

# DEVELOPMENT & TRANSITION

# 2

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## Kosovo edition “Conflict and Development”

### Foreword

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Conflict undermines development and especially human development. According to the *2005 Global Human Development Report*, eight out of ten countries with the lowest level of human development have experienced conflict over the past two decades. Some might argue that lack of development (and especially unequal development) leads to conflict, whereby some in the society benefit while others do not, and this is also true. Without dwelling on the causality, it is already well-documented that conflict and development usually do not go together. Thus, the prime aim of development actors should be to address the causes of conflict in order to bring about development. The world experience also shows that the higher is the Gini coefficient<sup>1</sup> the higher is the likelihood of a conflict within a country. When conflict is localized or controlled (which is the case in Kosovo), international actors and the Government itself should ensure that development takes place, specifically working on policies and conditions that will ensure that the benefits of development are equally distributed and target the most vulnerable. This will prevent a return to the vicious cycle of conflict and poverty or under-development. Striving a balanced development is hard but it is necessary for the prevention of conflict.

At present Kosovo is in a phase of political, economic and social transition. Although Kosovo continues to remain under the formal administration of the United Nations Interim Administration Mission in Kosovo (UNMIK) as defined in Security Council Resolution 1244, progress has been made to transfer responsibilities from the UN Administration to the local Provisional Institutions of Self-

Government (PISG). To this end, Kosovo's local institutions have strengthened and are continuing to strengthen their operational capabilities as demonstrated by the establishment of a Constitutional Framework and the successful implementation of two general and two Municipal elections since the end of the conflict in 1999.

Despite ongoing efforts, an uncertain security situation in Kosovo (both real and perceived), concerns about freedom of movement, limited economic opportunities, limited access to public services for minority communities, and the overall uncertain political situation in Kosovo remain. At the same time, Kosovo is still the most fractured place in Europe. Peace building and development will do very little so long as there are protected enclaves and divided cities within the territory. If Kosovo is to overcome its legacy of conflict, poverty and institutional weakness, the furthering of democracy, promotion of an independent civil society and an open market economy are essential.

In the end, the people of Kosovo will have to solve their own problems, together with their neighbours. The international community can provide the framework for a Kosovo at peace, but it is for the citizens of Kosovo to make it a reality. For too long, people of Kosovo have looked to outside powers to solve their problems, or blamed their catastrophes on the malign influence of outsiders. With the clarification of the status question, a new phase will start whereby responsibilities will be clarified and true democracy will start as a precondition to ensure development and hopefully prevent a return to conflict. Kosovo people, both those living in Kosovo and those living abroad, should be encouraged to work and invest in their homeland and make it a place worthy to live the present and dream the future - both of which are essential components of hope and development.

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<sup>1</sup> The Gini coefficient is a measure of inequality of a distribution. It is defined as a [ratio](#) with values between 0 and 1: the numerator is the area between the [Lorenz curve](#) of the distribution and the uniform (perfect) distribution line; the denominator is the area under the uniform distribution line

## Kosovo's Security Sector Review

### Lundrim Aliu

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The years since the 1999 military and humanitarian intervention in Kosovo have seen a growing consensus in the international development community that security is both a basic human need and a prerequisite for sustainable development. The prospective resolution of Kosovo's future status, in which significant security responsibilities could pass from international to local institutions, underscores the need for a review of security provision in Kosovo. Such a review<sup>2</sup> was performed for the first time in Kosovo in 2006 under UNDP auspices<sup>3</sup> on the basis of a methodology recommended by the UK Government's Security Sector Development Advisory Team<sup>4</sup>. The Kosovo Internal Security Sector Review (ISSR) was conducted in eight stages, each of them influencing the final recommendations of the report. Stages 1 and 2 produced a threat analysis. In stages 3 and 4 a detailed institutional analysis of Kosovo's security-related institutions was carried out, as well as an extensive consultation and public outreach campaign. Stages 5 and 6 identified gaps in addressing threats to security. Stage 7 reviewed budget requirements and Stage 8 provided overall strategies to address the identified threats.

Inputs for the identification of perceived security threats came from several sources. Inputs were received from across Kosovo in town-hall meetings where over 800 people took part. Kosovars could give their inputs by telephone, email, or post. In addition, the ISSR research team completed more than 70 interviews with local and international officials. It also conducted an extensive document review that included international and local institutional reports and official documents. Institutional governance was analyzed based on UNDP and World Bank methodology, while development was analyzed based on OECD methodology. The EU 'Copenhagen Criteria' for accession served as the overall political benchmark.

The review focused also on issues such as private security companies, small arms and light weapons, gender, and freedom of movement. Much of the work was performed by a small ISSR team, comprised of international and local experts based in the Prime Minister's office. The team was supported by the Kosovo Institute for Research and Development, the Geneva Centre for Democratic Control of Armed Forces (DCAF), and the Organization for Security and Cooperation in Europe (OSCE).

The review found<sup>5</sup> that, while the security environment in Kosovo has improved significantly since the NATO intervention of 1999, it has also become more complicated. High unemployment and economic development issues (including infrastructure and access to electricity) are the main sources of insecurity for people in Kosovo, regardless of ethnicity. Issues of ethnic violence, corruption, and crime are often linked to these economic problems. The review emphasized the need to improve the education and health systems to promote economic growth, and found that the judiciary – widely perceived as inefficient, and not sufficiently capable or independent – is a source of growing mistrust in institutions and political leaders. Externally, Kosovo faces such threats as trans-national organized crime and the possible renewal of political violence. The study concludes that Kosovo's relationship with its neighbors – Serbia in particular – is not stable, and requires further attention by the Government of Kosovo and the international community.

Although these findings are not directly related to Kosovo's status, they do have some important implications for its future. The report recommends the creation of new security institutions such as an executive Kosovo Security Council, a Ministry of Defense, a Kosovo Defense Force, and a Security Service – if Kosovo assumes responsibility for its own security institutions after the resolution of its status. It also recommends strong international involvement, mainly by NATO, in building these new security structures.

