

by Ilir Deda

Capital: Pristina
Population: 1.9 million
GDP/capita: US\$1,990

The economic and social data above were taken from the UNMIK Factsheet 2007.

# Nations in Transit Ratings and Averaged Scores

		Yugo	slavia		Kosovo				
	1999	2001	2002	2003	2004	2005	2006	2007	2008
Electoral Process	5.50	4.75	3.75	3.75	5.25	4.75	4.75	4.75	4.50
Civil Society	5.25	4.00	3.00	2.75	4.25	4.00	4.25	4.25	4.00
Independent Media	5.75	4.50	3.50	3.25	5.50	5.50	5.50	5.50	5.50
Governance*	5.50	5.25	4.25	4.25	6.00	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	5.75	5.75	5.75	5.50
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	5.50	5.50	5.50	5.50
Judicial Framework and Independence	5.75	5.50	4.25	4.25	6.00	5.75	5.75	5.75	5.75
Corruption	6.25	6.25	5.25	5.00	6.00	6.00	6.00	6.00	5.75
Democracy Score	5.67	5.04	4.00	3.88	5.50	5.32	5.36	5.36	5.21

<sup>\*</sup> With the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.

NOTES: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

In *Nations in Transit 2007*, Freedom House provides separate ratings for Serbia and Kosovo in order to provide a clearer picture of processes and conditions in the different administrative areas. Doing so does not indicate a position on the part of Freedom House on Kosovo's future status.

# Executive Summary

Pollowing the NATO air campaign against Serbian forces in the spring of 1999, which ended the war in Kosovo, the province was placed under the administration of the United Nations. Kosovo's institutional arrangements are governed by United Nations Security Council Resolution 1244, which established an interim international civilian administration: the United Nations Interim Administration Mission in Kosovo (UNMIK). The security of Kosovo is the responsibility of NATO's Kosovo Force (KFOR). The Constitutional Framework for Provisional Self-Government of Kosovo divides responsibilities between UNMIK and the Provisional Institutions of Self-Government (PISG) to develop self-government pending the final settlement of Kosovo's status.

Beginning in 2000, UNMIK worked with the political leadership of Kosovo to develop this framework, which enabled the holding of five democratic elections and the development of Kosovo's institutions. The outbreak of interethnic violence in March 2004—which led to 19 dead, the destruction of Kosovo Serb property, churches, and monasteries, and 4,000 displaced Serbs—worsened relations between Kosovo Albanian and Kosovo Serb communities. Serbia filled the vacuum by tightening its grip on Kosovo Serbs and strengthening parallel institutions in health care, education, and the judiciary. The violence also virtually ended Kosovo Serb participation in Kosovo's institutions. As a result, UNMIK began accelerating the transfer of competences to PISG, a process that was ongoing throughout 2007, and the international community began taking serious steps to finalize Kosovo's status.

Throughout 2007, Kosovo continued to be governed by UNMIK, KFOR, and the PISG. The year's top priorities were preserving stability, containing radical Kosovo Albanian elements, preventing violence, and maintaining political unity in Kosovo. The ongoing process of final status resolution overshadowed almost all other activities apart from general, municipal, and mayoral elections held on November 17, 2007. These elections changed Kosovo's political landscape and resulted in a triumph for the Democratic Party of Kosovo (PDK) and its leader, Hashim Thaqi.

National Democratic Governance. The negotiation process to determine Kosovo's political status was society's main focus during the year. At the center of the process were the UN-mandated *troika* (U.S., EU, and Russia) and the negotiating Unity Team, composed of the four main Kosovo Albanian political parties in the government and the opposition. The team was challenged by the Vetevendosje (Self-Determination) movement and war associations for failing to deliver a status resolution. The government, although weak, maintained stability and unity of the government and political parties through extensive efforts from the

international community, especially the U.S. and EU diplomatic offices in Pristina. Nevertheless, 2007 saw the most open debates in the Parliament, with an increasing independence of parliamentarians debating beyond their party agendas. Overall, internal government functioning and coordination were strengthened. Owing to the activities of the legislature and the improved functioning of government institutions, Kosovo's rating for national democratic governance improves from 5.75 to 5.50.

Electoral Process. General, municipal, and mayoral elections were held on November 17, 2007 and were considered free and fair by observers. Some 40 percent of the Kosovar electorate voted, but there was virtual boycott by the Kosovo Serb community. These elections changed the political landscape of Kosovo. Hashim Thaqi and his PDK were the most-voted political leader and party, garnering 34.3 percent of the ballot. The late president Ibrahim Rugova's Democratic League of Kosovo (LDK) won 22.6 percent, losing for the first time after 18 years of being the largest Kosovo Albanian political party. A new electoral law featuring civil society's longtime vision for open electoral lists was adopted. The Transition Working Group on Elections, which included representatives from the government, the opposition, and civil society, agreed on the new electoral principles. Kosovo remained a single district, with open lists at both central and local levels; a 5 percent threshold to gain seats at the central level was established for Kosovo Albanian political parties; and for the first time, direct mayoral elections took place. For the first time since the end of the war, Kosovo saw immense involvement of civil society in monitoring the elections and in the entire electoral process. Following changes to electoral laws in line with civil society demands, the elections were held in conformity with the Constitutional Framework, and independent Kosovar and international organizations deemed the entire process generally free and fair; thus, Kosovo's electoral process rating improves from 4.75 to 4.50.

