1. Basic information

1.1 CRIS Number: Support for Kosovo’s Participation in the European Common Aviation Area

1.2 Title: Support for Kosovo’s Participation in the European Common Aviation Area

1.3 Sector: 03.14

1.4 Location: Kosovo

Implementing arrangements:

1.5 Contracting Authority: The European Commission Liaison Office to Kosovo

1.6 Implementing Agency: The European Commission Liaison Office to Kosovo.

1.7 Beneficiary Institutions:

<table>
<thead>
<tr>
<th>Project activity/component</th>
<th>Beneficiary institution</th>
<th>Contact point responsible for project/activity coordination</th>
</tr>
</thead>
</table>
| Support for Kosovo’s Participation in the European Common Aviation Area | • Civil Aviation Regulatory Office (CARO)  
• Ministry of Transport | Chabeenanan RAMPHUL  
Head of the CARO  
chabeenanan.ramphul@caro-ks.org  
www.caro-ks.org  
Tel: +381 38 248 629 ext. 108  
Mobile: + 377 44 504 131  
Fax: +381 38 211 009 |

1.8 Overall cost: € 1.0 million. (VAT excluded)

1.9 EU contribution: € 1.0 million.

1.10 Final date for contracting

Three years after the signature of the financing agreement between the European Commission and the Kosovo Authorities.

1.11 Final date for execution of contracts

Two years after the final date for contracting.

1.12 Final date for disbursements:

One year after the final date for the execution of contracts.

2. Overall Objective and Project Purpose

2.1 Overall Objectives:

The overall objective of this programme is to support the sustainable development of civil aviation in Kosovo in fulfilling the international standards including safety, security and efficiency.
2.2 Project purpose:
The purpose of this project is development of the regulative framework compliant with the European Common Aviation Area (ECAA) agreement and institutional development including capacity building of the Civil Aviation Regulator, and other relevant institutions in Kosovo to enable aviation activities to be carried out in accordance with applicable EU aviation acquis and the International Civil Aviation Organisation (ICAO) Standards and Recommended Practices (SARPs).

2.3 Link with: European Partnership (and its action plan); SAp/STM
The European Partnership Action plan 2006 – section European Standards calls for continuation of the alignment of the Civil Aviation regulation, specifically in the following areas:

- Amendment of UNMIK Regulation 2004/5 (On the Provisional Regulation of Civil Aviation in Kosovo) on the procedures for Aircraft Accident Investigation.
- Amendment of UNMIK Regulation 2003/18 (On the Establishment of a Civil Aviation Regulatory Office for Kosovo) to delineate the functions of CARO between Certification, Supervisory, and Regulatory.
- Amendment of AD 2005/14 (On Passenger Rights) in order to reflect proper reporting time.
- Amendment of section 17.1 (Air carrier's tariff) of UNMIK Regulation 2004/5 (On the Provisional Regulation of Civil Aviation in Kosovo).
- Authorisation of airport users for passenger self-handling.

2.4 Link with the Multi-Annual Indicative Planning Document (2007-09) for Kosovo (MIPD)
The “European Agenda” section of the MIDP emphasises the need for capacity building and Kosovo’s gradual approximation of legislation, along with implementing measures, in the context of European standards. Support for Kosovo’s participation in regional initiatives is identified as a priority, including support to establish and/or enhance the necessary structures, legal basis and requirements for Kosovo’s full participation in the European Common Aviation Area. And under the socio-economic requirements of the MIPD, good governance and developing infrastructure in the energy and transport sector is identified as a main priority.

Kosovo is committed to implement the European Common Aviation Area Agreement and adoption of the relevant single European sky acquis in the framework of the South Eastern Europe Functional Airspace Blocks Approach initiative.

2.5 Link with National Development Plan
This program proposal is in line with the Medium Term Expenditure Framework 2008-2010 and its specific medium term objectives and policies for transport. The Transport section is listed among the top priorities of the MTEF.

The vision for the transport sector as defined by the TWG is: “An integrated multimodal system of transport (road, railway and air) which is environmentally safe and economically sustainable, and which will provide transport services of high quality for all users”.