The review was a useful means of analyzing institutional development needs in the security sector, and in calling attention to the depth and breadth of the human security challenges in Kosovo. Since internal state security struc-

<sup>2</sup> See ISSR, <http://www.issrkosovo.org>.

<sup>3</sup> See UNDP, <http://www.kosovo.undp.org/?cid=2,3&argroup=6>

<sup>4</sup> See UK Ministry of Defense

<http://www.mod.uk/DefenceInternet/AboutDefence/WhatWeDo/SecurityandIntelligence/>

SSDAT/. The review was overseen by a committee on which the United Nations Mission in Kosovo (UNMIK) and Kosovo's provisional institutions of self-government were represented.

<sup>5</sup> Cleland Welch, A.; Kondi, S.; Stinson, D.; Von Tangen Page M; (eds) 2006. Internal

tures have not yet developed in Kosovo beyond some policing and judiciary functions, the report's findings may help prevent security sector problems when these institutions are set up and running. Kosovo's security sector review can also serve as a template for reviews in other post-conflict locations, in particular in those where international institution or nation-building efforts will take place.

## Ahtisaari's Proposal and the Future of Kosovo's Security Sector

**Jérôme Mellon**

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After over seven years of waiting, the resolution of Kosovo's future status is finally within reach. The Comprehensive Proposal for the Kosovo Status Settlement (hereafter called the Proposal) prepared by Martti Ahtisaari was unveiled to the Serbian and Kosovo Governments on 2 February 2007. Although not final, this 58 page document provides the clearest view yet of Kosovo's final status.

Despite extensive media coverage of the Proposal, thus far there has been very little in-depth published analysis of its recommendations and impact.<sup>6</sup> This article presents some of the issues and challenges surrounding the core recommendations presented in Annex VIII of the Proposal that deal with Kosovo's security sector.

### **Police and communities**

The Proposal recommends that "Local Councils composed of municipal and police representatives including the Station Commanders shall be made fully functional in order to facilitate the co-operation between the Police Service and municipal authorities/local community leaders."<sup>7</sup>

Much positive work has been achieved in the field of community policing, mainly through the support provided by the Organisation for Security and Cooperation in Europe (OSCE) to the Community Safety Action Teams, Local

Public Safety Committees (LPSCs), and the Kosovo Community-Based Policing Steering Group. The forthcoming international civilian presence should develop this work further, focusing on public outreach and improving community access to security providers through both formal and informal fora. Moreover, Kosovo's Provisional Institutions of Self-Government (PISG) should consider including formalised structures such as LPSCs in its draft Police Law, as well as developing a Kosovo-wide strategy for policing in the community.

The Proposal also recommends that "in Kosovo Serb majority municipalities, the local Station Commanders shall be selected according to [a special] procedure,"<sup>8</sup> different from that used in other municipalities. No matter how good the intentions behind such recommendations may be, this continues an unfortunate pattern where initiatives have tended to reinforce ethnic divisions in Kosovo rather than bringing different communities together in common approaches on shared concerns.

The needs of the different ethnic communities in Kosovo may vary, but ethnic-specific measures should be minimised in order to develop the "multi-ethnic society based upon the equality of all citizens and the highest level of internationally recognised human rights and fundamental freedoms" called for by the Proposal itself.<sup>9</sup> In this respect and taking into account practical reality and time constraints, any special approaches for ethnic groups should be temporary and exceptional.

### **Serving Kosovo's intelligence needs**

The Proposal recommends that Kosovo "establish a domestic security agency to monitor threats to Kosovo's internal security," adding that "this agency shall be professional, apolitical, multi-ethnic and subject to parliamentary oversight and civilian administration."<sup>10</sup>

However, many Kosovans still perceive intelligence services as oppressive tools of the state. First and foremost therefore, Kosovo needs open and frank public debate both to demystify the role of a Kosovo intelligence serv-

<sup>6</sup> Some existing opinions and analyses include Kosovar Institute for Policy Research and Development, Analysis of the Comprehensive Package for the Status of Kosovo, (KIPRED, February 2007), Dérens J-A, Statut du Kosovo: revoyez votre copie, M. Ahtisaari!, (Le Courrier des Balkans, 7 February 2007), and Organization for Democracy, Anti-Corruption and Dignity, Analysis of Ahtisaari's Package (Çohu!, February 2007).

<sup>7</sup> Ahtisaari M, Comprehensive Proposal for the Kosovo Status Settlement, (UNOSEK, 2 February 2007), page 47.

<sup>8</sup> Ahtisaari M, *ibid.*, page 47.

<sup>9</sup> Ahtisaari M, *ibid.*, page 11.

<sup>10</sup> Ahtisaari M, *ibid.*, page 48. The Proposal specifies that the International Civilian Representative "shall oversee the development of a domestic security agency" (page 52) and also recommends the adoption, during or immediately after the 120-day transition period, of the "Law on the Establishment of a Domestic Kosovo Intelligence Agency" (page 58).

<sup>11</sup> Mellon J, Intelligence in Kosovo: Looking Ahead, (FIQ and Saferworld, March 2007), page 17.

ice as well as its actions and to promote a political culture in which policy-making responds to the concerns of the population. Without such debate, there can be little hope that Kosovans will embrace modern concepts of security and intelligence and support efforts to ensure the proper functioning of a new service in accordance with democratic norms.<sup>11</sup>

The new Kosovo intelligence service should be purely domestic, aimed at “providing Kosovo’s decision-makers with timely, relevant, accurate and predictive advice [...] to make informed decisions for the benefit of the population of Kosovo and its neighbours.”<sup>12</sup> As long as Kosovo’s interests and presence abroad remain limited – certainly the case for the foreseeable future – it will not have a pressing need for a foreign intelligence capability.

