

REALIZING KOSOVA'S INDEPENDENCE



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ACRONYMS

Alliance for the Future of Kosova	AAK
Democratic League of Kosova	LDK
Democratic Party of Kosova	PDK
European Bank for Reconstruction and Development	EBRD
European Commission	EC
European Parliament	EP
European Union	EU
European Rule of Law Mission	EULEX
Fiscal Year	FY
Foreign Direct Investment	FDI
Government of Kosova	GoK
Gross Domestic Product	GDP
Interim Strategy Note	ISN
International Civilian Office	ICO
International Civilian Representative	ICR
International Court of Justice	ICJ
International Monetary Fund	IMF
Kosova Electricity Corporation	KEK
Kosova Post and Telecom	PTK
Millennium Challenge Corporation	MCC
North Atlantic Treaty Organization	NATO
Small and Medium Sized Enterprises	SMEs
Stabilization and Association Agreement	SAA
Stabilization and Association Process	SAP
TV-Radio Kosova	RTK
United Nations	UN
United Nations Mission in Kosovo	UNMIK
United States Government	USG

SECTION I: INTRODUCTION

Executive Summary

Kosova is the world's newest nation. It faces many of the same problems that have confronted other post-Communist and post-conflict transition countries. These include ineffective governance, a weak judiciary, and widespread corruption. Challenges are compounded by Serbia's campaign to delegitimize Kosova, which has stalled greater global recognition of Kosova as an independent and sovereign state. This research report assesses Kosova's progress and problems. It evaluates international efforts to support state-building and economic development. It also offers recommendations to the Government of Kosova (GoK), the European Union (EU) and the United States Government (USG).

U.S. Interests

The United States is beloved by Kosovars. Presidents Clinton and Bush are widely respected: Clinton for leading NATO's military action that freed Kosova from Serbian rule and Bush for stewarding Kosova's coordinated declaration of independence. This special relationship extends to the Albanian-American community, which has important ties to the U.S. Government and Members of the U.S. Congress, including the Albanian Issues Caucus.

The Obama administration provides valuable political, diplomatic, and economic support to Kosova. The U.S. is one of the largest donors to Kosova, contributing \$120.9 million for political and economic reform in FY 2009 and \$100 million in FY 2010. Kosova has also been included under the Generalized System of Preferences, which reduces tariffs for goods from Kosova.¹ The U.S.-led rescue of Kosova, whose population is mostly Muslim, is an important statement to the broader Muslim community at a time when the Obama administration is refurbishing America's image worldwide.

The Balkan wars of the 1990s started in Kosova. If there is a resumption of conflict in parts of the former Yugoslavia, Kosova is the likely spark. A stable, peaceful and prosperous Kosova that upholds democratic governance and minority rights is essential to stability in Southern Europe. So is transparent and accountable governance, which is needed for the development of a free market economy, as well as regional anti-crime and counter-terrorism efforts.

Background

Prince Lazarus of Serbia was defeated by Ottoman forces during the Battle of Kosovo at the "Field of Blackbirds" on June 28, 1389. Kosova remained a part of the Ottoman Empire until 1913 when Serbia regained control and

incorporated Kosova into the Yugoslav federation.

Restive relations existed between ethnic Albanian Kosovars and Serbia, despite provisions in Yugoslavia's 1974 constitution providing special autonomous status to Kosova. Tensions escalated when, on the 600-year anniversary of the Battle of Kosovo, Slobodan Milosevic addressed Serbs gathered at the Field of Blackbirds in Kosovo Polje, announcing his plans for "Greater Serbia." Milosevic stripped Kosova of its autonomy and unleashed the virus of Serbian nationalism, fomenting violence across Yugoslavia that culminated in the country's dissolution.