The goal is to achieve the following:
- Integration of the transport infrastructure of Kosovo into international transport network;
- Implementation of European standards in all transport sectors;
- Modernisation of the existing infrastructure and building new modern infrastructure;
- Reducing transport costs;
- Reducing the number of traffic accidents.

2.6 Link with national/sectoral investment plans

One of three key policy objectives of technical working groups on transport is to support measures for creation of links with European transport network in order to make possible for the passengers and for the freight to reach the destination in an acceptable time in Europe as well as in other global destinations through the road, railway and air transport.

3. Description of project

3.1 Background and justification:

In the year 2003 UNMIK Regulation 2003/18 created a body called the Civil Aviation Regulatory Office (CARO). This office replaced the small aviation cell created in 2000 within the Department of Transport and Infrastructure, which was mainly in charge with allocation of traffic rights. Under the Regulation 2003/18, CARO is responsible for regulating civil aviation in Kosovo to ensure that its activities are safe, efficient and compliant with appropriate international regulations and in particular International Civil Aviation Organization (ICAO) Standards and Recommended Practices.

UNMIK has promulgated aviation regulations which enable CARO to carry out its functions in respect of all aviation activities. UNMIK Regulation 2004/5 serves as the basic Aviation Law for Kosovo and sets out the civil aviation policy for Kosovo specifying the duties of CARO, the airport, aviation personnel and foreign airlines operating in Kosovo. The regulations have by reference incorporated the International Civil Aviation Organization (ICAO) Standards and Recommended Practices, Chicago Convention and the Montreal Convention of 1999. The regulation forms the basis for CARO to regulate the air transport industry and includes the following:

- Provision of Air Navigation Services
- Aviation Safety Regulation and oversight of air services and airports.
- Economic Regulation of air transport
- Provision policy recommendations to the SRSG on aviation matters.
- Aviation security standards for airport, airlines and others.
- Authorization of aviation personnel

In June 2006 the European Community Member States together with Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the Former Yugoslav Republic of Macedonia, Montenegro, Romania, Serbia, the United Nations Mission in Kosovo (UNMIK) as well as Iceland and Norway signed an agreement to create a European Common Aviation Area (ECAA).

Under the ECAA agreement the Western Balkan partners will gradually implement the aviation legislation of the European Community, and will become fully integrated into the European Community internal aviation market.

The Regulation 2004/5 is now being amended to incorporate EU aviation acquis pursuant to Kosovo being a partner in the ECAA Agreement.

Since the status of Kosovo is not defined by the international public law, issues impacting on sovereignty are presently difficult to manage, more so in areas where harmonized approach through international forum is required. As such Kosovo is not represented in
ICAO. Other limitations are in respect of certain functions which are directly attributable to a State such as licensing and certification functions. UNMIK has therefore entered into a contract with the Icelandic CAA (ICAA) to perform necessary services and functions as an ICAO member state, on behalf of Kosovo. ICAA performs regulatory oversight of Air Traffic Controller Licensing and Airport Certification. These two activities will be taken up by CARO or its successor after resolution of Kosovo status.

Kosovo has one International Airport serving approximately 1 million passengers annually, around 4,000 flights annually with 23 Carriers mainly from Europe. Presently the Airport is conditionally certified by the Icelandic Civil Aviation Authority (ICAA) on behalf of UNMIK.

Air Navigation Services are provided by Pristina International Airport’s air traffic controllers who are currently providing only aerodrome and approach control, due to upper airspace closure by NATO, and the suspension of the European Air Navigation Plan over Kosovo. Because licensing of air traffic controllers is responsibility of Icelandic Civil Aviation Authority under UNMIK-ICAA Agreement, air traffic controllers employed at PIA have been issued Icelandic licenses and appropriate ratings pursuant to the Icelandic aeronautical laws.

A draft Civil Aviation Law has been prepared and submitted to the parliament. Upon the definition of the Kosovo status, this will serve as the Civil Aviation Law for Kosovo. Based on the draft Law, the responsibility over Civil Aviation in Kosovo will be split among Ministry of Transport, Civil Aviation Authority and Ministry of Internal Affairs.

