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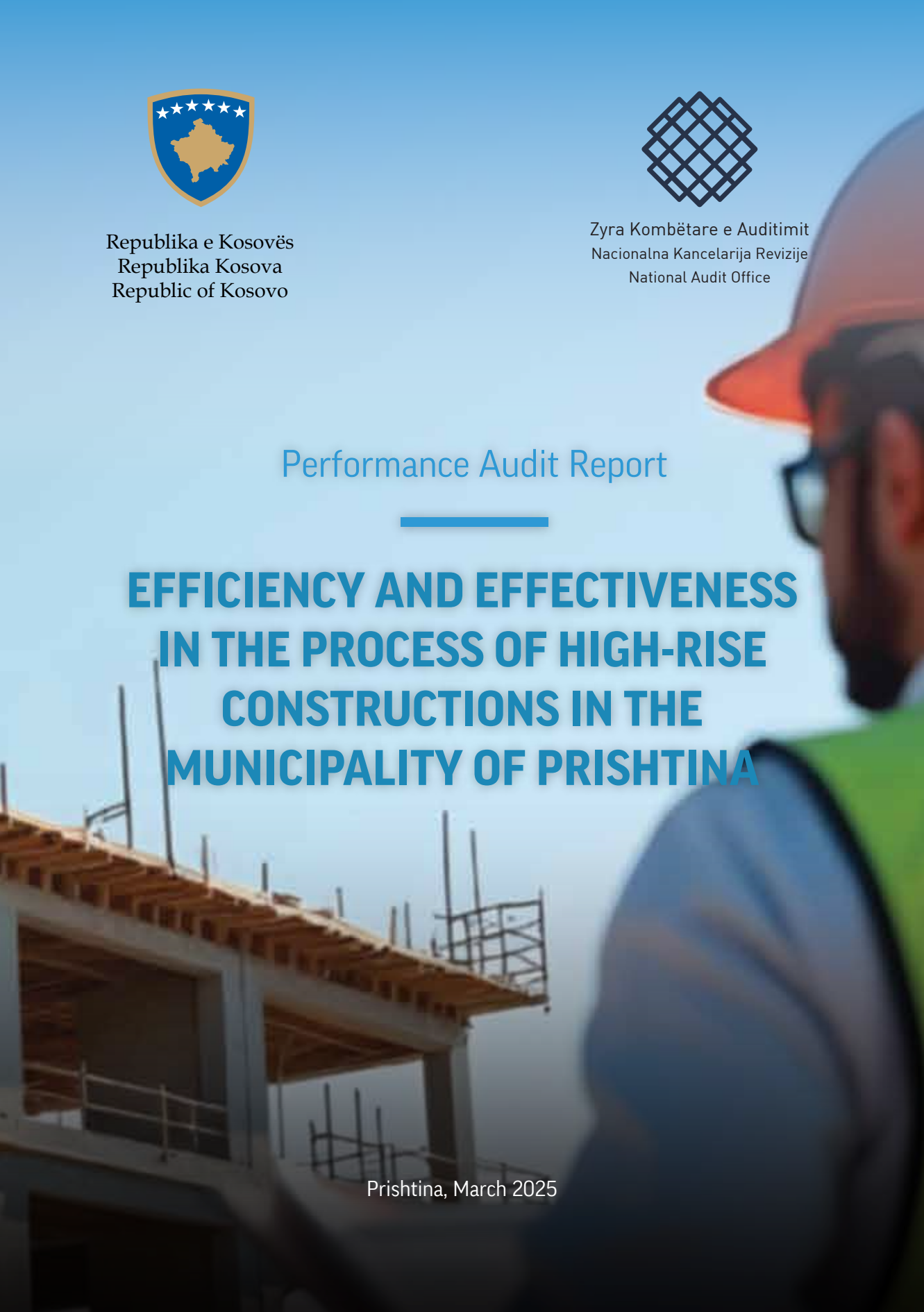
Zyra Kombëtare e Auditimit
Nacionalna Kancelarija Revizije
National Audit Office

Performance Audit Report

EFFICIENCY AND EFFECTIVENESS IN THE PROCESS OF HIGH-RISE CONSTRUCTIONS IN THE MUNICIPALITY OF PRISHTINA



Prishtina, March 2025

The Auditor General of the Republic of Kosovo is the highest institution of economic and financial control, which the Constitution and the Law[1] is provided with functional, financial and operational independence.

The National Audit Office is an independent institution, which assists the Auditor General in carrying out his/her duties. Our mission is to contribute effectively to public sector accountability through quality audits, by promoting public transparency and good governance, and fostering economy, effectiveness and efficiency of government programs to the benefit of all. We are thus building confidence in the spending of public funds and play an active role in securing the taxpayers' and other stakeholders' interest in increasing public accountability. The Auditor General is accountable before the Assembly for the exercise of the duties and powers set forth in the Constitution, the Law, by-laws and international public sector auditing standards.

This audit was conducted in accordance with International Standards on Supreme Audit Institutions (ISSAI 3000).[2]).

Performance audits undertaken by the National Audit Office are objective and reliable examinations that assess whether government actions, systems, operations, programs, activities or organizations operate in accordance with the principles of economy[3], efficiency[4] and effectiveness[5] and whether there is room for improvement.

The Auditor General has decided on the content of the performance audit report "Efficiency and effectiveness in the process of high-rise constructions in the

1 Law 05_L_055 on the Auditor General and the National Audit Office of the Republic of Kosovo
2 Standards and guidelines for performance auditing based on INTOSAI Auditing Standards and practical experience.
3 Economy - The principle of economy means minimizing the cost of resources. The resources used must be available at the right time, in the right quantity and quality, and at the best possible price.
4 Efficiency - The principle of efficiency means maximising the output from available resources. It is about the relationship between the resources employed and the results given in terms of quantity, quality and time.
5 Effectiveness - The principle of effectiveness implies meeting the predetermined objectives and achieving expected results.

Municipality of Prishtina", in consultation with the Assistant Auditor General, Myrvete Gashi Morina, who supervised the audit.

The audit team consisted of:

Fatlinda Ramosaj, Director of the Performance Audit Department

Donjetë Dreshaj, Team Leader

Mimozë Selimi, Team Member

Vjosa Zeqiraj, Team Member

NATIONAL AUDIT OFFICE – Address: Rr. Ahmet Krasniqi no. 210, Arbëria Neighborhood, Prishtina 10000, Kosovo
Tel: +383(0) 38 60 60 04/1011
http://zka-rks.org

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Executive summary

High-rise buildings have increased significantly in the Municipality of Prishtina as a result of urbanisation and population displacement from rural to urban areas as well as from other parts of Kosovo. In order to ensure the prerequisites for citizens to exercise the right to housing, the Municipality must ensure proper planning and quality construction. The right to housing implies that every individual has the right to live in an environment that is suitable, safe and meets the basic social, environmental and financial demands.

The National Audit Office has conducted a performance audit on the topic "Efficiency and effectiveness in the process of high-rise constructions in the Municipality of Prishtina". The objective of this audit was to assess whether the Municipality of Prishtina has established the procedures to handle the construction process of high-rise buildings. An emphasis was put to whether the Municipality has used the available mechanisms to ensure that occupancy certificates, which confirm the quality and safety of buildings for occupancy, are issued.

The audit results have shown that the Municipality of Prishtina was neither efficient nor effective in the processes; from the issuing of construction permits to providing certificates of occupancy. There was a lack of controls during the issuance of construction conditions, unequal treatment of construction permit applications, a lack of proper and regular inspections, and the mechanism for providing certificates of occupancy was not effective. Only 15% of construction permits issued during the years 2017-2021 were provided with certificates of occupancy. Therefore, the remaining part of the buildings do not provide the citizens or residents with assurance that the buildings are safe and compliant with the established occupancy standards, and – all the more – they are not provided with ownership rights over that property.

The increase in the construction area in the permit compared to the construction conditions is 8 to 56%, consequently the buildings are three to four floors higher than foreseen in the urban plans. Delays in issuing construction permits range between 3 and 30 months, caused by the poor segregation of duties among the

responsible officers, where one officer was delegated to handle 97 construction permits, whilst another only two. The allocation of inspection tasks among inspectors was not proportional because only one inspector was assigned 54% of the cases subject to our sampling, whilst nine other inspectors were assigned with the remaining ones. Delays in responding to investors' requests for inspection ranged from 8 to 60 days, which has also led to the reduction in investors and affected their willingness to request an inspection.

Some of the main shortcomings identified include:

Prishtina lacks detailed regulatory plans, resulting in constructions developed without any urban structure.

The Municipality of Prishtina has failed to draft and issue detailed regulatory plans, resulting in the regulation of plots not being completed before the issuance of construction permits. This shortcoming has led to municipal officers playing the role of mediators, thus leaving room for subjectivity in decision-making. Moreover, the designation from agricultural lands to construction land is often delayed until the final stages of the process, rather than occurring prior to the issuance of permits. As a result, three to five floors have been added to buildings planned for eight and ten floors, overloading the city with structures that do not comply with the general urban regulatory plan and jeopardizing the construction quality and the citizens' safety consequently.

The increase in public services is not in line with the number of permits issued nor with the general plans.

Although the Municiaplity issues hundreds of constructions permits every year, it has not provided for enhancing the road infrastructure, health services, or public transport in line with this number. The municipality has also planned the increase in public services as per the increased number of residents, but the number of Family Medicine Centres has recently increased by one, whilst there is no increase in the number of kindergartens and primary and secondary education.

Delayed and unplanned inspections jeopardise the safety, quality and prevent the correction of potential deficiencies.

Carrying out inspections without a plan and without a clear segregation of tasks and responsibilities has led to the number of inspections being very low compared to the number of permits issued. Furthermore, most inspections by the Municipality are very late and are carried out only after construction has been completed, since inspections during the process are left to the investor, according to the Administrative Instruction no.05/2017 on Inspection Supervision and Procedures for Issuing the Certificate of Occupancy. The lack of inspections by the Municipality at earlier stages and the lack of controls over inspections carried out by the investor do not provide assurance that the constructions are in accordance with the projects, that they are safe for habitation, nor that the material used is of the right quality. Inspections carried out after construction is completed are not only off time but also prevent the corrections from being made if necessary and potential damages from being repaired.

The Municipality's practices regarding the certificates of occupancy jeopardize the citizens' safety and property rights as well as the Municipality's own financial interests.

The lion part of the financial liabilities that investors created towards the Municipality upon obtaining a construction permit have been paid with significant delays. Although the Municipality has several mechanisms in place to ensure the collection of these receipts, such as the payment in instalments and the right to seize the guarantee from the security company in the event payments are not made, we have not found in any of the tested subject that the Municipality used any of these possibilities. However, the Municipality most commonly enforces withholding the issuance of the certificate of occupancy until the investor has fulfilled these obligations, which represents the final step in the construction process. This option, whereby the investor is not required to make payments continuously but only at the end, harms the Municipality's budget and the interests of the citizens. Moreover, even in cases when the investor has been willing to obtain the certificate of occupancy, the Municipality has delayed up to 488 days (in the longest case) to provide the investor with it.

Therefore, most of the constructed buildings are not provided with a certificate of occupancy even though they are released for occupancy. The municipality has not developed functional mechanisms that oblige the investor to obtain the certificate of occupancy after the final inspection and before the building is released for occupancy. The buildings have already started to be occupied by residents, without the certificate of occupancy being issued, so they have not passed the control phase to ensure that the building is safe for occupancy.

The buyers of these apartments, in addition to not having security of tenure, they do not enjoy the right to become their legitimate owners neither. As a result, these properties cannot be used as financial guarantee (mortgage) nor can they be legally alienated or sold. Furthermore, in our samples, we have identified that there were projects that took close to 14 years from obtaining the construction permit to being provided with a certificate of occupancy, never minding those investors who have not even applied and whose projects' duration of the implementation is unknown.

One tool that would enable the Municipality to better manage this process is the e-permit system. Using this system would enable the identification of links, where there are the most weaknesses and delays, and taking of timely measures consequently.

In order to ensure that proper and functional procedures for dealing with high-rise constructions in the Municipality of Prishtina are in place and that the mechanisms available ensure that certificates of occupancy are issued, we have given seven recommendations. The full list of recommendations is presented in chapter five of this report.

Response of the auditee

The Municipality of Prishtina has partly agreed with the audit findings and conclusions. Their comments thereon are presented in Annex III. We encourage the Municipality of Prishtina to put all efforts for addressing the recommendations given.

INTRODUCTION

01

1. Introduction

The construction sector in Kosovo continues to be amongst the ones with the most rapid development in recent decades. The development of the construction sector in Kosovo undergoes continuous changes and development.

High-rise buildings have also experienced rapid development in terms of construction, particularly in urban areas. This is as a result of the continuous increase in demand for apartments; a demand influenced by various factors, but mainly related to urbanization or the displacement of the population from rural to urban areas.

The absence of infrastructure, distance from educational facilities, health and cultural centres, etc. has resulted in the migration of the population to urban areas,[6] thus leading to an urban revolution in Kosovo. Other factors that have led to the migration from rural to urban areas are the population's focus on urban centres, the unplanned expansion of cities, irrational use of agricultural lands, etc.

The massive migration has generated the need for quality planning and construction, which would provide the citizens with the fundamental right to housing. The right to housing means that every individual is entitled to the right to live in an environment that is adequate, safe and that meets basic social, environmental and financial criteria.

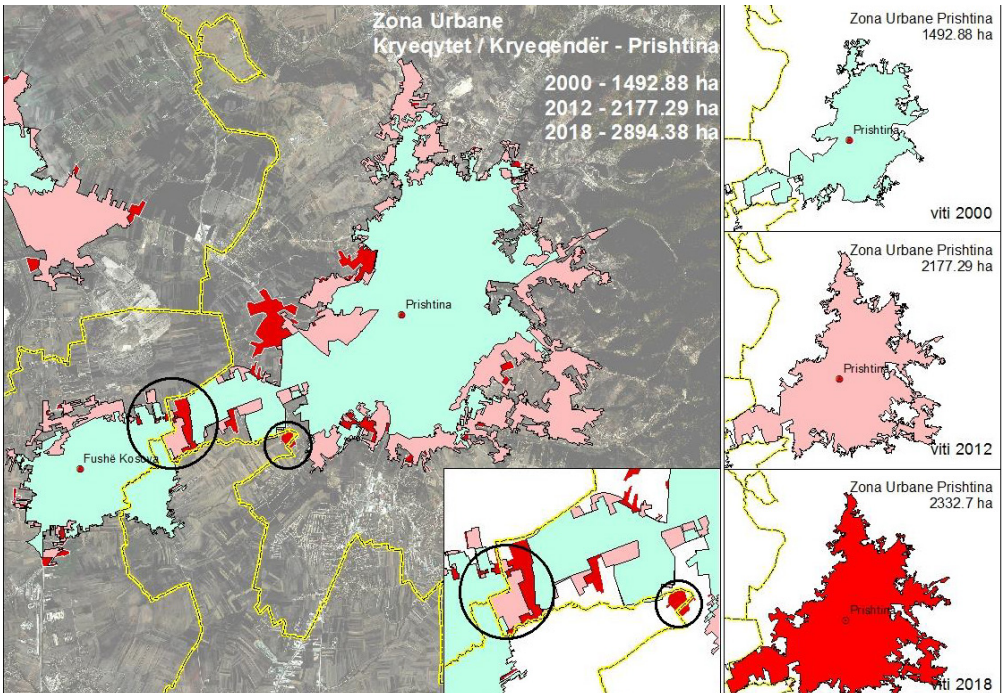
The regulation and planning of residential areas are a complex issue and must be carried out based on long-term plans drafted by the Government of Kosovo and municipalities. In order to ensure a quality life for Kosovo citizens, it is essential to build strategies and make visionary plans, be it national or local, that serve to increase in quality of housing conditions for all Kosovo citizens. The purpose of having a good

6 Spatial Plan of Kosovo, 2010-2020+

urban planning is also to provide citizens with the opportunity to own and use their properties as legitimate owners.