Civil Society. Kosovo's tradition of nongovernmental organizations extends back to 1989, when the Council for the Defense of Human Rights and Freedoms and other political organizations created a parallel system to oppose Serbia's oppressive policies. In 2007, Kosovo's civil society, showing increased vibrancy, actively promoted participation in elections and did not limit its activities solely to monitoring the election process. For example, Youth Initiative for Human Rights held public campaigns in most Kosovo municipalities encouraging youth to participate in the elections. The Democracy in Action coalition, apart from monitoring, undertook a public campaign to explain the benefits of voting. Civil society groups continued with their activities in the anticorruption field by monitoring the government and implementation of laws (especially the Law on Access to Public Documents), compliance with human rights, and the electoral process. *Owing to the sector's increased activities and impact, Kosovo's civil society rating improves from 4.25 to 4.00.* 

**Independent Media**. The Independent Media Commission approved several pieces of secondary legislation, including an advertising code and regulations

on cable broadcasting in Kosovo. The Press Council of Kosovo continued its restructuring to better prepare the institution for future operations. Journalists and editors are increasingly adhering to the council's code of conduct and its statute. However, 2007 was the first year that the government undertook steps to control the media, primarily the public broadcaster Radio Television of Kosovo, by terminating the service contract to collect the public broadcast fee from citizens. Despite the continuing development of the legal framework and the birth of the Press Council of Kosovo, political pressure on the media by the government increased and offset the achievements; therefore, Kosovo's independent media rating remains at 5.50.

Local Democratic Governance. Municipal assemblies and mayors changed after the municipal and mayoral elections on November 17, 2007. The PDK won relative or absolute majorities in 17 municipalities, LDK in 5, and the Alliance for the Future of Kosovo (AAK) in 3. After the mayoral runoff ballot on December 8, PDK won 16 mayoral posts, LDK 6, and AAK 3. LDK held on to power in the capital, Pristina, while other urban centers went to PDK and AAK. The weakness of local governance in Kosovo continued in 2007, with no increase in the independence of local authorities. Furthermore, the relationship between the central level and the municipal level needed to be further defined in terms of competences. Parallel administrative structures sponsored from Belgrade continued to operate in most predominantly Kosovo Serb municipalities, particularly in the fields of justice, education, health care, and the postal service. The split in the LDK and establishment of the Democratic League of Dardania reduced the majority that the former enjoyed in many municipalities, which worsened the functioning of a number of assemblies. The Kosovo Serb community at large relied on Serbia's institutions in Kosovo instead of the PISG. Kosovo's rating for local democratic governance remains at 5.50.

Judicial Framework and Independence. The strengthening of the judiciary in Kosovo continued in 2007. The process of promulgating laws improved, but implementation remained a chronic problem. The body of applicable laws in Kosovo is still a tangle of divided areas; this hampers the delivery of justice, as judges are not always certain of the legal basis for their decisions. The court system still features an insufficient number of judges and a weak Office of the Prosecutor General. Nevertheless, steps were taken in 2007 to improve the protection of witnesses, the Office of the Special Prosecutor was created, and several high-profile public cases were initiated. Procedures were not respected during the election of a Kosovar ombudsperson, causing concern and opposition from both Kosovar and international human rights organizations. Kosovo's rating for judicial framework and independence remains at 5.75.

**Corruption**. Corruption remains widespread in Kosovo. The Office of the Auditor General continued publishing reports on massive abuse of public funds and procedures at PISG- and UNMIK-controlled institutions. The Anticorruption

Agency (AKK) became operational and submitted 47 cases to the Office of the Special Prosecutor. The AKK solved 61 cases, while 16 were pending at year's end. The AKK took steps to conform with the Law on Public Procurement and annulled tenders amounting to €7 million (US\$10.3 million) where regulations had been violated. The UN Office of Internal Oversight Services began investigating top UNMIK officials, while UNMIK police and the Kosovo Police Service arrested high-level PISG officials suspected of money laundering. Despite the general lack of political will to fight corruption, 2007 featured some of the most concrete anticorruption activities and successes to date in Kosovo; thus, the corruption rating improves from 6.00 to 5.75.

Outlook for 2008. The new Assembly of Kosovo will declare independence in 2008. The new PDK-LDK coalition government led by Hashim Thaqi will face many challenges, which must be tackled with the help of NATO-led KFOR troops in the security sector and the new EU mission of rule of law and security. Further challenges will come from the reaction of Serbia and Kosovo Serbs to Kosovo's declaration of independence, the containment of Kosovo Albanian radical groups, and possible social unrest. In other sectors, the government must tackle corruption, strengthen the functioning of institutions, and take decisive steps to lay a foundation for economic development. The position of civil society and the media vis-à-vis Kosovo's new leadership will be a crucial independent voice outside of government institutions, in light of the currently weak political opposition.

# MAIN REPORT

#### National Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007	2008
Уu	g o s	l a v	' i a	n/a	5.75	5.75	5.75	5.50

Kosovo began 2007 awaiting the resolution of its final status. The United Nations Interim Administration Mission in Kosovo (UNMIK) and the government of Kosovo began preparations for the handover of UNMIK responsibilities, including the formation of five technical working groups in the areas of law, governance, civil administration, legislation, economy, and property. At the same time, preparatory work began on a post-UNMIK constitutional arrangement and elections. The Special Representative of the UN Secretary General in Kosovo (SRSG) chaired the local steering group on future international arrangements, which included representatives from the Office of the Special Envoy of the Secretary General for the future status process for Kosovo, the preparation teams of the future International Civilian Office, and the future European Security and Defense Policy Mission.

