The President of the European Commission, Mr José Manuel Barroso and Enlargement Commissioner, Olli Rehn, visited Pristina on 17 February.

The President stressed that all sides should be ready to make generous compromises during the upcoming status talks. Only a democratic and multi-ethnic Kosovo, respecting the rule of law and protecting minorities will be acceptable to the international community. He reconfirmed the EU’s commitment to Kosovo and stressed that the European Commission is ready to use all its instruments to help Kosovo’s development.

Highlighting the significant progress made in recent years, President Barroso also voiced concern over the slow progress in the implementation of the standards for Kosovo. ‘The standards are essential to move closer to the EU, and implementation must speed up.’

President Barroso called on the Kosovo Serb community to participate in Kosovo’s institutions, to play an active role and to contribute to shaping a multi-ethnic democratic Kosovo. Commissioner Rehn added that “democratic values are an integral part of European integration. The standards are vital to move forward both in the status process and towards the EU.”

During their visit President Barroso and Enlargement Commissioner Rehn met with SRSG Soren Jessen Petersen, President Fatmir Sejdiu and former Prime Minister Bajram Kosumi. They also met with leaders of the main Kosovo Albanian political parties as well as representatives of the Kosovo Serb community. In addition, they met with other representatives of the International Community, including representatives of the EU Member States. The visit to Kosovo was a part of a wider trip to the region, reconfirming the EU’s commitment to the whole Western Balkans and fostering regional cooperation.
Meeting of the Stabilisation and Association Process Tracking Mechanism

The 8th meeting of the EU’s Kosovo Stabilisation and Association Process Tracking Mechanism (STM) was held in Pristina on 14 December 2005. The STM is a regular forum of the European Commission, UNMIK and Kosovo’s provisional institutions of self government. The STM and the Annual Progress Report are the main instruments of the European Commission for monitoring Kosovo’s progress in the EU Stabilisation and Association Process, which has the aim of bringing Kosovo closer to the EU.

An important point on the agenda of the meeting was the most recent European Partnership, which was endorsed by the General Affairs and External Relations Council on 12 December 2005. The European Partnership was designed to accommodate all of the most important aspects of the Kosovo standards and European standards and outlines the short and medium-term priorities for Kosovo in the political, economic and EU acquis fields and incorporates the essence of the Standards for Kosovo. The Kosovo authorities (PISG and UNMIK) have started the process of developing a Single Action Plan for the Implementation of the European Partnership. Furthermore, the European Commission pointed out that it was preparing to add some €25m to the CARDS annual action programme for additional support in the areas of energy, institution building and support of the census operation.

EU plans for post status Kosovo

As status talks progress, the EU has started to prepare its role in the future Kosovo. The Council conclusions of December 2005 tasked the European Commission and Council Secretariat to start contingency planning for a possible future EU mission in the field of rule of law, particularly in the areas of justice and police.

A mission of 15 EU officials visited Kosovo during 20-24 February. They met counterparts from UNMIK, international organisations, with a particular emphasis on Kosovo’s local institutions.

Without prejudging the shape of the future international presence, the aim was to establish the first building blocks on which the EU’s future involvement will be built. Naturally this involvement will only be part of the EU’s wider efforts for Kosovo, notably its commitments under the SAP (Stabilisation and Association Process, the EU’s policy framework for the Western Balkans), and instruments. In this respect the mission also looked at areas in the justice and police sectors that will need to receive EC assistance in the future, and will continue to be part of the EC’s monitoring under the annual progress report and STM (SAP Tracking Mechanism) meetings.
Tempus grants start being implemented for the academic year of 2005/2006

Tempus grants for 3 JEP-s (Joint European Projects) and 3 SCM-s (Structural Complementary Measures) started being implemented for projects for the academic year of 2005/2006. These projects and grants amount to more than 1 million Euros. Tempus is a programme of the European Commission which aims to support the process of transition and reform in the areas of higher education systems and their contribution for the social, economic and cultural development.