In addition to parallel education and health systems, Kosovars established a government-in-exile in 1988. This government-in-exile joined the republics of Yugoslavia declaring independence in 1991. However, Kosovars watched in frustration as the Yugoslav republics gained legal recognition. Considered a province of Serbia, Kosova was treated differently than the republics by the international community. The policy of nonviolent resistance adopted by Kosovars morphed into a guerilla movement in 1998. Slobodan Milosevic responded with military action. His campaign of ethnic cleansing resulted in the deaths of more than 10,000 ethnic Albanian Kosovars and the displacement of up to 1 million.

Secretary of State Madeleine Albright vowed "to prevent what happened in Bosnia from happening in Kosova." With sanction from the North Atlantic Council, the North Atlantic Treaty Organization (NATO) launched air strikes against Serbian targets in Serbia and Kosova on March 24, 1999. NATO's campaign lasted 79 days before Yugoslav forces withdrew and, as prescribed by UN Security Council Resolution 1244, the United Nations (UN) assumed responsibility for administration of Kosova.

Kosova declared independence on February 17, 2008. So far, 65 countries have recognized Kosova, including the United States and 22 of the 27 EU member states. Spain, Greece, Cyprus, Romania and Slovakia have not yet recognized it. Greater international recognition has been stalled by the UN General Assembly's vote to refer the legality of Kosova's independence declaration to the International Court of Justice (ICJ) on October 18, 2008. The ICJ's non-binding recommendation is expected in November 2010. Regardless of the ICJ's opinion, Kosova's independence from Serbia is irrevocable. There is no circumstance under which Kosova will return to Serbian control.



SECTION II: PROGRESS

Martti Ahtisaari, the UN Secretary General's Special Envoy and recipient of the 2008 Nobel Peace Prize, mediated the Comprehensive Proposal for the Status Settlement. Though the settlement was rejected by Serbia, the so-called Ahtisaari Principles were incorporated into Kosova's constitution, which came into force on June 15, 2008. The constitution provides extensive guarantees to minorities, such as decentralization and self-rule for Serbian-majority municipalities, and protections for Serbian religious and cultural sites.² Kosova, with its population of 2.1 million of which 93% are ethnic Albanian, is evolving into a multi-ethnic democracy.

Kosova is governed through a parliamentary system. The Democratic Party of Kosova (PDK) and the Democratic League of Kosova (LDK) formed a coalition government on January 9, 2008. Hashim Thaci, a prominent former guerilla leader, is head of the PDK and currently serves as prime minister. The President is Fatmir Sejdiu, who inherited the LDK leadership from Kosova's founding father, Dr. Ibrahim Rugova. Ramush Haradinaj, the post-war Prime Minister, is Chairman of Alliance for the Future of Kosova (AAK), the main opposition party. He is respected among Kosovars for voluntarily presenting himself to the International Criminal Tribunal for the former Yugoslavia, where he was subsequently acquitted of war crimes charges. Kosova's municipal elections on November 15, 2009 were peaceful and well-run. National parliamentary elections are planned for November 2011.

Since independence, the GoK has undertaken the difficult task of building state structures and establishing the legal framework for a market economy. With the Euro (€) as its currency since 2002, Kosova is a tax-friendly environment for European and other investors. Capped at 10% on personal and corporate income, taxes are among the lowest in Europe.³ Compensating for lost revenues from the global economic crisis (2009-2010), a non-tax revenue boost is expected from the sale of Kosova Post and Telecom (PTK), projected at about 5% of GDP.⁴

In addition to PTK, the GoK has other major privatization plans, including the Pristina Airport and power stations. The Kosova Privatization Agency, formerly the UN-led Kosovo Trust Agency, has so far privatized 90 socially owned enterprises. Ferronikeli, the iron and steel giant that employs 1,000 workers, the Peja Brewery, the Rahovec winery, and several flour mills have done especially well.⁵ Kosova's mining sector, including potential re-development of the Trepca Mines, also has the potential to contribute to future economic growth.⁶ To date, about €500 million have been raised through privatization activities.⁷ Receipts from the privatization of socially owned enterprises totaling €450 million have been temporarily frozen in response to objections from Serbia about ownership.