Proper spatial planning at the central level also lays the infrastructure for spatial planning and regulation at the local level. While the largest displacements usually occur from rural to urban areas, displacements in recent years have been mainly focused on the capital, the City of Prishtina.

Picture 1: Prishtina and the expansion of urban areas between 2000-2012-2018



The density population in Prishtina is 900 inhabitants/km^2, whilst in the deeper rural areas it is 50 inhabitants/km^2.[7]

7 Spatial Plan of Kosovo, 2010-2020+

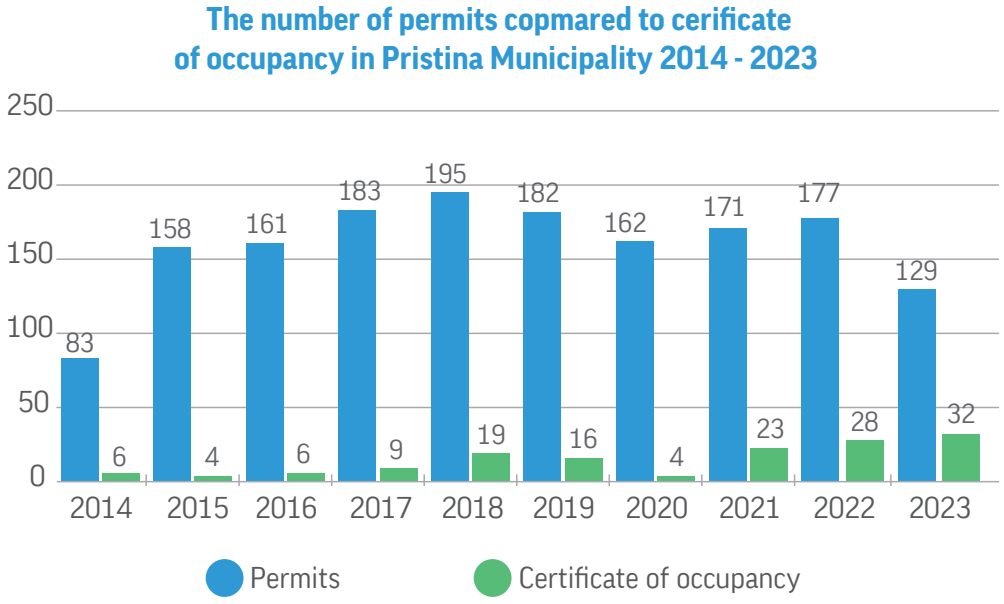
Picture 2: The extent of construction in the city of Prishtina

The pictures above show the significant expansion of the city of Prishtina. The first picture shows a small expansion of constructions in the 70s, whilst the second picture shows the expansion of constructions in the in recent years. Prishtina, as a municipality consists of 19 defined urban (construction) zones, for which there are separate regulatory plans (villages excluded).

The trend of high-rise constructions in urban areas in Prishtina continues to remain high. When it comes to high-rise buildings and their quality, there are two essential elements focus is always placed upon: granting of the construction permit and issuing of the certificate of occupancy.

The following is the data on construction permits and use certificates issued in the Municipality of Prishtina for the years 2014-2023.

Chart 1: Construction permits compared to certificates of occupancy for the years 2014-2023, for all construction categories



The total number of constructions permits for all construction categories issued for the period 2014-2023 is 1,601, whilst for the same period only 147 certificates of occupancy were issued[8].

The chart shows that, since 2018, the number of issued certificates of occupancy has increased, but despite the increase in the number of certificates issued in 2023, these certificates belong to permits issued over the years, even 10 years ago. This may be as a result of the increased awareness of investors and citizens, given that the possession of this certificate allows investors to sell apartment units more easily, whilst citizens can establish ownership and use it either as a mortgage or even sell it more easily, consequently the housing units with certificates of occupancy become more attractive for purchase. Different European countries use different practices regarding the deadlines and measures taken in case investors fail to obtain certificates of occupancy, e.g. the Czech Republic, France, Italy, Malta,

8 Official website of the Municipality of Pristina

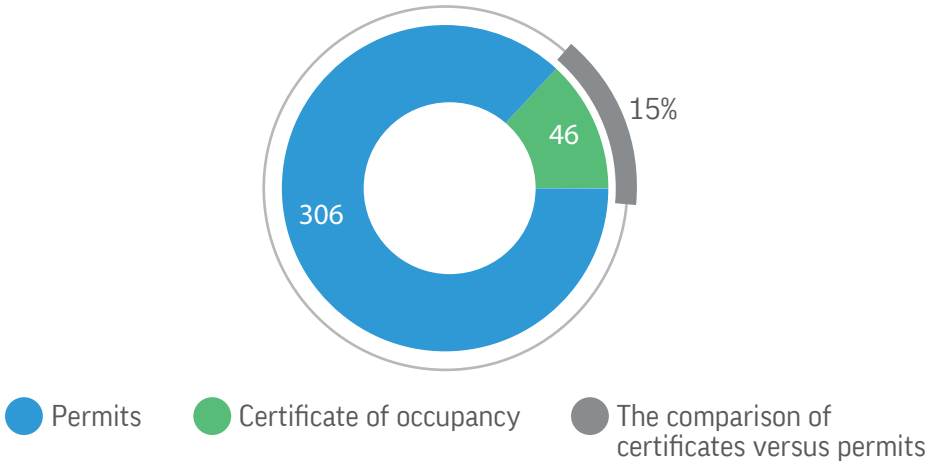
Portugal and England may extend the deadlines for special cases, whilst other countries such as Bulgaria and England may shorten the deadlines if approved by inspectors or licensed architects. For most countries, the maximum time to obtain a certificate of occupancy is eight to 12 months. Various practices such as revoking the construction permit (Belgium, Italy, Ireland, Scotland), appealing to higher authorities (Austria, Portugal and Slovenia) or waiting for a response (Czech Republic) are applied in cases where investors are not provided with a certificate of occupancy.[9] The chart also indicates that the number of permits issued has also experienced increases or decreases from year to year, with an emphasis from 2022 to 2023, but that this number depends mainly on the applications for permits.

To reflect the problem of the low number of certificates issued, we have done a simple analysis regarding certificates of occupancy versus permits issued only for the second category or high-rise buildings[10]. During the 2017-2021 period, 306 construction permits were issued, whilst there are only 46 certificates of occupancy for these permits. As for the permits issued during the 2022-2023 period, we have not included them in this analysis because their completion, as projects, takes time, making them irrelevant for this analysis.

9 https://www.irbnet.de/daten/iconda/CIB_DC24512.pdf

10 Multi-residential buildings and multi-residential buildings with business premises in it that belong to the second construction category

Chart 2: Number of certificates of occupancy only for high-rise buildings versus permits issued for the years 2017-2021



This sharp difference in numbers indicates the delays and shortcomings in the management of the high-rise constructions process. For each completed construction, there should also be a certificate of occupancy, which, in addition to proving that the building is safe and meets the standards required for living in it, also ensures the citizen's legal right to the property.

AUDIT OBJECTIVE

02

2. Audit objective and audit questions

The audit objective is to assess whether the Municipality of Prishtina has established the procedures on how to handle the process of high-rise constructions. This audit will specifically assess whether the Municipality has used the mechanisms available to ensure that the certificates of occupancy are issued, which are a confirmation of the quality and safety of buildings for use.

Audit questions

To answer the audit objective, we have posed the following questions:

1. Does the Municipality ensure that construction permits are issued efficiently and effectively and in accordance with spatial planning?
2. Has the Municipality effectively and efficiently ensured that the constructed facilities are of high quality and provide safety for use?

The Municipality of Prishtina has been subject to this audit, namely the management of the entire high-rise buildings process was audited, from the construction conditions, granting of the construction permits, inspections and issuance of the certificate of occupancy.

The detailed methodology applied during this audit, sub-questions, criteria, scope and detailed description of the system and responsibilities of relevant parties are presented in Annex 1 of this report.

03

AUDIT FINDINGS

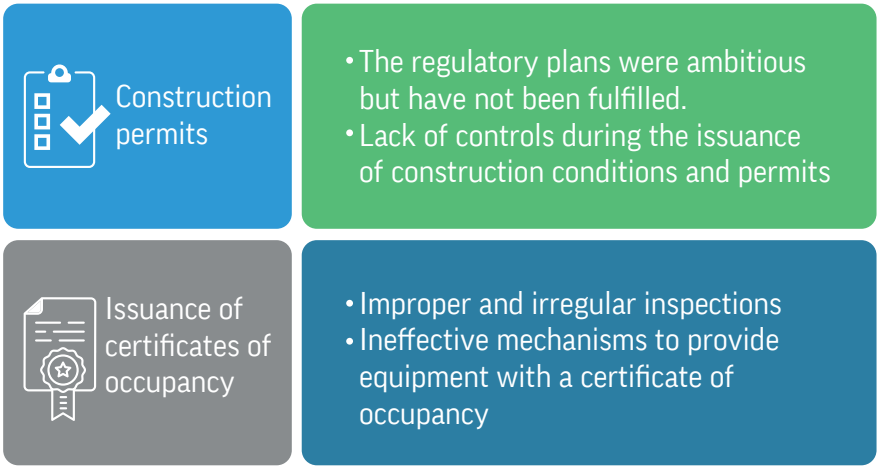
3. Audit findings

This section contains audit findings related to the construction permit process for high-rise buildings in the Municipality of Prishtina. The chapter includes the Municipality's activities to be as efficient and effective as possible in issuing the certificates of occupancy. We audited the process from planning, issuing of construction conditions, granting of permits, inspection and issuing of certificates of occupancy.

To assess the planning, construction permit and inspection process, we analysed 48 samples out of a total of 477 (10%) construction permits issued for the 2021-2023 period. While for the process of issuing certificates of occupancy, we analysed 15 samples out of a total of 83 (18%) issued in the 2021-2023 period, while the permits for them were issued in previous years. We selected the samples by analysing the Municipality's data on the number of constructions permits and certificates of occupancy issued. We initially analysed how many construction zones are there in the Municipality of Prishtina and which zone has the most permits issued in the years covered by our audit. We selected samples from nine construction zones, so 47% of the zones were covered. From the selected zones, samples with more square meters were selected, consequently more floors[11] and a higher fee to pay. Such buildings are more complex and therefore the added value from the audit may be higher. In order for the sample to be as comprehensive as possible, samples from different investors were selected.

11 A floor is any part of a building's level with one floor that can be used by people (for living, working, storage, recreation, etc.).

Figure 1: Findings structured in two parts, linked by audit issues



3.1. Process of planning and granting of construction permits

This section contains information about the urban planning process, the issuance of construction conditions, and the process of granting construction permits.

The presented findings are divided into three parts:

- **Part one** includes information about urban plans and their implementation;
- **Part two** includes information on construction conditions, how they are determined and the purpose thereon, as well as the monitoring and effects derived from the determination of these conditions; and
- **Part three** includes information about issuing construction permits.

Urban regulatory plans

To ensure that high-rise buildings provide functional infrastructure, there must be concrete, measurable and feasible spatial plans. The municipality must ensure proper spatial planning, that is, good environmental organisation and management through the most rational use possible for the construction of a non-chaotic city that offers opportunities for a good life.

The Municipality of Prishtina has prepared the Urban Regulatory Plans and determined the main conditions for construction. Regulatory plans contain various and comprehensive information such as: the location of buildings in relation to each other, the height of buildings, the smallest distance of buildings, the distance of buildings from neighbouring plots, the conditions for the construction of other buildings on the same construction plot, the number of residents, the number of kindergartens per number of residents, the number of schools per number of residents, the number of health centres, etc.

These plans also contain information regarding the area of the construction plot, the plot utilization index, the underground utilization index, the total construction area, the green area, the number of floors, housing, business, public transportation, etc.

All this information is presented in these regulatory plans for each construction zone in the Municipality of Prishtina. The plans are mainly developed by design companies contracted by the Municipality and have been developed over the years for different neighbourhoods of the city.

However, these plans are universal and unrealistic and have not been implemented as foreseen. This is evidenced by the fact that, in the current constructions, the number of floors under construction has increased compared to those planned, and the accompanying infrastructure has not been built according to the plans, such as: roads, health services, education, or public transport. The plans are universal, since they foresee, for example, a certain number of schools, health centres, roads, public transport, etc., but not the areas where they will be built or what capacity they will have. What makes these plans unrealistic is the fact that the foreseen services have not been implemented and this is easily seen as only one Family Medicine Centre has been built in 10 years and no kindergartens or high schools have been

built for the 2020-2024 period neither. Moreover, no steps have been taken to implement the traffic plan for urban trains/trams. When these plans were made, the Municipality entrusted this task to design companies that were contracted by the Municipality itself, with their team selected by the design company itself. However, no feasibility study was carried out to ensure the impact the issuing of so many construction permits would have on the fulfilment of these plans, nor on the burden caused to the city. Each plan was made based on the will of the designing company, since there are no specific or measurable standards on how a plan should look like. These plans were not based on the trend of applications for permits nor on the real needs on the ground, because the needs for kindergartens, schools and health institutions were not assessed and construction trends were not included. As a result, the Municipality has ended up in a situation of having universal and unachievable plans.

The Municipality has not even prepared the basic infrastructure for the public services foreseen in these plans, which it is obliged to offer to citizens.

For example, the plans also foresee urban trains-trams in two directions with an area of 7m, but for which no space has been left to be built even in the future because the areas that foresee this service are overloaded with high-rise buildings, for which the Municipality continuously issues construction permits. So, the Municipality ensures that it meets the investors demands of construction rather than ensure that basic conditions such as kindergartens, schools, family medicine centres are met, much less the urban train service, a travel method that does not operate anywhere in Kosovo. This is because the Municipality has not put the same focus to the provision of other services in addition to issuing permits, this is also seen in the budget planning over the years for these services[12]. For example, the urbanisation directorate issues permit based on the applications for construction permits, but the Municipality does not follow the same trend with the planned constructions, for kindergartens, schools or even family medicine centres. Issuing of construction permits without ensuring that the accompanying infrastructure is also implemented coincides more with the interests of investors rather than with the general interests of citizens.

12 Budget law for 2021 along with projections for 2022 and 2023

Table 1: Number of nurseries, schools and employment of teachers over the years in Prishtina[13]

	Preschool/ kindergarten	Primary and lower secondary	High middle	Total	Educational staff
2020/2021	8	52	14	74	699
2021/2022	8	50	14	72	685
2022/2023	8	49	14	71	682
2023/2024	8	50	14	72	678

As shown in the table above, the number of kindergartens and upper secondary schools continues to remain the same since 2020, while there is no significant difference in the number of primary and lower secondary schools for these years. It is clearly seen here that the number of teachers has not increased either. On the contrary, there was a slight decrease for these years, so this is one of the indicators that educational services have not increased in line with the number of constructions permits issued.

Table 2: Number of medicinew centres over the years in Prishtina[14]

2020-2022	1 Main Family Medicine Centre and 15 Family Medicine Centres
2023	1 Main Family Medicine Centre and 16 Family Medicine Centres
in total	1 Main Family Medicine Centre and 16 Family Medicine Centres

As we can see from the table above, only one Family Medicine Centre has been built in the Municipality of Prishtina since 2020. Compared to the constructions, the demand for health services has not been met either.

13 Education statistics in Kosovo (data from the Kosovo Agency of Statistics)
14 Pristina Urban Development Plan 2012-2022

In order to draft appropriate urban regulatory plans, they are based on the information of the Zonal Map of the Municipality, however, the Zonal Map of the Municipality of Prishtina has not yet been approved. Despite its non-approval, the Municipality has contracted design companies to draft urban regulatory plans. The Zonal Map would enable the Municipality to ensure that the regulatory plans include graphs, pictures, maps and texts that gives details on the type, destination, planned use of the space and action measures. The Zonal Map would serve to draft detailed regulatory plans containing all the details of the area and specific plots namely it would prevent the plans from being deviated.

Detailed regulatory plans have been made only for three areas/neighbourhoods, where the information on these plans is detailed for each plot, such plans, the Municipality should also make for other construction areas. While for those neighbourhoods for which there are no detailed regulatory plans, the Municipality issues construction conditions through which it informs the potential investor what he has the right to build on that plot for which he made a request.