The Proposal fails, probably intentionally, to address the issue of existing unofficial intelligence organisations, such as the Institute for Strategic Research of Public Opinion and the Kosovo Information Service, allegedly linked to political parties and operating in a similar manner to official intelligence services. Policy-makers must decide what to do with these unofficial organisations: should they be abolished? Should their members be allowed to join the newly established Kosovo Security Service?<sup>13</sup> What should be done with the information and dossiers gathered by these organisations over the years? These are all sensitive questions, but if they are not addressed, there is little hope that Kosovo will develop a transparent, accountable and effective intelligence service that responds to the needs of Kosovo’s citizens.

## ***Disbanding the KPC, creating the KSF***

In one of its most contentious recommendations, the Proposal suggests that “the KPC [Kosovo Protection Corps] shall be disbanded [...] within one year of this Settlement coming into force” and that “a new professional and multi-ethnic Kosovo Security Force (KSF) shall be established. [...] The KSF shall be lightly armed and possess no heavy weapons, such as tanks, heavy artillery or offensive air capability. The KSF is to consist of no more than 2,500 active members and 800 reserve members.”<sup>14</sup>

The Proposal considers that the KPC has already “accomplished its goals, including the facilitation of Kosovo’s post-conflict recovery,”<sup>15</sup> although it does not explain on which criteria such a conclusion was based. But the most sensitive and controversial aspect of this particular recommendation is the fate that awaits KPC members who will be forced into retirement.

The KPC, born in 1999 out of the disbanded Kosovo Liberation Army (KLA), is comprised of 3,052 active members and 2,000 reservists. Its disbandment would leave its former members without work, salary and prestige. Moreover, it is unlikely that the envisaged KSF would be interested or able to absorb any more than 500 ex-KPC members, leaving at least 2,500 combat-experienced men out of work. Given the respect for the KPC felt by Kosovo Albanians, and the continuing influence of former KLA members in Kosovo, the demobilisation, resettlement or retirement of these former KPC members would need to be done with tact, care and impeccable planning.

The suggestion to create the KSF is one of the Proposal’s boldest proposals, with great potential for negative consequences not only in relation to reconciliation between Kosovo Albanians and Kosovo minority communities, but also to Kosovo’s relations with its neighbours, Serbia in particular. The creation of the KSF should therefore be linked to a careful programme of public information and regional outreach to prevent potential misinterpretations or renewed tension whilst ensuring positive relations are established from the start.

Unfortunately, there is little time for public consultation on these or other aspects of the Proposal before the UN Security Council debates and adopts a new resolution on Kosovo. The International Civilian Office and International Military Presence should undertake this outreach urgently, especially given their expected central role in the sensitive field of security. Moreover, Kosovo’s own PISG should – albeit belatedly – engage with civil society and the wider population to debate and explain the options for Kosovo’s security institutions.

<sup>12</sup> Mellon J, *ibid.*, page 12.

<sup>13</sup> The report of the Internal Security Sector Review (ISSR) recommends that “some members of parallel structures may be permitted to join the new security institution after a clear and transparent vetting process that incorporates competence criteria,” which is probably the most realistic approach to this sensitive question. See Cleland-Welch A et al, *Kosovo Internal Security Sector Review*, (UNDP, 2006), page 150.

<sup>14</sup> Ahtisaari M, *op. cit.* note 2, page 49.

<sup>15</sup> Ahtisaari M, *ibid.*, page 6. Admiral Harry Ulrich, commander of NATO Allied Joint Force Command in Naples, commented on 24 February 2007 that “dismantling the KPC is a necessary first step in developing the Kosovo Security Force, an institution that should lead Kosovo into the future.”

## Foresight for a new level of governance in Kosovo

### Admir Duraj

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*Qui non est hodie cras minus aptus erit*<sup>16</sup>. Ovid

While I suspect that its origin are locked somewhere deep in school memories striving between law and policy studies, this note began to take a visible form during a flight from Ljubljana to Pristina, last week after the very interesting Bled Forum on Europe which this year had the topic of: 'Governing futures'.

This topic seems to be omnipresent, no matter if your decisions concern only you and/or the people around you, or if you're walking, breathing, looking for new dimensions, jobs, frontlines in transitive and modern societies, or flying over ex-Yugoslavia. I couldn't help noting some conclusions that were already articulated in my mind some time ago.

I have been in Pristina since September 2005 working on the Capacity Building Facility project. The work which involved being an adviser to the Provisional Institutions of Self-Government (PISG) is quite challenging. Anyone in such position may realize that objectives set under a specific development intervention can tend to face a high level of need, but also barriers in the concerned milieu.

The process of building capacity in institutions with the aim of achieving participatory governance is strongly linked but not limited to the knowledge and skills of individuals. On a larger scale capacity building depends on the quality of organizations and structures. Capacity building is a challenge. A successful process for Kosovo's PISG in this regard is important for the government's credibility and legitimacy. It is also critical to achieving the government's goals in addition to fulfilling its commitment to implement the standards set by the international community as part of the process of status definition. In a number of strategic documents and policy papers it is shown that the government of Kosovo and the international donor community laid out challenging benchmarks for the Capacity Building process.

Experience from both developed and developing countries suggests the process of building institutions and training their respective staff is long, complex and difficult. Any chance of success is dependent on six necessary elements that need to be in place including: i) strong domestic political leadership; ii) focus on end results; iii) some measure of "demand" from citizens; iv) a process of institutional change; v) appropriate and coordinated donor behaviour; and vi) realistic timeframes and expectations.

These concluding remarks, rehearsed after one-year in Kosovo with the Capacity Building Facility assume a self-reflective standing on the self-governing institutions that we cannot consider 'provisional' for ever. Hence the discourse on governance, future, objectives, effective institutions and public policies as highlighted by the Bled Forum on Europe 2007.

