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Activities of the European Union Aimed at Restoring Stability in Kosovo

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Abstract: In 1992, the Common Foreign and Security Policy was established by the Treaty of Maastricht. However, it has been said that the CFSP is weak and inactive, being based on unanimous consensus among the member states. The European Union has made some progresses in this area of its activities. Currently, the EU is conducting 13 operations under its Common Security and Defence Policy. One of these is the European Union Rule of Law Mission in Kosovo (EULEX), which is the largest of the European Union civilian missions ever taken. The aim of the article is to show the impact of the EU on the process of stabilization and reconstruction in that region and attempt to shed some light on the situation in Kosovo after proclamation of independence in 2008.

Introduction

The decision made by the European Union to establish the Common European Security and Defence Policy¹ resulted from the Kosovo crisis.² During this conflict, EU member states realized that Europe did not have the military capabilities to conduct operations. Due to this fact, Europe was dependent on the US military forces. The end of the Cold War indicated that changes took place in the system of defence and security. The signing of Declaration of St. Malo³ serves as significant evidence for this kind of changes. Since 2003, the European Union has launched several operations, one of them in 2008 in Kosovo.

¹ Under the Treaty of Nice, which was signed on 26 February 2001, the European Union transformed into an autonomous with respect to the area of European Security and Defence Policy, which became the part of the Common Foreign and Security Policy and started evolving.

The Nice Treaty provided for Political and Security Committee, Military Committee and Military Staff, with a politico-military working group and a committee for civilian aspects of crisis management in support. What is more, on the basis of the Treaty of Nice, the European Defence Agency was also established. This Agency was responsible for developing military capabilities, promoting cooperative defence research and technology across Europe, encouraging armaments collaborations etc., (Steve Marsh, Wyn Rees, "The EU and External Security Relations" in *The European Union in the Security of Europe. From Cold War to Terror War*, ed. Steve Marsh, Wyn Rees, New York, Routledge, 2012, 43).

Under the Treaty of Lisbon, the European Security and Defence Policy was renamed to Common Security and Defence Policy.

² Sinem A. Açıkmese, "The Underlying Dynamics of the European Security and Defence Policy", *Perceptions Journal of International Affairs*, Special Issue on Peace Operations, March-May 2004, Volume IX, Number I, 120.

³ During the Franco-British Summit held in St. Malo on 3-4 December 1998, the British Prime Minister Tony Blair agreed with French President Jacques Chirac on the need to give the EU the capacity for autonomous

Presently, the European Union Rule of Law Mission in Kosovo (EULEX Kosovo) is the largest civilian mission in the history of the European Union. What is more, the mandate of the mission is very large, covering the fields of justice, police and customs. Experts also emphasize that EULEX is the first civilian mission of the European Union, which has mandated some executive tasks and included personnel from the United States.⁴ The European Union, under the umbrella of EULEX, is not only trying to strengthen the Common Security and Defence Policy, but also improve the process of stabilization in Kosovo.

The aim of this article is to show how the European Union policy towards Kosovo has evolved and present the impact of the European Union Rule of Law Mission in Kosovo on the situation on its territory.

The activities of the international community after the end of NATO operation in Kosovo

In 1999, Kosovo was the place of the last ethnic conflict in the Balkans. The warfare between Serb authorities and the Kosovo Liberation Army (KLA)⁵ resulted in a massive displacement of civilians and an increase in the numbers of crime. Due to the fact that negotiations for a peaceful settlement failed, in March 1999 the North Atlantic Treaty Organization decided to undertake an airstrike campaign against Serbia. The campaign ended on 10 June 1999. On that day, the Security Council Resolution 1244 (1999) was adopted. Article 10 of the Resolution 1244 (1999) “authorized the Secretary General, with the assistance of relevant international organizations, to establish an international civil presence in Kosovo in order to provide an interim administration for Kosovo under which the people of Kosovo could enjoy substantial autonomy within the Federal Republic of Yugoslavia, and which provided transitional administration while establishing and overseeing the development

decision-making and action, backed up by credible a military force, in order to respond to international crises, when the North Atlantic Alliance was not involved. To avoid unnecessary duplication, it was decided that the EU take into account the assets of the Western European Union. Franco-British St. Malo Declaration (4 December 1998), accessed June 8 2013, <http://www.cvce.eu/viewer/-/content/f3cd16fb-fc37-4d52-936f-c8e9bc80f24f/en>.