The GoK has undertaken an ambitious program to build rural roads and upgrade other infrastructure; Bechtel and ENKA have been hired to build the highway from Pristina to Albania at an estimated cost of €650 million. The GoK is also taking steps to address Kosova's future energy requirements, which are projected to grow 7% in 2010. In March, Kosova qualified four companies to bid on construction of 1,000 MW lignite coal-fired power stations. The €1 billion award will be made in July, with construction taking five years.⁸

The GoK is also committed to environmental protection. In accordance with the EU Directive for Large Combustion Plants, it is closing the highly polluting coal-fired "Kosova-A" power plant. The World Bank is helping address the resulting electricity supply gap by joining with the EU to sponsor the "New Kosovo" power plant, which will reduce ash yield by 50%. The GoK is also making plans to remove 10,000 tons of hazardous chemical waste.⁹ Efforts to reduce carbon emissions include plans for wind and hydroelectric power.

Kosova became a member of the World Bank and the International Monetary Fund (IMF) in June 2009. Even before membership, the IMF cooperated with the GoK by providing advisers to Kosova's central bank and helping set up a banking system that met IMF regulatory standards and provisions for preventing financial crime.¹⁰ Upon joining, Kosova began servicing its share of the Yugoslav debt. Kosova is currently on the verge of membership in the European Bank for Reconstruction and Development (EBRD). With the pledged support of 42 countries, only two more are needed for Kosova to gain membership.

Membership in international financial institutions is an important step in Kosova's efforts to secure foreign aid and gain greater global recognition. In 2008, €1.2 billion was pledged at a donor's conference. In 2010, the World Bank released an Interim Strategy Note (ISN) pledging \$87.5 million. Additional IMF financing is estimated at \$20 million. Supplemental support for the ISN from bilateral donors will bring the total commitment to \$195 million.¹¹



SECTION III: PROBLEMS

Gross Domestic Product (GDP) is declining. Growth fell to 4.4% in 2009 from 5.8% the previous year.¹² GDP volume relies heavily on public expenditures, which grew 39% from 2008 to 2009 and represented 60% of GDP in 2009. Public expenditures resulted in a fiscal deficit that was 11% of GDP in 2009.¹³ GDP has also been bolstered by remittances, which

represented about 14% of GDP in 2009. That year, donor-financed activities accounted for 7.5% of GDP.¹⁴ Kosova imported almost all of its consumer goods and reconstruction materials after the 1999 war. More than a decade later, balance of trade problems persist. The current account deficit was 37% of GDP in 2009 with exports representing only 10.3% of the value of imports and just 6% of GDP in 2009. Last year saw a steady decline in remittances, private credit, and Foreign Direct Investment, which decreased from €350 million in 2008 to €250 million in 2009.¹⁵

External debt is rising. The minimum cost of the energy sector to the GDP is 3% annually.¹⁶ The GoK is financing construction of the highway to Albania and debt could escalate as a result of cost overruns. Other uncertainties include the level, duration, and degree of concessional donor support. The GoK's share of the Yugoslav debt is an additional burden.

Unemployment is high. More than 40% of Kosovars are unemployed, of which half are under 25 years of age. The unemployment rate for persons aged 15-24 is 70.5%. Of these, 96.3% have never had a job. About 30,000 people join the job market each year with no prospect of employment.¹⁸ In 2009, Kosova had a 45% poverty rate with 15% living in extreme poverty. Kosova is the poorest country in Europe, with an average annual per capita income of only \$2,500. In 2007, agriculture and industry each represented 20% of the GDP; the services sector represented the balance.¹⁹ The rural economy is dominated by subsistence farming of wheat, corn, berries, potatoes, and peppers on small plots with limited mechanization. Economic development is hampered by inadequate infrastructure, including a deteriorated surface transport system and lack of clean water. Irregular electricity supply undermines business predictability and operations. The Kosova Electricity Corporation (KEK) suffers from low collection rates; 44% of electricity is lost in transmission or stolen through illegal connections.²⁰

