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# **Speech to the OSCE Permanent Council**

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Secretary-General for Kosovo**

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**- FINAL VERSION -**

Ladies and gentlemen,

I am pleased to address the OSCE Permanent Council. May I first thank the Slovenian Presidency for having invited me and in particular Chairman in Office Foreign Minister Rupel for having placed Kosovo so firmly on the OSCE agenda for the year 2005.

Speaking to the Permanent Council of the OSCE is like a homecoming for me, so intensively interwoven are UN and OSCE tasks under the UNMIK umbrella in Kosovo. I continue to be impressed – and my friend Ambassador Fieschi will certainly agree – by the outstanding commitment and unity of purpose within the mission, of which Pillar III, the OSCE pillar, is an integral part. Let me take this opportunity to pay tribute to all OSCE staff in Kosovo. In particular, I would like to thank Ambassador Fieschi for his very able and fine leadership over the past three years.

2005 is and will be a crucial year for Kosovo. Kosovo remains one of the last pieces of the Balkan jigsaw that still confronts us with serious threats to stability. It must be a prime objective of the International Community in 2005 to address this situation.

Let us be clear: 2005 must be the year to move forward and fling open the windows of opportunity. Challenges are staggering, admittedly: They range from security challenges, from standard implementation and an accelerated transfer of ever greater competencies to Kosovo authorities to preparing for the mid-2005 comprehensive review of standards implementation, with future status negotiations to follow. High local expectations regarding an early status resolution bring further weight to the calendar this year.

Today, I would like to outline where we are at this critical juncture and where we are going.

Kosovo is a very different place to what it was five and a half years ago when the war ended and UNMIK was established. In fact, we have gone a long way even since the March 2004 riots. Let me make seven points:

**First: Security**

Security has improved considerably in the last few months. Kosovo is now generally stable and calm. Importantly, over the last ten months, there has been virtually no inter-ethnic violence; incidents are mostly related to local criminality whose rates are not higher than comparable rates in Western Europe. Cooperation between KFOR – to whose commander, Yves de Kermabon, and forces I also want to pay tribute – UNMIK Police, and KPS has been strengthened and is functioning well; operational lessons from last March have been learned and operational preparedness and refined contingency planning is at hand. I am confident that, because of KFOR and UNMIK's hands-on, preventive approach to security, which includes community outreach and a constant communication with all of Kosovo's communities, we are better prepared for any eventuality that may occur.

At the same time, security remains fragile. Risks do exist – not least the uncertainty revolving around possible indictments by the ICTY and temptations of certain quarters to block Kosovo's progress towards status talks. It is all the more important

that the international community plainly engages the people of Kosovo. The message should be crystal clear, and KFOR and UNMIK are conveying it in no uncertain terms: Compliance with the political and judicial processes is indispensable and will affect positively Standards Implementation, review and status talks. Violence would set back the entire process and risk scuttling hopes of putting Kosovo on the road toward European integration. If, on the other hand, violence is provoked with a view to obstructing the way forward, it will of course not be held against those respecting democracy and rule of law but against those who still believe that Kosovo can be a prisoner of the past.

### **Second: Democratic institutions**

Democratic institutions are functioning well. The two party multi-ethnic Government coalition elected on 3 December last year under the dynamic leadership of Prime Minister Haradinaj has embraced Standard Implementation and showed a clear determination to secure a favourable assessment of progress in mid-2005. Signs of political maturity are emerging in the Kosovo Assembly, where for the first time we now have a political opposition. We are drawing also here very heavily on Pillar III and its valuable assistance to the PISG and the Assembly in particular.

### **Third: Standards Implementation.**

Standards have become the hallmark of Kosovo's future. This has to be said particularly forcefully here to the OSCE Council, since the OSCE is the guardian of European standards and values, largely drawn from the Helsinki Charter. The International Community has consistently reiterated that any progress on status resolution depends on standards fulfillment. But standards are much more than an entry ticket into status discussion. Standards are acts and deeds defining what kind of a society Kosovo wants to be, notably in dealing with its minority communities. They are the "admission tickets" for Europe, and they are already the backbone of Kosovo's ongoing EU Stabilisation and Association Process Tracking Mechanism. They will certainly serve as a basis for any kind of EU conditionality and monitoring. Kosovo without standards is a Kosovo definitively outside Europe.

In brief, by implementing in particular those standards that are aiming at better protection and better living conditions for the minorities in Kosovo, we are determined to right everything that went wrong last March and to make sure that post-status Kosovo is a place where everyone can feel safe, secure and confident about their future.