In today's Europe a new systematic, participatory, future-intelligence-gathering and medium-to-long-term vision-building process aimed at present-day decisions and mobilising joint actions on the future has been developed. Named 'Foresight', this instrument demands commitment, focus, dynamics and vision on thinking, debating and shaping the future. In engaging correctly with processes that build upon the principles of representative democracy some current trends need to be considered when applying effective capacity development interventions and achieving sustainable institutional and policy frameworks. It may sound a limited observation, but in practical terms these exact trends seem to be lost when we seek to assess the performance of the current institutional setting.

- **Information:** *What scope, quantity, quality of information reaches the citizens?*
- *Is there any **consultation** or any other opportunity for citizens to provide comments, feedback on policy decisions?*
- *Can we talk about **active participation** and efforts to engage citizens in policy-making, based on partnership today in Kosovo?*

In Kosovo a critical question for institutions of all levels is whether this is the right time to improve on these issues? Most certainly it is.

### **Thinking the future**

For Kosovo, 'foresight' may serve as a good entry-point

<sup>16</sup> Lat. 'He who is not prepared today will be less so tomorrow.'

into a civic and structural engagement for sustainable and participatory governance. To achieve this, forecasting and assessment of available resources, policy research, and identification of long term trends and guidance of decision-making is necessary.

## ***Debating the future***

Foresight is a participative process involving different stakeholders. What does that mean for Kosovo? Essentially it implies complexity, diversity and multiculturalism. It may include public authorities, business, research organisations, non-governmental organisations, and so on, but it should not exclude marginalized groups, religious and ethnic minorities, while we also strive to mainstream gender issues and boost social cohesion. The process can be organised from communal to central levels built around a constructive agenda, which in turn encompasses consensual priorities. The benefit of debate helps to develop different solutions and or scenarios on needs and trends currently facing the society. At this point, academic institutions, research centres and civic movements in general should take a leading role.

## ***Shaping the future***

When we discuss the future, the very first step is to develop some indices that help us in building the most accurate picture on what the future will be like. To this extent vision is a product of Foresight as it aims at identifying possible futures, imagining desirable ones, and defining strategies to get there. Results should be fed into public decision-making but they also help stakeholders develop or adjust their strategies. The current debate in Kosovo, as introduced through local and international media, explicitly reflects the focus on 'status negotiations'. The news may sound pretty old in a few days, as we step into new developments: possible futures vs. desirable futures. This may be puzzling, but the players who should solve this are known: policy and decision-makers and voters i.e. citizens regardless of their religion, gender, nationality or ethnic origin, political beliefs and affiliation.

Thinking, debating and shaping the future is even more essential today because of the complexity of science, technology and societal interrelationships. But understanding the Kosovo context remains an imperative, which would bring new critical issues into the policy agenda as we strive to build prosperous futures through contemporary

approaches and responses for desirable futures.

The technological revolution, globalisation, migration, environmental degradation, the inversion of the demographic pyramid in industrial societies, the enlargement of the European Union, and its consequences, are some of the most relevant socio-political developments that significantly influence the understanding and development of citizenship and a sustainable participatory governance in Kosovo. Each of these social gears is very complex, and there are multiple interactions and mutual implications amongst them. Though the young generation in Europe may be of the opinion that disengagement can be an alternative, I believe that each of us is continually involved in social and political decisions and as such it is a matter of necessity that we speak about those decisions, through dialogue and active participation in setting and building consensus over development priorities. These are the indices that help us in practising 'foresight': finding solutions and building realistic prosperous futures.

## **Finding Durable Solutions for Displaced People from Kosovo**

**Pleurat Halili**

*Expert on IDPs and Refugees*

Ethnic conflicts in the former republics of Yugoslavia forced thousands of civilians to flee their homes. Some of them sought refuge in third countries - mainly in Western Europe - and some remained as Internally Displaced Persons (IDPs) seeking escape within the region. Even though more than eight years have passed since the first displacements took place, about 20,000 people remain displaced within Kosovo<sup>17</sup> and about 200,000 in the territory of Serbia.

Since 2000, the attention of the international community has primarily been directed towards IDPs returning to Kosovo from Serbia and Montenegro. The donor community including NGOs were mainly interested in providing assistance to organized returns projects for this particular group. Up to now, there has been little interest in finding durable solutions for IDPs within Kosovo who have continued to be forgotten by local and international authorities. The needs of IDPs within Kosovo - especially of those who live in collective centers - are often neglected. The most vulnerable groups remain the Roma, Ashkali and Egyptian

<sup>17</sup> Among whom 45 % are Kosovo Albanians displaced in southern part of Mitrovica region.

(RAE) communities who usually live in poor conditions in informal settlements and very often isolated from the rest of society. The problems facing the RAE community are linked to the inherent discrimination that this community has suffered throughout the Balkans. Traditional and stereotyped perceptions have a frequent and direct effect on their access to education. RAE children usually do not continue to secondary education and very few complete universities, which serves to enforce a vicious cycle of poverty and social exclusion. This situation often leads members of this community to be dependent on income from child labour and begging. In this respect, it is the responsibility of local authorities in Kosovo to develop policies to find durable solutions in terms of accommodation and increasing awareness about the importance of education among the RAE community in particular. In addition, vocational training would contribute to producing skilled workers for Kosovo's job market.

About 16,000 displaced persons have returned to their homes in Kosovo since 2000. The low numbers of returnees as compared to the overall number of alleged IDPs, can be blamed on a number of reasons that have hampered sustainable return. Firstly, perceived insecurity and lack of freedom of movement continue to influence the decision to return. In addition, uncertainty over Kosovo's final status has also impacted on the decision of IDPs to continue to remain in Serbia and Montenegro. Furthermore, many IDPs, especially Kosovo Serbs, find it difficult or even impossible to return to their home communities in Kosovo where the socio-economic and political environment has changed so dramatically since they left. Finally, Kosovo's economic development continues not only to hamper the return but also encourages many to leave Kosovo for better living conditions in EU countries.