Doing business is difficult. Kosova was ranked 113th overall by the World Bank in its 2009 Report on Doing Business. Some performance areas were particularly problematic. Kosova was ranked 164th for "starting a business"; 176th for "dealing with construction permits"; 172nd for "protecting investors"; and 157th for "enforcing contracts."²¹ Business registration and licensing procedures, especially at the municipal level, are bureaucratic, politicized, and corrupt. According to Transparency International, between 13% and 22% of those surveyed indicated that they had bribed a public official in 2009. 38% believed the judiciary to be Kosova's most corrupt institution.²² Cronies of the government have been appointed to prosecutorial and judicial posts responsible for combating corruption. Watchdog groups report that an increasingly narrow clique of GoK friends and family control procurement contracts – and receive them. Perceptions of corruption and cronyism are exacerbated by the GoK's reluctance to take action against high-profile violators, including ministers in the cabinet,

deputy ministers, and political party apparatchiks.²³

Organized crime also permeates power structures and political parties. SHIK, the PDK's underground intelligence structure, reportedly receives \$200 million per year via bribery, extortion, racketeering, and protection services.²⁴ There are criminal links between Albanian and Serbian gangs and other transnational criminal networks. Not only does Kosova's judiciary lack the political will to tackle the informal sector, the legal basis for investigating organized crime is inadequate due to legislative gaps.²⁵ Kosova does not have an "Anti-Mafia Law" or a law governing the confiscation of criminal assets. Witness protection provisions are non-existent. With Albania effectively cracking down on human trafficking, Kosova has become a hub for the sex trade. Mr. Haradinaj asks rhetorically, "We fought for this!"²⁶

Despite vigorous contestation in last year's municipal elections, Kosova is trending toward personality-based single-party politics. The patriarchal political culture is oriented around individuals, rather than policies and programs. Seeing the "political machine," Kosova's youth are losing faith in state institutions; they are becoming cynical and disengaged. Even the government's effort to build roads and schools is seen as a populist approach to governing aimed primarily at winning votes.

Civil society is also affected. Critical journalists who report on corruption are harassed and threatened. The GoK pressures TV-Radio Kosova (RTK).²⁷ Government officials use economic leverage to dissuade advertisers from doing business with critical newspapers, such as *Koha Ditore* and *Zeri*. Staff with one of the most critical television programs, *Life in Kosova*, which is co-produced by Balkan Investigative Reporting Network and RTK, received death threats after airing a report critical of a PDK mayor.²⁸ A leading NGO representative who referred to the government as "a joint criminal enterprise"²⁹ was labeled "anti-state" by the GoK spokesman.³⁰ Critics are accused of being "Serbian spies."

Serbia continues its campaign to undermine Kosova's independence. By strengthening its cooperation with ethnic-Serbian municipalities in Mitrovica and north of the Ibar River, Serbia seeks to partition Kosova. Rejecting Kosova's control and refusing to cooperate with the EU, northern Serbs have established parallel institutions, elected a local legislature, and benefitted from Serbia's financial support. Serbian security personnel have also fomented violence between Albanians and northern Serbs, which erupted into ethnic riots on March 17-18, 2004.

Albanian-Serb relations are less volatile than in the past. To his credit, Mr. Thaci has been forward-leaning in implementing the Ahtisaari Principles on minority rights and promoting reconciliation through cooperation with

the Serbian Liberal Party. Approximately 30% of Serbs participated in last year's local elections. Though Serbs in North Mitrovica continue to be intimidated by Belgrade, they are tired after more than a decade of isolation. An increasing number want to normalize relations with Kosova. Annexation of the northern "upshtinas" to Serbia would abandon the majority of Kosovo Serbs who live in enclaves across the country.



