes		30						30		30	30
Security of other buildings		10,341						10,341		11,674	11,563
Maintenance and repair		4,413						4,413		5,061	4,921
Maintenance of buildings		-						-			
Maintenance of information technology		867						867		687	1,057
Maintenance of furniture and equipment		153						153		288	96
Rent for building		42,000						42,000		42,000	42,000
Vacancy advertisement		400						400		175	-
Official lunches		1,549						1,549		3,349	2,884
Payment of tax on rent		-						-			
		-						-			
Goods and services	196,210	196,210	-	-	4,129	-	-	200,339	1	194,478	220,039

Table 6 - Utilities

Description	Budget	2016						Total	Comparis on %	2015 -1	2014-2
	Final	GG	OR	DR	DDG	B	DFT	payment			
	€	€	€	€	€	€	€	€		€ '	€
Electricity	4,860	4,726						4,726		5,040	5,325
Water	700	513						513		447	451
Waste	333	254						254		271	283
Central Heating								-			
Telephone expenses	1,100	1,092						1,092			
Payment-Court decisions								-		1,252	1,561
Utilities	6,993	6,585	-	-	-	-	-	6,585	1	7,011	7,619

Table 7 - Determined Donor Grants

			2016	2015-1	2014-2
Description			€	€	€
European Commission	Project Number	Design and flying procedures through satellite signals	4,129	6,737	-
Name of Donor	Project Number	Name of project	-	-	-
Name of Donor	Project Number	Name of project	-	-	-
Total			4,129	6,737	0

d) Budget forecast/execution

Table 8 presents collected revenues, approved budget and its execution. As explained in Table 1 above, the CAA has executed 99.95% of the final allocated budget.

Table 8 - Budget Execution Report

Statement of cash receipts and payments for the Civil Aviation Authority of Kosovo									
For the year ended on 31 December 2016									
				2016				2015-1	2014-2
				Initial budget (Allocation)	Final budget (Allocation)	Execution	Variance	Execution	Execution
				A	B	C	D=C-B	E	F
				€	€	€	€	€	€
Receipt of cash in the Treasury account									
Tax revenues	9								
Non-tax revenues	10					1,715,809		1,532,762	1,368,546
Dedicated revenues	11								
Determined donor grants	12			4,129	4,129	4,129		6,738	
Borrowings	13								
Other	14								
Total receipts collected for the KCF				4,129	4,129	1,719,938	-	1,539,500	1,368,546
Cash payments from the Treasury accounts									
Wages and salaries	2			688,484	625,223	625,223	-	622,980	594,457
Goods and service	3			223,052	200,339	200,339	-	194,478	220,039
Utilities	4			13,738	6,994	6,585	(409)	7,011	7,619
Transfers and subsidies	5						-		
Capital expenditures	6						-		
Return of borrowings	7						-		
Other 28 -	8								
Total payments conducted by the BRK through LIVTh				925,274	832,556	832,147	(409)	824,469	822,116

e) Capital Investments

The CAA did not have any capital expenditures in 2016.

f) Comparison table of the budget for the preceding three years

Table 9 – Comparison table of the budget for the preceding three years

Description	Budget			Execution		
	2016	2015	2014	2016	2015	2014
Salaries	625,223	622,980	594,457	625,223	622,980	594,457
Goods and Services	200,339	208,501	235,856	200,339	194,478	220,039
Utilities	6,994	8,468	11,062	6,585	7,011	7,619
TOTAL	832,556	839,949	841,375	832,147	824,469	822,116

g) CAA budget for 2017

Civil Aviation Authority of the Republic of Kosovo has made its budget request for 2017 in accordance with the terms and legal procedures of the Republic of Kosovo.

For the operation and conduct of activities foreseen in the work plan, the CAA requested a budget of 1,071,707.32 €. The CAA budget request was not approved as such, and the CAA approved budget for 2017 is in the amount of 925,274 €.

8. AUDIT OF THE CAA

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

In September 2015 and April 2016 the Office of the Auditor General of Kosovo (OAGK) audited the annual financial statements of the CAA for the year ended on 31 December 2015. This audit has been focused on the annual financial statements, financial management and internal control (including budget management and execution) and internal audit system. The OAG report, submitted in June 2016, in the overall conclusion states that the CAA has designed a good system for internal control and financial management. This year, as in previous ones, OAG has given an “Unmodified Opinion” and confirmed that “the CAA financial statements for 2015 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 two recommendations, which the CAA has immediately addressed and implemented based on the provisions in force.

b) Internal Audit by the Ministry of Finance

In January 2016, the Ministry of Finance Internal Audit Department conducted the audit for the year ended on 31 December 2015. The CAA received the report of the Ministry of Finance Internal Audit Department in March 2016. The report contains three recommendations, which the CAA has addressed immediately and put into practice according to the provisions in force.

9. AIR TRANSPORT STATISTICS

Prishtina International Airport Adem Jashari served a total of 1,744,202 passengers in 2016, according to statistics collected by the operator LKIA. The number of passengers is 12.59% higher than the number of passengers served at this airport in 2015 (1,549,198).

As usual, August had the highest number, a total of 216,972 passengers, followed by July with 209,053, while the lowest was in February with 105,861 passengers. During 2016 7,254 flight were operated in Prishtina, 7.1% more than in the previous year. July and August stood out with the highest number of flights, 829 and 864 respectively. On the other hand, February had the lowest number of flights, 456.

Of destinations, Zurich had 19.65% of all passenger traffic, Basel (BSL/MLH) - 12.56%, Düsseldorf - 8.71%, Istanbul (IST) - 8.09%, Geneva - 6.98%, Munich - 5.95%, Stuttgart - 5.69% and Vienna - 5.49%. By country, Switzerland is leading with 39.20% of the total traffic from Prishtina, followed by Germany with 31.40%, Turkey with 12.00%, Austria with 5.49%, Slovenia with 2.33% and so on.

By airline, Germania leads with 273,607 passengers served in 2016 to and from Prishtina, followed by EasyJet with 199,075, Edelweiss - 170,890, Adria Airways - 170,597, Turkish Airlines - 151,414, Eurowings - 130,394, Germania Flug - 119,805 and so on.

Regarding onward destinations from Prishtina, leads New York (JFK), followed by London (Heathrow), Helsinki, Copenhagen, Chicago and Frankfurt. The transfer of freight and mail by air has increased by 13.83%, but from a low base.