4 The United States civilian participation in the EULEX Kosovo was convenient. First of all, the United States had good relations with the Albanian community. Secondly, the U.S. staff were already in that region, as a part of UNMIK.

5 Kosovo Liberation Army (KLA) was established in 1994. The founders of KLA were Albanians from Kosovo, who moved to Western European countries. The main objective of this organization was proclamation of Kosovo’s independence. The leaders of KLA decided to provoke a conflict in Kosovo and forced international community to intervene. In the opinion of the KLA, it was the only way to start international debate on the future status of Kosovo. (Marcin Marcinko “Wyzwolenie Armia Kosowa: analiza struktury i ocean działalności”, in: *Balkany u progu zjednoczonej Europy*, ed. Paweł Czubik, Kraków, Instytut Multimedialny, 2008, 148-150.)

of provisional democratic self-governing institutions to ensure conditions for a peaceful and normal life for all inhabitants of Kosovo”.⁶

The main goals of UNMIK included “promoting the establishment, pending a final settlement, of substantial autonomy and self-government in Kosovo, performing basic civilian administrative function where and as long as required, organizing and overseeing the development of provisional institutions for democratic and autonomous self-government pending a political settlement, including the holding of elections, facilitating a political process designed to determine Kosovo’s future status, supporting, in coordination with international humanitarian organizations, humanitarian and disaster relief aid, protecting and promoting human rights.”⁷

Since 1999, the UNMIK started fulfilling its mandate. The civilian mission⁸ under the leadership of the United Nation brought together four pillars: “Humanitarian Assistance, conducted by the Office of the United Nations High Commissioner for Refugees (UNHCR); Civil Administration, under the United Nations, Democratization and Institution Building steered by Organization for Security; and Co-operation in Europe (OSCE) and Reconstruction and Economic Development, managed by the European Union.”⁹

Resolution 1244 provided that the international community should in the future arrange talks on the future status of Kosovo. In 2005, the UN Security Council supported the Secretary General’s intention to start a political process to determine the status of this territory. Kofi Annan, who at that time was Secretary General of the United Nations, appointed Martti Ahtisaari as a Special Envoy for the Future Process for Kosovo. Status talks began on 20 February 2006 in Vienna. Despite several rounds of talks and conciliatory efforts made by Ahtisaari, the members of the Provisional Institutions of Self-Government and representatives of Serbian government were not able to sign an agreement on Kosovo’s political status. “In view of this deadlock, on 26 March 2007, Ahtisaari submitted the ‘Comprehensive Proposal for the Kosovo Status Settlement,’ which proposed internationally supervised independence for Kosovo with extensive protection mechanisms primarily for the Kosovo Serb community.”¹⁰ This proposal was only accepted by Pristina. The government in

⁶ Article 10 of the Security Council Resolution 1244 (1999), accessed 9 June 2013, <http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N99/172/89/PDF/N9917289.pdf?OpenElement>.

⁷ “UNMIK Mandate”, UNMIK United Nations Interim Administration Mission in Kosovo, accessed 9 June 2013, <http://www.un.org/en/peacekeeping/missions/unmik/mandate.shtml>.

⁸ The UNMIK was divided into two components: military and civilian. The North Atlantic Treaty Organization was responsible for the military component of the mission.

⁹ “UNMIK Background”, UNMIK United Nations Interim Administration Mission in Kosovo.

¹⁰ Rober Muharremi, “The European Union Rule of Law Mission in Kosovo (EULEX) from the Perspective of Kosovo Constitutional Law”, Heidelberg Journal of International Law, Band 70, 2010, 360.