SECTION IV: INTERNATIONAL COOPERATION

While the United Nations Mission in Kosovo (UNMIK) gradually ceded its powers to the Kosova authorities, Kosova's UN membership will be impossible for as long as Russia and China oppose it. Russian recalcitrance has also stalled the full transfer of UNMIK's competencies to the EU. The International Civilian Office (ICO) was ultimately established as the functional successor to UNMIK in 2008. The U.S. and members of the International Steering Group selected an International Civilian Representative (ICR) who also serves as the EU Representative in Kosova. With an American Deputy, the ICR heads the ICO, which is responsible for implementing the Ahtisaari principles.

Kosova was included in the EU's Stabilization and Association Process (SAP) and the European Partnership in 2006. Though the EC's "tracking mechanism" falls short of a Stabilization and Association Agreement (SAA), the SAP gives Kosova a European perspective, incentivizing reforms and encouraging efforts to harmonize legislation with the "acquis communautaires." According to the EU Foreign Affairs Minister Catherine Ashton, "Kosovo belongs in Europe. It is very important that we build together a kind of economic development that will enable people in Kosovo to reap the benefits of moving closer to the European Union. And that we can do through trade, through projects, and through economic growth."³¹

The GoK wants more than words when it comes to European integration. Candidacy and ultimate membership are blocked by five EU member states that refuse to recognize Kosova's independence. Last year, visa liberalization was awarded to Serbia and Macedonia while Kosovars were denied the same treatment. It is likely that the EC will offer visa-free travel to passport holders from Albania and Bosnia and Herzegovina in October 2010, but there is no timetable for Kosova's Visa Liberalization Dialogue.

The international community was focused on stability after the war. Now, however, it emphasizes the rule of law. The ICO established the European

Rule of Law Mission (EULEX) to advise the GoK on the rule of law and the administration of justice, including the courts, police, and penitentiary system, as well as measures to combat corruption.³² In spite of its strong mandate, the EULEX Anti-Corruption Task Force is moribund. Not a single high-profile corruption case has been brought by EULEX prosecutors. Headed by former French General Yves de Kermabon, EULEX is hamstrung by lack of consensus in Brussels. It is risk-averse and driven by process, pursuing consensus to the point of inaction. Though EULEX has 2,500 personnel, including 1,600 international staff, senior posts are vacant. Personnel often spend long weekends on the beach at Thessaloniki.

NATO undertook its first combat mission in Kosova on March 24, 1999. Billboards across Kosova read: “NATO, thank you. We love you.” After the cessation of hostilities, KFOR was established as the NATO-led multinational peacekeeping force for Kosova. No longer involved in policing, KFOR has been working to stand-up the Kosova Security Force, which includes 2,500 soldiers. As a deterrent, KFOR has small arms but no heavy weapons. Efforts are underway to reduce KFOR’s numbers in response to improved security, and to meet NATO requirements elsewhere. By the end of 2010, KFOR will be reduced to 5,700. It will be eliminated entirely by 2013.



SECTION V: RECOMMENDATIONS

- *Gain global recognition:* Kosova must develop transparent and effective governance anchored by the rule of law and a strong private sector in order to motivate the U.S. and her allies to encourage other countries to recognize Kosova. Recognition of Kosova within its current borders is paramount. The de facto division of Kosova or the annexation of northern Kosova to Serbia risks a regional conflagration. Partition would inspire demands by ethnic Albanians in Macedonia, potentially leading to Macedonia’s violent dissolution. It could also spark conflict in Presovo, the ethnic Albanian enclave in Serbia, and engulf Bosnia and Herzegovina should the Republika Srpska declare its formal association with Serbia.
- *Emphasize security:* While sticking to its timetable for withdrawal by 2013, KFOR’s mandate should be maintained in case there is need to rapidly replenish forces. Meanwhile, it would be useful to integrate international police into Serbian security facilities and checkpoints north of the Ibar, thereby reducing the possibility that an incident would precipitate a spiral of violence.