Air transport statistics charts that illustrate the above mentioned figures can be found on the CAA official website: www.caa-ks.org and are attached to this report as Appendix 4.

Airport	Passengers in 2016	Increase from 2015
Sarajevo	838,966	8.55%
Podgorica	873,278	16.61%
Ljubljana	1,404,831	-2.33%
Skopje	1,649,374	13.56%
Prishtina	1,743,208	12.52%
Tirana	2,195,100	11.03%
Zagreb	2,766,087	6.89%
Belgrade	4,924,992	3.12%

Prishtina airport compared to airports of the capitals in the region

ANNEX 1 – LIST OF TRAININGS

Position	Training/Workshop	Training institution
Flight Safety Director	Training on ICAO universal safety oversight audit program (USOAP), continuous monitoring approach (CMA)	ICAO
Airworthiness Inspector 1	Regional workshop on EU <i>Acquis</i> in the field of airworthiness	TAIEX (EC)
	Workshop for middle and line managers of CAA	EASA-IPA 3
	General Familiarization Theoretical B737-600/700/800/900 (CFM56)	Lufthansa Technical Training
	On-the-Job Training (OJT) on aircraft maintenance management organizations (Part-M) and aircraft maintenance organizations Part-145	EASA-IPA 3/Croatia Civil Aviation Agency
	Technical Training on EN ISO/IEC 17020	MTI
	Training on common self-assessment framework	KIPA
Air Operations Inspector	Training on air-operations (EASA AIR-OPS)	JAA Training Organization
	Training on operation of Remotely Piloted Aircraft Systems	JAA Training Organization
	International workshop on design and optimization of airspace	TAIEX (EC)
	Training for alternate financial commitment official	Treasury Department, MF
Airworthiness Inspector 2	Regional workshop on EU <i>acquis</i> in the field of airworthiness	TAIEX (EC)
	Training on harmonisation of national legislation with EU legislation	KIPA
	Recurrent training of dangerous goods personnel for Category 6	IATA
	On-the-Job Training (OJT) regarding licensing of personnel involved on aircraft maintenance (Part-66)	EASA-IPA 3/ Croatia Civil Aviation Agency
	Seminar on continuing airworthiness	French National School of Civil Aviation

General Aviation Inspector	Training on operation of Remotely Piloted Aircraft Systems	JAA Training Organization
	VII PANEP Workshop	EASA-IPA 3
	Training for alternate financial commitment official	Treasury Department, MF
Helicopter Operations Officer	Training on harmonisation of national legislation with EU legislation	KIPA
General Aviation Officer	Training for alternate financial certifying official	Treasury Department, MF
Authorised Medical Examiner	Annual scientific meeting of the Aviation Medical Examiners of the UK, with the theme "Mental health and Pilots "	Association of Aviation Medical Examiners, United Kingdom
	Training on harmonisation of national legislation with EU legislation	KIPA
	Recurrent training in the field of aviation medicine	Croatia Civil Aviation Agency
Aerodromes Director	Training on ICAO Universal Safety Oversight Audit Program (USOAP), Continuous Monitoring Approach (CMA)	ICAO
	Workshop for senior CAA management	EASA-IPA 3
	Workshop on aerodrome certification and conversion of existing certificates pursuant to EU Regulation no. 139/2014	EASA-IPA 3
	On-the-job training for aerodromes inspectors regarding firefighting and rescue services	TAIEX (EC)/UK CAA
Aerodromes Inspector 1	Training on runway lightning AGL +3 Airfield Solutions	ADB
	On-the-job training for aerodromes inspectors regarding firefighting and rescue services	TAIEX (EC)/UK CAA

Aerodromes Inspector 2	Workshop for middle and line managers of CAA	EASA-IPA 3
	Workshop on runway safety	EASA-IPA 3
	On-the-job training for aerodromes inspectors regarding firefighting and rescue services	TAIEX (EC)/UK CAA
	Workshop on aerodrome certification and conversion of existing certificates pursuant to EU Regulation no. 139/2014	EASA-IPA 3
Aerodromes Inspector 3	Training on incident investigation	JAA Training Organization
	International workshop on the airspace design and optimization	TAIEX (EC)
	Workshop on aerodrome certification and conversion of existing certificates pursuant to EU Regulation no. 139/2014	EASA-IPA 3
ANS Director	Workshop on PBN and GNSS strategy	BEYOND (EC)
	Training on ICAO Universal Safety Oversight Audit Program (USOAP), Continuous Monitoring Approach (CMA)	ICAO
	International workshop on "Airspace design and optimisation"	TAIEX (EC)
	Training course "AIS to AIM"	French National School of Civil Aviation
ANS Inspector 1	Workshop on PBN and GNSS strategy	BEYOND (EC)
	Workshop on the implementation of Initial Performance Plan in the ECAA context	ISIS II Program (EC)
	Workshop on EGNSS future scenarios	BEYOND (EC)
	Workshop for middle and line managers of CAA	EASA-IPA 3
	Training course "Helicopter instrument procedure design"	French National School of Civil Aviation
	International workshop on "Airspace design and optimisation"	TAIEX (EC)

ANS Inspector 2	International workshop on "Airspace design and optimisation"	TAIEX (EC)
	Training course "PBN Oversight"	French National School of Civil Aviation
	Workshop on "Runway safety"	EASA-IPA 3
ANS Inspector 3	International workshop on "Airspace design and optimisation"	TAIEX (EC)
	Training course "Terminal airspace design and optimisation"	French National School of Civil Aviation
ICAER Director	On-the-job training on ANS economic regulation	Croatia Civil Aviation Agency
	Workshop on the implementation of Initial Performance Plan in the ECAA context	ISIS II Program (EC)
	Workshop for middle and line managers of CAA	EASA-IPA 3
Senior Officer for International Cooperation	On-the-job training on ANS economic regulation	Croatia CAA
	Regional workshop on EU legislation related to charges at airports and ANSPs	TAIEX (EC)
Safety and Quality Manager	Training on safety management at state level	French National School of Civil Aviation
	Workshop for senior CAA management	EASA-IPA 3
	Technical Training on EN ISO/IEC 17020	MTI
	Training for the common self-assessment framework	KIPA
	Training for Microsoft Visio and Lync	KIPA
	Training for the annual self-assessment questionnaire	Ministry of Finance