Construction conditions

Detailed regulatory plans are plans by which the Municipality regulates each construction zone, including the regulation of construction plots, access to various infrastructure services and access to transport. The Municipality has compiled such plans for only three out of 19 construction zones. Therefore, as an opportunity to regulate the construction, land allocation and other regulations for each zone, the Municipality first issues construction conditions to the potential investor, after which they can apply for a construction permit. Construction conditions contain more detailed information than the overall regulatory plans and are extracted therefrom but do not completely regulate the zone as the detailed regulatory plans do. Construction conditions specify whom construction conditions are issued to (owners and investors), the location where the construction will take place (if permission is obtained) and the existing condition of the plots (areas and type of land) with the total area.

In construction conditions, different multipliers are also determined for that zone. These multipliers are: the multiplier of maximum use of cadastral plots for ground

floor and basement[15], the maximum utilization multiplier of cadastral plots for basements, the utilization multiplier of construction plots for green spaces and the construction multiplier. The value of all these multipliers is determined in regulatory plans. The multiplier of green space in addition to the value determined in regulatory plans for each construction area has been increased by 10-20%[16], this is to promote the growth of green spaces in the Municipality of Prishtina. In construction conditions, each multiplier is calculated separately and, the area for construction is also determined depending on the area of the plots.

Also, construction conditions define easy traffic for firefighters, external and internal parking spaces (one parking space for each residential unit), paths, sidewalks, children's playgrounds, sports fields, urban furniture, etc.

Construction conditions also determine the plots included in compensation, in transfers, those required to be separated and those required to be merged. This is done for the purpose of regulating the plots before the construction starts, since the Municipality currently does not have all the plots and the destination of the lands regulated. All of this must be completed before applying for a construction permit. However, this does not always happen. As a result of the construction plots not being regulated on time, meaning before the issuance of construction permits, municipal officers mediate between investors and citizens for the regulation of these plots, because investors do not always reach an agreement with the plot owners. This, according to them, is done to contribute to the regulation of the area and to accurately inform the plot owners. Such a practice, in addition to being an additional burden for the staff, also leaves room for subjectivity in the treatment of cases. The Municipality has replaced detailed regulatory plans with construction conditions and this replacement does not provide detailed information about the possibility of construction on that plot. Construction conditions provide information only about the investor's specific request rather than details about the specific area, therefore only one parcel is regulated without measuring the impact that it may have on the entire area. This practice makes it easier for the investor to obtain a construction permit, but does not prevent the diversity of construction in the specific area.

15 The floor of a building that is partially or completely below ground level
16 President's Decision no.01-031-185481, dated 2015

Consents for connection to public services

When applying for construction conditions, the applicant is required to attach prior approvals[17] from public institutions or utilities, such as: electricity, water supply, sewage, city heating, environmental consent and fire protection consent. Consents must be obtained at least from these institutions: Kosovo Electricity Distribution Company, Regional Water Supply Company, Postal Company, Termokos and Emergency Management Agency. However, the consents obtained serve only for completing the technical documentations but not for connecting to these services. These consents do not provide sufficient information regarding the duration or which permit they are issued for. It happens that two permits are issued with one consent because the effect of these consents is only formal. The municipality places the responsibility for these consents to the investor and the respective publicly owned enterprise and has not established a proper communication and cooperation to make clear as what are its responsibilities in this regard. Final consents for the supply with services by these publicly owned enterprises are obtained by the investors at later stages, and the Municipality receives no application or information about them.

All the investors subject to audit sampling were provided with the consents needed prior to the issuance of a construction permit, but they do not necessarily enable connection to public services. The municipality does not have any mechanism in place to ensure that applicants for permits also provide confirmations of the possibility of using these services once the building is completed and released for occupancy.

As a result of the Municipality issuing permits without obliging investors to provide access to such services, there is a risk that not all residents will receive these basic services, especially those housing units that are sold before the building is finalized. With the issuance of a large number of permits, the number of buildings in different areas also increases, consequently the number of residents increases, which directly affects the demand for technical infrastructure services such as:

17 This consent indicates that the location where the construction of a facility is planned does not hamper the supply to existing customers. In other words, this consent indicates that construction does not affect the infrastructure, maintenance and management of existing networks. Therefore, these applications are called consents in principle, because they are obtained before the start of construction.

electricity supply, water supply, telecommunications network, sewage network and central heating. Therefore, the Municipality should ensure that residents will not be challenged by the lack of such services.

Change of purpose of parcels

The Municipality of Prishtina, through regulatory plans, has determined which plots can be changed from agricultural to construction land, since most of them have been agricultural land before the regulatory plans were drafted. Construction permits should be issued only for construction land and only after the applicants change the use of land. Based on the analysis of the audited samples, it results that in 31 out of 48 samples, the land used was intended for construction, while in four of them the use was mixed, including construction land, agricultural land and infrastructure, while in 13 samples the use was agricultural land according to the ownership certificate. Despite the requirement not to build on land other than those intended for construction, this had happened. Moreover, these decisions are passed on to different levels of municipal officers and all these levels had approved the issuance of the construction permit without requesting the land use to be changed. According to the Municipality's practices, there were cases where the land use designation was changed during the process of issuing a certificate of occupancy. This possibility has led officers to not be careful enough and not give due importance to this process, reasoning that it can be corrected in the certificate of occupancy.

Floors and surfaces in construction permits different from those in construction conditions

Construction conditions also include information such as: the area within the regulatory line and outside the regulatory line. Those within the regulatory line are included in the urban regulatory plan whilst those outside the regulatory line are mainly intended for infrastructure.

When the investor applies for construction conditions, he applies for as many floors as the regulatory plan foresees, but the negative side of this is that not all plots in construction conditions are regulated by regulatory plans. Some of the plots foreseen for construction in the construction conditions are private but with

regulatory plans are foreseen to be used for public interests. The municipality, instead of having expropriated them in time, regulates this issue with a Decision of the Mayor and in exchange for these plots offers the investor additional floors in the value of the plot surface expropriated for public interest. The municipality has assessed that the method of compensation with additional floors is more profitable for it than paying expropriation of plots.

As a result, in all permits issued for the audited samples, more floors were allowed than foreseen in the urban regulatory plans. Given that the urban regulatory plan is not divided into plots, we were unable to verify whether all plots considered as plots of public interest were actually such. Furthermore, the practice of compensating plots with floors has been implemented since 2008 and has not been updated. Consequently, in five urban areas that we audited, the floors allowed for construction are three to five floors more than planned in the urban plans. This situation has resulted in the constructed facilities being without a specific structure and not in coordination with the urban plans.

In addition to the increase in floor areas, in the audited samples we have identified that there was also an increase in the total construction area in the construction permits compared to those in construction conditions. In 22 out of 48 audited samples, there were discrepancies. The following is the data for the construction permits in which there was an increase in the area compared to the construction conditions.

Table 3: Increase in surface area in construction permits compared to construction conditions

Number	Area according to construction permit (m^2)	Area according to construction conditions (m^2)	Difference (m^2)	Increase in surface area due to construction conditions %
1	27,635	12,241	15,394	56%
2	26,515	14,709	11,807	45%
3	34,672	23,193	11,479	33%
4	16,300	7,680	8,620	53%
5	19,339	13,381	5,958	31%
6	42,024	37,571	4,453	11%
7	22,187	19,261	2,926	13%
8	24,471	22,628	1,843	8%

The table shows that the change in the number of floors in the construction permit compared to the construction conditions in five audited samples is from 30% to 56% increase and in three samples from 5% to 15%. We have also identified 14 cases, where the change is lower than 4%. These changes have influenced the buildings not to be according to urban plans but to have three-four floors more than foreseen in urban plans.

The consequences of increasing the number of storeys of buildings beyond what is foreseen in regulatory plans or construction conditions also results in the need for supporting infrastructure and transportation, changing the appearance of the city, lighting and sunlight in buildings, challenges related to safety and survival in case of emergencies, etc.

Delay in issuing the construction permit

After the issuance of the construction conditions, the process is followed by meeting the conditions for obtaining a construction permit. The Municipality has assessed that the optimal time to make a decision on whether or not to issue a construction permit is 45 days after the application. The Municipality should respond to the investor regarding the approval or not of the construction permit application within this deadline. Despite this deadline set by the Municipality itself, it has not been adhered to. We have found delays in all audited samples.

Table 4: Delays in issuing construction permits during the period 2021 - 2023

Delay time	Number of delayed decisions
Up to 3 months	10
over 3 to 6 months	14
over 6 to 12 months	12
over 12 to 18 months	7
over 18 to 24 months	4
over 24 to 30 months	1
in total	48

As shown, most delays in decision-making for construction permits are up to one year, but there are cases where the delay reached two and a half years.

The reasons behind these delays are limited human capacities and the disproportionate distribution of work among existing officers. The lack of a written procedure on at what point and when an application should be considered rejected has also contributed to these delays. Failure to introduce the e-Permit for the second category of constructions has also made it impossible to identify the process link where main delays are being caused at.

Our analysis shows that the audited samples for reviewing construction permit applications were distributed to eight officers. These eight officers, in addition to the samples we audited, have also reviewed other construction permit applications and have also performed other duties and responsibilities. The table presents data on the number of permit applications for each officer during the years 2021-2023 as well as other duties performed during this period.

Table 5: Staff distribution compared to leave requirements and other duties 2021-2023

OFFICER	1	2	3	4	5	6	7	8	in total
Number of constructions permits issued[18]	47	23	16	**97**	19	29	10	**2**	243
Other duties and responsibilities[19]	288	115	221	**455**	237	236	110	**48**	1,710
in total	335	138	237	**552**	256	265	120	**50**	1,953

The table above shows that the officer who reviewed the largest number of applications (97 of them) for issuing construction permits also had the most other duties and responsibilities (455), whilst the officer with the smallest number of

18 The number of constructions permits issued for the second category also includes the number of audited samples.

19 Request for review of construction conditions, request regarding changes to the fulfilment of conditions and construction permits, request for change of property designation, complaints, etc.

duties had reviewed two applications for construction permits and 48 other duties and responsibilities. The second officer in line, in terms of the number of permit applications, had reviewed less than half of the one with the largest number. Those officers who reviewed fewer applications for construction permits also performed fewer other duties and responsibilities compared to the officers who reviewed more applications for construction permits and also performed other duties and responsibilities. Data on the distribution of cases and other duties and responsibilities were provided to us by the Municipality, where information is presented about the type of work and which officer was responsible. This analysis shows the disproportionate distribution of duties among the responsible municipal officers.

The distribution of cases to the responsible officers is not carried out with any specific criteria or any predetermined procedure but as per the personal assessment of the head of the unit. Had the distribution of construction permit applications been carried out proportionally, an officer would have reviewed about 30 applications during the 2021-2023 period, so the difference of about 5000% between the officer with the largest number of applications reviewed and the officer with the smallest number of applications reviewed would not exist. However, during the interviews with the responsible officers, we found they agreed with this distribution and there was no dissatisfaction.

Rejection/approval of construction permits

Applications for construction permits can be rejected when the party has been notified that the case is incomplete, has been given another 15 days to complete it but has not completed it. Such practice is not respected by the Municipality, since the party is allowed to change/complete the documentation such as: agreements with residents or other investors, regulation of construction plots, change of property designation, these changes can occur until the completion of the documentation even beyond the specified deadline of 15 days.

During the audit, we found that the number of rejected applications is very low, because municipal officers do not adhere to administrative procedures and extend the process of completing the documentation beyond the allowed deadline. When the application is rejected, it goes back to the starting point and the investor must reapply with all the documentation. Therefore, in order to avoid checking the

applications from the beginning, officers accept documents from investors even after the deadline.

Officers apply this practice to facilitate the application process for investors, but at the same it also makes the number of applications-in-process for an officer seem higher. Applications from the starting point and those that are in the process of completing the documentation for obtaining the permit do not require the same time or engagement. Moreover, a new application - in case of rejection - means that the officer who deals with the application can also be changed, so it would be known how many applications exactly are expected to be reviewed by an officer.

Of a total of 48 audited samples, we found that the Municipality rejected the applications for construction permit in three of them. Although there were delays in the payment of instalments for taxes and fees in most of the samples, the Municipality had rejected only one application. This shows the Municipality's inconsistency in handling requests for construction permits. The other two rejected applications were related to the changing of the organization and safety measures during construction, a request made by the investor, where the Municipality had decided to reject the construction permit and ask the investor to submit an application from the beginning, and the third rejected application related to the compensation for private properties designated for general interest by regulatory plans. The rejected applications were due to non-compliance with the requirements in the construction conditions, but there were also other applications where these requirements were not complied with, but construction permits were granted, e.g. permits where the land use had not been changed before the permit was granted.

This means that the Municipality did not apply the same criteria for rejection, despite the fact that all samples had grounds for rejection, with the emphasis that none of them were completed on time.

3.2. The process of issuing certificates of occupancy

This section covers the process of inspecting issued permits, i.e. inspections during construction, including the process of obtaining a certificate of occupancy. These steps are made after the party has been issued with a construction permit and is ready to begin construction work.

The findings in this chapter are divided into two parts:

- **Part one,** examines the mechanisms that the Municipality has put in place to monitor the construction process and the form in which inspection supervision is carried out[20].

To assess this process, we have selected 48 samples of constructions that were issued with a construction permit during the period 2021-2023 and that are currently under construction. However, of these 48 samples, the Municipality has provided us with files for only 42 of them, while for six others it has not provided us with data, even though we have continuously requested them, we have not received a response, therefore all statistics in this chapter of findings refer to 41[21] subjects we audited. According to Law no. 05/L-055 on the Auditor General and the National Audit Office of the Republic of Kosovo, Article 25 (right to collect information), section 2. and 2.2, states that: The Auditor General or a person authorized by him or her: has free and full access to audit, at any reasonable time, property or documents whether in paper or electronic form. Despite the fact that we were not provide with the files for six samples of the inspection process, this did not prevent the auditor from reaching grounded conclusions.

20 Inspection of construction compliance with construction documentation, building code and applicable technical regulations.

21 The Public Housing Enterprise was not included in the analysis because its permit was suspended.

- **Part two,** examines the process of providing a certificate of occupancy[22] and the way these certificates are issued after the completion of construction works.

To assess this process, we have selected 15 samples from 83 facilities that have been provided with a certificate of occupancy during the audit scope period 2021-2023.

Inspections at each stage of construction

The Inspection Directorate within the Municipality of Prishtina should inspect all phases of construction and ensure that construction is in compliance with the conditions of the construction permit. The Municipality should also have in place an effective monitoring mechanism for inspections. Inspectors must ensure that only buildings are permitted to be built for which it has been established that there are no irreparable irregularities that endanger the stability of the building, the stability of neighbouring buildings or endanger the lives of persons. In cases where there are deviations from the design, then the holder of the construction permit is required to correct the deviations within a reasonable time, as determined by the building inspection.

Inspection supervision is carried out in four construction steps, each of which has several inspection phases:

- **First step** where construction works are carried out below ground level, includes: the depth of the foundation of the building (excavation), the use of insulation, pipes, earthing system, underground cables and the material according to the project.
- **Second step** where construction works are carried out above ground level, including: concrete construction, metal construction, wood construction and masonry.

22 Document issued by the competent authority certifying the compliance of the construction with the construction documentation and the applicable building codes and indicating that the construction is suitable for use.

- **Third step** includes works for electrical, hydrotechnical and mechanical installations.
- **Step four** where the final inspection is carried out, as per the request of the permit holder. This phase is inspected after the completion and implementation of the entire construction project, while after the final inspection, the facility is provided with a certificate of occupancy.

After the construction permit is issued, the party has one year to start construction. However, not every time investors start the works within this deadline and the Municipality has no mechanism to follow up or oblige the investor to start and continue with the construction works. As a result, there are cases when the investor starts work with only one piece of equipment (e.g. excavator) on the site and does not continue the works for an indefinite period.