Kosovo is a party into the ECAA Agreement and as such has to comply with EU Aviation Acquis. In November 2007 European Commission’s Directorate General for Transport and Energy (DG TREN) through a group of independent aviation experts from different EU Member States conducted ECAA assessment of the UNMIK Air Transport Sector. The report reveals that UNMIK is quite advanced in fulfilling Phase 1 requirements of the ECAA agreement. Technical assistance is, therefore, being sought from the IPA for enabling CARO to develop its regulatory oversight functions for years to come.

It is considered that twinning with an appropriate European Civil Aviation Authority will successfully deliver the objectives of this project.

3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact

The project has an important impact on cross border cooperation in the context of integration and free movement of people and goods. The project will have a significant impact in assisting Kosovo to successfully accomplish the tasks that have to be fulfilled as per ECAA agreement and further advance the integration process in the regional and EU context.

Improvement of the civil aviation transport will have a very positive effect in all the secondary and tertiary sectors of the economic development.

3.3 Results and measurable indicators:

The expected results should accomplish the second phase requirement of the ECAA agreement. The requirements are related to the completion of the aviation legislation, and integration into the European Community internal aviation market.
Results:

a. National Supervisory Authority (NSA) established within the Civil Aviation Regulatory Office.

b. Aviation safety, security and personnel licensing legislation in line with EU aviation acquis.

c. Staff fully trained and inspector handbooks, manuals and other technical administrative documents upgraded in line with EU requirements.

Staff fully trained for Air navigation services, Aviation safety and security, Personnel licensing, Aerodromes and air transport, Air transport economic regulation, Aerodrome certification and safety oversight & Environmental protection

Measurable indicators:

a. Functioning NSA within CARO

b. Available legislative framework covering civil aviation

c. Technical documentation including management procedures, guidance manuals and inspectors handbooks of the subjects listed in the above item (c), developed in line with EU aviation regulations and at least 15 CARO technical staff trained in the same areas.

3.4 Activities:

The project activities will address the requirements for the completion of the legislative framework in line with the relevant EU acquis and capacity building for CARO and its transformation into effective Civil Aviation Authority.

The project should provide the support to the Ministry of Transport and other institutions to embrace the functions envisaged in the ECAA recommendations. The Member State partner representatives should familiarise themselves with the detailed recommendations and requirements of the ECAA in order understand the nature and the scope of the project activities. The broad description of activities is as follows:

a. Capacity building for the CARO technical staff in the following areas:

   - Personnel licensing
   - Issuance of operating license to an airline
   - Issuance of an air operator certificate to an airline
   - Aerodrome certification
   - Air navigation services provider certification etc.

b. Provision of assistance to the Ministry of Transport and other public institutions in the areas of their responsibility as defined in the Kosovo draft aviation law. The assistance shall include policy drafting and preparation of guidance materials concerning the civil aviation as well as training of staff for some specialised functions required by the civil aviation law.

c. Development of training and licensing/certification programme for CARO technical staff, auditors and inspectors, provision of training/certification and preparation of guidance materials and handbooks in the following areas:

   - Air Navigation Services
- Aviation Security – including Quality Control Program and AVSEC audit and inspection
- Aviation Safety - the airworthiness inspections
- Personnel Licensing - for flight crew, air traffic controllers, maintenance engineers and others.
- Air Transport Economic Regulation – for Operating License pursuant to the EC Regulation 2408/92 on Air Carrier.
- Aerodrome Certification and Safety Oversight - Safety Management System (SMS) Aerodrome inspection and assessment - aerodrome certification.
- Environmental protection – implementation of noise related operating restrictions.

**Contracting arrangements**

A Twinning project is envisaged for exchange of experience and know-how with a member state administration for a period of 24 months.

**Means/Input from the Member States Partner Administration**

Standard twinning procedures / Twinning covenant are to be used.

All experts mobilised under this contract must be proficient in English, have excellent communication and analytical skills, be proficient in report drafting and have excellent team working abilities.

**Profile and tasks of the Project Leader**

The Member State organisation will provide a Project Leader, who will be expected to devote a minimum of 3 days per month to the project in his home administration. In addition, he will coordinate, from the Member State side, the Project Steering Committee (PSC), which will meet in Kosovo on a quarterly basis. The PL is expected to devote maximum of 25 working days in Kosovo over 5 missions.