Chief Financial Officer	Financial management and audit & risk management	IRON Consulting
Procurement Manager	Training for Procurement law in digital e-procurement, new guidelines of EU public procurement	Balkan Institute for Procurement
	Training on budget preparation and public procurement	FLSA
	Training under Article 25 of the Public Procurement Law no. 05/L-092, 15-day training for professional certification in Public Procurement	Public Procurement Regulatory Commission
HR Manager	Training for execution and reporting of financial transactions by legal changes	Europa Center
	Training on budget calculation for basic salary, allowances, compensation and performance evaluation	FLSA
	Training regarding amendments to the Law on Administrative Procedure	KIPA
	Training for the common self-assessment framework	KIPA
	Training for HRIMS	MPA
	Training on Regulation on classification of working positions and preservation of documents	FLSA
Logistics Officer	Administrative, financial procurement and budget document system management, their classification and access to these documents	FLSA
	Training on Law of administrative procedure	KIPA

* Sponsored trainings are marked in blue

ANNEX 2 – 2016 CAA ACTION PLAN AND ITS REALIZATION

1. NORMALIZATION OF AIRSPACE										
1	ACTIONS (planned)	Responsible Department	DEADLINE				STATUS Brief Report	In Progress		
								Completed		
								Not Completed		
								Outside CAA or externally dependent		
	1.1 Full normalization of the lower airspace for general aviation									
	1.1.1 Preparation of VFR maps	ANSP		X		X				
	1.1.2 Approval of VFR maps (following receipt by ANSP)	ANS/FSD/AGA								
	1.1.3 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		
								Completed		
								Not Completed		
								Outside CAA or externally dependent		
		2.1.1 Technical support to MFA in the process of applying for membership in ICAO	GDO/ICAERD/OLRA	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 following membership in ICAO (item 2.1.2)	ICAERD/GDO	X	X	X	X				
2.3 Membership in EUROCONTROL										
	2.3.1 Technical support to MFA in the process of applying for membership. Next steps toward membership can only commence following membership in ICAO (item 2.1.2)	ICAERD/GDO	X	X	X	X				
2.4 Preparation of the study and legal instrument on liability to third parties on the ground										
	2.4.1 Delivery of the study and draft-law to MI	GDO		X	X			This activity is not planned in the Government legislative plan therefore could not be implemented during 2016. Postponed to 2017.		
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		
								Completed		
								Not Completed		
								Outside CAA or externally dependent		
		3.1.1 Signing of Working Arrangements between CAA and EASA on standardisation	GDO							
	3.1.2 Signing of Working Arrangements between CAA and EASA on SAFA	GDO								
	3.1.3 Signing of Working Arrangements between CAA and EASA on ECCAIRS	GDO								
4. FULL IMPLEMENTATION OF REGULATORY RESPONSIBILITIES										
4.1 Completion of secondary legislation										
	ACTIONS (planned)	Responsible Department	DEADLINE				STATUS Brief Report	In progress		
								Completed		
								Not completed		
								Outside CAA or externally dependent		
	4.1.1 Transposition of Regulation (EC) no. 1070/2009 of SES II legislation, amending Regulations (EC) no. 549/2004, (EC) no. 550/2004, (EC) no. 551/2004	ANS	X							

4.1.13	Transposition of EASA Regulation no. 139/2014 on aerodromes	AGA				X	Due to budgetary constraints for translation services, finalisation is postponed to 2017
4.1.14	Transposition of Regulation (EU) no. 376/2014 on the reporting, analysis and follow-up of occurrences in civil aviation	FSD/AGA/ANS/QSO		X	X	X	Due to budgetary constraints for translation services, finalisation is postponed to 2017
4.1.15	Transposition of Regulation (EU) no. 255/2010 laying down common rules on air traffic flow management	ANS				X	Due to budgetary constraints for translation services, finalisation is postponed to 2017
4.2 ANSP certification							
4.2.1	Comprehensive audit for certification	ANS		X			
4.2.2	Submission of recommendations to DG	ICAERD/ANS	X	X	X		
4.2.3	Issuance of certificate	GDO		X	X		
4.3 Approval of training organizations							
4.3.1	Review of application and supporting documents submitted by ANSA	ANS				X	
4.3.2	Implementation of certification audit	ANS				X	Due to the operator, it is postponed to Q1 2017
4.3.3	Acceptance of plan to address identified findings	ANS				X	Due to the operator, it is postponed to Q2 2017
4.3.4	Preparation of recommendations based on documents reviewed and audit	ANS				X	Due to the operator, it is postponed to Q2 2017
4.3.5	Issuance of certificate to ANSA as training organisation	ANS				X	Due to the operator, it is postponed to Q2 2017
4.3.6	Review and evaluation of documents according to request for authorisation of LKIA as a training organization	AGA				X	Due to the operator, it is postponed to 2017
4.3.7	Audit of professional training organisation	AGA				X	Due to the operator, it is
	(classrooms, equipment, etc.)						postponed to 2017
4.3.8	Recommendation for issuance of authorisation	AGA				X	Due to the operator, it is postponed to 2017
4.4 Implementation of planned steps in accordance with ISIS scheme for project performance							
4.4.1	Amendment of Regulation no. 14/2010 (EC 1794/2006) on establishing a common charging scheme for air navigation services	ICAERD	X				
4.4.2	Ensure transparency of costs of terminal charge from 2016 onwards	ICAERD	X				
4.4.3	Adoption of the general procedure for the performance scheme, in collaboration with ANSP	ANS/ICAERD/ANSP	X	X			
4.4.4	Amend ANS manual to reflect performance scheme requirements	ANS		X			
4.4.5	Establish a working group to draft initial performance scheme plan	ANS/ICAERD/ANSP	X				
4.4.6	Develop Initial Performance Plan (IPP)	ANS/ICAERD/ANSP			X		
4.4.7	Approval of the plan and delivery to PRB	ANS/ICAERD/ANSP			X		
4.5 Issuance and re-validation of licenses of operator personnel							
4.5.1	Issuance and validation of aeronautical licenses	FSD	X	X	X	X	
4.5.2	Licensing of controllers (continuous process)	ANS	X	X	X	X	
4.6 Continuous supervision of operators safety							
4.6.1	<i>A detailed plan for oversight activities is part of 2016 plan, CAAK/OIAQC-PLN 03</i>	AGA/ANS/FSD/ICAERD/QSO					Carried out according to plan. See CAA/ ZABKS-PLN 03
4.7 Economic oversight of ANSP, PIA Adem Jashari LKIA and ground handlers							
4.7.1	Economic oversight of ANSP (insurance policy 2016)	ICAERD	X				
4.7.2	Economic oversight of PIA Adem Jashari LKIA (insurance policy, financial performance 2015, audited financial reports 2015)	ICAERD		X			