Whereas in those cases when the investor starts the works within one year as foreseen and notifies the Municipality about the start of the works, then the inspection supervision should begin. Investors notify the Municipality after each construction phase that the construction of the respective phase has been completed, so that the inspection of that phase can be carried out before moving on to the constructions next phase. In case the Municipality does not respond within seven days from the moment of the investor's notification, the latter carries out the inspection through the team engaged for construction supervision, determined according to the inspection regulation. Such a practice of carrying out the inspection by the investor himself has been also implemented by the Municipality due to lack of capacities and to save time. This way of transferring the right to conduct inspections from the investor is determined by Administrative Instruction No. 05/2017 on Inspection Supervision and the Procedure for Issuing the Certificate of Occupancy, issued by the Ministry of Environment, Spatial Planning and Infrastructure (former Ministry of Environment and Spatial Planning). However, this regulated form of inspection does not prevent the Municipality from conducting inspections whenever and wherever it wants and from inspecting every step of the construction.

However, the Municipality can supervise the form in which inspections are carried out by investors. In this way, even though the Municipality is unable to carry out construction inspections, it can continuously monitor the supervisory work carried out by investors, ensuring that construction is being carried out according to the project and without deviations. This can be done by regularly collecting the

inspection supervision reports that produced by the investor during the inspection of the construction phases, such as: inspection form, pictures, laboratory tests of materials used for the construction of the relevant phase, geodetic measurements, etc. By checking those reports, the Municipality can see if the works are in line with the construction project and allow the investor to move on to the next phase of construction.

Construction inspections are mainly carried out by the investor, but there are rare cases where municipal inspectors visit construction sites without a request from the investor. This means that there is no standardized process for when and for what reason these visits are carried out.

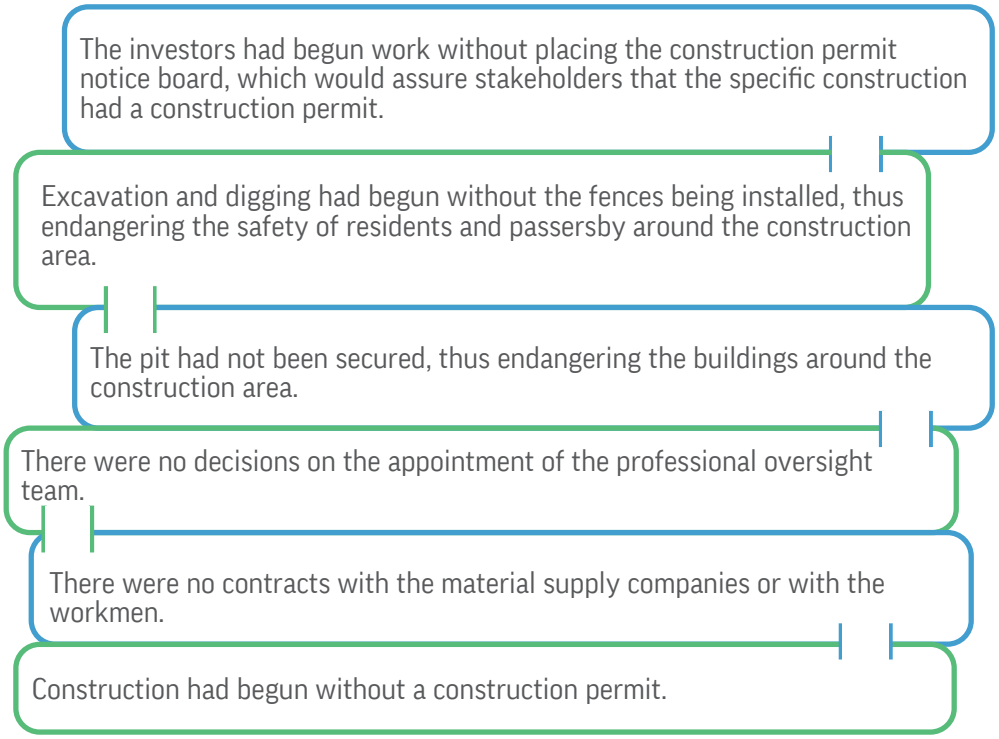
From the 41 audited samples, we have identified that the construction supervision process by investors was not effective, as not all investors had professional teams and had followed the appropriate steps for construction supervision.

- Only eight cases had a decision to appoint a professional supervisory team, while in 33 cases there was no decision to appoint one. The municipality had not continuously followed up on the supervisory work completed by the investor and had not ensured that the investor had engaged supervisory teams to carry out inspections of the construction phases.
- In those eight cases where there was a decision to appoint a supervisory team, in only four cases was this decision for the entire supervisory team of the construction phases, while in the other four cases the decision was only for the construction site manager. Also, the file does not contain the diplomas of this team, which means that their professional preparation and professional capacity for supervising such complex constructions are unknown.

The appointment of such teams does not ensure full independence and there is a risk of direct conflict of interest, therefore the supervision contracted by the builder cannot replace the supervision carried out by the Municipality as the competent and responsible institution for inspection and supervision. Also, the supervision of inspections by only one Municipal inspector jeopardizes the professional inspection of all construction phases, due to the lack of diverse professional expertise required for each construction phase.

Of the 41 audited samples, in only seven cases the Municipality conducted inspections without a request for inspection from the investors. These inspections were only conducted for constructions below ground level, but not for those above ground level.

The minutes of these inspections highlighted very important issues for construction, such as:



The fact that all these issues were identified from the inspection of only seven cases shows the importance and necessity of regular and professional inspections. Following these visits, investors were ordered to stop work until the requirements were met, however, this order was not respected every time.

Such a low number of inspections by the Municipality has resulted from the lack of effective mechanisms for planning inspections, the large number of constructions compared to human capacity (inspectors), the lack of a strategy regarding

inspections during all construction phases and the lack of a building code[23] which would clearly and precisely define the roles and responsibilities of all parties involved in the process. Furthermore, the transfer of inspection competence to the investor has created a convenience for the Municipality to not be sufficiently involved in these processes and at the same time not to take on the responsibilities that belong to it.

Inspection plan and distribution of inspectors for inspection

In order for inspections to be comprehensive, they should be well planned and include a case analysis prioritizing those that are more complex or have a higher density of construction. This risk analysis would provide the opportunity for all constructions to be included in the inspection planning and at the same time follow a standard for inspection.

The Municipality, in addition to being responsible for inspecting high-rise buildings, also has other activities that it carries out, such as: inspecting other categories of construction, renovations, demolitions, handling complaints of any kind related to construction, etc. These activities are all carried out in different urban and rural areas of Prishtina and the construction inspectors within the Municipality are responsible for all these inspections.

The current inspection practice that the Municipality uses for the inspection of high-rise buildings (category II of buildings) includes the engagement of an inspector who is obliged to inspect all construction activities taking place in a specific construction area. Construction is currently focused on several specific construction areas, therefore the inspectors engaged in these areas are more burdened than the inspectors engaged in other construction areas. This is because the Municipality does not have a plan for inspections in order to include inspection criteria, specific inspection phases, a plan for distributing cases to the inspection staff, nor the criteria for assigning areas to inspectors. The reason why such a plan has not been made, according to the inspectors, lies in the inability to foresee all

23 EU technical standards, international best practices, protection of public health, safety and general well-being, technical construction requirements, energy saving and efficiency rules.

inspection needs and consequently their coordination with inspectors. However, the Municipality has not made an attempt to make at least a comprehensive plan where it would list the criteria on the basis of which it would prioritize inspections in accordance with capacities. This plan would serve to distribute inspectors proportionally to the number of permits issued, would ease the inspection workload for each construction phase and the division of other work assigned to inspectors. This plan would also determine the number of necessary and indispensable inspections for each construction phase as well as the time for inspection.

We have analysed the number of construction inspection staff in the Municipality of Prishtina, the number of permits issued and their distribution among the inspection staff. Currently, within the construction inspectorate in the Municipality of Prishtina there are 10 inspectors, not including the head of the sector. The majors engaged are: architect and construction engineer (construction and hydro).

Table 6: Number of inspection staff and number of second category constructions permits for the 2021-2023 period

Number of inspection staff and number of permits for high-rise buildings	
Number of permits pertaining to high-rise buildings (years 2021-2023)	200
Total number of inspection staff	**10**
Total number of permits for an inspection staff	**20**

The table above shows that the total number of constructions permits issued for the second category for the years 2021-2023 is 200, while the total number of inspectors is 10. During this period, there were fluctuations in the number of staff in the inspection department, but the average was eight. This is the information we obtained from the responsible officials. If the distribution of supervision of inspections carried out by the investor were to be done proportionally, it would take one municipal inspector being responsible for 20 construction permits. While the distribution of cases is done based on construction areas, it would take some inspectors having more cases than others, since construction permits are also issued for one area more than for others in certain periods.

Each of these permits has different construction projects that may include one or more constructed buildings, not excluding construction complexes. For each of these buildings, inspections are required for the four construction steps, which are: construction below ground level, above ground level, installations and final inspection. This means that for the inspection of just one construction project, a considerable number of inspections are required.

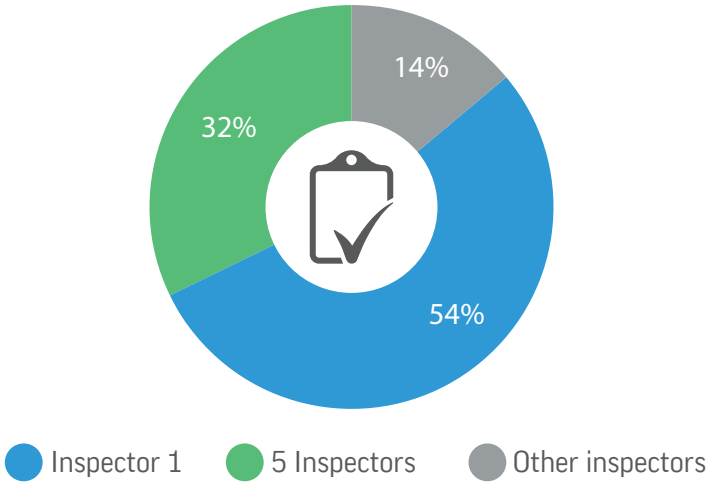
To assess the inspectors' commitment and to derive the number of construction phases that are required to be inspected, we have conducted an analysis based on the audited samples. The analysis was conducted for the number of inspections required for the second step, while for the other construction steps we were unable to conduct such an analysis, because the Municipality did not provide us with information and evidence for inspections in other construction steps.

We have analysed the forms[24] filled out by the investor, e.g. for construction above ground level, for a project with two 12-storey buildings, 40-50 inspections are needed. Based on this practice, it is estimated that for the inspection of 20 items by each inspector in all construction phases of the second step alone, 800-1000 inspections would have to be carried out during the period 2021-2023. This means that within a year, an inspector alone for the inspection of construction above ground level would have to carry out 265 to 330 inspections, not including other duties and responsibilities.

In addition, from the audited samples, it was observed that the distribution of permits to inspectors is not proportional, where out of the 41 cases that were sampled for the audit, only one inspector was assigned with 22 cases, another 13 cases were distributed to five other inspectors, while for another six cases there is no information about the responsible personnel. So, one inspector was assigned over 50% of the cases, while nine others were assigned under 50%.

24 Annex 4b presented in MESP AI 05/2017 on inspection supervision.

Chart 3: Distribution of cases to inspectors



In addition to the fact that the cases were not distributed proportionally to inspectors, the specifics or complexity of the construction projects for these cases were not taken into account in the distribution of cases.

Such a form of case distribution affects the overload of certain inspectors and may lead to low quality of inspections.

The same inspector is responsible for inspecting all construction phases.

Construction as a cycle is divided into four steps, with each step consisting of different inspection phases that are assigned to only one inspector for supervision. The same inspector performs inspections for the entire project with all its construction phases, although this inspector is qualified for only one of the construction phases and not for all.

For example, an inspector may have any of the following qualifications: architecture, construction, hydro, etc., but is responsible for inspecting construction works such as: the depth of the foundation of the building (excavation), the use of insulation, pipes, earthing system, underground cables and material according to the project,

concrete construction, metal constructions, wooden constructions, masonry, as well as electricity and water installations.

This means that an inspector with specific professional training is responsible for inspecting the entire construction. The following table presents the number of inspection staff and the profiles currently engaged, which are: architect and construction engineer (structural management and hydro management).

Table 7: Current inspector majors

Professional training and number of inspection staff	
Architecture	4
Construction – Construction Major	5
Construction - Hydro Major	1
Total number of inspection staff	10

Furthermore, except for the different majors, inspectors do not have training or certifications that would enable them to increase their knowledge and professional background for other inspection specifics.

This was as a result of the lack of a code of construction, which would clearly define the inspection steps, the inclusion of different majors in each phase of construction, and how to document these inspections.

Also, in addition to the lack of a building code, the Municipality has not developed a standard procedure that would define the practical steps for inspectors to follow. In the absence of such a document that can be used as a guide, the Municipality does not have standardized inspections for all relevant phases of construction.

The Municipality does not oblige the investor to provide a dynamic plan reflecting the completion of the works, a plan that would help the Municipality to draft inspection plans and strategies by combining the available capacities with the projects. Inspection of a project by only one profile of inspectors and the high number of inspections per inspector lead to the risks of failure to have all

constructions inspected, due to lack of time, and not to ensure the required quality (according to the project).

No information on what stage the construction is at.

The municipality must ensure that for all construction facilities, for which it has issued a construction permit, a certificate of occupancy is issued as soon as it is completed and before the facility is put to use.

Kosovo municipalities have an electronic system available called the permit monitoring system and its purpose is to record all information about a permit, starting from the application for construction conditions, the application for a construction permit, inspections and other relevant information. This system allows the public access to follow the progress and review of these processes. However, the Municipality of Prishtina does not use this system to manage the processing of second category construction permits, because it has not assessed that the data entered in this system is appropriate and sufficient. However, the use of an electronic system is far more reliable than the current form used (Excel).

The Municipality of Prishtina has an internal practice for recording inspection activities. They use Excel to record information about: the type of construction, the inspection requests and when this request was addressed, or if there was a fine imposed. However, this data cannot be linked to the number of the issued permit and it is impossible to track the chronology of inspections carried out on a construction permit from the beginning of construction to the final inspection without excluding the fact that this platform does not provide safety for the data entered in it as it can be changed at any time. Furthermore, the data kept in this form does not provide information about the phase in which the construction is located, i.e. which facilities are being built, where construction works have been completed, where residents have started to live, etc.

Another fact that the Municipality does not have information about when a construction project will be completed after the issuance of a permit is that it does not oblige investors to bring a dynamic plan. Consequently, it does not undertake anything even when projects last for years. The Municipality cannot even track whether and when construction works have begun after the issuance

of a construction permit, even though from the moment of issuance of the permit, the investor has a year to begin construction works, after this period, the permit becomes invalid.

As a result of the failure to record data in the permit monitoring system or the lack of information on the stage of construction of a particular facility, it also makes it difficult to plan properly or prioritize inspections. Furthermore, the lack of data increases the risk of facilities being built not in accordance with the project and the Municipality is unable to intervene before irreparable damage is caused to citizens. This is particularly important in cases where the works are below ground level (e.g. landslides, securing the construction pit, etc.). This prevents the Municipality from taking measures against investors in order to correct these irregularities that may occur during construction. The importance of having this information, and consequently conducting inspections on a regular and information-based basis, was emphasized by our on-site visit to the works for five issued permits.

From these visits, we have identified that in none of the cases were construction fences installed, in four cases a notice board with the number and details of the construction permit was not installed and in one case the works had not yet started even though the construction permit had been issued two years ago (the permit was extended after the first year). This information could not be identified from the documentation that the Municipality provided us with, but was identified during our on-site visit.

Picture 3: The current condition of the buildings under construction (lack of fencing, lack of notice board and non-commencement of works).

The first picture above shows that construction has not yet begun, and in all cases, there are no fences and information boards with the construction permit number and construction project render.

Inspectors were not efficient in responding to inspection requests

The municipality must, after requests for inspection from the holder of the construction permit, conduct an inspection of the constructed stages in an optimal time, or no later than seven days from the date of the received request.