The main tasks of the Member State Project Leader are to ensure:

- The overall coordination of the Project;
- Leading activities of the Project;
- The achievement of the mandatory results.

**The Profile of Resident Twinning Advisor (RTA)**

The Member State organisation should provide a long term expert - the RTA, experienced in the civil aviation policy formulation and regulations, and organisation management. The RTA will work on a day to day basis with the beneficiary and should have the following qualifications and the experience:

- Relevant University degree and professional experience in aviation acquired in one or more of the major fields of civil aviation such as aviation safety regulatory oversight or airport operations or provision of air traffic services.
- Minimum 10 years of experience in policy-making within a Government civil aviation department engaged in the planning and delivery of an Aviation safety regulatory management system.
- Fluency in English

**Project management and administration**

The European Commission Liaison Office to Kosovo will manage the procurement, implementation, quality control, reporting and coordination with other donors of the
development assistance and of the financial and technical cooperation related to the actions
described in this project fiche, taking remedial actions if and when needed.

The twinning contractor and the Resident Twinning Advisor (RTA) engaged through the
contracts for this project will have the authority to run the project activities on a day-to-day
basis under the supervision of the Commission Office. The Contractor’s primary
responsibility shall be to ensure that the project produces the required outputs, to the
required standards of quality and within the specified constraints of time and cost. The
team leader and others will also address cross-cutting issues. A detailed description of the
works and duties of the team leader and other experts will be elaborated in the twinning
contract (work programme), in line with this project fiche.

Project Steering Committees will be responsible for the overall direction of the project and
comprise of representatives from the beneficiary institutions and the Commission Office.

Monitoring will be performed centrally by the Commission. The project may be evaluated
at the interim or ex-post stages under the supervision of Commission’s Evaluation Unit.
The project may be audited by Court of Auditors - in line with the standard European
Commission procedures.

3.5 Conditionality and sequencing:

Available human resources within Civil Aviation institutions, including CARO and the
respective ministries to receive the training and to get sound understanding of the laws and
the interpretation of the EC Regulations such as Single European Sky regulations,
European Aviation Safety Agency requirements and Eurocontrol requirements. However
the success of the project is conditional to:

- Ability of the CARO staff to absorb the trainings provided and ability to
  independently accomplish the tasks in the future.
- Status resolution for Kosovo.
- Effective and timely processing of draft regulations by the SRSG/Kosovo Assembly is
  crucial to enable CARO and the Department of Civil Aviation in the Ministry of
  Transport to follow the project timeline.

3.6 Linked activities

CARO is continuously engaged in completion of the requirements deriving from the
ECAA agreement. CARO also continues to actively participate in the South East Europe
(SEE) Functional Airspace Blocks Approach (FABA) project for the extension of the
Single European Sky in the SEE region. Together with the other SEE states, meetings on
work packages for the definition of such FAB(s) are continuing. We are also participating
in the Governing Body and the Management Committee meetings together with the
Ministry of Transport and Communications officials.

CARO is active participator in the Civil Aviation Law working group established by
Ministry of Transport. According to Mr Ahtissari’s Kosovo Status Settlement Plan, this
law shall be presented to the Assembly of Kosovo during 120 days of transition and will
enter into force after the transition period. At that time, CARO shall become fully fledged
Civil Aviation Authority of Kosovo.

Two CARO staff continues with their academic courses funded by CARO towards an
MBA in Aviation. One officer completed his Master’s degree in Air and Space Law whilst
another staff completed his M.Sc. in Air Navigation Services, again funded by CARO. For
junior staff, continuous training program, in house and in the internationally recognized
institutions is being put in place.
CARO also avails of consultancy from Technical Cooperation Bureau of ICAO for certain specific projects and which are funded by CARO. These are normally short term experts for training CARO and other agency staff such as the Airport and ANSP staff.