4.7.3	Economic oversight of ANSP (assessment of financial performance in 2015, audited financial statement 2014)	ICAERD	X					
4.7.4	Economic oversight of ExFis LLC for supply services with kerosene at the airport (insurance policy 2016 for groundhandling services)	ICAERD	X					
4.7.5	Economic oversight of ExFis LLC for supply services with kerosene at the airport (separation of financial accounts, evaluation of financial performance in 2015, audited financial statements 2015)	ICAERD	X					
4.8 Internal and inter-institutional reporting								
4.8.1	Consolidation of CAA Annual Report	ICAERD	X					
4.8.2	Submission of Annual Report to Kosovo Assembly	GDO	X					
4.8.3	Consolidation of CAA Quarterly Report	ICAERD	X	X	X	X		
4.8.4	Submission of the Quarterly Reports to the Supervisory Board	GDO	X	X	X	X		
4.8.5	Reporting to MEI	ICAERD	X	X	X	X		
4.8.6	Submission of financial statements to MF and OAG	ADM/GDO	X			X		
4.8.7	Submission of financial report to the Parliamentary Committee on Budget and Finance	ADM/GDO	X					
4.8.8	Submission for the Medium-Term Expenditures Framework 2016-2018	ADM/GDO		X				
4.8.9	Planning of annual budget	ADM/GDO		X				
4.8.10	Realisation of planned revenues from passenger safety charge	ADM/GDO	X	X	X	X		
4.8.11	Quarterly financial report to MF	ADM/GDO	X	X	X	X		
4.8.12	GDO monthly financial report	ADM/GDO	X	X	X	X		
4.8.13	9-month financial report to OAG and MF	ADM				X		
4.9 Implementation of ECAA Agreement								
4.9.1	Update of matrix and notification of personnel for transposition of remaining legislation from ECAA Agreement Annex 1	ICAERD	X	X	X	X		
4.9.2	Organisation of ECAA assessment visit	ICAERD/GDO	X					
4.9.3	Organisation of ECAA Joint Committee Meeting	ICAERD/GDO	X					
4.10 CAA Reorganization								
4.10.1	Amendment of the internal regulation according to government catalogue (if applicable - depending on the verdict of the Constitutional Court)	GDO/ALAO						Postponed to 2017
4.11 Approval of regulated aeronautical tariffs								
4.11.1	Approval of PIA Adem Jashari 2016-2018 incentive program	ICAERD	X					
4.11.2	Issuance of decision	GDO/ALAO	X					
4.11.3	Training at Croatia Control and Croatia CAA on implementation of Regulation on air navigation service charges (approval of terminal navigation charge)	ICAERD	X					
4.11.4	Assessment of the initial application from ANSA on terminal unit navigation charge	ICAERD	X					
4.11.5	Assessment of the final application of ANSA on terminal unit navigation charge	ICAERD			X			
4.11.6	Issuance of administrative decision on terminal unit navigation charge in RKS for 2017	ICAERD				X		
4.12 Drafting of national strategy for the development of civil aviation								
4.12.1	Initiation of TAIEX expert support in developing the strategy	GDO/ICAERD	X	X				

4.12.2	Support in drafting the civil aviation strategy	ICAERD/QSO			X	X	
4.13 Conversion of certificate of PIA Adem Jashari as required by the regulation of EASA no. 139/2014							
4.13.1	Creation of "Certification Basis (CB)" and "Operation Basis (OB)" list for conversion of the certificate of PIA Adem Jashari to EASA requirements of Regulation no. 139/2014	AGA		X			
4.14 Assessment audit of the airport in Gjakova							
4.14.1	Analysis of the request for assessment of Gjakova airport, submitted by the managing board of CPE Gjakova Airport JSC; Prepare audit checklist for evaluation	AGA/ANS		X			
4.14.2	Assessment audit	AGA/ANS		X			
4.14.3	Preparation and submission of the audit report to stakeholders	AGA/ANS		X			
5. COMPILATION AND IMPLEMENTATION OF STATE SAFETY PROGRAM - SSP							
5.1 Implementation of SSP requests related only to CAA							
5	ACTIONS (planned)	Responsible Department	DEADLINE				STATUS Brief Report
			Q 1	Q 2	Q 3	Q 4	
	5.1.1	Preparation of draft decision on the appointment of person responsible for SSP		X			
	5.1.2	Delivery of 3 documents to MI (letter for the Minister of Infrastructure, TOR for the person responsible for SSP and draft decision on the appointment of the person responsible for SSP)		X			
	5.1.3	Update the analysis	X		X		
	5.1.4	Approval of the Enforcement Policy Manual		X	X	X	
	5.1.5	Draft SSP manual	X	X	X		
5.2 Initiation and monitoring of transposition of the ICAO Annexes (which do not fall under the CAA competences)							
5.2.1	Letter to MIA related to their obligations with regard to ICAO Annex 12 and LCA	GDO/QSO		X	X		
5.2.2	Letter to MIA for transposition of Annex 9 and Annex 17 of ICAO	GDO/FSD			X		
5.2.3	Initiation and support of AAIC for transposition of Annex 13	GDO/QSO		X			
6. IMPLEMENTATION AND CONTINUOUS IMPROVEMENT OF QMS							
6.1 Implementation and continuous improvement of QMS							
6	ACTIONS (planned)	Responsible Department	DEADLINE				STATUS Brief Report
			Q 1	Q 2	Q 3	Q 4	
	6.1.1	Drafting of "Risk Management" about CAA strategic objectives	X	X			
	6.1.2	Update of documents in compliance with ISO 9001:2015	X	X			
	6.1.3	Notification of staff on the differences between ISO 9001:2008 and 9001:2015	X	X	X	X	
	6.1.4	Appointment of two additional auditors for internal audits		X			
	6.1.5	Amendment of procedures for archiving and protocol procedures in accordance with the Law on archives and management of office work and MPA Regulation no. 1/2015	X	X			
6.1.6	Amendment of OR process	QSO/FSD	X				
6.2 Execution of budget expenses according to planned cash flow (in %)							
6.2.1	Total performance (expenditure of allocated budget)	ADM	X	X	X	X	Allocation/expenses Q4-96% Allocation/expenses Q3-94 % Allocation/expenses Q2-92 % Allocation/expenses Q1-92%
6.2.2	Wages and salaries	ADM	X	X	X	X	Allocation/expenses Q4-100% Allocation/expenses Q3-92 %