After the completion of each stage of construction, the investor notifies the Municipality so that it can carry out an inspection of that stage. In cases where the Municipality fails to arrive within seven days to inspect the completed stage, it enables the investor to proceed with the inspection by a team hired by the investor. Regardless of which form of inspection the Municipality implements, it must notify the investor within the specified deadline, so that the investor can continue with the construction of the following stages. However, the Municipality

has not adhered to the deadline for returning the response. We have encountered different situations in the 41 audited samples.

- In 24 cases out of 41 audited samples, the permit holder had requested an inspection of the construction stage, but in only one case did the Municipality respond in a timely manner. In the other 21 cases, the Municipality's response was delayed by eight to 71 days. In two other cases, the Municipality did not respond at all to the inspection request.
- In 17 other cases, the permit holder had not submitted a request for a phased inspection to the Municipality, carrying out the inspection without even notifying the Municipality, while the latter had not taken any steps in this regard.

The following table shows the time it took to the Municipality to return responses for the inspection of the construction phases, asking the permit holders to continue with the inspections themselves and as shown, the most frequent cases are with delays between eight and 60 days. The table also shows cases where the permit holders have not submitted a request/notification for the inspection of the construction phase at all, as well as cases where the Municipality has not responded to these requests.

Table 8: Responses to investor requests for inspections

Description	day	Inspection request
Delay in responding to requests for inspection	In time	1
	8-15	7
	16-30	6
	31-60	7
	<60	1
There was no request for inspection.	N/A	17
The municipality had not responded at all.	N/A	2
Total requests		41

The reason behind this seems to be the lack of sufficient engagement of some inspectors, especially since the inspector with the highest number of cases under inspection responded to all requests.

Such approach by the Municipality may prevent the investors from willing to request an inspection by the Municipality and also leaves room for investors to be subjective with the inspections they carry out. These delays lead to the risk of investors not willing to request investments in future projects.

Inspection files are incomplete.

Inspectors' work files or reports should be documented with clear information such as: findings during inspections, pictures of the existing situation on site, or even possible measures to be taken for specific cases.

The investor, through the supervision team, follows a standard format of inspection supervision for each stage. This standard includes: inspection forms with the inspection activities carried out, pictures, description of the works carried out and accompanied by the test report of construction materials as well as geodetic measurements for the relevant phase of construction. However, from the audited samples we found that the supervisory inspections carried out by the investor have many shortcomings in terms of the completion of inspection files and reports.

Of the 41 audited samples, 17 or 41% of them had the forms for supervision of the construction stage by the investor, but other required documents were missing, such as: pictures of the completed works, the material testing report for the works that have been completed up to that time, geodetic measurements of the relevant works, or even the surveyor's license.

Whereas, 24 cases or 59% of the audited samples did not have any of the above-mentioned documents. Moreover, the inspectors did not request the correction and completion of the documentation by the investor either. This means that this process was not given due importance by the Municipality.

Table 9: Comparison of files – what should be contained vs. what is contained

What the 41 audited files should contain	What the 41 audited files really contained
Inspection forms	Only 17 out of 41 audited cases had inspection forms
Forms signed by: permit holder, contractor, professional carrying out the inspection (for the relevant phase)	Only 11 out of 41 forms were signed by: the permit holder, the construction site manager and the engineers of the relevant stages
	Only 6 out of 41 forms were signed by: the construction site manager and the permit holder
Construction materials testing reports	Only 12 out of 41 cases had construction materials testing reports
Pictures of stages and completed work	Only 3 out of 41 had pictures
Geodetic measurements	Only 8 out of 41 had geodetic measurements
Agreement with the contractor, supplier of construction materials	None of the 41 audited cases had a work agreement with the contractor, the supplier of construction materials.

The lack of an effective mechanism and a functional system that obliges the investor to provide the necessary construction documentation in real time for each construction stage has resulted in incomplete files of inspections undertaken by investors, consequently not knowing whether the constructions are of high quality and in accordance with the project.

The files of the inspection staff engaged by the investors were missing decisions and diplomas.

The construction stage engineer or architect is a licensed professional who supervises and validates the quality of work, materials used, and the implementation of rules, standards, and technical norms for each completed stage of construction.

The inspection supervision carried out by the investor is carried out by a team of professionals or a supervision company. These professionals are engaged by the investor through an appointment decision to which the relevant diplomas are attached. They are architects and engineers from various branches of the construction field such as: statics, machinery, hydromechanics, electricity, etc. Each of them is responsible for supervising the relevant phases of construction. The municipality does not ensure that investors always engage the relevant professionals and with the appropriate professional preparation, since in 33 out of 41 files that we audited there was no decision to appoint a professional team for supervision, therefore it is not possible to know whether the professionals engaged are from the relevant majors. Furthermore, in eight files the diplomas of the engaged team were also missing, which makes it impossible to know whether they have graduated in the first place, and if so, whether they are in the relevant major.

Furthermore, the profiles responsible for supervising the works must hold a license, according to the applicable legislation. The Ministry of Environment, Spatial Planning and Infrastructure is responsible for this licensing, but the licensing of the profiles required for construction supervision is not taking place yet. The only profile of construction professionals currently licensed in Kosovo is that of the surveyor.

For example, in the audited samples the only profile that identified and reported deficiencies was the professional of the geodesy profile. During geodetic measurements, irregularities were reported such as: deviations in geodetic measurements, the date of geodetic measurements before the issuance of the permit, etc. This in a way increases the security in and accountability of the engaged profile for the work they do.

The lack of diplomas in the file means that the Municipality does not know whether the supervisory team owns the required qualifications, whilst the lack of decisions on the appointment of supervisory teams means that there is no accountability and it is not known who is held responsible.

The facilities do not have a certificate of occupancy.[25]

Every building must have a certificate of occupancy, which is a document issued by the competent authority certifying that the building complies with the construction documentation and the applicable construction codes and that it is suitable, of good quality and safe for use. The Municipality must have functional and effective mechanisms in place to ensure that all holders of construction permit apply to obtain the certificates of occupancy and issue it for them. The certificate of occupancy is issued within 30 days after the completion of the final inspection, which must be carried out by the Municipality.

The certificate of occupancy allows the buyer to enjoy all the rights as the legitimate owner of his/her residence, enabling him/her to use his/her property either as financial guarantee in the event of a mortgage or even the sale of this property. To be provided with a certificate of occupancy, a final inspection must first be carried out to ensure that the building meets the conditions set out in the decision to grant the construction permit, as well as to ensure that the construction is in accordance with the applicable norms and standards, i.e. the multi-residential building can be used. This process also verifies that all installations such as electrical, plumbing, heating and ventilation are functional and safe for use.26

Through the final inspection (technical acceptance), the Municipality ensures that the construction is of high quality and the materials used are appropriate and standardised according to the above-mentioned conditions in terms of safety and durability. If the final inspection gives the green light that the construction has been carried out according to the construction conditions, the competent body issues the certificate of occupancy within the deadline.

However, the audit findings show that most buildings are not provided with a certificate of occupancy after the completion of all construction works and the above-mentioned installations, even though they are released for occupancy.

25 The certificate of occupancy proves that technical acceptance has been completed and that the construction has been carried out in accordance with the conditions of the permit and according to the construction project and that it meets the conditions for habitation.

26 https://gzk.rks-gov.net/ActDocumentDetail.aspx?ActID=21118

In the 2017-2021 period27, 306 construction permits were issued for multi-residential buildings and multi-residential buildings with business, while only 46 of these buildings or 15% of them are currently issued the certificate of occupancy. Therefore, the number of buildings that are not yet equipped with a certificate of occupancy remains very high, despite the fact that they are issued for residence. Among other things, buildings without a certificate of occupancy do not legally pass into the ownership of their buyers or owners. The following table shows the permits issued for the second category of multi-residential buildings and multi-residential buildings with business, the number of permits issued for this category, the number of those that have been subject to final inspection and how many of these buildings that belong to these permits have a certificate of occupancy at the time the audit fieldwork was carried out (June 2024).

Table 10: Construction permits and occupancy certificates for multi-residential buildings and multi-residential buildings with business

Number of constructions permits issued for the 2017-2021 period	306
How many have applied for final inspection?	97
How many of them have been subject to final inspection?	69
How many of them are issued the certificate of occupancy?	46
Percentage of certificate of occupancy compared to permits issued	15%

The table shows that only 15% of permits issued for multi-residential buildings and multi-residential buildings with business are issued the certificate of occupancy. The table also shows that the Municipality has not responded positively to all the applications for final inspection, and also not all cases where a final inspection has been carried out have been issued the certificate of occupancy. The latter may also be influenced by the fact that in order to obtain the certificate of occupancy, the investor must have paid all financial liabilities towards the Municipality for the construction permit that it has issued. Therefore, by paying the first instalment, the investor can complete the construction works and apply for the final inspection,

27 Data for 2022 and 2023 have been excluded, even though they are part of the scope, as construction work for these facilities has not yet been completed.

but cannot apply for obtaining the certificate of occupancy. This means that the investor lacks the incentive to apply for the certificate of occupancy, while the Municipality has not established mechanisms with which it could oblige investors to obtain it.

The Municipality has not developed functional mechanisms that oblige investors to apply for a final inspection (technical acceptance) after the completion of construction and for the certificate of occupancy before releasing the facility to use. But even in cases where the application for a final inspection and provision of a certificate of occupancy was made by the investor, the Municipality was late in performing its duties that would ensure the investor has met these requirements before the facilities are released for occupancy.

Subsequently, all the buildings that have already started to be used for housing without being issued the certificate of occupancy, have not passed the inspection phase and have not been validated to prove that the building is safe for housing. The buyers of these buildings do not have a title deed and cannot become legitimate owners of the properties purchased, as a result they cannot sell their properties, cannot alienate them or cannot use them as financial security (mortgage). Consequently, their financial value may also be lower, meaning that a property that has a title deed potentially has a higher financial value on the market since its sale can be carried out formally.

The municipality has failed to strengthen mechanisms to ensure that the final inspection and certificate of occupancy achieve their effects.

After the investor completes all phases of the construction of the facility, he/she submits a request for a final inspection to the Inspection Directorate. After receiving the request, the inspection goes to the construction site and conducts a final inspection of the facilities, so that the party can then proceed with an application for a certificate of occupancy to the Urban Planning Directorate. This allocation of duties between the directorates is not clearly defined, but rather is a practice of how these directorates currently function. Furthermore, these directorates have not even established proper communication between them, considering that they are part of an institution and the objectives should be common. An indication of the lack of cooperation and communication is that when the investor submits a request for equipment with a certificate of occupancy, the Urban Planning

Directorate receives the final inspection file from the investor and not from the Inspection Directorate.

To assess how the process of providing a certificate of occupancy works, we have taken 15 samples of facilities that have already been provided with it. We have identified that both the final inspection and the provision of a certificate of occupancy have been developed more as formal processes or to fulfil two requirements.

The final inspection report contains information regarding construction material tests, material certificates, geodetic measurements, elaborates, etc., and this report emphasizes that the construction project has been developed according to the issued construction permit, referring to the inspection reports of the previous phases. The information presented in this report are complete documents that have been presented by the investor through the supervisory team, but these reports do not contain evidence regarding the confirmation or involvement of the Municipality in verifying the accuracy of this information.

Furthermore, the final inspection does not address parts that are visually measurable, such as: underground parking spaces, warehouses, outdoor parking lots, green areas, emergency access, and access for people with disabilities.

The final inspection report states that the final visual inspection has been completed, debris has been removed from the construction site, and construction work on the facility has been completed. The final inspection file does not always include pictures of the project's progress at the time the inspection was conducted.

After the party is issued with a positive final inspection report, the party must apply to the Directorate of Urbanism to obtain a certificate of occupancy. However, the application for a certificate of occupancy is then at the discretion of the investor and the Municipality does not have any practice or requirement on how to motivate or even oblige investors to apply for a certificate of occupancy. Furthermore, the Directorate of Urbanism does not even keep records of which buildings have undergone the final inspection and are ready for a certificate of occupancy, which it can easily obtain from the Directorate of Inspection.

If the holder of a construction permit applies for a certificate of occupancy, he or she would have to pay all debts owed to the Municipality regarding the permit issued for the relevant construction project in order to be issued a certificate of occupancy. The practice of dividing the payment for a construction permit into instalments and making the issuance of a certificate of occupancy conditional on the fulfilment of all obligations has not served the process of obtaining a certificate of occupancy. This is because the investor has no interest in applying for a certificate since he or she has to pay all debts and there is no obstacle to continuing with the sale of the properties (apartments) even if he or she is not issued a certificate of occupancy.

However, even those construction permit holders who voluntarily apply for a certificate of occupancy are subject to a very formal process by the Urban Planning Directorate to verify the actual situation. The process of issuing a certificate of occupancy is very general and the certification process does not contain information that indicates whether the construction was carried out in accordance with the technical regulations in force. The information contained in the decision on the certificate of occupancy refers to the information and documents existing in the final inspection file, but as a document it does not add any information regarding the construction of the facility. The issuance of a certificate of occupancy, although carried out as a separate step from the final inspection, still has no additional value in controlling the quality and safety of the construction or in confirming the fulfilment of the technical construction criteria.

To measure the effect of the final inspections and the role of the certificate of occupancy, we conducted physical examinations of selected samples. Of the 15 samples analysed that had a certificate of occupancy, we visited five, where we identified differences and changes between the real situation and the issued permit, changes that were not evidenced in the final inspection reports or in the decisions for the certificate of occupancy. Our focus in these visits was on the parts that can be easily identified even after the completion of construction, such as: greenery (trees) in the courtyard of the residential building, children's playground, number of parking lots and storage areas, as well as their marking (without including the calculation of their surface area).

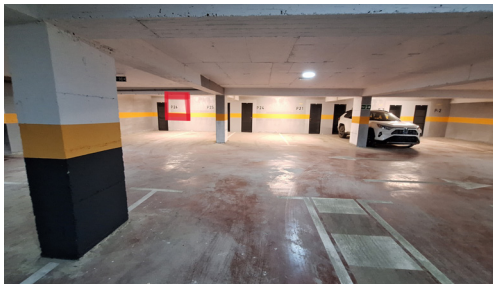
Table 11: The situation on the ground compared to the permit issued

	Permit requirements		Total garages according to permit	Total garages built	The difference in garages permit and implementation
Case 1	Lam A1/2: Basement -1 has 28 garages	Lam A2/2: Basement -2 has 40 garages	68	58	10
Case 2	Basement -1 has 11 garages	Basement -2 has 14 garages and basement -1 has 14 garages	39	26	13

As we can see from the table above, in two of the five cases visited, we found that there were fewer garages built (indoor parking lots) than were approved in the construction permit. Despite this, these buildings were equipped with a certificate of occupancy and the final inspection did not identify these differences at all.

Picture 4: situation identified by the audit team during the physical examination

Case 1

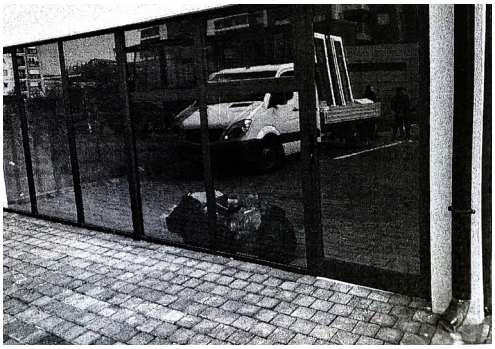


Case 2

During the physical examination on site, it was evident that the difference in unbuilt garages had been replaced with business premises in both cases.

Picture 5: Pictures of the existing situation at the time of the visits by the audit team


Picture 6(below): These pictures were in the final inspection files made by the inspectorate, but it was not mentioned that the construction is different from the construction permit. This difference was also mentioned in the geodetic measurements.




Case 3:

Picture 7: Unmarked parking lots


Another case involved four basements with unmarked parking spaces, even though this is a requirement for the completion of construction. This was not noted in the final inspection report or in the decision to issue the certificate of occupancy.

In addition to the above-mentioned cases where we identified changes and differences in the existing situation compared to the issued permit, we have also identified cases where the real situation coincided with the issued permit.