UNMIK has just concluded the latest Technical Assessment of Standards implementation for the quarterly report to the Security Council that I will present on 24 February in New York. Although progress will be stated as tangible, and a laudable trend towards the better is definitively in place, many shortcomings remain, in particular with regard to freedom of movement for the minorities, and to the returns of displaced persons. Urgent actions are still required at the central government and municipal level, including addressing security fears or often merely perceptions of insecurity.

Needless to say, Standards implementation will remain a top priority, with the OSCE Mission in the lead for those set of standards dealing with Democratic Institutions and with Property Rights, but instrumental, indeed, also in other priority standards. In a

sense, the OSCE's mandate to build democratic institutions and promote human rights in Kosovo cuts across all Standards and in particular those relating to multi-ethnicity.

#### **Fourth: Reform of Local Self-Government.**

Much welcome headway has been made in attempts to bring about a devolution of powers to the local level which should serve a dual purpose of, on the one hand, aligning the centralistic, post-Yugoslav structures to European standards of local self government and, on the other, empowering and reassuring, notably at the local level, the minority communities concerned. This is in any country a complex and difficult exercise, and Kosovo certainly is no exception. Following at times sensitive and difficult negotiations, the Government is ready to designate locations for so-called pilot projects, among them two projects in areas of particular interest to the Kosovo Serbs. Implementation of the pilot projects could start as early as next month.

#### **Fifth: Transfer of authority.**

UNMIK continues to transfer more competencies to the Kosovo authorities in areas not related to sovereignty. Three new ministries (Energy and Mining, Local Government Administration and Returns and Communities) have recently been established. Further transfers of competencies are being made in the economy in the short and medium term, among others with respect to Tax Legislation, Forest and Mining administration, with regard to Frequency Management, Publicly-Owned Enterprises and in the Banking sector, to be followed by additional transfers in the fields of justice and security. All this reflects UNMIK's policy to incrementally entrust local leaders with ownership for the reform processes under way, but, correspondingly, demanding full accountability for actions or, indeed, failure to act.

Ownership and institution-building do not come easily. A greater transfer of authority and a robust accountability policy must be accompanied by a systematic policy of capacity building. A larger capacity building initiative was launched by UNMIK last November. The OSCE, as the core capacity building-organisation within UNMIK, is uniquely placed to identify capacity gaps in consultation with the PISG and help address them. Particularly helpful are programmes on urgent cross-cutting issues and retreats on strategic planning for the Prime Minister and Ministers, but also courses aimed at strengthening management skills of high-level civil servants as well as police training and capacity-building at the municipal level.

#### **Sixth: The Economy**

Here, also, light and shade are to be found. There has been some progress related to the economy as a recent mission of the IMF has also noted. Institutional capacity in the sector of the economy has been strengthened and privatisation is proceeding. A fourth round of privatisation was concluded in January and - with the highest value of bids ever received - demonstrated a growing confidence in the business environment despite outstanding legal obstacles which we expect to overcome shortly. However, unemployment remains rampant, Kosovo's public-sector wage bill excessive, the social safety net beyond budgetary means. There has thus been a need for severe cuts in overall expenditures in the 2005 budget. At the same time, the main problem is that largely unresolved social and economic hardship could turn into a threat to political stability.

## **Seven: Kosovo Serbs and Belgrade**

For the majority Kosovo-Albanian community, a functioning civil society is gradually taking shape. However, many members of minority communities, notably Kosovo Serbs, still feel insecure. Some municipalities continue to hamper returns. Isolated incidents of stoning of minority transport do happen – and are not always adequately condemned by local political leaders. Illegal occupation and use of property remain widespread. Largely self-imposed restrictions to freedom of movement - in a bid to avoid encounters or confrontation with members of the majority community – still show a sense of fear. It is in this field where deficiencies against standards still are greatest, and the need for constructive and corrective action is most fundamental.

Kosovo Serb participation in the political process has not improved since the almost total boycott of last year's Assembly elections. However, one Kosovo Serb has been appointed Minister for Returns and Communities. Regrettably, the authorities in Belgrade have not encouraged Kosovo Serb participation in any of the processes. However, recent readiness by the authorities in Belgrade to resume the Pristina – Belgrade dialogue may hold out some prospects for imminent progress. As a result, the International Committee of the Red Cross (ICRC), as chair of the Working Group on Missing Persons, will shortly, during this month, convene a resumption of this urgent humanitarian dialogue on missing persons. Dialogues on other issues may follow, on the understanding that Belgrade remains constructively engaged and interested.

It remains paramount for Belgrade to engage on the crucial issues before us in 2005, an objective to be pursued in every European forum available, not least here in the OSCE Council. The time has come for some sober analysis. While certainly acknowledging grievances stemming from the past on all sides, we cannot change history, but we should work together to shape the future. And the future of the Kosovo Serbs lies in Kosovo. It is in the immediate interest of the Kosovo Serb community to be part of the ongoing and the upcoming processes shaping Kosovo in one way or another. Those who believe that lack of engagement would delay the overall process, need to understand that blockage is rarely an effective policy and does a disservice to those they are expected to serve. Lack of progress as a result of boycotts or disengagement will not and cannot be held against those who are determined to move forward.