It has become clear that relief programs alone can place returnees into a situation of dependency. Life-sustaining assistance should always be accompanied with income generation projects that support beneficiaries to develop and use their professional capacities. Sustainable return and reintegration greatly depends on the livelihood opportunities that exist in areas of return. If displacement offers better livelihood opportunities than the return location, IDPs will quite logically continue to remain in locations of displacement.

Until now, voluntary return for displaced people from Kosovo has been the only preferred solution for UNHCR and the respective governments. In light of the changing po-

litical status of Kosovo it is now necessary to review this approach and opt for the development of a local integration strategy for IDPs who no longer wish to return to their homes. In tackling displacement problems, respective governments need to provide long-lasting solutions for accommodation that would facilitate the closure of collective centers. Furthermore, governments also need to provide IDPs with self-reliance assistance that is tailored to their needs and capacities. Strategies to find durable solutions for IDPs from Kosovo through return or local integration can only be successful if meaningful development assistance is envisaged in any assistance programs. In addition to durable accommodation, it is necessary to also include cash assistance and micro credit schemes for entrepreneurs followed by vocational training.

Any durable solution to the issue of IDPs needs to be complemented with development aid. Reintegration of returnees or local integration of IDPs and refugees can only be successful if authorities provide not only the necessary legal infrastructure but also comprehensive strategies to enable IDPs to become self-reliant. In addition to social isolation and the lack of education opportunities, limited employment possibilities in areas of return will continue to hamper sustainable reintegration.

## Local Development for Community Stabilization in Mitrovicë/Mitrovica and Zvečan/Zveçan, Kosovo

**Dr. Ricardo Pinto**

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### **Development challenges in Mitrovicë/Mitrovica and Zvečan/Zveçan**

Since the 1999 conflict, Mitrovicë/Mitrovica has been divided along the Ibër/Ibar River. To the south, the population is predominantly Kosovo Albanian. Almost all of the 300 Kosovo Serb families who used to live in the south have moved to the north which is now home to about 15,000 K-Serbs, some 5,000 of whom are Internally Displaced Persons (IDPs). Prior to the conflict, over 50% of the population in the north of the town was K-Albanian;

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today less than a quarter of them remain. However, accurate population figures are impossible to obtain for both Mitrovicë/Mitrovica and Zvečan/Zvečan.

The number of Bosnians in the area has significantly declined from the pre-conflict figure of 6,000. Today the population is between 2,000 – 3,000 living both north and south of the Ibër/Ibar River. There has been a similar reduction in the Turkish community, with about 800 people living on both sides of the river. The pre-conflict Roma population (some 6,000-8,000) of south Mitrovicë/Mitrovica has been displaced to the northern municipalities and Serbia proper. Approximately 275 people live in a collective centre in the north of the town and a small number of families live in private accommodation in the south. Over 40 Ashkali families remain in the south of Mitrovicë/Mitrovica, mostly concentrated in one community. Members of all communities own property on both sides of the town, and have made repeated attempts to reclaim it.

Lack of security and freedom of movement is a major obstacle to the establishment of normal life in the Mitrovicë/Mitrovica area. The division of the town has also complicated the provision of public services, and has in fact led to the creation of separate facilities for the north and south. The municipalities of Mitrovicë/Mitrovica and Zvečan/Zvečan face numerous challenges. Once a one-company (Trepça Mining) area, the municipalities are now de-industrialized and divided. The area displays very high levels of unemployment, pollution, rural under-development, a small and inexperienced private sector, a young and relatively unskilled population, severely inadequate infrastructure and a complicated structure of administration. The main development challenge is to find a new orientation for the town, eliminate divisions, improve the security situation, facilitate returns and develop the economy. There are attempts by both local and international community to try to address the situation. This is especially the case in the aftermath of the March 2004 riot, which started in Mitrovicë/Mitrovica and spread throughout Kosovo resulting in 19 deaths and over 800 injuries.

However, the announcement made in February 2007 by Mr. Maarti Ahtisaari (Special Envoy for Kosovo) in relation to the Settlement in Kosovo offers the prospects of creating a new dynamic in both Mitrovicë/Mitrovica and Zvečan/Zvečan.

Some of the key development challenges facing the area are explored below:

## **Education**

The overarching challenge in the education sector is to ensure:

- Improvement of infrastructure, equipment, transport, general school environment including fire safety and sanitary improvement.
- Advancement of management and technical skills.
- Professional advancement of teachers.
- Exchange of experience between educational institutions in Kosovo and abroad.
- Provision of new and improved textbooks relevant to the current needs.

A variety of factors, especially war related population movements, have resulted in increased enrolment in both the south and the north, placing severe pressure both on teachers and facilities. The education sector is under-resourced and many existing facilities are in poor condition. Teachers and administrators have limited opportunity for formal training and informal exchanges with professional peers. Despite the efforts of K-Serbs and K-Albanians in their respective spheres, the education sector in Kosovo is in decline. The situation can be mitigated and improved through an approach that develops a community based constituency for education and enhances the capacity of teachers, administrators and local politicians to advocate for proper levels of support from central authorities. It can be argued that education conditions are much poorer in the south, but the fact remains that educational opportunities are severely limited on both sides of the river and both systems need significant interventions if young people are to develop the skills needed to earn a living.

## **Health**

The north/south divide has virtually eliminated cooperation and coordination between the public medical establishments on both sides of the Ibër/Ibar. Presently there is no contact between practitioners as in previous times. Apart from staffing and salaries, many of the difficulties facing primary health care in Mitrovicë/Mitrovica south and north and Zvečan/Zvečan are similar. The main challenges for improvement involve:

- Improvement in infrastructure, facilities, and equipment.
- Strategic planning, implementation, management, fundraising and budgeting.