The higher education institutions in Kosovo have so far benefited from 13 Joint European Projects (JEP), and the three last JEP-s were selected in reply to the 15 December 2004 deadline. Implementation will be done in cooperation with 1) the faculty of Law in Pristina, where curriculum reform will be focus during the duration of the two-year period of the project, led by University of Graz in Austria; Faculty of Electrical Engineering 2) the faculty of Natural Sciences in Pristina, where a new Master program in Computers will be established during 3 years, led by the Institute of Technology in Carlow in Ireland 3) the faculty of Agriculture in Pristina, where a Master program will be developed in a 3-year period, in partnership with Hohenheim University in Germany and two Universities in Italy.

By December 2005, the kick-off meetings for 3 Structural Complementary Measures (SCM) projects were organised at the University of Pristina. The 3 SCM projects address priority issues for the Kosovar higher education policy and will be finalized during a one-year period in cooperation with European universities. The 3 SCM aim to; 1) promote the Bologna process and to implement ECTS at the Universities of Pristina, Tetovo and SEEU, 2) promote best practices of university management at the University of Pristina 3) create a Business Start-up Center at the University of Pristina. http://www.tempus-ks.net/

On 1 January 2006 Austria took over the 6 month rotating presidency of the European Union. The Presidency of the Council of the European Union rotates every six months among the Member States of the European Union, and the country that holds the Presidency co-ordinates the Council agenda and meetings of the Member States for a six-month period. During the Austrian presidency, the constitution, EU Enlargement will be the focus. The Western Balkans will also remain a high priority. Finland will take over the EU presidency on July 1, 2006.

More information on the Austrian presidency can be found on: http://www.eu2006.at/en/index.html

Upcoming events:

- The 9th meeting of the Stabilisation and Association Tracking Mechanism on 29 March, with workshops in Customs & Taxation and Trade
- From 20-24 April, a delegation of Members of the European Parliament from the Committee on Foreign Affairs and the Subcommittee on Security and Defence will be in Pristina to follow the evolution of the status negotiations in Kosovo and assess what could be the role of the EC/EU in the post-negotiation stage.
- A planning team for a future EU mission in the areas of police and judiciary should be established in Pristina later this spring. This team will work closely with Kosovo authorities, including the newly established Ministries of Interior and Justice.
- A donor event will take place in Pristina on 5 April.

European Commission Liaison Office broadcast TV spot

During the month of December 2005, the European Commission Liaison Office broadcasted a TV spot in the local media. The spot promotes the values of the European Union and aims at raising awareness of Kosovo’s path towards European integration. The TV spot can be downloaded from the website of the European Commission Liaison Office: http://www.del-prn.cec.eu.int
FAST FACTS
Highlights from European Union Pillar, United Nations Mission in Kosovo. For updates on EU Pillar activity in Kosovo visit www.euinkosovo.org

Visit www.euinkosovo.org
The EU Pillar has just launched a brand new, world-class website showcasing EU Pillar activity, breaking news and economic analysis. The new EU Pillar site offers a comprehensive overview of the Pillar’s role in Kosovo, a wealth of documentation and analysis from EU Pillar offices and components, an online magazine ‘Kosovo Express!’, access to the most recent media activity/political developments, updates on the privatisation process and interactive maps of Kosovo.

The new website has been launched to great acclaim. It raises the profile of the organisation and better reflects the work of the EU Pillar to national and international media; and public policy makers within Kosovo, Brussels and national capitals across Europe. If you have any questions or comments, contact Ronan Anderson, Communication Officer, EU Pillar Office for News and Communication, via e-mail at: ronan@un.org.