The Assembly of Kosovo showed progress in its work in 2007. There were no major violations of Assembly rules and procedures, while an increased number of plenary debates, public hearings, interpellations, consultations, and opposition comments on draft laws were received. This increase in activity occurred thanks to newly elected Assembly Speaker and longtime Democratic League of Kosovo activist Kole Berisha. Under his leadership, the Assembly also strengthened the scrutiny of its budgetary expenditures. During this time, the Assembly adopted 25 laws and reviewed 11 draft laws.

In March 2007, the UN Special Envoy for Kosovo, former Finnish president Martti Ahtisaari, presented his plan for Kosovo's final status to the secretary general. This plan comprised two documents: *Report of the Special Envoy of the Secretary General on Kosovo's Future Status* and the Comprehensive Proposal for the Kosovo Status Settlement. Ahtisaari recommended that "Kosovo's status should be independence supervised by the international community." The plan envisaged the end of UN Resolution 1244, hence the end of Serbia's sovereignty over Kosovo. It provided for UNMIK's departure and transfer of its remaining competences to the Kosovo government and mandated the European Union (EU) to deploy a political mission to oversee implementation of the settlement—the International Civilian Office/European Union Special Representative—and a police and justice mission to strengthen the rule of law, as well as a continuing military mission to guarantee overall security under a NATO-led International Military Presence.

Kosovo Serbs would enjoy a high degree of autonomy within their municipalities and relations with Belgrade, while religious and cultural sites would be protected

with the creation of special zones around churches and monasteries of the Serbian Orthodox Church. The Kosovo Protection Corps—a civilian emergency force viewed as a future army by Kosovo Albanians—would be disbanded and a new protection force created. The International Civil Representative (ICR) would have the power to ensure Kosovo's implementation of its obligations by correcting or annulling inappropriate laws and sanctioning or removing disobedient officials. The ICR would also vet the appointment of some key Kosovo officeholders, while the office's deputy would command the EU Security and Defense Policy Mission (comprising police, justice, customs, border control, and prison service personnel). The ICR would have the authority to step in directly to ensure the maintenance and promotion of the rule of law, public order, and security where necessary. After two years, an International Steering Group, consisting of the Contact Group (United States, United Kingdom, France, Germany, Italy, and Russia), the EU Council, the European Commission, and NATO, would review progress and the ICR's mandate.

The Vetevendosje (Self-Determination) movement, Kosovo Liberation Army (KLA) war veterans' associations, and other Kosovo Albanian radical groups capitalized on Ahtisaari's concerns over the proposed disbandment of the Kosovo Protection Corps and decentralization. Some Kosovo Albanian and all Kosovo Serb groups rejected the settlement proposal, though for opposite reasons. For Kosovo Albanians, the proposal did not offer a clear independence and created a dysfunctional state owing to decentralization and other minority provisions, while Kosovo Serbs argued that the proposal contained insufficient minority protections and clear independence.

On February 10, Vetevendosje held a protest against the plan, the Kosovo negotiating team, UNMIK, and the future-envisaged International Civilian Office, with a stated violent intent. Thousands of protesters attacked the police and attempted to enter Kosovo government buildings. Two protesters died from rubber-bullet wounds to the head by the Romanian UNMIK police members. (The police commissioner subsequently banned the use of rubber bullets in Kosovo, and the UN Department of Peacekeeping Operations temporarily suspended the use of rubber bullets in all peacekeeping missions worldwide pending the outcome of the review.) In a rare move of accountability, Minister of the Interior Fatmir Rexhepi and the UNMIK police commissioner resigned, while Vetevendosje leader Albin Kurti was arrested and placed under house arrest. Vetevendosje rallies in March and June had low attendance and were peaceful.

Kosovo's Unity Team fully accepted the Ahtisaari proposal, and on April 5, the Assembly of Kosovo approved the future status report, stating that it represented "a fair and balanced solution in accordance with the will of the people of Kosovo." The Assembly committed itself to full implementation of the settlement proposal, adding that if it was endorsed by the Security Council, it would be considered legally binding for Kosovo. Assembly members also pledged to cooperate with the future international civilian and security presences envisaged in the proposal. On April 14, Unity Team members President Fatmir Sejdiu, Prime Minister Agim Ceku, Assembly Speaker Kole Berisha, and Democratic Party of Kosovo (PDK)

and Reformist Party (ORA) leaders Hashim Thaqi and Veton Surroi signed the Pocantico Declaration, in which they agreed to remain united during the 120-day transition period envisaged in the settlement proposal. Further, on June 13, the Assembly announced a public design competition for the flag and emblem of Kosovo, following criteria drafted by the U.S. diplomatic office in Pristina.

Russia's threat to use its veto at the UN Security Council prevented the adoption of the Ahtisaari proposal for supervised independence for Kosovo. Russia claimed that Kosovo's case could not be viewed as *sui generis*. Further, Russia claimed that the Ahtisaari plan did not have the backing of Serbia and that no territory of a sovereign state can become independent without the consent of the mother state. The United States and the European Union claimed that Kosovo's case was unique owing to the disintegration of Yugoslavia, discrimination of the 1990s and Milosevic's policies of ethnic cleansing, NATO's intervention, and the period of UN administration. The Contact Group and the secretary general called for a new 120-day negotiation period beginning August 1 between Serbia and Kosovo about the status. These new negotiations were mediated by a U.S.-EU-Russian *troika* to secure a compromise solution between Pristina and Belgrade.