Good example: The construction had greenery (trees) in the courtyard of the residential building, a children's playground, and the number and marking of parking lots and storage areas in accordance with the construction permit.

Picture 8: Good examples identified from auditors' field visits

The situation shown above shows that to implement a project well and in accordance with the construction permit mainly depends on how responsible the investor is, since the impact of the final inspection and the process of providing a certificate of occupancy does not seem to have had any impact. The lack of division of responsibilities and duties and the lack of accountability for each link in the process has resulted in the process of final inspection and providing a certificate of occupancy being a formal process and left to the investors to be responsible or not.

Long delays in the process of providing a user certificate

The municipality must, after requests for inspection from the holder of the construction permit, carry out the inspection of the constructed phases in an optimal time, or at the latest seven days from the date of receipt of the notification. If the final inspection gives the green light that the construction has been carried out in accordance with the construction conditions, the competent body issues the certificate of occupancy within 30 days from the date of receipt of the documentation.

After the investor has completed all the construction phases, only two last steps remain, which are the final inspection completed by the Municipality's inspection and the provision of a certificate of occupancy issued by the Urban Planning Directorate. Both of these processes have a specific deadline within which the investor should apply. The time for these two processes should last a maximum of six weeks. However, from the analysis of the audited samples we have evidenced that this deadline is not respected in any of these steps.

From the moment the investor submits the request for final inspection until the final inspection is carried out, for the 15 audited samples the delay is on average 238 days while it should be done within seven days, while from the application for a certificate of occupancy to the equipment with the certificate, the average delay is 165 days while the deadline set for this process is 30 days. So, the entire process for completing the two steps of the process takes on average over 400 days.

Table 12. Delays in final inspection and provision of a certificate of occupancy

Date of request for final inspection	Final inspection date	Delays per day	Request for a certificate of occupancy	Date of issue of certificate	Delays per day
1/2/2022	15/12/2022	340	20/01/2023	13/07/2023	144
20/11/2022	13/01/2023	47	26/01/2023	3/3/2023	6
14/03/2023	28/03/2023	7	31/03/2023	31/10/2023	184
17/08/2023	1/10/2023	38	10/11/2023	18/12/2023	8
4/2/2021	27/10/2021	258	12/5/2022	1/10/2023	477
10/10/2020	28/10/2022	741	14/11/2022	23/01/2023	40
14/12/2021	15/12/2021	N/A	20/01/2022	12/4/2022	52
27/01/2021	26/11/2021	296	3/3/2022	9/6/2022	68
10/12/2021	13/10/2022	300	14/10/2022	27/10/2022	N/A
7/11/2021	16/11/2022	367	24/11/2022	15/12/2022	N/A
17/08/2019	19/06/2020	300	12/11/2021	25/11/2021	N/A
30/12/2019	7/2/2020	32	16/09/2020	21/05/2021	217
8/7/2020	18/01/2021	187	20/10/2020	18/04/2021	150
8/7/2020	18/01/2021	187	20/10/2020	18/04/2021	150
	N/A		23/08/2022	23/01/2024	488
Average delay		238	Average delay		165

In addition to the delays identified in the last two steps of the process after the completion of construction, we also measured the duration of the process as a whole (for 15 samples) from the issuance of construction permits to the provision of a certificate of occupancy, where the construction project is completely concluded, and there were significant delays in all steps of this process.

The following table shows the time taken from the issuance of the construction permit to the certificate of occupancy. This is measured as the period from the date of issuance of the construction permit to the date of issuance of the certificate of occupancy. For the 15 audited samples, the shortest time for a facility to be issued with a certificate of occupancy was 19 months from the date of issuance of the

permit, while the longest time was 165 months from the date of issuance of the permit, while the average duration for the 15 samples was 80 months or almost seven years.

Table 13 Duration for equipment with a certificate of occupancy from the moment of issuance of the construction permit

Sample No.	Date of issue of the permit	Date of equipment with certificate of occupancy	Duration of the entire process in months
1	19/03/2018	13/07/2023	64
2	29/07/2021	3/3/2023	19
3	26/09/2013	31/10/2023	121
4	15/01/2020	18/12/2023	47
5	9/6/2015	1/10/2023	99
6	2/2/2017	23/01/2023	72
7	7/12/2010	12/4/2022	136
8	11/9/2014	9/6/2022	93
9	27/11/2018	27/10/2022	47
10	15/12/2014	15/12/2022	96
11	22/01/2018	25/11/2021	46
12	12/10/2016	21/05/2021	55
13	28/10/2013	18/04/2021	90
14	14/11/2016	18/04/2021	53
15	22/04/2010	23/01/2024	165
Average duration per month			80

From the table above, it can be seen that after 2020, the delay in issuing certificates of occupancy from the date of issuance of the construction permit has begun to decrease. This is because the Municipality has changed the inspection practice by transferring inspections to the investor, while until 2017, inspections were carried out by the Municipality. Therefore, construction works that were carried out after 2017 have been subject to the new inspection practice by being carried

out directly by the investors, which has also contributed to the acceleration of the inspection process. While before 2017, inspections of all construction phases were mandatory to be carried out by the Municipality. The practice of changing the designation of land, which is carried out before the party is provided with a construction permit, has also changed.

These delays have come about as a result of failure to define the plots (division and merger) and the failure to regulate property issues on the plots where construction is being carried out. Also, the failure to timely pay administrative fees and the lack of inspections during construction prevents construction permit holders from applying to obtain the certificate of occupancy. Meanwhile, in the last step of the process, which is the provision of a certificate of occupancy, the lack of mechanisms for the Municipality to oblige the investor to report on each phase of construction at the time when construction has taken place, has resulted in delays in the finalization of the process and the provision of a certificate of occupancy.

As a result, a large number of buildings remain without a certificate of occupancy, thus not providing security of living for the residents of those buildings and not granting them ownership rights to their properties.

In addition to the reasons mentioned throughout this report on the low number of certificates of occupancy, another reason is that the Municipality does not provide the investor with a certificate of occupancy without fulfilling the financial obligations he has to the Municipality, which are taxes and fees that are determined before the construction permit is issued.

The obligations that arise before the issuance of the construction permit consist of the administrative fee for the construction permit, as well as the fee for the impact of the increase in infrastructure density and the fee for the impact on the infrastructure, which are calculated individually for each permit issued by the Municipality. After the calculation, the party is invited to sign the agreement, where he can divide the amount into 3-4 instalments, depending on the amount to be paid. The reason why this opportunity is offered to the investor is to ease his financial burden since the amount required to be paid is usually in large amounts. The first instalment according to the decision must be paid within five days after the receipt of the decision in order for the investor to receive the construction permit. The second instalment must be paid within six months after the date

of payment of the first instalment, the third instalment within 12 months after the date of payment of the first instalment, and the fourth instalment within 18 months after the date of payment of the first instalment. However, despite these deadlines, the instalments are not paid on time and the Municipality does not have any functional mechanism through imposes investors to pay all the instalments.

We have analysed 192 instalments (48 samples of construction permits with four instalments each) and have identified that 94 of them had payment delays, where the delays range from one to 366 days or one year. The amounts of these delays range from €36,641, the lowest value, to €261,321, the highest value of the instillment. Meanwhile, of the remaining (98) instalments, 51 were paid on time, 18 went to enforcement, 20 still have time to be paid, six of them do not have proof of payment and three are not due to be paid at all due to the suspension of the permit. For details, refer to Appendix II. The municipality had rejected only one case of a construction permit as a result of failure to pay the instalments, even though it should have cancelled all delayed cases.

Although the Municipality has several options for collecting these funds before the time comes to apply for a certificate of occupancy, the latter has rarely used them.

Some of the ways it can collect these funds on time are:

- to ensure that the investor respects the payment agreement that is made before the issuance of the construction permit and that specifies the payment deadlines for each instillment;
- to implement the execution security for the remaining instalment amounts; and
- to collect the remaining debt amounts through the bailiff.

The municipality has not provided any mechanism to make investors respect the agreement for the timely payment of instalments on a voluntary basis, has not even practiced the withdrawal of execution security and has only sent samples of late payments to the bailiff in seven cases out of 44.

The fee and the density tax are two mandatory values for payment, while **the Infrastructure Impact Fee** - is made through an agreement between the applicant for a construction permit and the Municipality. This agreement is optional for the

applicant who can choose to build the accompanying infrastructure himself or pay the fee calculated by the Municipality.

Infrastructure construction includes construction or expansion of public roads, connections to public roads, street lighting, sidewalks, expansion of the scope and/or capacity of: the existing public network of water supply, electricity supply, stormwater, etc.

Of the 48 audited samples, 21 had an agreement for the investor to build the supporting infrastructure, while 27 had chosen to pay the infrastructure construction fee. Despite the fact that the Municipality offers the opportunity for the investor to build the infrastructure, it does not have a mechanism to ensure that this infrastructure is actually built. The agreement does not clearly and precisely specify what will be built, when and how the constructed part of the supporting infrastructure will look like. From our field visits to examine the construction of this infrastructure, we were not provided with evidence whether the supporting infrastructure has been built or which part of the construction is included in the supporting infrastructure. The physical examination was carried out for the samples that have completed construction, since in them we could have a clear picture of the constructed supporting infrastructure.

The last mechanism by which the Municipality ensures the collection of funds from tariffs and these taxes is that it does not provide the investor with a certificate of occupancy before the latter fulfils the obligations, and this is the main and most frequent method that the Municipality uses.

CONCLUSIONS

04

4. Conclusions

The Municipality of Prishtina had not established clear and standardized procedures regarding the process of high-rise buildings, from the process of issuing construction permits to providing a certificate of occupancy. Although some processes are functional, they have not always ensured efficiency or effectiveness in completing this cycle. Moreover, it had not even functionalized the e-permit system, which would enable efficiency in the process and consequently the identification of the links where the greatest shortcomings are.

The failure to draft detailed regulatory plans for each area and their replacement with construction conditions has resulted in the Municipality not ensuring the completion of the planned infrastructure for the provision of public services to its citizens. The number of nurseries, primary and secondary schools, Family Medicine Centres, public transport, etc., has not increased in line with the increase in high-rise buildings, consequently existing institutions are overloaded and citizens of certain areas must receive these services in other areas of the city.

The lack of controls during the issuance of construction permits has resulted in not every request or investor being treated equally. Some investors were required to adjust their plots, change the purpose of the land, obtain consents from the relevant publicly owned enterprises before being issued a construction permit, and the time limit for processing the request was extended, and in three cases the request was even rejected, while there were investors with the same issues but whose permits were granted without requiring them to correct them. Failure to apply the same standard to approve or reject construction permit requests and leaving decision-making to the discretion of the officer may negatively impact the reputation of the Municipality.

Issuing construction permits without regulating the plots and without changing the destination of agricultural land leads to the risk of not having the agricultural lands protected and at the same time overloading the city with constructions that do not comply with regulatory plans, overloading traffic and polluting the air. Consequently, leaving the possibility for officers to play the role of mediator

between the investor and the landowners leaves room for the subjectivity of the officer. This method coincides more with the interests of investors than with the general interests of citizens.

The failure to regulate plots through detailed regulatory plans has led to an increase in the number of storeys, resulting in buildings having an increase in surface area of up to 56% more than was foreseen in the construction conditions and up to four floors more than the urban plans. The increase in storeys here and there has resulted in a change in the appearance of the city, in an obstacle to lighting and sunlight for buildings, as well as in potential challenges related to safety and survival in case of emergencies.

Failure to establish a requirement for the investor to provide a timeline for the implementation and completion of a project before issuing construction permits results in the Municipality not having information on what stages of construction work the facilities are in. Failure to establish an accountability mechanism leaves room for the permit holder to never complete the project, consequently hindering and damaging the surrounding infrastructure and facilities.

The failure to establish a process where inspections would be regular and professional by the Municipality and leaving all inspections (except the final inspection) in the hands of the investor, has resulted in some constructions not being in accordance with the project for which the construction permit was issued. Deviations were not identified either during the process or in the final inspection, while they were easily visible even to the naked eye, e.g. garages and business premises. While in possible cases where there would be a need for essential corrections, e.g. there are significant deviations from the construction project, the right materials are not used or when the construction is not of high quality, this stage would be too late to intervene. The irreplaceable role and importance of inspections by the Municipality is best demonstrated by the fact that from our samples, only seven ad-hoc visits were made and deficiencies were identified in all of them.

The number of certificates of occupancy compared to the number of permits issued is very low, so for the years 2021-2023, the ratio between certificates and permits was one certificate for seven permits issued. Some of the factors that have contributed to this low number of certificates of occupancy are:

- The condition for obtaining a certificate of occupancy is the fulfilment of all financial obligations towards the Municipality for the construction permit for which the certificate is requested, in addition to this, the lack of a certificate of occupancy does not present any obstacle to the investor from selling the residential units or business premises that he has built, therefore there is no motive to obtain this certificate;
- lack of municipal mechanisms that oblige permit holders to apply for equipment with a certificate of occupancy;
- bureaucracy in the process of obtaining a certificate of occupancy; and
- delays in the Municipality's responses to requests for final inspection and for equipment with a certificate of occupancy.

Such a low number of certificates of occupancy, or even those where they have certificates but the final inspection and the decision to issue the certificate of occupancy were made only as formal processes and without any detailed control, risks that the constructed facilities will not be safe for habitation or of the proper quality. However, the same facilities are sold and used by citizens for habitation and business but cannot have possession papers, consequently buyers do not have security for their properties either in terms of construction or in terms of property rights.

RECOMMENDATIONS

05

5. RECOMMENDATIONS

In order for the Municipality of Prishtina to better manage the process of second category constructions (high-rise buildings) and to be as efficient as possible in issuing construction permits and occupancy certificates and proactive in providing safety and quality assurance, we recommend:

- to draft detailed regulatory plans for all construction areas of the city, which ensure the regulation of plots, the destination of lands and the method of land compensation;
- increase controls and make clear separation of duties in the permitting process, to ensure equal treatment for every investor;
- to make a clear allocation of duties and responsibilities between the inspection and urban planning directorates, and consequently to know who is accountable for what;
- establishing mechanisms that identify the necessary stages for inspection, ensuring fair distribution of tasks and quality in inspection;
- to increase the commitment to ensure that inspections carried out by teams engaged by investors are professional and supported by evidence. Furthermore, to create a mechanism that requires that inspections carried out be approved by the Municipality before they are considered completed;
- to increase commitment to preventing delays in the collection of financial obligations from investors, so that this does not become a reason for demotivating investors to request the provision of a certificate of occupancy; and
- to operationalize the e-permit system which enables tracking of the entire process from the issuance of the permit to the certificate of occupancy, which also enables the identification of potential delays and deficiencies.

ANNEX

Annex I: Audit criteria, scope and methodology

The audit problem

High-rise buildings in Prishtina occupy the leading place in terms of construction in Kosovo. The high flow of construction in Prishtina is accompanied by many shortcomings and various problems. These problems mostly harm and penalize the residents of the respective apartments but also the livelihood of all citizens in Prishtina.

The issue of irregularities regarding high-rise buildings has been continuously reported by the media, various organizations, experts in the field of construction and architecture, but also the people responsible for managing the construction sector themselves, who have reacted by indicating that there are many problems and shortcomings that accompany the process of building residential buildings in Kosovo.

Some of these problems are:

- Lack of technical acceptance and failure to provide owners with certificates of occupancy;
- Doubts and complaints about the quality of construction and their durability in the event of natural disasters such as earthquakes;
- Lack of inspections during construction;
- Lack of Building Code;
- Lack of quality control and citizen safety; and
- Failure to comply with technical requirements and rules during construction, etc.