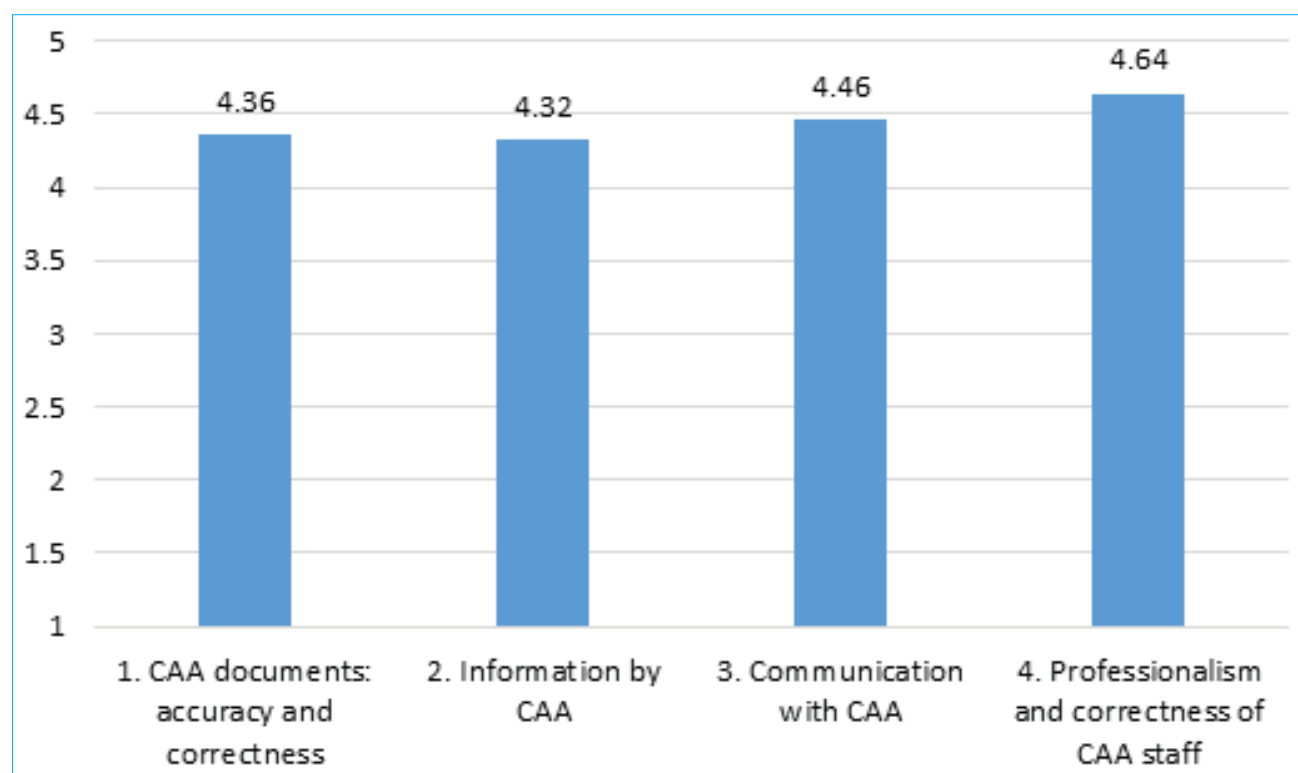
							Allocation/expenses Q2-100%
							Allocation/expenses Q1-100%
6.2.3	Goods and services	ADM	X	X	X	X	Allocation/expenses Q4-87%
							Allocation/expenses Q3-100%
							Allocation/expenses Q2-74 %
							Allocation/expenses Q1-71%
6.2.4	Utilities	ADM	X	X	X	X	Allocation/expenses Q4-56%
							Allocation/expenses Q3-48%
							Allocation/expenses Q2-52%
							Allocation/expenses Q1-61%
6.3 Implementation of procurement plan approved by CAA management							
6.3.1	Supply contracts	ADM		X	X	X	
6.3.2	Building physical security	ADM	X	X			
6.3.3	Insurance for three CAA official vehicles	ADM		X			
6.3.4	Certification based on ISO Standard 9001:2015	ADM			X		
6.3.5	Design and print services	ADM		X			
6.3.6	Servicing and maintenance of CAA official vehicles	ADM			X		Postponed to 2017
6.3.7	Servicing and maintenance of information technology	ADM			X		Postponed to 2017
6.3.8	Cleaning of vehicles	ADM			X		Postponed to 2017
6.4 Implementation of the training plan for CAA staff							
6.4.1	Planned trainings as per CAA/ZABKC-PLN 03		X	X	X	X	Carried over according to the training plan

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
GDO	General Director's Office
QSO	Quality and Safety Office
ALAO	Aviation Legal Affairs Office