The Unity Team came under increasing pressure to resign and was criticized by the media, civil society, KLA veterans' associations, and intra-party factions for not having achieved results on the independence of Kosovo. Vetevendosje continued with inflammatory rhetoric, claiming that the Unity Team would lead to Kosovo's reintegration with Serbia. At the same time, divergences appeared within the team on which steps Kosovo should take. Prime Minister Agim Ceku and opposition ORA leader Veton Surroi called for Kosovo's institutions to set a date and declare independence by December 2007, opposed by President Fatmir Sejdiu and PDK leader Hashim Thaqi. KLA veterans' associations issued threats of a new war. While Thaqi engaged in pacifying the KLA organizations, Surroi undertook a "long walk" throughout Kosovo during August 2007, explaining to citizens the stages of the final status process. Prime Minister Ceku continued with the rhetoric of a unilateral Kosovar declaration of independence, and the Unity Team and the SRSG agreed on holding Kosovar general, municipal, and mayoral elections on November 17, 2007.

#### **Electoral Process**

1999	2001	2002	2003	2004	2005	2006	2007	2008
Уu	g o s	l a v	i a	5.25	4.75	4.75	4.75	4.50

With the final status process deadlocked, the question of the legitimacy of Kosovo's institutions after November 2007 arose. According to the Constitutional Framework for Provisional Self-Government of Kosovo, the mandate of Kosovo's Assembly would expire in November, while the municipal elections were overdue for the past year. The SRSG and the Unity Team, after consultations with international representatives in Kosovo and abroad and the Organization for Security and

Cooperation in Europe (OSCE), authorized the start of technical preparations for elections by Kosovo's Central Election Commission (CEC) and scheduled the elections for November 17. The ruling Democratic League of Kosovo (LDK) and the Alliance for the Future of Kosovo (AAK), as in 2006, were in favor of postponing the elections but accepted the decision, as did the PDK and Democratic League of Dardania (LDD). The ORA did not have a clear position.

The November elections changed the political landscape of Kosovo. The PDK won 37 out of 120 seats in the Assembly. The LDK gained 25 seats; Alliance for New Kosovo (AKR), 13; LDD, 11; and AAK, 10. The ORA did not pass the 5 percent threshold. The rest of the seats were split among the Kosovo Serb community (10 reserved seats) and other minority communities (10 reserved and 2 gained).

The elections were marked by low voter turnout of about 40 percent and a near complete boycott by the Kosovo Serb community; only about 2,000 Kosovo Serbs south of the Ibar River participated in the ballot. Some 97 political entities were certified to run, including 33 Kosovo Serb political entities, despite pressure from Belgrade to boycott the elections. Following pressure and intimidation, 4 Kosovo Serb political entities withdrew from the race on October 31.

Observers claimed that the elections were generally free and fair. However, the Elections Complaints and Appeals Commission (ECAC) invalidated ballots in 1.3 percent of the polling stations owing to fraud and voting manipulations, as well as 34,000 mailed votes. The ECAC did not organize a new round of voting at those stations, claiming that the re-vote would not influence the final results. Close to 3,000 observers from the nongovernmental organization (NGO) coalition Democracy in Action monitored the elections and were the first to publish the preliminary results with no observed major irregularities. However, other parties did report irregularities, and the CEC recounted the entire ballot to avoid accusations of fraud and manipulations.

In terms of party participation, for the first time, Kosovo Albanian political parties campaigned on issues of economic development. The PDK agreed to a pre-electoral coalition with four smaller parties—the Liberal Party of Kosovo, Democratic Alternative of Kosovo, Social-Democratic Party, and the more radical National Movement of Kosovo. The once dominant electorate of the LDK under Ibrahim Rugova split in four ways. Half voted for LDK, others for AKR and LDD, while some voters abstained. The LDK incorporated a part of the Christian Democratic Party of Kosovo within its ranks. LDK, AAK, and ORA ran a negative campaign, hoping to diminish AKR's growing popularity owing to its populist promise of new jobs. The ORA gained 4.1 percent of the votes, but despite faring well in the largest urban centers, it did not pass the 5 percent threshold, although it was represented in most municipalities.

The new governing coalition, as many Kosovo analysts speculated, was formed by PDK, LDK, and minority parties. Some diplomatic offices in Pristina attempted to bring in the AAK and create a broader coalition, which failed. Kosovo media reported that the PDK coalition formula would leave the post of president to the LDK and prime minister and Assembly Speaker to the PDK. The government

would have two deputy prime ministers, one each from the PDK and LDK, while the PDK would have seven ministerial posts, the LDK five, and the minority parties three (two for Kosovo Serb parties and one for other minorities). The government was not yet created by the end of 2007 because of internal LDK conflicts.

The civil society's longtime vision for open electoral lists was adopted in early 2007. The Transition Working Group on Elections, which included representatives from the government, the opposition, and civil society, agreed on the new electoral principles. The SRSG promulgated three key regulations changing the existing electoral legislative framework. These regulations—on the CEC, on elections for the Assembly of Kosovo, and on municipal elections in Kosovo—took into account both the provisions in the Comprehensive Proposal for the Kosovo Status Settlement and the recommendations of the Transition Working Group on Elections.

A new CEC was formed with 12 members composed of the following: chair-person—deputy SRSG for institution building (head of the OSCE mission); deputy chairperson—nominated by the president of Kosovo from judges of the Supreme Court or district courts of Kosovo; 6 members nominated by the proportionally-largest political entities in the Assembly of Kosovo; 1 member nominated by consensus from the political entities representing the Kosovo Serb community; and 3 members nominated by the political entities representing other communities.

At the central level, Kosovo remained a single electoral district, with a proportional electoral system, open lists, and a 5 percent threshold required for Kosovo Albanian political parties to gain seats in the new Assembly. One hundred seats were directly elected, while 20 seats were reserved for political entities representing Serbian, Bosniak, Turkish, and REA (Romany, Balkan Egyptian, and Ashkali) communities. Voters were able to cast their ballots for political entities and up to 10 candidates on a single political entity's candidate list. There were two levels of municipal elections: the municipal assembly and mayor. The electoral system was the same as for the Kosovo Assembly but without a threshold. Mayoral elections were direct for the first time in Kosovo, using a two-round system if no candidate received more than 50 percent of the vote in the first round.