- Professional advancement of staff.
- Exchange of experience between health institutions of Mitrovicë/Mitrovica south/north and Zvečan/Zvečan and health institutions abroad, in the region or Kosovo.
- Utilities management.
- Advancement of patient transport services.

In both the south and the north, health personnel do not have access to regular training in management and/or clinical skills. There is no system of continuing education, especially in health system management. Capacity development in this area will be essential if the health systems are to improve in quality and the ability to respond to the needs of the population. An approach that mobilizes the practitioners, managers and citizens is more likely to produce sustainable patterns of change. In addition, a better political climate is needed if the health systems in the north and south are to be improved. Assuming that there will be new elections as the Final Status is implemented this could be a reality.

### ***Civil Society & Minorities***

The international donors have invested in projects focusing on peace, conciliation and the provision of various kinds of humanitarian aid. Even in projects with a sectoral focus, the donor agenda has sought a multi-ethnic approach to implementation which, in Mitrovicë/Mitrovica has proven difficult to operationalise and sustain. The active Non Governmental Organisations (NGOs) are operating largely as professional associations, with neither membership nor community or sectoral constituencies.

The highly donor-driven nature of the NGO sector means that they are strongly tied to the aims of the donor and have so far failed to give serious consideration to the creation of a clear mission statement, role, purpose and future strategy for the organisation either internally in Mitrovicë/Mitrovica or in wider Kosovo. As a consequence, there are limited connections between the activities of the NGOs and pressing quality of life issues such as lack of water, electricity, inadequate education or unemployment that all affect the lives of individuals across all communities on both sides of Mitrovicë/Mitrovica. The institutional framework and community purpose of most of the organisations is weak and in need of serious organisational development to ensure that they assess their place within the community as well as within their specific sector and within Kosovo.

There are a number of constraints which limit the growth

and development potential of the sector including: the lack of affordable premises, an inadequate and unstable funding stream into the sector, lack of clarity and direction for individual organisations, lack of freedom of movement, lack of specialisation and capacities, lack of understanding about the situation in Mitrovicë/Mitrovica by many of the donors and so on. Generally, the role of the NGO sector - as a community asset, is not understood. Beyond the agenda of the donors, the NGOs are not clear either about their role in relation to the community or how and where they should fit with the municipality. In addition, the municipalities have also to develop a clear understanding of civil society as an operational partner, beyond the role of citizen engagement.

### ***Economic Development***

The economic situation is impacted by the general political situation in the area. The key feature of the city is its division. This creates two different markets, with Mitrovicë/Mitrovica south functioning as part of the Kosovo labour market, while Mitrovicë/Mitrovica north and Zvečan/Zvečan effectively functioning as one integrated market, primarily connected to K-Serb municipalities of Leposaviq/Leposavic and Zubin Potok, and to Serbia proper.

Economic development and growth in Kosovo have been heavily impacted by the break-up of large socially owned enterprises (SOEs). This is especially the case in Mitrovicë/Mitrovica and Zvečan/Zvečan, given the level of dependence on the Trepca mining conglomerate (7,000 jobs in 1989). Today the Trepca complex is almost non-operational, employing only a limited number of people in Mitrovicë/Mitrovica and Zvečan/Zvečan, often on a part-time basis. The SOE sector in Mitrovicë/Mitrovica south has almost disappeared as a source of income apart from a few hundred maintenance jobs, financed from the Kosovo Consolidated Budget. Other SOEs in Mitrovicë/Mitrovica south are being privatized and the expected restructuring and downsizing will have serious effects. Since only a limited number of people are employed in public services, the capacity to absorb the surplus labour is limited.

The unemployment rate is already estimated to be above 50% in Mitrovicë/Mitrovica and Zvečan/Zvečan, though these estimates are unreliable due to the existence of Serbian "parallel structures" in areas with a K-Serb majority. Many unemployed K-Serbs are not registered with Provisional Institutions of Self Government (PISG) structures, but rather with the Serbian employment bureau in Mitrovicë/Mitrovica north. According to official data,

there were 25,832 unemployed persons in Mitrovicë/Mitrovica and Zvečan/Zvečan in December 2006. The informal economy is known to be large.

Economic development and employment creation in Mitrovicë/Mitrovica south relies on entrepreneurship and private initiative. However, most of the enterprises are small-scale family businesses, many of them struggling to survive. Major problems for businesses in south Mitrovicë/Mitrovica include water and power supply, access to finance and know-how.

Mitrovicë/Mitrovica north and Zvečan/Zvečan rely heavily on cash subsidies from Serbian and Kosovo Governments, UNMIK and international organizations (donors, International Finance Institutions (IFIs), NGOs, etc.) operating in the area. Most of the people are employed in PISG institutions and/or Serbian administration and dependent on either the Serbian or Kosovo budget. The removal of either subsidy would have grave consequences for the population in the area.

## **Local Development and Community Stabilization**

UNDP has been implementing projects in the Mitrovicë/Mitrovica region focusing on issues such as socio-economic development, minority inclusion and regional development. As illustrated in the preceding analysis, the time is now ripe for a comprehensive programme that would address a wide range of issues in Mitrovicë/Mitrovica. The significant challenges facing Mitrovicë/Mitrovica and Zvečan/Zvečan can be best tackled through a multi-sectoral, multi-annual programme of support designed to reduce poverty and socio-economic disadvantage, focusing on better delivery of key municipal services.

Based on the findings of two assessment teams, UNDP has formulated a project that reflects the unique characteristics in Mitrovicë/Mitrovica and Zvečan/Zvečan and is based on detailed research assessing the needs and analysing the nature of the existing policies, institutions and resources, whilst also taking into consideration the announcement on Kosovo's Final Status in February 2007. The local sustainable development project is focused on the five components discussed above: firstly it will seek to improve the provision of services in the education and health sectors, which are considered to be critical. In addition, the conditions for development of civil society will be improved, primarily through support for development of local grassroots organizations, NGOs and citizens groups. This process will also seek to create the

conditions for minority integration and defuse existing inter-ethnic tensions. Lastly, the project aims to create conducive conditions for the development of the private sector and employment generation through support to business development services, intermediate/public works and support to micro and small enterprises.