The main problem encountered in the process of high-rise buildings and directly related to the quality of life of residents is the lack of certificates of occupancy for these apartments.[28] This certificate is a document that confirms that the facility in question has passed the inspection stages and possesses technical acceptance, which means that living in the respective facility is safe and in accordance with the technical requirements and conditions set for the respective construction. In addition to the issue of safety, the failure to provide certificates of occupancy for the owners of these housing units does not enable them to enjoy the legal right to their property and the transfer of that property in their own name. By not enjoying the right to be provided with ownership documents, they are penalised with difficulties in selling their property, or using that property as financial security such as a mortgage. A chain problem in this area has also been identified as the lack of frequent inspections. How serious and worrying is the phenomenon of not being provided with certificates of occupancy is shown by the statistics that during the period 2014-2023, 1,601 construction permits were issued in the Municipality of Prishtina, while there are only 147 certificates of occupancy.

Also, experts in construction and architecture say that buildings built after the war in Kosovo are largely unsafe in cases of earthquakes.[29]. They emphasize that the necessary construction and supervision criteria have not been applied, and even the competent authorities have not conducted inspections of existing buildings. They estimate that multi-storey buildings have been built without geological, seismic and geomechanics studies of the subsoil, a process that is mandatory in many other countries. Overlooking of these procedures can be fatal in the event of earthquakes of high-degree magnitude. In such cases, technical acceptance of the buildings and provision of certificates of occupancy would ensure that the building was built according to standards and is ready for use.

The latter assess that in terms of inspection, as implemented today, it is insufficient, due to the small number of personnel and the inability to include all objects in all positions during construction, which is of particular importance.

28 https://fakteplus.net/komuna-po-i-mban-peng-qyttetaret/ https://gazetablic.com/nuk-do-mund-te-hyhet-ne-banesa-me-pa-e-kryer-pranimin-teknik/

29 https://kallxo.com/lajm/reshqitje-dheu-ne-prishtine-komuna-punimet-jane-duke-u-vhvilluar-sipas-lejes-se-ndertimit/

Another problem regarding high-rise buildings continues to be the lack of a unified state construction code. This code was intended to be drafted by the government according to the construction law that has been in force since 2012, but so far construction continues throughout the territory of the Republic of Kosovo without this code.

Concerns have also been reported regarding the safety of construction and the lives of citizens, with cases of landslides also being reported, which are worrisome.[30] Damage to buildings and private homes in the area during the high-rise buildings process is another worrying issue for citizens.[31]. Ensuring the quality and safety of construction projects is vital. The lack of appropriate measures for quality and safety control can cause serious problems in construction projects.

Also of concern is the lack of respect for technical rules during construction, lighting, communication and other conditions for achieving a higher standard of living for residents.[32].

These are some of the issues and concerns that are continuously reported by both the media and citizens. The main indicator of all these issues is the lack of occupancy certificates through which the Municipality of Prishtina and residents would be assured that the construction or residence is safe and according to the criteria required in the construction permit.

There are many chain factors that influence the current state of the construction situation. Starting from the central level and the lack of central planning and legislation that is used as a framework for defining local regulations and acts, to the shortcomings in the process steps at the local level, from strategic planning, issuing permits, inspection to providing certificates of occupancy.

30 https://ekononia.info/sq/opinion/si-po-i-trajtjume-ndertimet-ne-kosove https://telegrafi.com/inspeksioni-endrepret-punimet-ne-objektin-qe-skhaktoi-reshqitjen-e-deut-ne-prishtine/

31 https://insajderi.org/a-ka-kryetar-kjo-prishtine-e-shkrete-problemet-e-cytetareve-nga-ndertimi-i-objekteve-ne-kryetytet/

32 https://www.albinfo.at/sa-jane-te-sigurta-ndertimet-ne-prishtine/

Description of the system and relevant actors

Environmental and spatial planning of a country is a very complex issue that affects almost all fields and sectors at the national level. Therefore, the drafting of spatial planning documents and zonal maps at the national level is done in cooperation with many other important sectors at the national level.

Within the framework of the documentation regarding planning, in addition to laws, regulations and administrative instructions, there are two documents of particular strategic importance that are drafted by the Ministry of Environment, Spatial Planning and Infrastructure, approved by the Government of Kosovo and go for final approval by the Assembly of Kosovo. These documents are: Spatial Planning of Kosovo and Zonal Map of Kosovo. The importance and role of these two documents is essential in the drafting of documents at the local level. The derivatives of these strategic documents are the subsequent documents at the municipal level through which the legal infrastructure is regulated, from urban planning, determining construction conditions, granting permits and issuing certificates of occupancy.

Directorates in the Municipality and their main responsibilities:

1. Directorate for Strategic Planning:

- Plans spatial and urban development, monitors and studies spatial development within the territory of the municipality;
- Drafts programs, municipal development plans, urban development plans and urban regulatory plans for settlements and other entities;
- Cooperates with all entities participating in the planning and development of the city and municipality for the drafting of spatial plans; and
- It deals with the municipality's urban and rural planning and land use.

2. Urban Planning Directorate

- Prepares and provides basic information and documents for the preparation and approval of technical documentation for construction permits;

- Proposes and implements legal acts in the field of spatial planning; the Municipal Development Plan, the Urban Development Plan, the Urban Regulatory Plan, as well as regulations in the field of investment construction and environmental protection;
- Determines construction conditions, in accordance with the Construction Law;
- Issues construction permits for all types of buildings defined by law within the competence of the Municipality;
- Checks technical documentation in accordance with construction laws, standards, urban planning documentation in force, as well as with the regulation and the Manual for legalization;
- Proposes the creation of construction land areas and processes locations for granting land for use; and
- Gives permission for the use of completed facilities.

3. Inspection Directorate

- Monitor the process of construction, changes, transformations, and demolition of buildings;
- Inspects technical documentation (construction projects, construction permits, final inspection of the construction site);
- Inspects the construction process at all stages and verifies compliance with construction documentation;
- Ensure that adequate safety measures have been taken for buildings under construction, other surrounding buildings and traffic;
- Compiles minutes on the status of works at the construction site, assessing compliance with the specified construction conditions, the quality of works and construction materials;
- Makes decisions to stop construction in case of non-compliance with the requirements of the construction permit; and
- Makes decisions on the demolition of construction objects, in case of non-compliance with the requirements of the construction permit.

Audit questions

To respond objectively to the audit questions, we posed the following audit questions and sub-questions:

1. Does the Municipality ensure that construction permits are issued efficiently and effectively and in accordance with spatial planning?

1.1 Is it effectively ensured that construction conditions are in accordance with general spatial planning at the local level?

1.2 Does the municipality have effective and efficient procedures for handling the approval or rejection of a construction permit?

2. Has the Municipality effectively and efficiently ensured that the constructed facilities are of high quality and provide safety for use?

2.1 How inspections are carried out during different phases of construction to ensure quality and security for permits granted for high-rise buildings?

2.2 Are all inspection protocols for the completion of various construction phases monitored to ensure compliance with construction standards?

2.3 Have occupancy certificates been issued after final inspections and are the constructed facilities in accordance with the issued permits?

Audit criteria[33]

- To ensure that tall buildings provide functional infrastructure, plans must be in place general spatial measurable and achievable;
- The municipality must ensure proper spatial planning, that is, good organization and management of space through the most rational use possible for the construction of a non-chaotic city that offers opportunities for a good life;
- The municipality must have effective mechanisms that ensure that construction conditions are determined in advance before issuing construction permits;
- To be considered an effective plan, construction conditions must be in accordance with the requirements of these plans and without unnecessary major or frequent deviations;
- In cases where there is a need for changes in construction conditions that are not foreseen in the municipal plan, then the Municipality must effectively provide the infrastructure and public conditions to meet the increased capacity after construction;
- The municipality must, after receiving the request, provide the construction conditions in an optimal time, within thirty days at most;
- Issued construction permits must ensure that high-rise buildings conform to standards set by regulatory plans and construction conditions;
- Construction permits must ensure that minimum requirements for the protection of public health, safety and the general well-being of citizens are met;
- The municipality must ensure that construction permits are issued in an optimal time frame, and no later than within 45 days, for all applications that meet the required criteria;
- The municipality must ensure that construction has begun within the validity of the construction permit, and which is valid for one year to start construction;

33 For more information, consult ISSAI 300, Criteria, p.7.

- The municipality should have mechanisms in place to ensure that complaints and concerns about the quality of construction and the resilience of construction to natural disasters are addressed;
- In order for inspections to be comprehensive, they should be well planned and include a case analysis prioritizing those that are more complex or have a higher density of construction. This risk analysis would provide the opportunity for all constructions to be included in the inspection planning and at the same time follow a standard for inspection;
- The construction inspectorate should inspect all phases of construction and ensure that the construction is in accordance with the conditions of the construction permit. The municipality should also have an effective monitoring mechanism in place for inspections;
- Inspectors must ensure that only buildings are permitted to be built for which it has been established that there are no irreparable irregularities that endanger the stability of the building, the stability of neighbouring buildings or endanger the lives of persons. In cases where there are deviations from the design, then the holder of the construction permit is required to correct them within a reasonable time, as determined by the building inspection;
- The inspectors' work protocols or reports should be documented with clear information such as: findings during inspections, pictures of the existing situation on the ground, or even possible measures to be taken for specific cases;
- The municipality must ensure that for all construction facilities for which it has issued a construction permit, upon completion, it also issues a certificate of occupancy before the facility is put into operation;
- Every constructed object must have a certificate of occupancy, which is a document issued by the competent authority that certifies the construction's compliance with the construction documentation and applicable building codes and that indicates that the construction is suitable, of good quality and safe for use;
- The municipality must have functional and effective mechanisms that ensure that all holders of construction permit request and issue certificates of occupancy;
- The municipality must, after requests for inspection from the holder of the construction permit, carry out the inspection of the constructed phases in

an optimal time, or at the latest seven days from the date of the received notification;

- To be provided with a certificate of occupancy, a final inspection must first be carried out to ensure that the facility meets the conditions set out in the decision to issue the construction permit, as well as the norms and standards in force, i.e. the multi-residential building can be used;
- If the final inspection gives the green light that the construction has been carried out in accordance with the construction conditions, the competent authority shall issue the certificate of occupancy within 30 days from the date of receipt of the documentation. If the competent authority has not informed the applicant of its decision within the prescribed period, the certificate of occupancy shall be deemed to have been issued; and
- The certificate of occupancy offers the buyer the opportunity to enjoy all the rights of the legitimate owner of his/her residence, enabling him/her to use his/her property either as financial security in the event of a mortgage or even the sale of this property.

Audit scope

The audit scope covers the 2021-2023 period. Regarding the first part of the objective, 48 out of 477 construction permits issued for this period were audited. While regarding the second part of the audit objective regarding the possibility of using properties by buyers, 15 samples out of 83 total for certificates of occupancy issued during the years 2021-2023 were audited, including the entire process from start to finish. The sample size determined for both construction permits and certificates of occupancy is representative of the audit population and manages to respond to the audit objective. Even if the audit sample were increased, the audit results would be the same. This audit focused on the following directorates: strategic planning, urbanization and inspection within the Municipality of Prishtina. The focus is mainly on these directorates because they are directly involved in the process of construction permits and issuing certificates of occupancy for high-rise buildings.

Audit methodology

The audit methodology includes the analysis of spatial and strategic planning documentation starting from the central level and then to the local level. Part of the audit methodology is the analysis of local level processes and practices. In addition, the coordination between local level directorates that are involved in spatial planning was analysed regarding the construction process from the planning phase, issuing the construction permit and providing the certificate of occupancy. In addition, the coordination and functioning of all steps in the construction permit process and the role and responsibility of the actors involved in the process were analysed.

The sample selection was done by filtering the data we have from the public list of issued permits. The selected sample was oriented based on: the construction zone where there are currently 19 zones. The sample selection was done based on which zone has the most issued permits and completed construction, but a sample was also selected from the zone that does not have many constructions permits to compare the possible difference between zones with a lot of construction and those with less and to understand the reason why. Then the criterion is also the surface area (m2) for which the construction permit was issued, since they can be more complex and there may be deviations from the project.

The number of samples for audit is 10% of construction permits issued during the years 2021-2023 (477 permits issued for this period) or 48 construction permits, while for certificates of occupancy the sample number is 15 (83 certificates of occupancy were issued during this period). The selection was made based on a representative sampling of the comprehensive sample where samples were taken from urban areas that have more constructions during the years of their scope. The selected samples were first identified by the size of the building's floors which also affects the fee that companies must pay to obtain a construction permit. This means that the larger the building's surface area, the higher the fee that must be paid to obtain the permit. The sample included different projects and different builders. The sample selected for the verification of inspections included selections from different inspectors for different areas based on their reports as well as on cases identified from the analysis of construction permit files.

The methodology used for the sample audit is based on several different aspects such as:

- We have analysed whether the general spatial plans are based on real needs, without the need for frequent or major changes. While where there have been changes, has it been supplemented with accompanying infrastructure;
- In order to assess the functioning of the mechanisms for issuing construction permits, we compared the list of applications for construction permits and the review/analysis of the file against the fulfilment of the requirements set out in the decision on construction conditions;
- To assess the efficiency in issuing construction permits, we have analysed the deadlines within which construction conditions and construction permits were issued, whether construction started within the deadlines, and whether inspections were carried out within the deadlines. If there are cases of exceeding deadlines, we have identified the factors that have influenced these delays and the possible effects of these delays;
- To assess whether the issued construction permits are in accordance with the standards set out in regulatory plans, we have analysed the accompanying documentation;
- To identify whether the situation on the ground corresponds to the permits issued, we have compared the accompanying documentation and physically examined the buildings;
- For the selected sample of certificates of occupancy, we have traced them from the starting point, i.e. how the permit was issued, how much the construction conditions were respected, and whether the necessary inspections were carried out to result in the issuance of the occupancy certificate;
- To identify the effects of possible changes from the municipal spatial plans in force, the granting of construction permits and their compliance with these plans was compared;
- To assess whether the inspection mechanism was functional, we have analysed the inspection reports and compared these reports with the situation on the ground. So, the reports should be for each phase, while the final inspection report should match the situation on the ground;

- In order to identify whether or not the mechanisms for issuing certificates of occupancy are functioning, we compared samples that have certificates of occupancy and those for which both administrative procedures and construction have been completed but have not yet been equipped with certificates of occupancy;
- We have assessed whether the Municipality has established any mechanism to ensure that holders of construction permit request to be provided with a certificate of occupancy upon completion of construction;
- We have analysed the reasons why not all completed buildings have been provided with a certificate of occupancy and the possible effects; and
- Conducting interviews with all parties involved in the system, starting from responsible officers in various departments, investors who have been selected with samples for issuing construction permits, etc.