- *Offer European perspective:* The EC should provide a roadmap to the GoK in its 2010 Progress Report and upgrade the SAP “tracking mechanism” to an SAA. In addition, the EC should accelerate the Visa Liberalization Dialogue with Kosova. To assuage concerns that this implies recognition, an accompanying statement could indicate that allowing visa-free travel is “status neutral.”
- *Reform EULEX:* The European Parliament (EP) should hold hearings reviewing EULEX’s performance, and adopt benchmarks and deadlines for specific tasks and milestones. In addition, an EP monitoring group should evaluate the performance of EULEX judges and publish a scorecard. EULEX has been discredited by its poor performance. General Yves de Kermabon should be dismissed. If EULEX does not demonstrate a more proactive approach to its mandate, it should be phased out.
- *Diversify U.S. assistance:* The Millennium Challenge Corporation (MCC) can work with the GoK to develop non-UN data sources as the basis for evaluating Kosova’s suitability as an MCC beneficiary. Initially, the MCC should welcome Kosova into its “Threshold Program” and earmark funds for good governance, as a step towards Kosova becoming an MCC “Compact Country.” A Kosova-American Enterprise Fund is another development tool that could be established drawing on the experience from similar enterprise funds in, for example, Poland, Hungary and the Baltics that were set up through the Support for Eastern European Democracies Act.
- *Strengthen the rule of law:* Respect, access and demand are the key principles. Respect means nobody is above the law. Via Fulbright and Muskie Fellowships, the U.S. can ratchet up activities to train a new generation of lawyers and judges. Assistance is needed to strengthen Kosova’s Electoral Management Body in preparation for national elections in November 2011, including reform of the electoral law and streamlined procedures for domestic and international election observers.
- *Crack down on corruption:* Responsibility rests with the GoK; combating corruption must start at the top. The GoK can show it is serious by dismissing or arresting ministers involved with corrupt practices and holding other high-level violators accountable. The family members of government officials cannot be exempt. Kosova’s political leaders should strengthen the Anti-Corruption Agency and implement the Strategy and National Plan. EULEX should push the GoK to be more proactive and, if the GoK is unable or unwilling, EULEX’s prosecutors must take the lead. Diplomats can also condemn corrupt practices more vocally and, for the most flagrant abusers, “name names.”

- *Combat criminality*: The GoK should address legislative gaps for fighting organized crime while harmonizing legislation with EU standards. Political parties need to eliminate their intelligence agencies, integrating some personnel into a government agency mandated to protect and defend the people’s interests, not those of the parties. To strengthen regional and international partnerships, the GoK needs observer status at meetings of Southeast Europe regional bodies such as the Southeast Europe Cooperative Initiative and the Southeast Europe Police Convention, as well as a liaison office in Interpol.
- *Build capacity*: Efforts should focus on the state, political parties and civil society with the overall goal of reducing the government’s role and empowering private initiative. A special donor-funded grant program for civil society anti-corruption watchdog groups should be established. In addition, the contributions of Albanian-Americans could be more systematically harnessed through a skill-set database and matching system aimed at engaging them in state-building and economic activities.
- *Bolster independent media*: Members of the Congressional Human Rights Caucus and Albanian Issues Caucus should write the GoK expressing concern about harassment of journalists. Kosova’s leading journalist(s) should be recognized by receiving the “International Press Freedom Award” from the Committee to Protect Journalists.
- *Improve the business environment*: Small and medium sized enterprises (SMEs) are the engine of market-led economic growth and are critical to broadening the tax base. “One-stop shops” for business registration and licensing, including online registration and tax payments, would further streamline the bureaucracy of doing business, depoliticize the registration process, and help counter corruption. At the municipal level, measures are needed for standardized registration procedures, uniform rules for construction permits, and contract enforcement.
- *Focus on specific sectors*: Agro-industries, information technologies, and tourism are potential sectors of opportunity. Building rural roads enabling market access for farmers to rural cooperatives and food processing facilities would boost the agricultural sector. So would steps by the EC to relax restrictions on the importation of food and wine products. Kosovar youth are highly motivated and well-educated, especially in urban areas. With 377,000 Internet users, they could be trained on computer programming and other types of Web and online services.³³ Given how many Kosovars speak English, Kosova would be an ideal setting for long-distance call centers and help desks. The GoK should initiate a long-term tourism development plan, considering infrastructure and strategies to attract visitors to destinations such as Brezovica and Rugova, where there