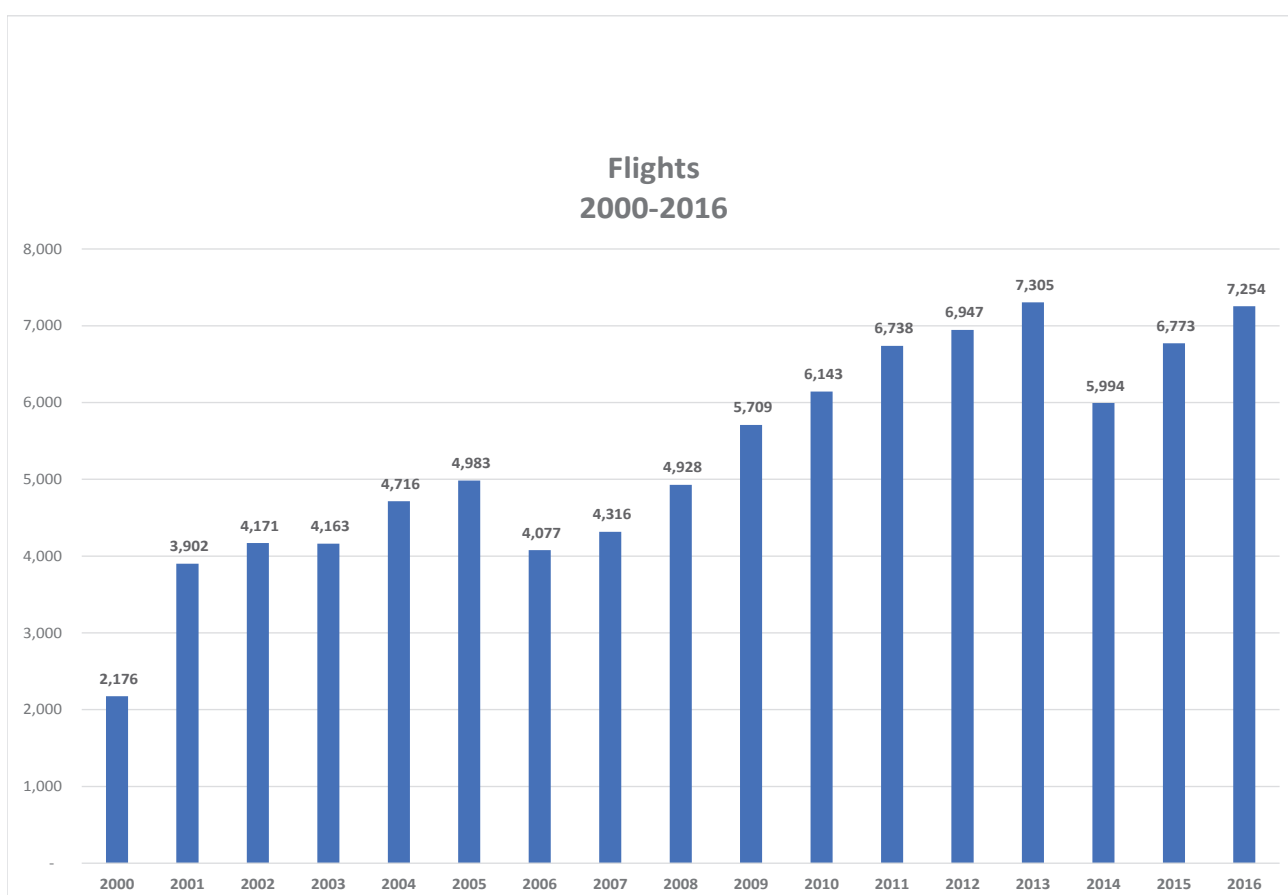
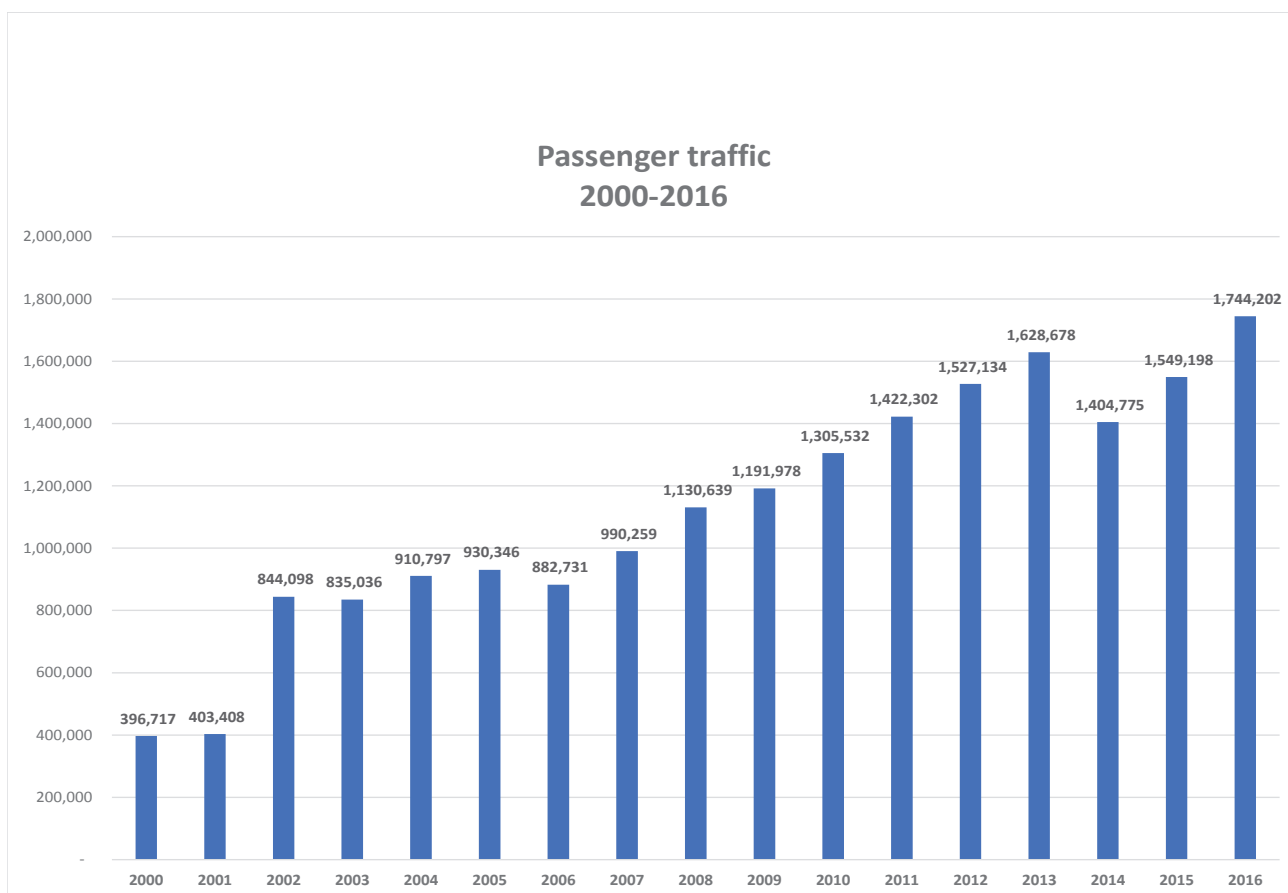
ANNEX 3 – SATISFACTION MEASUREMENT RESULTS