## **The harmonization of legislation with Acquis Communautaire and Kosovo**

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The harmonization of legislation with Acquis Communautaire represents one of the major challenges for European Union (EU) candidate countries. This includes those who aspire to join the EU in the coming years such as the so-called Western Balkan Countries. The harmonization of legislation is also one of the three main EU membership criteria also known as the Copenhagen Criteria (1993). In June 2003, the Thessaloniki Summit again reconfirmed the EU membership perspective for Western Balkan Countries - including Kosovo. Nevertheless, the pending final status of Kosovo remains one of the major barriers in terms of advancing relations between Kosovo and the EU and creates additional difficulties for the harmonization of legislation with Acquis Communautaire.

The term Acquis Communautaire was used for the first time in an Opinion of the EU Commission of 1 October 1969, in relation to the application for membership of the United Kingdom, Denmark, Ireland and Norway. In a clearer manner, this has been used in Article 2 of the European Union Treaty, known also as the Maastricht Treaty. In simple words, Acquis Communautaire means the ensemble of rules that form the legal functioning framework of the European Community.

Indeed, seen from a legal point of view, the process of harmonization of legislation with Acquis Communautaire *de jure* is not a legal obligation for Kosovo as long as the latter is not a member and does not yet have any contractual relations with the European Union. Nevertheless, the current cycle for the approval of laws and sub statutory laws requires the certification of their compatibility with Acquis Communautaire. The certification document

is issued by the Agency for European Integration at the Prime Minister's Office.

The harmonization of legislation with *Acquis Communautaire* *inter alia* means the adoption of legal norms of *Acquis Communautaire* into the domestic legislation. The adoption is not a mechanical process, in other words is not a literal approximation of legal text, but an approximation of standards. There are three types of harmonization: a) complete harmonization, b) partial harmonization and c) harmonization not applicable. The third variant is valid for matters that do not fall under the jurisdiction of the EU institutions, while the second case includes matters that partially fall under such jurisdiction.

In parallel with the harmonization, all candidate members should translate the entire *Acquis Communautaire* into their national language, which is approximately 95.500 – 105.000 pages. The translation is a pre-condition for EU membership and the cost of the translation must be borne by the countries themselves. In 2005 Croatia spent over one million Euro translating this document, while FYROM<sup>18</sup> spent about 360,000 Euro. The translation methodology involves the establishment of a Translation and Coordination Unit – (TCU) and the work is generally outsourced. After translation the text is revised by linguistic experts and lawyers with knowledge of foreign languages, then the text is submitted to a database provided by TAIEX and communicated to the EU Commission.

However, Kosovo, FYROM and Albania have the opportunity to decrease translation costs. The Ohrid Agreement obliges FYROM to translate the *Acquis Communautaire* in both Macedonian and Albanian languages meaning the three countries can share the costs of translation. Firstly though, they would need to draft a common glossary that will unify the legal understanding of terms. However, it should not be forgotten that according to Ahtisaaris proposal, Serbian is also an official language in Kosovo. Therefore, Kosovo should also consider reaching an agreement with Serbia regarding the translation of *Acquis Communautaire*.

The sources of *Acquis Communautaire* are:

- Primary legislation
- Secondary legislation

- Judgments of the European Court of Justice and the First Instance Court
- Other courses.

The primary legislation includes: a) EU and Community Treaties, b) International Agreements signed by the Community with third parties and c) Stabilization and Association Agreements (their legal base is the article 310 of the European Community Treaty (former Article no. 238)). Meanwhile, the sources of the secondary legislation are defined in Article 249 of the European Community Treaty and include: a) Regulations, b) Directives, c) Decisions and d) Recommendations and Opinions. Other sources include: Acts adopted by member states representatives in the Council Meetings, General principles of law, General principles of international law and Domestic legislation of member states.

The experiences of other candidate countries have shown that this process is a very difficult one that requires a highly qualified public administration and a good national strategy including adequate financial support. In the case of Kosovo, the process of harmonization represents a real challenge for the newly established administration taking into account the general lack of experience, the lack of qualified human resources, and the lack of funds. Therefore, in order to successfully prepare itself for the initiation and completion of the harmonization process, Kosovo needs to immediately revise the existing civil service legal framework in order to create a sustainable base for capacity building and make the public administration attractive and at the same time accessible to highly qualified young graduates that are currently studying abroad in western universities.

This is the right moment for Kosovo to initiate and successfully complete a deep re-evaluation of the present civil service system in order to be prepared in advance for the challenge of the harmonization process and other interdependent and interrelated processes. The Kosovo public should understand that the European Integration provides a framework for development and common ground for all communities in Kosovo as well as countries in the region. In this respect it can help the region to overcome the conflicts of the past and those of present. Thus, the process of harmonization of legislation with *Acquis Communautaire* is one way for co-operation in the Western Balkans.

<sup>18</sup> Former Yugoslav Republic of Macedonia.

## Kosovo - The Final Status Process and Development Challenges

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### ***A Process to Finalize another Process***

In February 2006, former Finish President Marti Ahtisaari took on the task of negotiating the process to finalize the status of Kosovo on behalf of UN. The process is now in its last stage and Mr. Ahtisaari, the UN Special Envoy, has produced a document that provides a good basis for a future state of Kosovo that guarantees its path towards Euro-Atlantic integration, with a basis in international co-operation as well as extensive rights for minorities.