New Airport Director touches down
James C. Johnson had an eventful end to his first week in his new job. A Malév flight from Budapest overran the runway at Pristina International Airport (PRN) by some 150 meters into the approach lighting system. No injuries, no apparent damage to the plane. Within 20 minutes, the media and newswires were waiting in the terminal for a quote from the new Airport Director…
American James Johnson comes highly rated. He was most recently Executive Director of the Melbourne International Airport, Florida, where he was extremely successful in growing passenger traffic and route development. Johnson has over 35 years of experience developing and implementing policies at airports worldwide and within the International Civil Aviation Organisation. Johnson has big plans for Pristina International Airport recognising “the amazing potential for growth and to promote professional excellence in airport management and operations.” The economic and social impacts: “go far beyond the direct effect of an airport’s operation on its neighbours to the wider benefits that air service accessibility brings to regional business interests and to consumers” he points out.

UNMIK/Bosnia and Herzegovina initial FTA
On 17 February, EU Pillar (on behalf of UNMIK) and Bosnia and Herzegovina (BiH) initialled an Interim Free Trade Agreement (FTA). It will now be submitted to the BiH Council of Ministers for approval. It is expected that the FTA will be applied as of 1 April 2006. This will be the third Free Trade Agreement for Kosovo: in 2003, UNMIK Kosovo and Albania signed the first FTA. Last year UNMIK Kosovo and FYR Macedonia concluded an FTA, which fully entered into force following the ratification of the Macedonian Parliament in January 2006.

The Stability Pact Secretariat and the European Commission congratulated UNMIK on its impressive progress in integrating Kosovo into the regional free trade network. The Stability Pact trade Working Group continues to work on the creation of a single free trade area for the whole region by the end of 2006, which will be based on an enlargement of the Central European Free Trade Agreement (present members are Bulgaria, Croatia and Romania).

Progress on privatisation
As a component of the EU Pillar, the Kosovo Trust Agency (KTA) works towards enhancing the value, viability, and corporate governance of socially owned and public enterprises in Kosovo. At its February meeting, the KTA Board approved the 13th Wave of Privatisation for launch. KTA staff also reported to the Board that the incorporation of key Publicly Owned Enterprises, such as Kosovo Electricity Company (KEK), UNMIK Railways, District Heating Termokos and District Heating Gjakova, had been completed by the end of 2005, giving all entities a clear legal status. Steps for the incorporation of water and waste companies are well underway.

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Summary of news:

Access to justice for all
At a conference on legal aid in February, the EU presented its work to support the establishment of a comprehensive legal aid system in Kosovo. Since 2001, Agency-managed projects with the Kosovo Chamber of Advocates have provided free legal aid in civil and administrative matters to more than 31,000 Kosovars.

Heating plant revamped
In February the EU completed the refurbishment of the district heating system in Mitrovica that has increased the number of customers, improved the quality of heating and reduced dependence on electricity. The Agency-managed project – co-funded by the EU (€2 million) and the Kosovo budget (€0.4 million) – provided new equipment and refurbished and extended the network. The EU is also providing technical assistance to the management in running and maintaining the new plant, which is now one of the most modern heating systems in the region.

Improving public investment
Kosovo officials from the Ministry of Economy and Finance, line ministries and municipalities attended a two-day workshop in Ohrid in February to discuss their experiences with implementing the public investment programme over the past year. The workshop was part of an EU-funded project to support better management of public investment in Kosovo. Feedback will be used to improve future public investment in Kosovo.

Visiting MEPs see the ‘fruits’ of EU assistance
A six-member delegation of the European Parliament visited Kosovo on 19-21 February. In between meetings with local and international officials, they visited some of the EU projects managed by the European Agency for Reconstruction.

The MEPs, who included Doris Pack, chair of the parliament’s delegation for relations with the countries of South East Europe, met local officials in the town of Obiliq, the director of Kosovo Energy Corporation’s training centre, owners of two small businesses in a multiethnic village, and a potato processing factory that has benefited from EU assistance.

Half an hour’s drive from Pristina, at the Pestova potato-processing plant, the visiting MEPs had an opportunity to see the efforts of a company that has started production with the support of loans secured from the Agency’s ‘agro-business and marketing programme’, which was established to provide credit to agricultural producers and processors for the rehabilitation, modernisation and expansion of their enterprises.