Belgrade was against this document, because on its basis, sooner or later, Kosovo would become an independent territory. Russia and China supported Serbia in that matter, and indicated that they would not accept the proposal. In this situation, Ahtisaari Plan collapsed.

The effect of this deadlock was that, on 17 February 2008, Kosovo (supported by the United States and some member states of the European Union) declared its independence. On 15 June 2008, the Constitution of the Republic of Kosovo came into force. Then, the new chapter in history of Kosovo began.

The European Union's presence in Kosovo

According to a brochure entitled "The European Union – Commitment to Kosovo," the European Union's presence in Kosovo in 1999 took four main forms. Except the pillar – Reconstruction and Economic Development, support for Kosovo was also provided by the European Agency for Reconstruction (EAR), the Commission's European Community Humanitarian Office (ECHO), and contributions from the EU member states.¹¹

Taking on responsibility for reconstruction and economic development in Kosovo, the European Union jointly has administered four specific departments within the UNMIK's administrative structure: the Central Fiscal Authority, the Department of Trade and Industry, the Public Utilities Department, and the Department of Reconstruction. It also supervises the Banking and Payments Authority in Kosovo.¹² The departments have coordinated many activities such as: establishing a taxation system,¹³ collection of customs duties, sales tax and excising duties on all goods arriving to Kosovo,¹⁴ starting the process of commercialization,¹⁵ coordinating a housing reconstruction programme.¹⁶

The main activity of the European Agency for Reconstruction,¹⁷ which was established in February 2000 in Kosovo as a successor to the European Commission Task Force for the Reconstruction of Kosovo (EC TAFKO), was to provide assistance in rehabilitation and repair

¹¹ Brochure *The European Union – Commitment to Kosovo*, Brussels, November 2000.

¹² Brochure *The European Union – Commitment to Kosovo*.

¹³ Tax administration was established in April 2000. Its main purpose was to bring the appropriate amount of tax revenue to Kosovo's consolidated budget. In 2000, in Kosovo, two kinds of taxes were launched: hotel food and beverage service tax, and company tax.

¹⁴ The responsibility for these activities was taken by the UNMIK Customs Service, which was set up on 31 August 1999. "The Customs Service was staffed entirely by locally recruited personnel and managed by a senior European Union customs officer. The European Union has provided technical and operational assistance to the Director General and his staff." Brochure *The European Union – Commitment to Kosovo*.

¹⁵ The Department of Trade and Industry started the process of commercialization to bring investments to Kosovo's industries. What is more, the Department drafted commercial regulations, which established a legal basis for founding new companies.

¹⁶ The programme was coordinated by the Department of Reconstruction. It provided reconstruction of housing property for 20,000 of Kosovo's most vulnerable families.

¹⁷ The European Agency for Reconstruction ended its mission in 2008.

of the key infrastructure and public utilities required to bring life back to normal in Kosovo. “It therefore concentrated on energy, housing, transport and water supplies, with additional activities in enterprise development, agriculture and health.”¹⁸

The Humanitarian Aid Office was opened in Pristina in September 1998. In Autumn 1999, ECHO provided emergency shelter for 22,000 families. What is more, the Office was also involved in various humanitarian tasks such as: supplying food and non-food items, agricultural equipment, supporting collective accommodation for returnees and displaced persons, rebuilding schools,¹⁹ delivering medical supplies and emergency healthcare.²⁰ “During 1999 ECHO donated a total of 378 million euros to the affected region.”²¹

EU member states supported Kosovo in many ways. France implemented projects for a total amount of 4.3 million Euros. These projects concerned infrastructure and rural and household economy sectors. Italy donated, in 1999-2000, around 60 million Euros for reconstruction in Kosovo, while Germany, in 1999-2001, contributed around 100 million Euros to support the reconstruction of the energy sector, housing, transport etc. Social services in Kosovo were conducted by Spain and the United Kingdom.²²