are 150 days of skiing in the winter as well as summer opportunities for hiking, camping and eco-tourism.

- *Facilitate financing for SMEs*: The EBRD could work with private banks to increase financing for SMEs through a loan guarantee program partially mitigating the exposure of Kosova's nascent banking sector. The GoK can infuse capital into the credit system by dedicating a portion of the privatization trust fund to set up an SME loan program offering low-interest financing and other concessional terms. A mechanism for involving judges in business mediation and dispute resolution would liberate capital tied up in legal proceedings. In addition, the GoK needs to proactively manage risks in the banking and insurance sectors.
- *Manage privatization*: The optimum time for privatization was 2003-2005 when international interest in business opportunities was higher and more capital was available. While proceeding with privatization, the GoK must not allow a cheap sell-off. It should refurbish assets, maximizing their value by, in the case of KEK, strengthening its balance sheet through improved billing and collection rates using cost-based pricing, improved customer relations, service interruptions for customers who do not pay, and performance incentives for KEK staff.
- *Promote rights of Serbs*: The best way consistent with the Ahtisaari principles to dismantle parallel institutions is via constitutional arrangements for autonomy, providing local control over political, economic, cultural and environmental affairs. (i.e. everything short of independence). The GoK should use carrots and sticks. Incentives could include, for example, directing some funds from the frozen privatization account to finance social services for Kosovars including Kosovo Serbs, and financing joint enterprises such as re-development of the Trepca Mines and joint projects such as food processing facilities and veterinary centers south of the Ibar that service clients from the North.
- *Develop a strategy for relations with Belgrade*: The solution to restoring Kosova's territorial integrity does not reside in Belgrade. Giving Serbia decision-making authority just placates a dwindling radical minority that still supports Milosevic's project of partition and population transfer. Besides, Serbia is focused on its EU aspirations and does not want to be put in the position of deciding the fate of Kosovo Serbs. Both Kosova and Serbia need a European perspective in order to advance their national interests and overcome differences. They can only realize the goal of European integration by avoiding conflict and moving forward.



SECTION VI: METHODOLOGY

Information in this research report was derived from a variety of primary and secondary sources, including interviews with GoK officials, Kosovar politicians, Kosova media representatives, and members of the Albanian-American community. Discussions were also conducted with State Department officials and on Capitol Hill with Members of the U.S. Congress and professional staff of the House International Affairs Committee. Secondary source materials included documents prepared by the U.S. Government, the EU, the World Bank, other international financial institutions, and media articles, as well as reports by international and in-country NGOs. This report draws on the author's contribution of a chapter to *Southeast Europe Policy Review*, a special publication of the Center for Strategic and International Studies.



SECTION VII: ABOUT THE AUTHOR

David L. Phillips has worked on Albanian issues for more than 20 years in a variety of capacities including as President of the Congressional Human Rights Foundation, Senior Adviser for Democracy and Regional Stability at the State Department's Bureau for European Affairs, and as Director of the Task Force on the South Balkans for the Council on Foreign Relations. He is a member of the NCAFP advisory board and, for the NCAFP, authored *Meeting Western Expectations: Albania and the Challenge of Human Trafficking* (March 2010), *Albania: From Fragile State to Viable International Partner* (February 2008), and *Albania's Unfinished Revolution* (June 2005).



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