Annex II. Data on delays and payment amounts (in euros) for the four instalments

	First instillment		Second instillment		Third instillment		Fourth instillment	
SAMPLE	Amount	Payment delays per day	Amount	Payment delays per day	Amount	Payment delays per day	Amount	Payment delays per day
1	103,685	in time	86,404	in time	86,404	in time	69,123	in time
2	90,913	in time	75,761	in time	75,761	in time	60,609	in time
3	66,249	in time	55,208	there is no evidence	55,208	October 2024	44,166	April 2025
4	195,467	16	162,889	us	162,889	us	130,311	us
5	58,729	12	48,941	96	48,941	Enforcement	39,152	Enforcement
6	128,009	38	106,674	Enforcement	106,674	Enforcement	85,339	Enforcement
7	74,535	5	62,112	Enforcement	62,112	Enforcement	49,690	Enforcement
8	89,410	28	74,508	Enforcement	74,508	Enforcement	59,607	Enforcement
9	78,129	22	65,108	Enforcement	65,108	Enforcement	52,086	Enforcement
10	60,303	in time	50,253	Enforcement	50,253	Enforcement	40,202	Enforcement

11	119,397	91	99,511	325	99,511	80	79,609	Enforcement
12	240,959	23	200,799	157	200,799	41	160,639	194
13	185,100	19	154,250	in time	154,250	43	123,400	in time
14	153,504	18	127,920	104	127,920	there is no evidence	102,336	October 2024
15	148,576	21	123,813	93	123,813	August 2024	99,051	March 2025
16	150,835	65	125,696	115	125,696	60	100,556	June 2025
17	111,689	19	93,074	in time	93,074.	43	74,459	in time
18	129,468	8	107,890	in time	107,890	in time	86,312	in time
19	131,175	10	109,313	145	109,313	75	87,450	122
20	125,813	9	104,844	in time	104,844	in time	83,875	41
21	123,387	16	102,823	218	102,823	80	82,258	81
22	95,187	9	79,322	there is no evidence	79,322	December 2024	63,458	June 2025
23	98,576	2	82,146	in time	82,146	in time	65,717	in time
24	98,755	47	82,296	109	82,296	87	65,837	October 2024
25	81,323	93	67,769	96	67,769	September 2024	54,215	April 2025
26	86,583	1	72,152	in time	72,152	October 2024	57,722	April 2025
27	80,954	34	67,462	257	67,462	199	53,969	in time
28	89,671	2	74,726	237	74,726	in time	59,781	October 2024
29	81,643	in time	68,036	153	68,036	36	54,428	in time
30	88,267	1	73,556	134	73,556	in time	58,845	in time
31	78,747	12	65,623	327	65,623	82	52,498	97

32	77,683	72	64,736	in time	64,736	in time	51,789	in time
33	83,297	1	69,414	175	69,414	40	55,531	314
34	82,332	35	68,610	191	68,610	59	54,888	77
35	261,321	2	it was paid in one installment					
36	73,226	37	61,021	154	61,021	48	48,817	July 2024
37	76,685	33	63,904	137	63,904	56	51,123	37
38	74,461	in time	62,051	288	62,051	43	49,641	in time
39	65,656	in time	54,714	109	54,714	November 2024	43,771	May 2025
40	63,058	8	52,548	215	52,548	there is no evidence	42,038	there is no evidence
41	60,846	18	50,705	in time	50,705	45	40,564	39
42	62,400	366	52,000	in time	52,000	there is no evidence	41,600	December 2024
43	58,741	in time	48,951	in time	48,951	37	39,161	in time
44	61,380	9	51,150	in time	51,150	in time	40,920	in time
45	60,997	in time	50,831	in time	50,831	88	40,665	in time
46	58,289	in time	48,574	123	48,574	in time	38,859	48
47	54,961	1	45,801	143	45,801	47	36,641	35
48	55,093	101	45,911	210	45,911	August 2024	36,729	February 2025
Total	4,054,525		2,010,829		1,690,169		744,327	

Annex III.

Document: Comments from the Municipality of Prishtina on the draft audit report

Finding	Agree yes/no	Comments from the audited institution in case of disagreement	The NAO's point of view
Urban regulatory plans	NO	Given that the development of procedures for the drafting and approval of spatial planning documents falls in the power of the Directorate of Strategic Planning, we inform you that the Directorate of Urbanism develops administrative procedures for the review and approval of requests for the assignment of construction conditions and the issuance of construction permits, based on approved and effective regulatory plans, namely 23 urban regulatory plans (of which 6 are detailed regulatory plans), as well as the Municipal Development Plan and the Urban Development Plan; The Directorate of Urbanism has issued a total of 37 construction permits for public buildings over the 2012-2024 period, of which: 23 for school buildings, 9 for kindergartens and 5 for family medicine centres (evidence can be found in the electronic link: https://prishtinaonline.com/drejtorite/urbanizmit-ndertimit/lejet-e-leshuara)	The finding addresses the phenomenon of issuing construction permits without ensuring the provision of other services in parallel by the Municipality. Thus, the Municipality has issued construction permits without ensuring the increase in relevant services such as: education, health and public transport; therefore, the finding of the NAO stands.

Construction conditions	NO	The Directorate of Urbanism reviews and approves the applications for construction permits, in all cases when all construction conditions and other urban parameters established in the urban planning documents and other applicable legal regulations are met. The implementation of the accompanying infrastructure is a matter of determining the priorities of the municipal leadership, and the competence of other municipal directorates.	The issue in question addresses the Municipality's policies, where in addition to providing housing opportunities through construction permits, other accompanying services should also be provided, which means focusing on the citizen rather than just on issuing construction permits. Therefore, the finding presented by NAO remains.
	NO	The Directorate of Urbanism sets the construction conditions based on the requests of interested parties, relying on the urban parameters determined by spatial planning documents and applicable regulations and laws. Construction conditions are set in all areas-locations, for which spatial planning documents (MDP, UDP, regulatory plans) have been approved. There are cases when it is applied directly for the issuance of a construction permit (for category I constructions), in accordance with Article 17 of Law No. 04/L-110 on Construction. Construction conditions are set based on the urban parameters of urban planning documents, in accordance with Article 21 of Law No. 04/L-174 on Spatial Planning, and they are assigned to a specific area-location, at the request of the party. In the event of failure to reach an agreement between all property owners included within a specific urban block, the construction conditions are set for the properties presented by the applicants, but always taking into consideration not to infringe on the right of other properties to develop. Such developments are permitted for the purpose of implementing urban regulatory plans.	All plots should be arranged in advance, so that the opportunities and obligations for each plot are transparent, thus the party, namely the citizen, is informed in detail about its plot. Due to the lack of detailed regulatory plans, the practice of construction conditions has proven ineffective in this regard; therefore, the NAO finding stands.

	Each construction permit is issued after the construction plot has been arranged, according to the established construction conditions. The arrangement of the construction plot means the division, merger, expropriation, change of the purpose of agricultural land to construction land, etc.		
NO	Each construction permit is issued after the construction plot has been arranged, according to the established construction conditions. The arrangement of the construction plot means the division, merger, expropriation, change of the purpose of agricultural land to construction land, etc. This procedure for changing the destination of agricultural land, in cases where the construction permit was issued based on the old regulations, is completed through the procedure of issuing the certificate of occupancy; Please specify the actual cases where the municipal officials have not requested the party not to arrange the construction plot.	For the 48 audited samples for construction permits, in 13 samples or construction permits within the 2021-2023 period, there was no change in the purpose of construction land, i.e. the issuance of the construction permit, e.g. - 05-351/02-214098/20; - 05-351/02-157104/20; - 05-351/02-203424/21	
NO	Construction conditions are set based on the urban parameters of the urban planning documents, approved by the Municipality of Prishtina, as well as relying on the legal provisions of the Decisions of the Mayor of Prishtina: Decision 01nr. 400-600 dated 26.05.2008; Decision 14nr.464/01-97987/22 dated 05.05.2022; Decision 14nr.464/01-206806/22 dated 21.09.2022; Decision 14 no. 350/05-0069774/18 dated 22.03.2018; Decision 01 no. 035-174324 dated 12.07.2016; Decision 01nr.031-185481 dated 14.08.2015; Decision 01nr.031-185483 dated 14.08.2015.	The NAO has not contested the decisions of the mayor, it has only described the changes in the floors and the failure to accompany these changes with other changes, such as: transportation, health, education, etc.; therefore, the finding remains.	

limits,

Change of purpose of parcels

Change of destination	NO	The Directorate of Urbanism issues each construction permit after the construction plot has been arranged, according to the specified construction conditions. Regulation of the construction plot means the division, merger, expropriation, change of destination of agricultural land to construction land, etc. Please specify if there are such cases.	As noted in the report, only one of the refusals is related to this reasoning (decision no. 351/02-229574/20). While in the 13 aforementioned cases, the construction permit was granted under the same conditions (without changing the land destination); therefore, the NAO finding remains.
The facilities do not have a certificate of occupancy.my	NO	Institutions do not have a legal mechanism that obliges the Investor to apply for a Certificate of Occupancy. In the current legislation, the application for a final inspection and a Certificate of Occupancy is based on the free will of the Investor - the builder. Therefore, the finding that only 15% of construction permits have been issued a Certificate of Occupancy is not a consequence of the inefficiency of the competent authorities and as such is not accurate because a very large number of construction permit holders have not applied for a final inspection and consequently for a Certificate of Occupancy.	The practice of providing certificates of occupancy has remained at the free will of the investor, therefore there are no mandatory mechanisms for obtaining the certificates. The audit did not ascertain any violations of the legal framework, but it did ascertain inefficiency in this process; therefore, the NAO finding remains.

NO	The current legislation, namely AI 05/2017 stipulates that the supervisory mechanism can also conduct inspections. The small number of inspectors has forced the Inspectorate to have the inspections on the stages of different items in the facilities conducted by the supervisory body officially engaged by the investors/ builders, who are qualified professionals as evidenced by university diplomas of the relevant subjects. It should be noted that even in this case, such assertions cannot be made because in the legal terms the Inspectorate has correctly applied the legal norms, namely Article 31 of Law No. 04/L-110 on Construction and Article 10 of AI 05/2017. When it comes to the safety of facilities and the quality of construction materials, the Inspectorate always relies on official documents produced by the relevant laboratories for the quality of the materials used which are certified for quality and in this sense, it cannot be concluded that there is no quality or safety of constructions.	In this case too, it has not been established that the Municipality, or rather the inspection, has violated the legal provisions. The effect of the current practice has been addressed, and that since the Municipality does not have the mechanism in place or resources to provide frequent and sufficient inspections, nor does it continuously follow up on the inspections of investors, this practice does not provide assurance for the quality of the constructions nor that they are being built in accordance with the conceptual design; therefore, the NAO finding remains.
NO	The construction inspectorate is not an archival body and, in these cases, but also legally, the documents mentioned in this section do not necessarily have to be in the inspectorate's case files during the construction phase! These types of documents must necessarily be on the construction site and presented during the inspection to the relevant inspector in accordance with legal requirements during the inspection of construction works on site. Completed documentation is submitted only in the case of a request for technical acceptance.	The efficiency and effectiveness of the current process and practices have been addressed, not the legal aspect. Therefore, in order for the Municipality or the inspection to be confident about the process of management and development of constructions, there should be more increased controls and an effective mechanism for monitoring this process. Furthermore, the lack of documentation does not provide assurance to other potential parties for the smooth running of the processes.

Inspection plan and distribution of inspectors for inspection	NO	Based on the legislation in force, inspectors have the autonomy to determine the time of inspection based on Law 04/L-175 and the Law on Inspection. As such, it is at the discretion of the inspectors to conduct inspections in certain phases, depending on the cases and the amount of work. However, it should be noted the fact that by the time the audit was being conducted, the number of inspectors was just 5.	The issues identified by the unsolicited inspections show the importance of inspections by the Municipality. The human resources were mentioned as one of the factors in the low number of inspections. The legal aspect was not contested; therefore, the finding of the NAO remains.
	NO	The Inspection Directorate, based on the decision no. 09-030/0197044/24, dated 25/07/2024, has issued the work plan and strategic development of the directorate, which has changed the work system and inspections to provide services and inspections at a professional level, as well as to increase the number of inspections in different phases of construction and to increase the presence in the field to prevent negative phenomena.	This decision was issued after the completion of the fieldwork phase and regulated the issue after the audit scope; therefore, the NAO finding remains. The measures taken apply for the action plan.
	NO	The Inspection Directorate has continuously submitted requests for professional support staff for all phases of construction for all construction-related profiles. It should be noted that the audit plan covers the 2021 - 2023 period, whilst the assessments made refer to the number of staff for 2024, which contradicts the audit plan itself because in the 2021 - 2023 period, the construction inspectorate had only 5 construction inspectors.	During this period, there was a change in the number of inspectors, based on the data we received from the Inspectorate. This analysis aims to provide a basis for distributing cases proportionally to all inspectors engaged in any given time period, regardless of the number of inspectors.

The same inspector responsible for inspecting all phases of the construction	NO	This practice of zoning of permitted construction has been in place much earlier, but following an analysis of cases management, the directorate has distributed the zones for the cases with no permissions and the monitoring of cases of construction with permission. From the auditors' own findings, the it is undeniable that the number of inspectors in 2022 - 2023 was only 5 inspectors and in this case, it was almost impossible to conduct all inspections, that is, to respond to all requests submitted. In addition, the inspectorate is not only responsible for facilities with permission but also for the control and inspection of unauthorised constructions and other negative phenomena related to the field of construction.	The audit report speaks about the situation of the audited samples and not the complete cases handled by the inspection. In the samples we audited, one inspector had over 50% of the cases, therefore the NAO finding stands.
	NO	The issue of staff training and the development of professional knowledge are the responsibility of the highest central level authorities (Ministry).	The NAO's finding remains since no effort or request for training of inspectors has been identified either by the inspection or by the Municipality.

Inspectors were not efficient in responding to inspection requests	NO	The Inspection Directorate of the Municipality of Pristina, within its authorities and legal technical possibilities, has continuously dealt with the harmonization and standardization of inspection procedures, but the approval of a guideline or regulation does not fall within the domain of the Inspectorate Directorate. In the absence of staff for which the Inspection Directorate has continuously requested professional support staff and more inspectors, it has been impossible under any circumstances to make inspection plans and those that are linked to dynamic plans, when we consider the small number of inspectors.	The setting of work practices falls within the domain of the Directorate, therefore, in order to have a consistent approach and avoid subjectivism, it should have been a formalized practice.
There is no information on what stage the construction is at.	NO	Regarding the use of the electronic system, the Inspection Directorate is dependent on the use by the Urban Planning Directorate. When the Planning Directorate and then the Urban Planning Directorate apply the electronic system, then it creates the conditions and circumstances for it to be applied by the Inspectorate Directorate as well. The Inspection Directorate does not have the authorization to create an Electronic Platform.	The NAO's conclusion stands, this audit has covered the Municipality of Prishtina with all the departments responsible for the process from construction conditions up to the certificates of occupancy. Therefore, the functionalization of this system is the competence of the Municipality. Moreover, the platform already exists.
Inspections at each stage of construction	NO	Regarding the inspection requests, it is approved according to administrative silence when we consider that professional supervision can also create inspection control. This is enabled by the construction law and accompanying legal acts.	This point addresses the efficiency of the inspection in returning the response within the seven-day deadline, where regardless of whether or not the Municipality continues with the inspection, it must notify the party. This deadline was not adhered to; therefore, the finding stands.

Inspection files are not COMPLETE	NO	We do not have any reforms of the construction legislation in force, and considering that the inspector is not a direct supervisory body, we cannot and should not have a standard inspection case file. The inspection case file is created depending on the factual circumstances.	The standard format is defined in the administrative guidelines for inspection, namely Article 10 of this guideline, therefore the finding stands.
Facilities without a Certificate of ccupancy	NO	In the current construction legislation in force, there is no binding or punitive mechanism for investors who have carried out construction works but do not apply for a final inspection for a certificate of occupancy.	This is also one of the audit conclusions, therefore the situation ascertained by the NAO remains.
Effects of final inspection	NO	After the final inspection and issuance of the certificate of occupancy, all responsibilities and legal authorizations in these facilities end and any changes, interventions or changes in the purpose of these facilities that are made after the certificate of occupancy is the sole responsibility of the Housing Inspector, referring to the law on the administration of condominium buildings.	The finding of the NAO stands, since it concerns the situation before the issuance of the certificate of occupancy and technical acceptance, which are the competence of the inspection. These differences were present during the final inspection and this is noticeable from the photos that were part of the file. However, the acceptance was made even though there was a difference from the construction permit.

Long delays in the process of providing a certificate of occupancy	NO	The review of applications for final inspection could have been completed within the legal deadlines if the supervisory body would have presented all completed technical construction documentation with which it could be proven, under their responsibility, that the construction permit requirements have been implemented. Delays in presenting technical documentation (completed files) for final inspection review should not be attributed to the institution's delay in taking action (reviewing the request). Note: The National Audit Office's finding regarding the area of zones where an inspector inspects 50% of the municipal territory is unsustainable, since the Construction Inspectorate has distributed the inspection zones for construction inspectors after assessing the density and intensity of construction in these zones. Example: The Mati I zone has a high number of constructions permits, consequently a large number of square meters of construction compared to the rest of the city and many of which do not have regulatory plans.	The municipality should establish mechanisms to ensure that the investor submits complete files or set deadlines for completing the documentation and not leave it to the investor's discretion. Furthermore, the finding of distributing inspections with over 50% of them to one inspector only concerns the audited samples and not the entire territory of the Municipality, therefore the finding of the NAO remains.

National Audit Office of Kosovo
Arbëria District,
St. Ahmet Krasniqi, 210
10000 Pristina
Republic of Kosovo