#### Civil Society

1999 2001	2002	2003	2004	2005	2006	2007	2008
y u g o s	l a ·	v i a	4.25	4.00	4.25	4.25	4.00

Kosovo's civil society has developed in four main phases. The first began in 1989 as a reaction to Serbia's oppressive policies, featuring the creation of the Council for the Defense of Human Rights and Freedoms (CDHRF), the activities of Mother Theresa's Missionaries of Charity, and the organization of independent trade unions. The main focus of these organizations at the time was the protection of human rights and humanitarian efforts. The second phase began in 1995 with the creation of think

tank organizations such as Riinvest and Kosovo Action for Civic Initiatives (KACI) as well as expanded humanitarian work by women's organizations and associations. The third, "post-conflict" phase in 1999 was distinguished by the creation of a large donor market and the mushrooming of NGOs. The fourth and current phase is the professionalization of civil society as well as the struggle for NGOs to gain financial sustainability. NGO registration is easy and performed at the Ministry of Public Services. Among Kosovo's 3,000 registered NGOs, only a small number are active. Despite its plurality, Kosovo's civil society faces a developmental lag in stability, sustainability, independence, and activities.

In 2007, Kosovo's civil society engaged in vibrant and accelerated activities, a contrast from previous years. The Vetevendosje movement staged rallies in opposition to the final status negotiation process, while its leader, Albin Kurti, was in detention or under house arrest for most of the year. Kurti's actions divided civil society; the CDHRF called his arrest politically motivated. The CDHRF stepped closer to politics and held a somewhat softer line than Vetevendosje on the Ahtisaari proposal but actively opposed the provisions for minority protections and decentralization. Other NGOs, apart from Cohu! (the Organization for Democracy, Anticorruption, and Dignity), did not engage in debates about Kurti and the Vetevendosje elections-boycott campaign. Youth Initiative for Human Rights (YIHR) was very active in monitoring Kosovo's institutions for human rights compliance, implementation of antidiscrimination legislation, and public use of the official (Serbian) language.

Cohu! continued its anticorruption activities throughout 2007, beginning by planting an "anticorruption Christmas tree" in front of the government building. Other activities included placing a large, symbolic candle in downtown Pristina in April to "shine light on corruption" and to receive messages from citizens about corruption. Cohu! continually questioned the credibility of the Kosovar Anticorruption Agency and its reports. During the summer, Cohu! and other organizations created the Coalition for a Clean Parliament, which created a public roster of allegedly corrupt candidates running for the Assembly and municipal elections. While ORA and PDK provided their candidate lists to the coalition and agreed to comply fully with its recommendations and analysis, LDK, AAK, LDD, and AKR did not. Cohu!'s roster of candidates suspected of corruption and other illegal acts included 21 names from LDK, 14 from AAK, 10 from LDD, 8 from PDK, and 2 from AKR (2 candidates from PDK and 1 from AAK presented counterevidence to Cohu! and their names were subsequently removed from the "corrupt candidate" roster).

According to the roster, only ORA candidates were considered fit for the Kosovo Assembly, leading to accusations that Cohu! sided with the ORA. The AAK accused Cohu! and its leader, Avni Zogiani, of directing a campaign against political parties, particularly the AAK. Officials from the Ministry of Public Services turned up at Cohu! offices to conduct a financial audit. Other civil society organizations saw this as politically-motivated pressure, while the CDHRF called on the candidates on Cohu!'s roster to seek redress in the courts and not engage in revenge against the organization.

Ten Kosovar regional organizations led by the Kosovar Institute for Policy and Research Development joined Democracy in Action to monitor the entire electoral process and undertook activities to strengthen the legitimacy of elections, educate the public on the new voting system, and organize and participate in public debates. YIHR launched the activist network *Nisma Ime* (My Initiative) to increase the number of youth voters. YIHR also undertook human rights activities with other NGOs, from criticizing the Kosovar Assembly for its failure to follow procedures in electing ombudsperson candidates to monitoring institutional compliance with the Law on Access to Official Documents.

#### Independent Media

19	99	2	2001		20	002		20	03	2004	2005	2006	2007	2008
У	u	9	0	S	-	а	٧	i	а	5.50	5.50	5.50	5.50	5.50

There was progress in Kosovo's media regulatory framework in 2007, as well as a decrease in the arbitrary use of force against journalists. The media in general criticized the Unity Team, especially in late spring and summer, owing to the final status process and the Kosovar delegation's lack of accountability and transparency. The media also criticized the government for corruption and other forms of mismanagement of public funds. In response, there were government attempts to influence the public broadcaster.

In August, the Kosovo Energy Corporation (KEK)—controlled by AAK minister for energy and mining Ethem Ceku and under pressure from AAK members of the government—decided to terminate the service contract permitting collection of the public broadcast fee for Radio Television of Kosovo (RTK) along with electricity bills. The termination effectively cut-off funding for RTK and was a breach of the RTK-KEK agreement, which required a six-month notice prior to cancellation. The company said that the six-month notice period was too short for RTK to develop an alternative and sustainable fee collection mechanism. This move by KEK was the result of RTK's reports criticizing the government and ministers from the AAK and the government's desire to control the broadcaster. In another attempt to gain control over RTK, the government in October asked the RTK board to "reevaluate and change its editorial policies during the electoral campaign, and in return the government would reinstate the KEK service fee."2 Another attack on the media came from PDK secretary general Jakup Krasniqi, who stated that all media in Kosovo were controlled by "dirty money."3 Krasniqi's remarks were directed at an editorial in the daily Express that criticized the PDK.