External measurement 2016

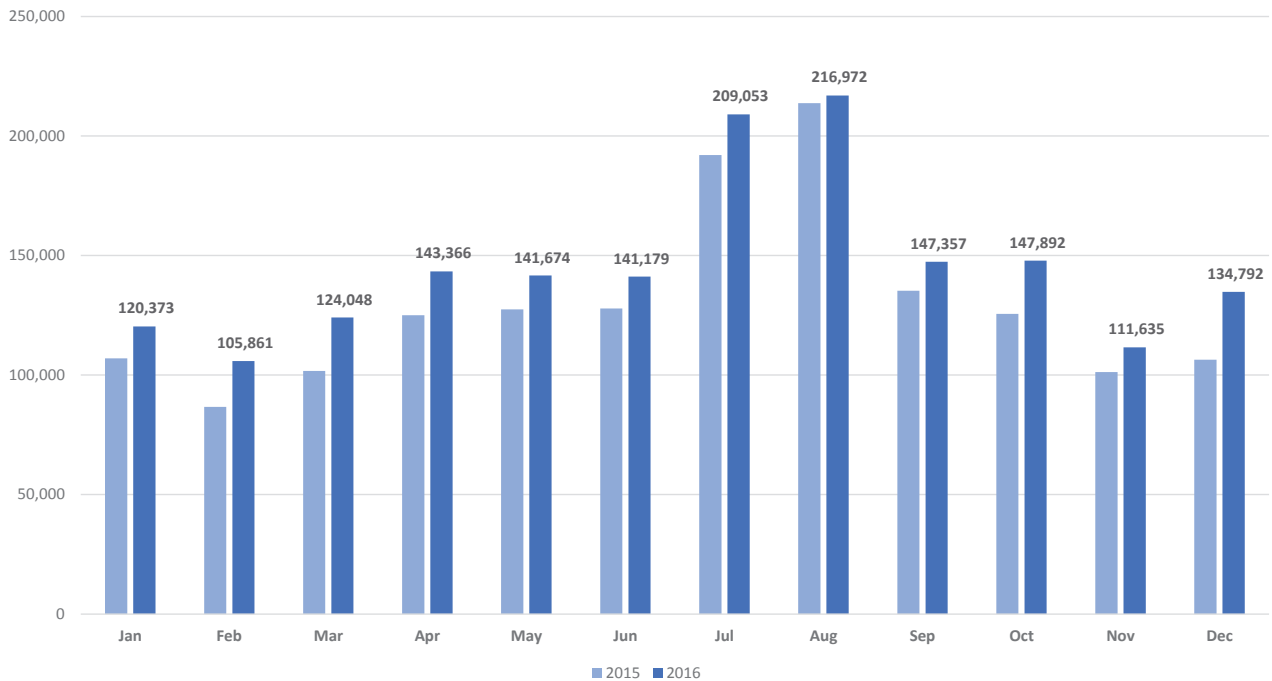


Measurement results (grade 1-5)