An official database says that since 1999, the European Union had spent over 2 billion Euros on Kosovo’s stabilization and reconstruction.²³ Due to this fact, the European Union became the first donor for Kosovo.²⁴ On 11 July 2008, representatives from 37 countries and 16 international organizations gathered in Brussels for a Donor Conference in support of Kosovo’s socio-economic development.²⁵ The European Commission convened this event. During the conference, all parties decided to pledge a total of over 1,2 billion Euros. This amount of money financed the needs of socio-economic development, which was identified in the Medium Term Expenditure Framework (2008-2011).²⁶

Not only did the European Union take actions in Kosovo, but it also held talks after the failure of Ahtisaari Plan. In 2007, the United States, the European Union and Russia,

¹⁸ Brochure: *The European Union – Commitment to Kosovo*.

¹⁹ The ECHO supported 200 primary and secondary schools, providing them emergency rehabilitation and equipment. Brochure *The European Union – Commitment to Kosovo*.

²⁰ The Humanitarian Aid Office coordinated drug supplies for Kosovo and assisted in rehabilitation of around 60 primary health centres. Brochure *The European Union – Commitment to Kosovo*.

²¹ Brochure: *The European Union – Commitment to Kosovo*.

²² Brochure: *The European Union – Commitment to Kosovo*.

²³ Christopher S. Chivvis, *EU Civilian Crisis Management. The Record so far*. Pittsburg/Sanata Monica/Arlington, Rand Corporation, 2010, 33.

²⁴ Lisa Delille, “À quand le Kosovo dans l’Union européenne?”, *Défense Nationale et Sécurité Collective*, No 724, November, 7

²⁵ “Kosovo Donor’s Conference”, accessed on 10 June 2013, <http://ec.europa.eu/enlargement/archives/seerecon/kdc/index.html>.

²⁶ “Kosovo Donor’s Conference”.

forming “Troika,” made some efforts in resolving the problem of the future status of Kosovo. These activities also ended in failure. Since the European Union intended to play an active role in the future development of Kosovo in September 2004, it decided to establish the European Union Liaison Office in Kosovo. The purpose of this Office was to promote closer ties between the EU and Kosovo. The European Union Liaison Office in Kosovo was also engaged in a regular dialogue with civil society organizations in Kosovo. What is more, in the spring of 2006, the EU had sent a mission to Kosovo to prepare the takeover of some of UNMIK functions. On that basis, in 2006 the European Union Planning Team (EUPT) Kosovo was established.²⁷ In 2007, the main actors of the European Union discussed internally the planned framework of the mission deployment. The mission of the European Union had to be approved by the UN Security Council. “To obtain the approval of the UN, the EU legal experts devised a specific argument: that paragraph 10 of the United Nations Security Council 1244 allowed the UNSC to organize the modalities of the civilian administration in Kosovo. From this perspective, this body had the legal right to transfer the powers exercised by UNMIK to the European Union.”²⁸ On 12 June 2008 Security Council decided to confirm both readiness and willingness to empower the European Union to take over some of the civilian aspects of UNMIK, such as the police, customs and judicial functions, while allowing UNMIK to retain some residual political functions.²⁹

On 4 February 2008, the European Union Council adopted a Join Action on the EU Rule of Law Mission in Kosovo. This document provided an EU legal basis for the mission.³⁰ Because of the fact that Serbia, supported by Russia, refused to accept EULEX under the proposed framework, the Mission did not receive full operational functions at that time. Serbia claimed that EULEX was inconsistent with the Ahtisaari Plan, that had been introduced under the auspices of the United Nations in general and the UNSC Resolution 1244 in particular.³¹ During the negotiations, which involved the United States, Russia, the

27 See: Council Joint Action 2006/304/CFSP of 10 April 2006, accessed on 11 June 2013 <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:112:0019:0023:EN:PDF>.