3.7 Lessons learned

- **Changing consumer behaviour**: coordinated and ongoing action is necessary to influence and change consumer behaviour, but also to improve the customer care in civil aviation.
- **Coordination**: Close consultation among the many stakeholders in the civil aviation sector and a collaborative approach are essential to ensure that all these stakeholders are fully informed, and support the reforms to be carried out.
- **Prioritising investment needs**: As the transport sector is highly capital-intensive it is vital that investments in these sectors are properly prioritised, ensuring that investments have the maximum impact in realising the objectives for the sector. It is also important to ensure that economic benefits are realised from a regional, as opposed to a purely national market perspective.
- **Ownership**: Experience of previous projects in Kosovo has shown the importance of counterpart and public ‘ownership’ of reform projects. This project helps Kosovo Institutions in implementing sector reforms and builds further the capacity for the sustainable development of the sector and its integration in the EU common aviation area.

4. **Indicative Budget** (amounts in € million)

<table>
<thead>
<tr>
<th>ACTIVITIES</th>
<th>IB (1)</th>
<th>INV (1)</th>
<th>TOTAL EXP.E</th>
<th>IPA COMMUNITY CONTRIBUTION</th>
<th>TOTAL EUR (a)=(b)+(c)+(d)</th>
<th>% (2)</th>
<th>NATIONAL CONTRIBUTION</th>
<th>% (2)</th>
<th>PRIVATE CONTRIBUTION</th>
<th>EUR (d)</th>
<th>% (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity 1</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>contract 1.1 (twinning)</td>
<td>-</td>
<td>-</td>
<td>1.0</td>
<td>1.0</td>
<td>100</td>
<td></td>
<td></td>
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<tr>
<td>TOTAL IB</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
<td>100</td>
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<tr>
<td>TOTAL INV</td>
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<tr>
<td>TOTAL PROJECT</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
<td>100</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

**Note:**

(1) In the Activity row "X" is used to identify whether IB or INV

(2) Expressed in % of the Total Expenditure (column (a))

5. **Indicative Implementation Schedule** (periods broken down per quarter)

<table>
<thead>
<tr>
<th>Contracts</th>
<th>Start of Tendering (tender launch)</th>
<th>Signature of contract</th>
<th>Project Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity 1 (Twinning)</td>
<td>Q4 2008</td>
<td>Q3 2009</td>
<td>Q3 2011</td>
</tr>
</tbody>
</table>
6. Cross cutting issues

6.1 Equal Opportunity (gender mainstreaming)

The project will promote participation of women in beneficiary organisations and will identify the effects/impacts/opportunities on and for women.

The team of experts involved in the project must possess relevant skills to ensure effective mainstreaming of gender equality and minorities inclusion/participation.

6.2 Environment

The new and upgraded legislation on Civil Aviation must take in consideration all the requirements of the Commission Regulation laying down implementing rules for the airworthiness and environmental certification of aircraft and related products, parts and appliances, as well as for the certification of design and production organisations. Furthermore the environmental protection requirements will be based in the legislative acts laid down in the Chicago Convention.

6.3 Minorities

As described above, the activities will ensure the participation of women and youth and minorities. Activities and support programmes CARO will mainstream issues related to the participation of women, youth and minorities in all relevant training and capacity building programmes and ensure that such issues are considered when working on establishing legal frameworks and regulations for civil aviation. Opportunities for gender and minority balancing will be address in the training activities by ensuring availability for training and certifying technical staff.
ANNEXES

Annex 1  Log frame

Annex 2  Amounts contracted and Disbursed per Quarter over the duration of Programme

Annex 3  Description of Institutional Framework

Annex 4  Reference to laws, regulations and strategic documents

Annex 5  Details per EU funded contract (*) where applicable
### ANNEX 1: Logical framework matrix in standard format