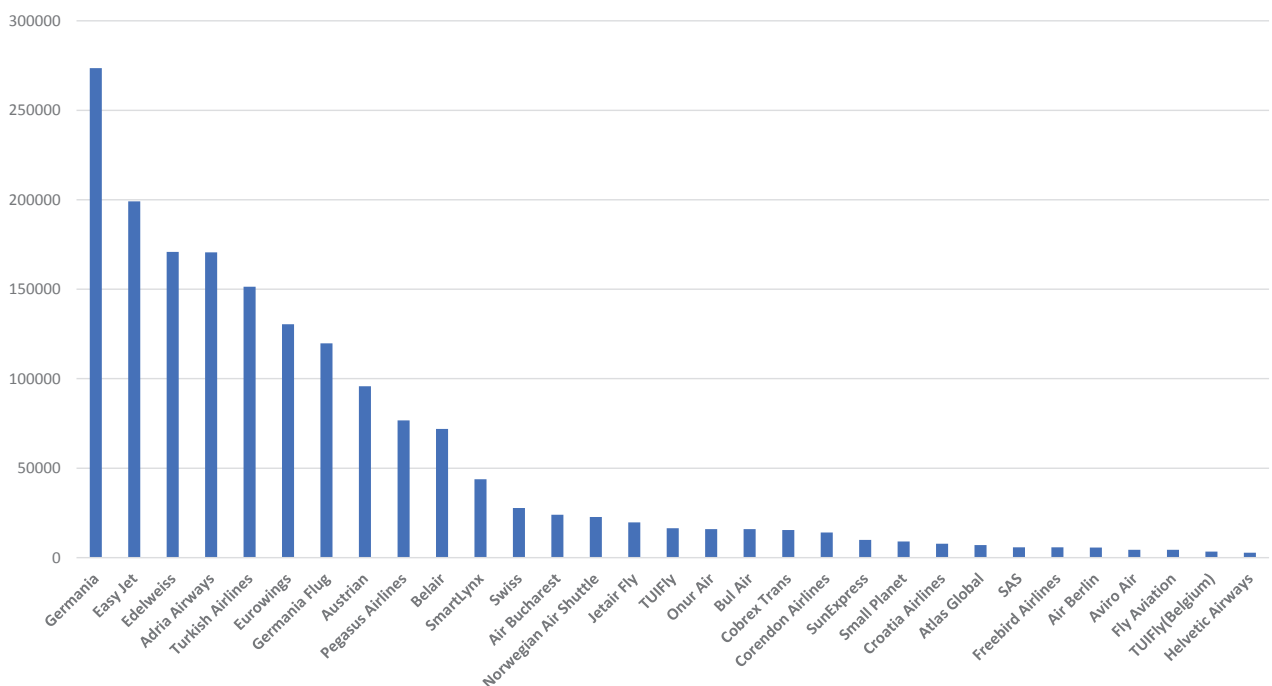
ANNEX 4 – AIR TRANSPORT STATISTICS



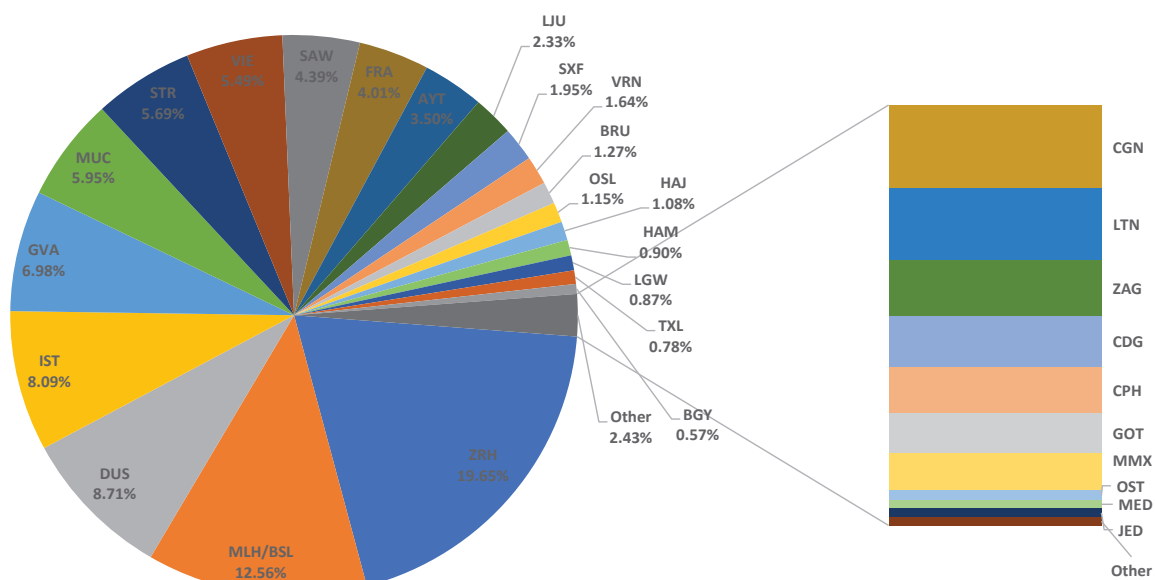
Passengers by month 2016



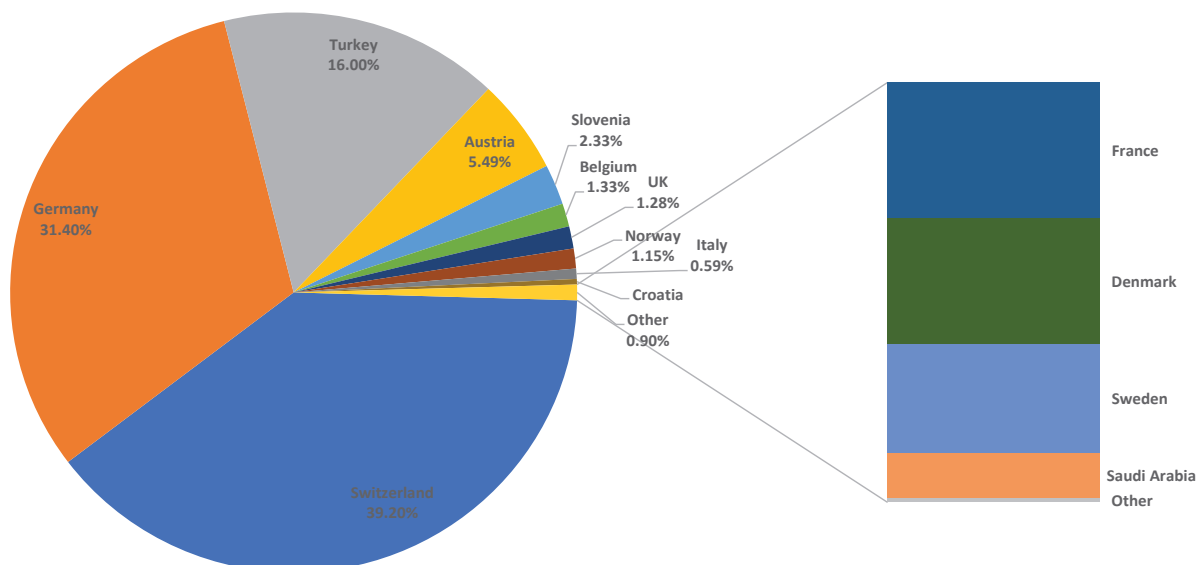
Passengers by air carrier 2016



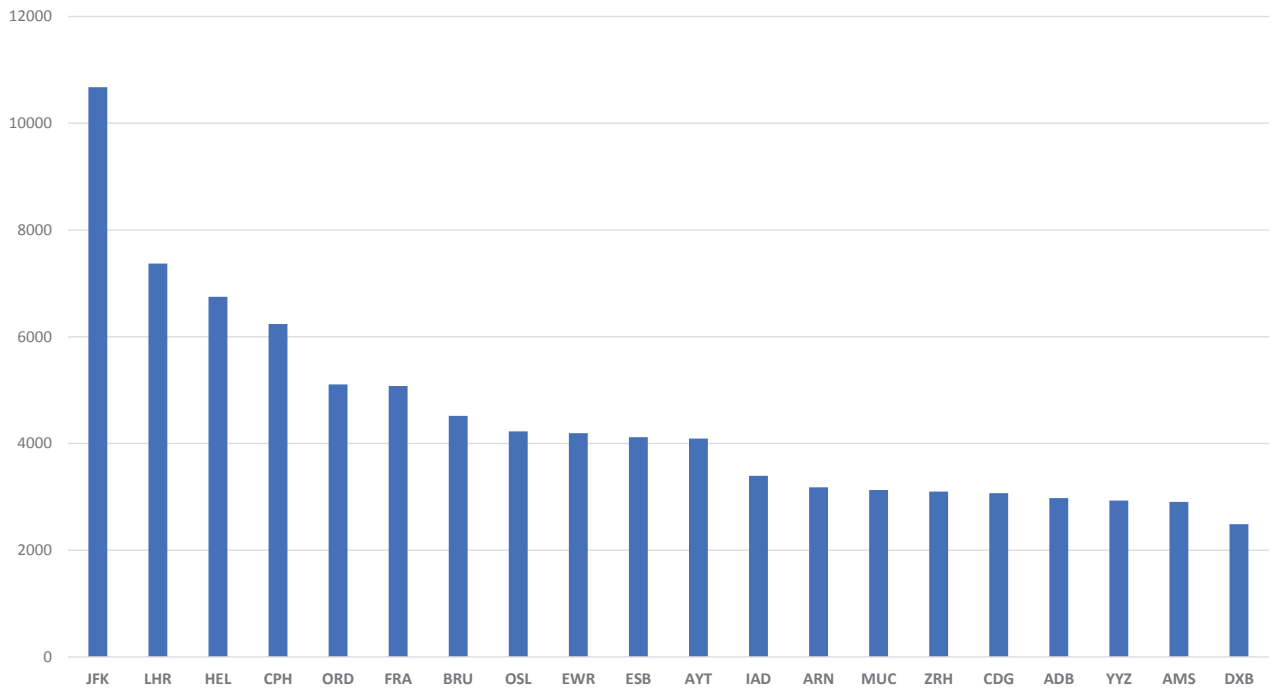
Passengers by destination 2016



Passengers by state 2016



Onward destinations 2016



Cargo (kg) 2010-2016