28 Giovanna Bono “The European Union and ‘Supervised Independence’ of Kosovo: A Strategic Solution to the Kosovo/Serbia Conflict”, *European Foreign Affairs Review*, 15, 210, 257-258.

29 Giovanna Bono, “The European Union and ‘Supervised Independence’ of Kosovo: A Strategic Solution to the Kosovo/Serbia Conflict”.

³⁰ According to Senad Sabovic the EU Mission was originally conceived under the auspices of the Kosovo status talks led by Martti Ahtisaari and his team. “An EU-led rule of law mission was a part of that proposal as a special mechanism that would assist and supervise the Kosovo rule of law sector, as well as have executive powers to intervene directly when local institutions were unable to address a particular case. Senad Sabovic, “Intervention and independence in Kosovo. The EULEX rule of law mission”, in *The European Union and Human Security External interventions and missions*, ed. Mary Martin, Mary Kaldor, USA/Canada, Routledge, 2010, 112.

³¹ Senad Sabovic, “Intervention and independence in Kosovo. The EULEX rule of law mission”.

United Kingdom, France, Italy, the United Nations Secretariat and the Office of the EU High Representative for the Common Foreign and Security Policy, in addition to the authorities from Serbia and Kosovo, Belgrade defined special requests on the EULEX deployment conditions.³² Although Pristina rejected Serbian requests, the Secretary General decided to take them into consideration in his report on Kosovo, which was prepared in November 2008. That was the reason why Serbia, from this moment, started to hold up the EULEX deployment which had a “status neutral” and contained the northern part of Kosovo. Whereas the Kosovo government in Pristina was still opposed to Serbian requests, the politicians had invited the EULEX to begin the Mission.

The European Union Rule of Law Mission in Kosovo entered into the operational phase on 9 December 2008. It assumed full operational capacity on 6 April 2009.³³ The full mission provides for 3,000 people, out of whom some 1,900 would be international and about 1,000 would be locals.³⁴ The main goal of the Mission was “assisting the Kosovo institutions, judicial authorities and law enforcement agencies in their progress towards sustainability and accountability and in further developing and strengthening an independent multi-ethnic justice system and multi-ethnic police and customs service, ensuring that these institutions are free from political interference and adhering to internationally recognized standards and European best practices.”³⁵ The Mission to fulfil this goal included several specific tasks, such as: monitoring, mentoring and advising the competent Kosovo institutions, ensuring the maintenance and promotion of the rule of law, fighting corruption, fraud and financial crime, and contributing to strengthening cooperation and coordination throughout the whole judicial process.³⁶

Taking into account these tasks, the EULEX has been divided into three components: police, justice and customs. The police component is the largest one and amounts to 77% of the staff. Another 12% are judges, prosecutors and other court personnel, whereas, 1% are

³² “These requests became known as the ‘six points’ and included special provisions for the Kosovo Serb community in the areas of policing, judiciary, customs, Serbian patrimony, transportation and infrastructure, boundaries, as well as the generic point that EULEX should act in a status neutral way, refrain from implementing the Ahtisaari Plan and operate under the authority of the UN Mission in Kosovo and the UN in general.”

³³ Adam Balcer, “Eulex and the Gordian Knot of Kosovo”, in *Kosovo: Independence, status, perspectives. Adjusting regional policies of ethnicity and borders*, ed. Hylber Hysa, Dušan Janjić, Ravenna, A. Longo Editore, 2011, 180.

³⁴ Senad Sabovic, “Intervention and independence in Kosovo. The EULEX rule of law mission.”

³⁵ Article 2 of the Council Joint Action 2008/124/CFSP of 4 February 2008 on the European Union Rule of Law Mission, EULEX Kosovo, accessed on June 11, 2013 http://www.eulex-kosovo.eu/en/info/docs/JointActionEULEX_EN.pdf.