<table>
<thead>
<tr>
<th>Project Title: Support for Kosovo’s Participation in the European Common Aviation Area</th>
<th>Programme name and number</th>
<th>IPA 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sector: Transport</td>
<td>Contracting period: (see section 1.10)</td>
<td>Disbursement period: (see section 1.12)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Overall objective</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support the sustainable development of civil aviation in Kosovo fulfilling the international standards including safety, security and efficiency.</td>
<td>Second phase ECAA requirement is implemented in accordance with the recommendations of the assessment report.</td>
<td>Annual ECAA assessment reports.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project purpose</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>The purpose of this project is development of the regulative framework compliant with the European Common Aviation Area (ECAA) agreement and institutional development including capacity building of the Civil Aviation Regulator, and other relevant institutions in Kosovo to enable aviation activities to be carried out in accordance with applicable EU aviation acquis and the International Civil Aviation Organisation (ICAO) Standards and Recommended Practices (SARPs).</td>
<td>The legal framework for civil aviation in Kosovo developed in accordance with EU acquis. CARO transformed into Civil Aviation Authority.</td>
<td>The law on civil aviation Administrative procedures and other guidance materials. The CAA functioning, providing appropriate supervisory and regulatory services to the Civil Aviation in Kosovo.</td>
<td>Timely processing of the laws and regulations by the Kosovo parliament.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Results:</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Supervisory Authority (NSA) established within the Civil Aviation Regulatory Office. Available legislative framework in line with EU aviation acquis in the areas of aviation safety and security and personnel licensing. Available and upgraded in line with EU acquis management procedures, manuals, inspector handbooks and other technical and administrative documents.</td>
<td>Functioning NSA within CARO Available legislative framework Technical documentation (management procedures, guidance manuals and inspectors handbooks) developed in line with EU aviation regulations. Number of technical staff trained and certified in the areas of competences listed above.</td>
<td>NSA respectively CARO ECAA assessment report</td>
<td>Government provides financial and political support to CARO</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Costs</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>ECAA project twinning • Air Navigation Services • Aviation Security • Aviation Safety • Personnel Licensing • Air Transport Economic Regulation • Environment Protection</td>
<td>One twinning project</td>
<td>€1.0 million</td>
<td>Beneficiaries allocate sufficient staff to the project activities Ability of the CARO staff to absorb the trainings provided and ability to independently accomplish the tasks in the future. Status resolution for Kosovo. Effective and timely processing of draft regulations by the SRS/G/Kosovo Assembly</td>
</tr>
</tbody>
</table>

**Pre conditions:**
- Government’s support on enforcing the legal and regulatory framework, and for promoting investments in the Civil Aviation.
- The draft laws concerning the civil aviation are timely passed through the parliament.
ANNEX II: Indicative planning of the amounts (in EUR million) contracted and disbursed by quarter for the project (cumulated)

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contracted</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract 1</td>
<td>1.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cumulated Total</strong></td>
<td>1.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Disbursed</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract 1</td>
<td>0.4</td>
<td>0.4</td>
<td>0.2</td>
<td></td>
</tr>
<tr>
<td><strong>Cumulated Total</strong></td>
<td>0.4</td>
<td>0.8</td>
<td>1.0</td>
<td></td>
</tr>
</tbody>
</table>

*EC funding €1.0 million (or 100% of estimated total budget)
ANNEX III  Description of Institutional Framework

Since 1999 civil aviation in Kosovo is a reserved power of the Special Representative to the Secretary General (SRSG). Through UNMIK Regulation 2003/18, UNMIK created the body of a Civil Aviation Regulatory Office (CARO). Under this Regulation, CARO is responsible for regulating civil aviation in Kosovo to ensure that its activities are safe, efficient and compliant with relevant international regulations and, in particular International Civil Aviation Organization (ICAO) Standards and Recommended Practices. In 2004, SRSG promulgated UNMIK Regulation 2004/5 on provisional regulation of civil aviation in Kosovo, which serves as a basic aviation law for Kosovo.
ANNEX IV: Reference to laws, regulations and strategic documents

The following table presents the current regulatory framework on the civil aviation.