The Association of Professional Journalists of Kosovo (APJK), on the other hand, continued to request maximum adherence to the Law on Access to Official Documents by public institutions. The APJK sent an open letter to the government stressing that the only credible way for it to fight corruption was by ensuring public

access to official documents and through increased transparency. In 2007, APJK reported 19 cases of journalists prevented from carrying out their duties, physical assaults, and overall attacks on the media by governmental and other officials.

The work of the regulatory Independent Media Commission continued with the approval of several pieces of secondary legislation, including an advertising code and regulations on cable broadcasting in Kosovo. However, the license fees for broadcasters set by the adopted regulation could pose a heavy financial burden on stations. The commission, which is funded by the Kosovo consolidated budget, still lacks adequate resources to carry out its tasks fully.

In May 2004, the OSCE began the process of establishing a multiethnic self-regulatory media body—the Press Council of Kosovo—that would include the editors in chief of all local newspapers in Kosovo, regardless of the print language. In 2007, the Press Council continued its restructuring to better prepare the institution for future operations. Journalists and editors were increasingly adhering to the council's code of conduct and statutes. By early June, the council had received a total of 38 complaints, 26 of which had been adjudicated. Starting in May, *Infopress* published lists of Kosovo Serbs who were allegedly drafted into the Yugoslav army during the 1998–1999 conflict, and the council took up the issue. In June, the council discussed breaches of the code of conduct by *Infopress*. The issue caused a crisis within the council, and its activities were temporarily blocked. *Infopress* continued to publish controversial articles throughout July and August despite heavy international criticism. The OSCE mission in Kosovo continued to mediate among Press Council members on this issue, without apparent results. The matter was not resolved by the end of 2007.

#### Local Democratic Governance

1999	2001		20	002		20	03	2004	2005	2006	2007	2008
Уu	g o	S		а	٧	i	а	n/a	5.50	5.50	5.50	5.50

Kosovo's weak state of local governance continued throughout 2007, with no increase in the independence of local authorities. Administrative and planning capacities at the municipal level are insufficient, for example, in developing medium- to long-term economic development strategies. Furthermore, the relationship between the central government and municipal governments needs further definition in terms of competences. Parallel administrative structures sponsored from Belgrade continue to operate in most predominantly Kosovo Serb municipalities, including in the fields of justice, education, health care, and the postal service.

In the first half of the year, the government undertook planning activities to redraw municipal boundaries in accordance with the Ahtisaari plan. Also, activities and planning were focused on creating protection zones around Serbian Orthodox churches and monasteries. With the failure of the UN Security Council to adopt

the Ahtisaari plan, the government halted these preparations, although publicly it committed to decentralization obligations outlined in the plan.

The northern Serb-controlled municipalities of Zvecan, Zubin Potok, and Leposavic continued their boycott of the central government and increased their dependence on Belgrade. The other two Serb municipalities, Novo Brdo and Strpce, did not take the same steps but faced pressure from Serbia's government to reduce cooperation with Kosovo institutions, resulting in Serbia's resolute pressure to prevent local Serbs from participating in the municipal elections. Kosovar Serbs from these two municipalities feared that in the case of a boycott, they would lose power and hand over their municipalities to Kosovo Albanian political parties. Novo Brdo's mayor, Petar Vasic, warned that in such a case, Kosovo Serbs would lose everything and have to collectively leave Kosovo. Other Kosovo Serb leaders urged Belgrade to reconsider the boycott of municipal elections. In the end, Kosovo Serbs did not take part in the ballot, while Belgrade claimed that any participation in the elections would legitimize the new Kosovo institutions and the declaration of independence.

SRSG Joachim Rucker used his executive authority under UN Security Council Resolution 1244 to temporarily extend by six months the mandate of the 2002-elected Kosovo Serb municipal officials in four out of five municipalities where Kosovo Serbs constituted a majority. In Novo Brdo, Rucker allowed the Kosovo Albanian—elected mayor to take office, while the majority of the members of the municipal assembly would be Kosovo Serb delegates. Novo Brdo's mayor rejected the decision, saying that Serbs would not accept a municipality run by a Kosovo Albanian, who could in turn block the work of the municipal assembly. The northern Kosovo Serb municipalities defied the SRSG, stating that Kosovo Serbs would continue to hold the majority in the five municipalities. The Kosovo Albanian media, political parties, and government did not pay much attention to this event, while silently accepting Rucker's decision. Meanwhile, Serbia's government used this opportunity to further assert its control over the municipalities and other Kosovo Serb settlements via its "parallel institutions."

Through most of 2007, municipal governance was challenged by the split in the LDK and the establishment of the LDD, which reduced the majority that the LDK had enjoyed in many municipalities. This in turn worsened the functioning of a number of assemblies and affected the terms of service of board members, including chief executive officers. Municipal assemblies became dysfunctional, and the appointment of senior civil servants was perpetually delayed. An attempt by Minister of Local Governance Lutfi Haziri and PDK deputy Rrustem Mustafa to forge a power-sharing agreement in six municipalities and thus provide stability failed owing to objections from local branches and resistance at central party levels. These agreements led to speculations that the LDK and PDK had also reached a secret deal to create a new coalition government at the central level.