³⁶ Article 3 of the Council Joint Action 2008/124/CFSP of 4 February 2008 on the European Union Rule of Law Mission, EULEX Kosovo.

customs officers. A strengthening component of the EULEX Kosovo police takes care of advising and mentoring, not only on regional but also on national level. The police executive component holds investigation of sensitive crimes, such as war crimes, organized crime, corruption and financial crime. The third police component acts as a gendarmerie force and its task is to protect the populace in an event of civil disorder.

The justice component runs a missing persons office to deal with the 1,900 persons still missing from the conflict and the identification of the remains of some 400 persons.³⁷ Prosecutors and judges from the EU countries, the United States, Norway and Turkey have both mentoring and executive functions.³⁸ The customs component take the actions in advisory capacity at customs points located in the territory of Kosovo.

The EULEX Kosovo is not the only body of the European Union, which is situated in Kosovo. After the Lisbon Treaty entered into force, the European Commission Liaison Office, jointly with the European Union Special Representative³⁹ mandate, became the European Union Office in Kosovo.⁴⁰ The European Union Office plays the most important role in realizing the European agenda in Kosovo with the aim to promote Kosovo's approximation to the EU. "As an integral part of the European External Action Service and the European Commission's representation in Pristina, the Office ensures that a permanent political and technical dialogue is maintained with the Brussels institutions. The EUSR offers advice and support to the Government of Kosovo in the political process; provides overall coordination for the EU presences in Kosovo; and contributes to the development and consolidation of respect for human rights and fundamental freedoms in Kosovo."⁴¹

To sum up, nowadays the EULEX Kosovo, the European Union Office in Kosovo as well as the European Union member states representatives are three main components of the EU, which represents the European Union in Kosovo and take activities in the areas which were mentioned above.

³⁷ Christopher S. Chivvis, EU Civilian Crisis Management. The Record so far.

³⁸ Christopher S. Chivvis, EU Civilian Crisis Management. The Record so far.

³⁹ The Office of the European Union Special Representative (EUSR) was established in 2008. The role of the EUSR was to promote the EU's policies and interests in troubled regions and countries and play an active role in efforts to consolidate peace, stability and the rule of law. "European Union External Action. EU Special Representatives", accessed on June 12, 2013 http://eeas.europa.eu/policies/eu-special-representatives/index_en.htm.

⁴⁰ "The European Union Office in Kosovo/European Union Special Representative. Political and economic relations", accessed on June 12, 2013 http://eeas.europa.eu/delegations/kosovo/eu_kosovo/political_relations/index_en.htm.

⁴¹ "The European Union Office in Kosovo/European Union Special Representative. Political and economic relations".

Situation in Kosovo after the EULEX deployment

Since March 2002, the Commission has reported regularly to the Council and Parliament on the progress made by the countries of the Western Balkans region. The aim of this report is to describe the relations between Kosovo and the European Union, analyse the political situation in Kosovo in terms of democracy, the rule of law, human rights, protection of minorities and regional issues, analysing the economic situation in Kosovo, reviewing the capacity of Kosovo in implementing European standards.⁴² The last Progress Report covered the period from October 2010 to September 2011. Progress is measured on the basis of decisions taken, legislation adopted and measures implemented.⁴³

One of the sections in the report examines progress, which Kosovo made towards meeting the Copenhagen political criteria.⁴⁴ The report in particular shed some light on the work of the Parliament and Government in Kosovo. In it, the Commission shared its mixed feelings towards both institutions. In its view, to avoid serious shortcomings in future elections, Kosovo needs to take urgent steps to make the system of elections more transparent, investigating and prosecuting cases of electoral fraud. Although the government strengthened the European integration departments in individual ministries and the Ministry of European Integration has continued to build up its coordinating role, the Commission said that further efforts should be made to improve implementations of the reform agenda, based on actions identified in the Stabilization and Association Process dialogue. The Commission noted that some significant progress was reached in the public administration sector. Even though the revised administration strategy for the period 2010-2013, which was adopted by the government in September 2010, has not yet been implemented, in the field of civil service reform some important decisions and administrative instructions were taken, such as the regulation on working hours and on job descriptions, and in particular the regulations on the appointment of senior civil servants and on the register of civil servants.⁴⁵ In October 2010

⁴² European Commission, Brussels, 12.10.2011, Sec (2011) 1207, Commission Staff Working Paper Kosovo, 2011 Progress Report, accessed on June 12, 2013, http://eeas.europa.eu/delegations/kosovo/documents/eu_kosovo/20111018_progress_report_en.pdf. It concerns the legislation and policies with the acquires, in Line with the Stabilisation and Association Process and European Partnership priorities.