It seems clear that the resolution of the status of Kosovo will benefit the region economically, politically as well as in terms of security. These are preconditions to development. At the moment it is obvious that the current status quo is no longer sustainable and a new dynamic is needed in order to increase the chances of Kosovo and the region to catch up with the rest of Europe.

The international community have realized that if the process of democratization and institution building in Kosovo is to finally succeed, responsibility for the process must be passed to the people of Kosovo themselves.

Kosovo has achieved tremendous progress in many fields over the past few years. We now have the institutional set up required to become a fully functioning member of the international community. Moreover, we have a sound macroeconomic system, a broad tax base, and a modern legislative system that protects private property and private investors as well as the flexible labour market. Indeed, Kosovo has one of the simplest mechanisms for registering a company in the region.

Kosovo has changed dramatically since the international intervention in 1999. Living standards and freedoms have improved for all citizens, and the Government is taking important steps to provide guarantees for minorities and to assure them that these improvements are universal for all people in Kosovo. The Ahtisaari package ensures that K-Serb municipalities will have control over their schools and hospitals. The Serbian language will be one of the official languages, and the Kosovo government will further

guarantee representation of minorities in the government structures. It is hoped that Kosovo-Serbs will recognize that their home and their future lie in Kosovo and we are committed to preserving the multiethnic character of Kosovo.

### ***The "3E" Approach***

The Kosovo Government has concluded that the economic situation of the country must be improved as soon as possible. We need to identify priority areas and comparative advantages where investing the least brings the highest benefits. According to the Kosovo Government, investment in youth is both a priority and a comparative advantage. The Government has however identified three fields where immediate action is required, namely, the Economy, Energy and Education.

Last year the Kosovo government initiated a process for the production of a Kosovo Development Strategy Plan (KDSP), to define the general vision for the development of the country. This mechanism will engage all stakeholders within the European Instrument for Policy Accession, through which European Union (EU) assistance will be channelled to meet the most pressing needs.

The priorities set by the KDSP will be reflected in the next Kosovo Consolidated Budget and within the Medium Term Expenditure Framework but will also be the guiding document for the expected post-status donor conference.

Kosovo has had for many years, continuous problems with electricity. Energy has been identified as a priority not only to meet Kosovo's own needs but also to utilize Kosovo's coal reserves which are the fifth largest reserve of lignite in the world. Kosovo will soon have a 2,3 billion Euro energy project that will ensure steady economic growth, fulfil its energy needs and even allow energy to be exported to neighbouring countries.

People under 30 years of age represent more than half of Kosovo's population. We must give these young, dynamic Europeans access to quality education in order to prepare them for the challenges of the modern globalized world. In return they will achieve great things for Kosovo. The education system in Kosovo has suffered tremendously under discriminatory policies and neglect. Apart from increasing the budget for education, the government have asked the EU and Western governments for assistance in this respect with some success. Clearly this is a field where we need more engagement.

### *Kosovo after status*

The independence that we have long desired will come with responsibilities, of which we are fully aware. Undoubtedly, independence will bring much needed clarity and future orientation but it will not resolve all Kosovo's problems. We will need to shift our focus to economic development, political reforms, regional cooperation and European integration.

It is expected that the economy of Kosovo will be affected by the status decision. The withdrawal of UNMIK may have negative effects on the economy. However, once UNMIK leaves, Kosovo will then have the ability to borrow money, an important step towards attaining the necessary microeconomic activity that will guarantee long-term growth.

Currently, we have a very high rate of unemployment. There are around 28,000 new people entering the labour market each year. Our main challenge will be to increase the rate of economic growth, which will, in return, produce new jobs. Favourable conditions for investment have already been created through the establishment of a liberal economic system with a competitive market economy. We are now part of Central European Free Trade Agreement (CEFTA), which has given Kosovo access to the large market in South-eastern Europe. In addition, Kosovo also enjoys autonomous trade measures which enable us to export to the EU. All these measures are likely to bring positive effects in the post-status Kosovo.

The international community has engaged in building a new Kosovo from scratch. We now have a full institutional suite that will enable us to work properly. But still, improving the effectiveness and efficiency of our institutions is a challenge that will have to be addressed.

We have identified regional integration, not as an imposed peace-securing mechanism, but as a positive development, enabling us to become economically competitive and to ensure stability in our part of the continent. As stated earlier, we have engaged fully in the processes establishing a free trade area and in all other regional activities for which we were eligible. We understand that the

better our relations with our neighbours, the better the chances of Kosovo to attract foreign direct investments, as well as to maintain the stability of the region and to speed up the Euro-Atlantic integration process. All issues from the past should be addressed from this perspective specifically that good relations are for the benefit of each individual of Kosovo as well as for the region as a whole.

Aspirations for EU integration have no doubt been a major driving force for reforms in Central and Eastern Europe. South Eastern Europe is now encircled by the European Union and this makes EU integration inevitable. For the Kosovo government, this is the prospect for development, peace and stability in the region and strengthening Kosovo's identity as Europeans will make us work to achieve integration as soon as possible. Kosovo is now part of the Stabilization Tracking Mechanism, a tool tailored specifically for applicants to the EU. We will aspire to a Stabilization Association Agreement in the shortest time possible after finalizing the status process. The most urgent issue now is free movement of people in our region and in Europe as a whole. We hope that the EU will realize the urgency of this issue that now threatens our economic and social development.

We understand all the challenges that we face, but there is no room for discouragement. The experiences of our neighbours, who are now EU members, show that improving the rule of law, strengthening security capabilities and fighting corruption are challenges that can be achieved with proper political will. There are many fields, in these areas, where we can clearly be proud, such as the very professional Kosovo Police Service.

One can say that the changes since the 1990s have been tremendous. But the transition ahead of us is going to be even more challenging. The Government of Kosovo should assume full responsibility in all sectors, with some international support in areas of security and justice. Dealing with the challenges will not always be easy, but our biggest challenge will be to utilize the opportunities that will emerge once Kosovo becomes a new European state.



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