The introduction of direct mayoral elections raised hopes for an improvement in transparency and municipal work overall. The political parties nominated their prominent members for mayoral races, promising functional local governance and lowering corruption. Consistent with changes in the electoral system, UNMIK enhanced the executive powers of mayors. On October 16, 2007, the SRSG promulgated Regulation 2007/30, enhancing mayoral powers beyond the moderation of municipal assemblies to include such executive responsibilities as appointing municipal boards of directors, proposing the budget, implementing municipal regulations, and maintaining control over municipal finances.

### Judicial Framework and Independence

1999	2001	2002	2003	2004	2005	2006	2007	2008
Уu	g o s	l a v	i a	6.00	5.75	5.75	5.75	5.75

The judiciary is considered to be one of the weakest links in Kosovo's rule of law. This was recognized in the Ahtisaari proposal as well as in the plan on establishing EU police and the justice mission to strengthen the rule of law in Kosovo. Eight years after the creation of UNMIK, the judicial system is still being established. The body of applicable laws in Kosovo remains a series of divided areas between UNMIK regulations, laws adopted by the Assembly (and promulgated by the SRSG), and certain Yugoslav laws still in force in Kosovo that in turn should be made fully compliant with the highest international human rights norms and standards. This continues to hamper the delivery of justice, as judges are not always certain of the legal basis for their decisions.

Kosovo's highest constitutional act is the Constitutional Framework for Provisional Self-Government, based on UN Security Council Resolution 1244. The framework observes international standards on human rights, from the Universal Declaration of Human Rights to the Framework of the Council of Europe for Minority Protection. Also, Kosovo's Ministry of Justice has limited competences (along the lines of the reserved powers for UNMIK) and does not administer the judiciary and courts. In early 2007, UNMIK began transferring competences related to penal management, missing persons, and forensics to the Ministry of Justice. While the process of promulgating laws by the Assembly has improved, their implementation remains a chronic problem.

The judicial system of Kosovo recognizes the following types of courts: minor offense courts, municipal courts, district courts, commercial courts, and the Supreme Court of Kosovo. Within the Supreme Court is the Special Chamber on Constitutional Framework Matters, as Kosovo does not have a constitution or constitutional court. In addition, the Kosovo Judicial Council (KJC) is a professional body under the authority of the SRSG; apart from appointing judges, lay judges, and prosecutors and implementing disciplinary measures for judicial misconduct, the KJC has begun to supervise court administration.

The process of electing a Kosovar ombudsperson, which failed in 2006, became even more complicated in 2007. Following amendments to UNMIK Regulation 2006/06, which provided the legal basis for a Kosovar ombudsperson to be

appointed by and report to the Kosovo Assembly, new recruitment proceedings were initiated at the end of June. From 20 applicants interviewed in October by the Assembly, three candidates with no human rights experience were short-listed: a lawyer, a journalist, and a businessman, supported by LDK, PDK, and AAK, respectively.

Considering their political ties and lack of human rights experience, the candidates did not appear to fulfill the requirements for ombudsperson laid down by the UNMIK regulation, which states: "The Ombudsperson and the Principal Deputy Ombudsperson shall be eminent figures of high moral character, impartiality and integrity, who possess a demonstrated commitment to human rights and who are habitual residents of Kosovo." Civil society and international reactions followed almost immediately, with calls for new candidates and accusations of politicization and manipulation of the recruitment process. As a result, the process was annulled and will be repeated in 2008.

In 2007, the civil court backlog increased to 47,105 cases, in addition to over 36,000 criminal cases and several hundred war crimes cases. The backlog reflects the poor state of Kosovo's judiciary; many judicial positions remain vacant, execution of judgments is weak, and judges are hesitant to deal with tougher cases such as organized crime and war crimes. Similarly, local populations show an unwillingness to testify. Domestic war crimes trials are handled exclusively by international judges and prosecutors, where 8 war crimes trials are under way and 48 are under investigation. In a sign of frustration, Rexhep Haxhimusa, president of the Supreme Court of Kosovo and the KJC, complained that owing to lack of implementation of the laws on administrative procedure and administrative disputes, two Supreme Court judges were in charge of 2,890 cases that belonged in the lower-level courts.<sup>5</sup>

A memorandum of understanding among the EU, UNMIK, and the U.S. on the funding and reappointment of judges and prosecutors was signed and is under review. In March, the KJC approved the allocation of 326 new judicial positions for the Supreme Court and the district, municipal, and minor offense courts. A number of judicial staff have been transferred from low-volume to high-volume courts as part of this process.

Since early April, the Police Task Force—established in 2006 to investigate the violence in March 2004 that led to 19 dead, destruction of property, and approximately 4,000 displaced Kosovo Serbs—investigated 1,526 cases, of which 754 were under review, 177 remained open, 315 were closed, 120 were under active investigation, and 160 were being investigated by the Kosovo Police Service. By December, the international prosecutors had indicted 36 people for the most serious March riot-related offenses, resulting in 30 convictions and 1 acquittal. Nine defendants in three cases are awaiting trial. Local prosecutors have brought over 300 criminal charges, resulting in 145 convictions, with another 19 persons currently under investigation.

Legislation on witness protection is still being finalized. With support from the United Kingdom and United States, all district courts in Kosovo are equipped with

witness protection capabilities, which will improve the ability of the Kosovo justice system to conduct investigations and prosecutions in a variety of sensitive cases. In July, an international prosecutor filed an indictment against two Kosovo Albanians suspected of murdering a witness to war crimes and the attempted murder of another witness in the same case. At the same time, UNMIK finally succeeded in making the Kosovo Office of the Special Prosecutor operational. Six special prosecutors were appointed, and the office secured convictions in two cases related to drugs and weapons. At the same time, UNMIK and the Provisional Institutions of Self-Government (PISG) established the Legal Aid Commission in July 2007, an independent body responsible for the provision of free legal assistance. This will be the first state-funded legal aid agency in the entire Balkans region.