⁴³ European Commission, Brussels, 12.10.2011, Sec (2011) 1207, Commission Staff Working Paper Kosovo, 2011 Progress Report.

⁴⁴ Copenhagen political criteria were established during the Copenhagen European Council in 1993. To join to the European Union a new member state must meet three criteria such as: political, economic and acceptance of the Community “acquis”, “Europa, Glossary, Accession criteria”, accessed on June 12, 2013 http://europa.eu/legislation_summaries/glossary/accession_criteria_copenhagen_en.htm.

⁴⁵ European Commission, Brussels, 12.10.2011, Sec(2011)1207, Commission Staff Working Paper Kosovo, 2011 Progress Report.

the law on access to public documents was adopted and is in the initial stages of implementation.

The report also stated that Kosovo has made some progress in the judicial sector. The most important decisions were taken by the Constitutional Court. The Court ruled on the issue of functional immunity of the deputies of the assembly, the president and the members of government. Besides confirming that none were immune for actions taken and decisions made outside the scope of their responsibility, the decision also sets out in which cases and circumstances arrest or detention may or may not occur.⁴⁶ In addition, in 2011, bilateral agreements on legal cooperation in criminal matters, extradition and transfer of sentenced persons were signed with the former Yugoslav Republic of Macedonia and Turkey. In the same year, the EULEX and the Ministry of Justice in Kosovo signed a technical arrangement on mutual legal assistance, under which EULEX assumes the role of an intermediate between the Ministry of Justice and states which did not recognize Kosovo and will facilitate the processing of requests for mutual legal assistance from those countries. Though, this significant progress had been achieved, the Commission highlighted, political interference in the work of the judiciary is still problematic. In addition, in northern Kosovo rule of law raised concern. That was the reason why, in the Mitrovica court, judges and prosecutors from the EULEX had some difficulties in their work. Another problem concerning the judiciary was connected with corruption. Anti-corruption legislation was upgraded, but the implementation is still in process. What is more, the capacity to investigate this kind of crimes is limited as well.

In Kosovo there are also areas which remain a major challenge. One of them is promotion and enforcement of human rights.⁴⁷ Also the problems of refugees and internally displaced persons have not been resolved. Limited progress was reported in fields such as freedom of speech,⁴⁸ access to justice,⁴⁹ and access to education for minorities.

The most important progress in Kosovo was achieved in the area of labour and trade union rights. In 2010, a law on labour was adopted. It improved the working conditions in the province. Labour inspectorates were reorganized. Also, there has been evident progress in the area of customs. The Customs Service adopted amendments to the administrative instruction on disciplinary procedures to counter allegations of unprofessional conduct of customs staff.

⁴⁶ European Commission, Brussels, 12.10.2011, Sec(2011)1207, Commission Staff Working Paper Kosovo, 2011 Progress Report.

⁴⁷ The enforceability of legal and administrative remedies for human rights infringements tends to be continuously improved at all levels.

⁴⁸ The main problem in this area was political interference.

⁴⁹ Kosovo has made limited progress in this field. There still exist numerous obstacles in access to justice.

Overall, the revenue collected by the Customs Service until the end of July 2011 amounted to 426.8 million Euros, compared to 359.5 million Euros in the same period of 2010.⁵⁰ What is more, Kosovo's customs legislation is largely in line with the EU Customs Code.