### **So we know where we are. Now a few words on the road ahead.**

The timetable is clear. PISG and UNMIK are now set to move forward rapidly in all key Standards implementation areas. In May, UNMIK will assess progress in meeting standards in another quarterly review to be followed by the comprehensive review on standards implementation this summer.

Our focus up to the comprehensive mid-2005 review is evident: Standards implementation. Sustained efforts by the Kosovo authorities will be necessary, both at the highest levels and increasingly also by the municipalities, where the greatest challenges to Standards implementation lie.

And the faster we are approaching the mid-year review, the greater the risks will become. We cannot exclude provocations and violence by those who do not want to see progress. KFOR and UNMIK indeed are prepared to address these risks. Thus,

consolidating security remains an overriding priority. Moreover, UNMIK will accelerate transfer of competencies in all areas not related to sovereignty and move forward toward more local ownership. The assumption here is that increases in the responsibilities of the local authorities correspond to a gradual reduction of UN engagement, thus paving the way for successor arrangements to be discussed over the coming months. Finally, particular emphasis has to be placed on the economy, in particular measures to stimulate economic growth through restructuring and reform.

It is therefore a simple message that is to be carried home to the people and institutions of Kosovo in the few remaining weeks and months before mid-year review: the key to the future of Kosovo is in your hands. The way to status goes through Standards: standards to design a stable multi-ethnic democratic Kosovo that is ready for status determination, and ready for status. There are no shortcuts, no bypasses, no automaticity.

As we move forward, dialogue will be all-essential at every level. Locally, engaging the minority communities, but also within the various strata of the Kosovo Albanian society, notably between the government and the parliamentary opposition. Civil society must be strengthened, be engaged and be a part of a Kosovo wide consensus on the way forward.

It is paramount that Kosovo Serbs, so badly, albeit deliberately, marginalised due to the ill-conceived election boycott, return to the democratic institutions and to the public debate. Moreover, direct dialogue between Pristina and Belgrade must be resumed as early as possible. However local Kosovo issues must be addressed locally, i.e. in Pristina, between the majority community and the minority communities as the principal interlocutors.

On a regional scale, there is a need for a regular dialogue with each of Kosovo's immediate neighbours who are taking a particular interest and would certainly wish their views being duly reflected in upcoming developments.

**Finally**, dialogue with major international actors and institutions needs to be pursued as intensively as possible; certainly with the Contact Group which already meets every six weeks with UNMIK and the PISG in Pristina to monitor and support progress, with the Security Council, in whose session on Kosovo I shall report on 24 February, with the EU, whose next General Affairs Council of Foreign Ministers I shall address ten days from now, with NATO and all the other stakeholders. My presence today here in the OSCE Council forms an important part of that ongoing dialogue with relevant members of the International Community.

Over the next several months, informal and more formal discussions will begin on the principles that will guide status talks. I shall refrain from further comments on these principles today. Suffice it to say that the Kosovo society we are helping to build, not the least through Standard implementation, is a place with internal peace, with space for all communities and at peace with its neighbours as a stable, tolerant, multi-ethnic democracy. As such all talk about partition of Kosovo becomes an agenda for those who may be eager to re-ignite the divisions and flames of the past rather than designing the integrated path of an European future. Partition of Kosovo is not an option as we move forward.

As we rapidly approach the mid-year review and further down the line the future status determination, the UN's role in Kosovo will have to change and will change, ultimately leading to a handover of functions to institutions or successor missions set up through the political process on which we are now embarking. As the UN scales down its presence, the role and responsibilities of other main international actors are likely to increase. A continued OSCE role in key areas of Human Rights Monitoring, Institution and Capacity Building and the Rule of Law may well become even more important in the foreseeable future.

Nearly 14 years after war began to rage in the Balkans, nearly six years after NATO intervened to stop gross violations of human rights in Kosovo, we may be moving towards resolving one of the last pieces of the conundrum. Certainly, this issue will not be decided in a vacuum. There are broader regional and global implications that need to be taken into consideration. Considerable risks remain, bumps on the road are likely and a lot of business remains before us all, not the least before the Kosovars themselves.

But hopes remain that Kosovo, the Western Balkans and the region at large will rise to the challenge of finally putting the fratricidal and impoverishing conflicts of the past to rest and concentrate on a common European destiny. It is a time of opportunity now, a time to seize it. It's for the International Community, including the member States of the OSCE, to muster the will, the courage and the patience to see this through.

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