Pestova’s owner, Bedri Kosumi, typifies Kosovo’s entrepreneurial spirit. With the loans he received, he modernised agricultural equipment and established production facilities in 2002 for french fries and potato chips. Pestova products now sell well on the Kosovo market, and export sales are encouraging. Mr Kosumi told MEPs that the Agency’s assistance to the company has continued since then, showing off the new look of the potato chip packaging, designed with the help of a French advisor with extensive experience in the industry. This was made possible through the technical assistance provided by the Agency-managed Turn Around Management (TAM) programme and Business Advisory Services (BAS) implemented by the European Bank for Reconstruction and Development. The programme assists the management of potentially viable companies to restructure, improve competitiveness, attract investors, and increase employment. Currently 25 medium-sized enterprises are supported through the TAM programme, and 60 companies benefit from BAS.

Through the BAS programme, Mr Kosumi will now get help to develop a business plan, which he plans to present to banks later this month. In addition to Pestova chips, you can find many other products on Kosovo’s supermarket shelves from companies supported through the EU-funded ‘agro-business and marketing’ programme, including Bylmeli and ABi&ELiF dairy products, Progress canned vegetables, Rahovac and Krusha e Vogel wines, Jeta mineral water, Alcon sunflower oil, as well as meats, flour and various crops.
Interview

Since the end of the 1999 conflict in Kosovo, the Agency has delivered over €155 million in EU assistance for infrastructure and environment, not including energy and housing. The Agency’s Programme Manager Alan Brown (pictured here in the centre with his unit) speaks about recent achievements and the challenges ahead in the infrastructure and environment sector of the Agency.

Do you think that EU projects have improved life for people in Kosovo?

We are very proud of what we have achieved – particularly as we are a small unit of only five people. Much of what you see (and many things you don’t!) as you travel around Kosovo has been made possible through EU assistance. As soon as you leave the airport, you travel on one of our roads; you pass town halls that have been refurbished, schools that have been built, the new government building, and there are many, many more examples. Throughout Kosovo, roads, prisons, water and sewerage systems, and environmental protection are all part of the EU’s contribution. In our sector we work very closely with the beneficiaries involved in the projects – it is the only way to get good delivery.

What are some of the Agency’s ongoing projects?

In one of our high-profile projects we are working with the Council of Europe and the Serb Orthodox church to support the reconstruction of religious sites that were damaged during the March 2004 violence. Another major programme we are managing aims to assist municipalities. Additional funds were provided at the end of 2003 to help municipalities improve their achievements against the ‘Standards for Kosovo’ through the provision of social and/or economic infrastructure. We work on two levels: one, by rewarding municipalities that are progressing well and, secondly, by encouraging those that are not doing so well. We are also managing a substantial investment programme at the Trepca mining complex, and in the towns of Mitrovica and Zvecan to support job creation in this area.

These are all projects funded by additional allocations, but we also have our base programme to support institutional development in the water and waste utilities, the environment and transport ministries, and the construction of border police stations, and many more areas.

What are your key challenges?

There is no doubt that the EU, through the Agency, has done tremendous work in providing basic infrastructure, but Kosovo still faces challenges in all sectors. Besides providing essential infrastructure, we also have a long-term strategy to support the Ministry of Environment to develop its ability to follow EU directives, and prepare and implement laws. The key challenges to be tackled are the enforcement of laws, lack of recognition of environmental issues and the huge financial challenge – where water supply and sewerage treatment in the future is estimated to need more than €1 billion. Funding of infrastructure will be a significant challenge for Kosovo because economic growth will require better systems – whether it be in power, roads, water or communications. Similarly, municipal infrastructure, including schools, community services, footpaths and roads, will continue to require substantial spending. Foreign aid has decreased, which means that alternative funding has to be found. I think our next challenge, as we complete our programmes, is to help the government here to acquire the necessary skills to be able to obtain the funding it will need.