<table>
<thead>
<tr>
<th>Regulation</th>
<th>No.</th>
<th>On the establishment of a civil aviation regulatory office for Kosovo</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulation</td>
<td>No. 2003/18</td>
<td>On the provisional regulation of civil aviation in Kosovo</td>
</tr>
<tr>
<td>Adm. Dir.</td>
<td>No. 2006/02</td>
<td>For the purpose of amending Administrative Direction No.2003/14 to increase the passenger Service Charge</td>
</tr>
<tr>
<td>Adm. Dir.</td>
<td>No. 2005/14</td>
<td>For the purpose of establishing the rights of passengers departing from Prishtina Airport when they are denied boarding or when their flight is cancelled or delayed</td>
</tr>
<tr>
<td>Adm. Dir.</td>
<td>No. 2005/9</td>
<td>For the purpose of contributing to the improvement of aviation safety by ensuring that relevant information on aviation safety is reported, collected, stored, protected and disseminated</td>
</tr>
<tr>
<td>Adm. Dir.</td>
<td>No. 2005/8</td>
<td>For the purpose of establishing procedures for the regulation of the movement of persons into and out of Kosovo</td>
</tr>
<tr>
<td>Adm. Dir.</td>
<td>No. 2004/28</td>
<td>Setting out the rules and procedures governing permits and other approvals require for flights to and from Kosovo and governing the allocation of slots to Air carries for flights to and from Prishtina/Airport.</td>
</tr>
<tr>
<td>Adm. Dir.</td>
<td>No. 2004/9</td>
<td>Ensuring that persons undertaking certain duties affecting the safety of airports, air traffic services or aircraft in Kosovo can discharge their duties safety and properly</td>
</tr>
</tbody>
</table>

Reference to AP /NPAA / EP / SAA

- Kosovo Action Plan For The Implementation Of European Partnership 2006
- Stabilization and Association Process Tracking Mechanism – Transport Policy
- Kosovo Development Strategy - Intensification of Regional Cooperation

Reference to MIPD

The project links to MIPD priorities and objectives identified for European Standards and socio-economic requirements for improving good governance, institutional capacity building, and infrastructure development in the transport area.
ANNEX V Details per EU funded contract (*) where applicable:

Activity 1. Support for Kosovo’s Participation in the European Common Aviation Area (Twinning Contract)

Tasks included in this activity to be performed by the Contractor are as follows:

1. Air Navigation Services
   - Development of the legislative framework as well as guidance materials and inspector’s handbooks by the EU Air Navigation Services (ANS) experts.
   - Audit and control at Pristina Air Navigation Service
   - On job training for CARO inspectors.

Training for local ANS inspectors on Single European Sky Regulatory and Technical Requirements and on Eurocontrol Safety Regulatory Requirements will be delivered in line with the ECAA requirements. Such training will also include training for ANSP certification and continued oversight.

2. Aviation Security

An EU Aviation Security expert will amend the existing and provide new Security Programs to comply with the EC Regulation 2320/2002 and its annex ECAC Doc30 on security. This requirement derives from the ratification of the ECAA agreement by UNMIK including the following areas:
   - Kosovo Aviation Security Program
   - Provisional Quality Control Program
   - Provisional Aviation Security Training Program

AVSEC audit and inspection in Kosovo and on job training for the CARO inspectors.

3. Aviation Safety

Training of airworthiness inspectors in the area of EU Civil Aviation Authority. The inspectors shall acquire some experience on audits and inspections under the guidance of the “twin CAA” inspector.

Development of necessary airworthiness and flight operations inspector’s handbook, by an EU airworthiness expert.

4. Personnel Licensing

Development of a regulatory framework for licensing in the form of regulations for licenses. Same applies for the development of the guidance material for the industry for administrative and technical requirements for licensing of personnel and the administrative manual for licensing officers of CARO to carry out licensing duties, and forms and checklists as may be required.

5. Air Transport Economic Regulation
   - Development of procedures manual for review of the application for Operating License pursuant to the EC Regulation 2408/92 on Air Carrier licensing and training for CARO Air Transport Officers.
   - Provision of training on the appropriate EC Regulation on issuance of Operating License applicable by European CAA.
- Development of both tasks within this activity will enable CARO staff to be prepared for review of the applications from the potential Kosovo airlines.

6. Aerodrome Certification and Safety Oversight

EU experts to develop several documents such as Safety Management System (SMS) Guidance Manual, Aerodrome Inspector’s Handbook, Aerodrome Assessment Manual and provide training in order to enable CARO to perform the aerodrome certification.

7. Environmental protection

Preparation of regulative framework on implementation of noise related operating restrictions in accordance with the EU Commissions Regulations.