

Second meeting of the Kosovo SAp Tracking Mechanism
Pristina, 30 June / 1 July 2003

Recommendations

The second meeting of the Kosovo SAp Tracking Mechanism (STM) was a further **important step** in the gradual progress of Kosovo towards EU-compatible structural reforms.

The United Nations Interim Administration Mission in Kosovo (UNMIK) and the Provisional Institutions of Self-Government (PISG) demonstrated their full **commitment** to the success of the STM process and to the implementation of the recommendations formulated therein. The SAp Tracking Mechanism and the concept of standards before status are **mutually reinforcing policies** that help Kosovo to advance on its path of reforms.

The European Commission welcomed the establishment of an internal **coordination structure**, which has been put in place in UNMIK and the PISG, and commended the ongoing substantial follow-up of recommendations and the efficient preparation of this second meeting. It equally welcomed efforts to track the implementation through a comprehensive monitoring tool.

Generally, the European Commission stressed the crucial importance of not only adopting appropriate legislation and policies, but of actual **implementation** and the putting in place of efficient administrative structures to ensure such enforcement. It took good note of the efforts undertaken by the PISG to further strengthen their overall administrative capacity.

The second meeting of the STM formulated the following specific recommendations, in addition to those made during and issued after the previous meeting:

General political and economic reforms

Democracy, rule of law and respect for human and minority rights

Generally, efforts to strengthen **minority participation** in the administration should be accelerated to reach the SRSG mandated minimum. In particular, the multiethnic composition of the judiciary and the municipal administrations should be further strengthened.

Increased efforts are needed to create a political, economic and security climate that is conducive to **returns**.

Regarding the screening of school **textbooks** on their factual accuracy, a concrete action plan should be drawn up and implemented rapidly.

Economic Situation and Reforms

The authorities were urged to agree with the IMF on a joint **policy statement** setting out the priorities of economic and financial policies as well as a medium-term **macroeconomic framework**.

Decisive efforts to control the **public wage bill** and to reform the job classification and wage scale were welcomed and should be implemented as planned. These efforts should be in line with the pertinent recommendations by the IMF, that are in their entirety designed to help Kosovo moving towards medium- and long-term sustainability.

The operational steps taken towards the **privatization** of socially-owned enterprises should continue through the preparation of specific tenders. The restructuring of publicly-owned enterprises should be further accelerated.

As to **international borrowing** for Kosovo, the Commission welcomed the recent positive developments as regards the European Investment Bank. A Framework Agreement between UNMIK and the EIB should be concluded as soon as possible. The practical identification of bankable projects needs to be speeded up. Therefore, UNMIK and PISG should indicate up to six priority sectors (like transport, energy and telecommunications) within which the EIB, in close co-operation with the European Agency for Reconstruction, will define and elaborate projects with the aim of supporting them by loans.

Sectoral issues

In each sector, attention will be paid to the creation of a regulatory framework, compatible with EU standards and norms, as well as to the putting in place of appropriate administrative and implementation mechanisms.

Follow-up of earlier sectoral recommendations

Concerning **energy policy**, the PISG should rapidly clarify their position on KEK, notably concerning the turn-around management and the contribution of the Kosovo budget and closely liaise with UNMIK on these matters. Rapid progress on the **metering, billing and collection of payments** for electricity consumed must be achieved and the level of public awareness on the importance of this issue should be increased.

Transport policy

A detailed **policy framework** should be put in place in order to gradually develop a multi-modal transport strategy.

The **Laws** on Road Transport and Railways and other related legal bases should be adopted, coupled with appropriate institutions to enforce them.

Further concrete measures should be taken to progressively **link Kosovo's infrastructures to regional networks**, developing projects of common interest and involving using the REBIS Forum as the primary vehicle. As much as possible, the private sector should be involved for joint financing.

Free, non-discriminatory **market access** for all operators should be safeguarded. Policy plans to put all **road transport operators on a commercial basis** should be implemented.

Justice and Home Affairs

The promulgation of a **new Criminal Code and Criminal Procedure Code** were welcomed. These new legal bases should be enforced in a rapid and thorough manner.

Political and physical **pressure notably on the local judiciary** is unacceptable, and decisive steps should be taken against this phenomenon. Training efforts of judges and prosecutors should continue.

The good efforts on **combating serious crime** should continue and should be further stepped up esp. regarding inter-ethnic crime.

The strengthening of the **multi-ethnic Kosovo Police Service (KPS)** should continue.

The new **anti-corruption code** should be implemented rapidly. The training of local forces to enforce this legislation was welcomed and should guarantee comprehensive respect for its rules.

Media policy

The draft **Law on the Independent Media Commission (IMC)** should be adopted, taking full account of the detailed comments made by the Council of Europe, the OSCE, the European Broadcasters Union and the European Commission. The European Commission shall be informed on progress regarding this particular matter.

In particular, Radio TV Kosovo (RTK) should have **access to advertising revenue** to ensure its long-term viability and independence. The **independence of the IMC** as the media regulator should be fully safeguarded by the IMC Law. The current budgetary situation of RTK should be clarified to ensure the full financial transparency of funding. The collection of the RTK broadcast fee needs to commence as quickly as possible.

The overall **protection of intellectual property rights** in Kosovo should be improved. Copyright infringements should be taken into consideration in the context of the licensing of media.

Telecommunications

A clear **strategic policy framework** for this sector should be developed for publication as guidance for all actual or potential investors in the Kosovo telecommunications market. The various players in this sector including PTK and the institutions which stand proxy for its owners should be consulted in this regard. The policies adopted should take account of trends in the region and in the EU.

Policy-making and regulatory **functions of the Kosovo authorities** should remain **clearly separated** from business operations including ownership of business operations.

The issue of which international **dialling prefixes** are used for addressing terminals in Kosovo should not be allowed to become an obstacle to the rapid commercial development of the sector. A formal solution should be pursued with the International Telecommunications Union.