The Commission, in the report, also described some achievements in the taxation area. This progress is mostly related to the fulfilment of reforms. One of these was an implementation the 2010 tax compliance strategy and the strategy plan 2010-2015.⁵¹

Other challenges in Kosovo are connected with the economic situation of the province. Economic statistics remain poor. Gross Domestic Product (GDP) per capita is estimated to have risen to 2,385 Euros in 2010. In 2010, led by a doubling of base metals exports, total export of goods increased nominally by more than 70%. In 2011 they continued performing well, although their growth went down significantly to 19% by the end of July. Imports of goods rose by 11% in 2010 and accelerated their growth to 14% by the end of July 2011. In 2010, the current account deficit (including official transfers) widened to 16.0% of GDP, up from 15.4% in 2009. What is more, the rate of unemployment in Kosovo is one of the highest in Europe and at 45.4%, according to the latest official data from the Labour Force Survey 2009. The annual average inflation was 3.5% in 2010. The budget deficit increased from 0.7% of GDP in 2009 to 2.7% in 2010. Overall, this statistics are showing, that economic situation in Kosovo is really poor.⁵²

Conclusion

The European Union Mission in Kosovo has been functioning for almost five years. Although the mandate of the Mission was established to strengthen the rule of law in Kosovo, progress in developing the legal sector is very poor. Kosovo is still a region struggling with corruption.⁵³ The province is also facing the problem of drugs trafficking, which is strictly involved with corruption issue. What is more, judges and prosecutors in their work must rely on Kosovo's multi-layered legal code, which includes the UNMIK code, Yugoslav code, Kosovo code and even a code of ancient provenance. This is the reason why legal processes in Kosovo are highly complicated and time consuming. Another problem of the EULEX is situated in the divided society. Serbs and Albanians are still against each other in the question

⁵⁰ European Commission, Brussels, 12.10.2011, Sec(2011)1207, Commission Staff Working Paper Kosovo, 2011 Progress Report

⁵¹ The Strategy led to shorter procedures for dealing with non-filing tax payers, refund claims and appeals.

⁵² European Commission, Brussels, 12.10.2011, Sec (2011) 1207, Commission Staff Working Paper Kosovo, 2011 Progress Report

⁵³ In the Corruption Perception Index 2010 published annually by the Transparency International, Kosovo received a very poor result – 2.8. Corruption Perception Index measures the level of corruption in a country on a scale from 10 (very clean) to 0 (highly corrupt). Adam Balcer "EULEX and the Gordian Knot of Kosovo".

of the status of Kosovo. In addition, the lack of clarity about this status has an impact on the limited progress in the justice system. Scientists emphasize that success in fighting against corruption and organized crime such as drug trafficking is necessary to create favourable conditions for rapid economic growth and attract foreign investments. Without that, the economic situation in Kosovo will remain difficult.

Even though the European Union Rule of Law Mission in Kosovo needs to cope with many obstacles, the European Union would still like to play a crucial role in the stabilization process in Kosovo. It is connected with many reasons. First of all, the European Union cannot leave Kosovo. The region is still unstable and tensions between Serbs and Albanians are still visible. What is more, the Western Balkan countries, such as the former Yugoslav Republic of Macedonia, Serbia, and Montenegro are official candidates to the European Union. The European Union does not want to create a future situation in which Kosovo would be isolated among the European Union states. That is why the European Union continues to provide financial backing to Kosovo, which is strictly connected with improvement in other areas, such as legal system. Taking into account that Serbia is a candidate to the European Union, the status of Kosovo is a really important subject in the negotiating process. In that case, the European Union warrant that Serbia will attempt to mitigate the conflict over the status of Kosovo.

To sum up, the European Union Rule of Law Mission in Kosovo has been facing many problems in fulfilling its mandate. But this mission is not only necessary for Kosovo, but also for the EU. Kosovo is a part of Europe. If the European Union wants to improve its external capabilities, and have a larger impact on the process of stabilization and reconstruction in the Balkans, this mission will have to take on the challenge and strive to fulfil its mandate in the best way.

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