# Corruption

1999	2001	2002	2003	2004	2005	2006	2007	2008
Уu	g o s	l a v	' i a	6.00	6.00	6.00	6.00	5.75

Corruption is prevalent in Kosovo, undermining the proper functioning of institutions, yet some progress was noted in 2007. Kosovo is not party to the main international conventions in the field of anticorruption. However, the provisions of these legal instruments have been partially integrated into Kosovo legislation, such as the provisional criminal code of Kosovo and the Law on the Suppression of Corruption. The European Commission claimed in its 2007 report that the number of cases of organized crime investigated in Kosovo increased substantially in the first half of 2007.

The Anticorruption Agency (AKK), with a staff of around 30, has been operational since February 2007. A two-week anticorruption campaign in December 2006 publicized a confidential hotline to report corruption; the AKK received 160 calls and 31 cases submitted directly by citizens. Out of 124 cases (of which it solved 61), 47 were submitted to district public prosecutor offices, the Office of the Special Prosecutor, UNMIK Police, KPS, and the Financial Intelligence Unit, while 16 are in procedure. Out of the 732 senior officials at the central government level, 713 have declared their properties and assets in accordance with the anticorruption legislation. However, these steps do not tackle the corruption within institutions. Still, the AKK managed to annul tenders of €7 million (US\$10.3 million) that violated the Law on Public Procurement. Its biggest ongoing challenges are insufficient staff, low wages, budgetary constraints, and lack of coordination with public prosecutors.

In September, UNMIK's Financial Intelligence Center (FIC) released information on 124 ongoing analyses or cases. In November, the Ministry of Public Services and FIC signed a memorandum of understanding aiming to preempt illegal NGO activities. This foresees strengthening cooperation, information exchange,

and inspection of NGO activities, primarily to uncover money laundering and financing of terrorism, but also to prevent irregularities in NGO financing and abuse of donations.

UNMIK and the Kosovo Police Service took a robust action in January and March 2007 by arresting AAK member Jahja Lluka, serving as political adviser to Prime Minister Agim Ceku, and Milazim Abazi, head of Kasabank in Pristina, both for money laundering. The police also raided the headquarters of the AAK in Pristina, collecting documentation on the defense fund for Ramush Haradinaj (leader of the AAK and a former KLA officer) following his return to the International Criminal Tribunal for the Former Yugoslavia for the continuation of his war crimes trial. The AAK subsequently accused UNMIK of politically-motivated arrests aimed at harming the party. In June, the authorities arrested eight people, including former members of the Bank for Business board of directors and clients, on suspicion of making harmful deals and misusing authorization that cost the bank more than €10 million (US\$1.473 million).

The largest public support for combating corruption came on September 4, when approximately 5,000 people protested in Pristina in reaction to the killing of Kosovo Police Service officer Triumf Riza. Government officials joined the protest, promising institutional "zero tolerance" in combating corruption. The protest was the first of its kind in postwar Kosovo. Cohu! accused government officials and Prime Minister Ceku of hypocrisy and questioned the credibility of Anticorruption Agency head Hasan Preteni. At the same time, the agency launched its second media campaign to promote its toll-free number and new Web site.

The Office of the Auditor General published 2006 reports on the Assembly of Kosovo, Kosovo Office of the President, and Kosovo Police Service. These audits demonstrated massive problems with financial management, including public procurement. While these reports were widely covered by the media, the Office of the Prosecutor General did not prosecute the offices for misuse of public money. UNMIK and the PISG remained silent, while no dismissals of high-level public officials were reported. At the local level, 14 of the 30 municipalities audited in 2006 were revisited to determine whether they had adopted mandatory action plans (only 3 had done so in full). Four ministers of Ceku's government, all members of the AAK, were investigated for corruption in 2007.

Some of the most politically sensitive and high-profile investigations were those by the UN Office of Internal Oversight Services (OIOS) against SRSG Joachim Rucker, his principal deputy, Steven Schook, and the head of the legal office, Alexander Borg-Olivier. Kosovar media reported that OIOS investigators confiscated the computers of the three top UNMIK officials; allegedly Schook was being investigated for criminal acts and for his role in the Kosova C project (the building of a new, 2100 megawatt lignite-fuelled power plant), while Borg-Olivier according to the media, was under investigation for his role in the Kosova C project and Pristina Airport fuel tenders. In September, Schook held a press conference confirming OIOS investigations against him based on misconduct, unprofessional behavior, his involvement in the Kosova C project, and closeness

with AAK minister for energy and mining Ethem Ceku and Ramush Haradinaj. In light of these investigations, Schook left Kosovo in December without making a statement, his contract not renewed.

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Ahtisaari argued that supervised independence was the only option, because reintegration into Serbia was not viable and continued international administration was not sustainable.

<sup>&</sup>lt;sup>2</sup> "Qeveria kercenon RTK'ne" [The Government Threatens RTK], Gazeta Express, October 31, 2007, http://www.gazetaexpress.com.

<sup>&</sup>quot;Mediat dhe parate e pista" [Media and Dirty Money], Gazeta Express, October 13, 2007.

<sup>4 &</sup>quot;Sta ako Albanci osvoje vlast?" [What If the Albanians Gain Power?], B92, October 28, 2007, http://www.b92.net.

<sup>&</sup>lt;sup>5</sup> "Afer tre mije lende per dy gjyqtare!" [Around Three Thousand Cases for Two Judges], *Lajm*, October 29, 2007, http://www.gazetalajm.info.