



Sigma Public Management Profiles No. 9

Serbia and Montenegro:
Kosovo

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SIGMA

Support for Improvement in Governance and Management

A joint initiative of the OECD and the European Union, principally financed by the EU

PUBLIC MANAGEMENT PROFILES OF WESTERN BALKAN COUNTRIES:

SERBIA AND MONTENEGRO

Kosovo

(as of December 2003)

For easier reference, separate Profiles have been established for the State Union level of Serbia and Montenegro, the Republic of Montenegro, and the Republic of Serbia. The province of Kosovo is governed, since June 1999, by the UN Interim Mission to Kosovo. A separate Profile of Kosovo follows the three Profiles of Serbia and Montenegro.

THE SIGMA PROGRAMME

The Sigma Programme — Support for Improvement in Governance and Management — is a joint initiative of the Organisation for Economic Co-operation and Development (OECD) and the European Union, principally financed by the EU.

Sigma supports partner countries in their efforts to improve governance and management by:

- Assessing reform progress and identifying priorities against baselines which reflect good European practice and existing EU legislation (the *acquis communautaire*);
- Assisting decision-makers and administrations in building institutions and setting up legal frameworks and procedures to meet European standards and good practice;
- Facilitating donor assistance from the EU and other donors inside and outside Europe by helping to design projects, ensuring preconditions and supporting implementation.

Sigma's working partners are governments in:

- Most EU candidate countries — Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia and Turkey.
- Western Balkan countries — Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, and Serbia and Montenegro / Montenegro, Serbia and Kosovo.
- Russia (under OECD financing).

The Sigma Programme has set its priorities to support reform efforts of partner countries in the following areas:

- Design and Implementation of Reform Programmes
- Legal Framework, Civil Service and Justice
- External Audit and Financial Control
- Public Expenditure Management
- Policy-making and Co-ordination Capacities, including Regulatory Management
- Public Procurement

For further information on Sigma, consult our web site:

<http://www.sigmaweb.org>

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1. Political Background

Kosovo and Metohija used to be as an autonomous province an integral part of the Republic of Serbia. In 1989 Serbia revoked unilaterally the autonomy of the province. In the second half of the 1990s, the tensions between Kosovo Albanians and Serb military forces led to fighting. The international community and NATO began a military intervention in March 1999 to stop the violence and the humanitarian crisis.

After three months of NATO air strikes against Serbian police and military positions the United Nations Security Council issued, in June 1999, Resolution 1244 which established an interim international administration in Kosovo (United Nations Interim Administration Mission in Kosovo — UNMIK). The main objective of this provisional administration is to work towards creating the conditions necessary to build provisional democratic institutions of governance to ensure a peaceful and normal life for all the inhabitants of Kosovo. The head of UNMIK is the Special Representative of the Secretary-General for Kosovo (SRSG). Bernard Kouchner (France) served as the first head of UNMIK, from July 1999 to January 2001. He was followed by Hans Haekkerup (Denmark) who served from February 2001 to December 2001. Michael Steiner (Germany) served from January 2002 to July 2003. Since July 2003 the Special Representative of the Secretary-General for Kosovo has been Harri Holkeri (Finland).

The first municipal elections under the administration of UNMIK, for the establishment of the local institutions of municipal governments, were held in September 2000. The second municipal elections were held in October 2002.

The general elections for the establishment of the Provisional Institutions of Self-Government (PISG) were held in November 2001. The next parliamentary elections are planned for October 2004.

The results for the 19 November 2001 Kosovo Assembly Election, certified by the Central Election Commission are as follows:

Entity Name	%Votes	Seats
Democratic League of Kosovo (LDK)	45.65	47
Democratic Party of Kosovo (PDK)	25.70	26
Coalition Return (KII)	11.34	22
Alliance for the Future of Kosovo (AAK)	7.83	8
VATAN	1.15	4
KDTP	1.00	3
IRDK	0.50	2
Democratic Party of Ashkalia (PDASHK)	0.43	2
National Movement for Liberation of Kosovo (LKCK)	1.11	1
Albanian Democristian Party of Kosovo (PSHDK)	0.98	1
Justice Party (PD)	0.57	1
National Movement of Kosovo (LPK)	0.56	1
BSDAK	0.37	1
New Party of Kosovo (PREBK)	0.34	1

In these elections, the Democratic League of Kosovo (LDK) emerged as the leading political force.

Ibrahim Rugova (LDK) was elected President by the Assembly of Kosovo on 4 March 2002, in the fourth round of voting.

The government has 11 members and was created based on an agreement reached between the three main political forces: the Democratic League of Kosovo (LDK), the Democratic Party of Kosovo (PDK) and the Alliance for the Future of Kosovo (AAK). Bajram Rexhepi (PDK) was elected Prime Minister.

2. The Constitutional Framework

2.1 Constitutional Bases

The basis of the administrative system in Kosovo is UNSC Resolution 1244, adopted by the United Nations Security Council in its 4011th session held on 10 June 1999. This Resolution established the United Nations Interim Administration Mission in Kosovo and defined its tasks.

Based on UNSCR 1244, the Special Representative of the Secretary-General (SRSG) issued Regulation 1999/1 dated 25 June 1999 on the authorisation of the Interim Administration in Kosovo. The SRSG also issued Regulation 1999/24 on the laws applicable in Kosovo. According to Article 1, paragraph 1 of this Regulation, the applicable laws in Kosovo include:

- Regulations issued by the SRSG and auxiliary instruments issued in accordance with them; and
- The legislation in force in Kosovo on 22 March 1989;
- The laws applicable in Kosovo prior to 24 March 1999 as far as they do not conflict with UNMIK standards and mandate.

Following the November 2001 elections, new arrangements were adopted in the “Constitutional Framework for Provisional Self-Government”, which was promulgated by the SRSG on the basis of UNSCR 1244 in May 2001

The Constitutional Framework puts great emphasis on equal rights and the protection of minorities. For example, Chapter 3, paragraph 1 states that all persons in Kosovo shall enjoy full equality, human rights and fundamental freedoms; chapter 4, paragraph 1 states that communities of inhabitants belonging to the same ethnic or religious or linguistic group shall be guaranteed the rights necessary to preserve, protect and express their ethnic, cultural, religious, and linguistic identities. Chapter 4, paragraphs 3 and 5 postulate that the PISG shall be guided in their policy and practice by the need to promote coexistence and support reconciliation between communities and to create appropriate conditions enabling communities to preserve, protect and develop their identities; it also stipulates that fair representation of Communities in employment in public bodies has to be ensured at all levels.

Based on UNSC Resolution 1244, the Constitutional Framework (UNMIK Regulation 2001/9) and the Refugee Convention (Geneva, 1951), the Kosovo Assembly adopted on 4 July 2002 the Resolution on “Rights of Members of Communities and Conditions of Return of Displaced People”.

Chapters 5 and 8 of the “Constitutional Framework for Provisional Self-Government” define the reserved and transferred powers of the SRSG and the PISG respectively (see section 2.3. – Division of Powers).

The hierarchy of normative acts is as follows:

- UNSC Resolution 1244;
- Constitutional Framework
- Regulations promulgated by the SRSG;
- Laws adopted by the Parliament and promulgated by the SRSG;
- The laws applicable in Kosovo prior to 24 March 1999 as far as they do not conflict with UNMIK standards and mandate;
- Acts issued by the Government and its ministries; and

- Acts issued by Municipal Assemblies.

2.2 Legal Nature of Kosovo

In Regulation 2001/9 on “Constitutional Framework for Provisional Self-Government”, Chapter 1, Basic Provisions, Kosovo is referred to as an entity under interim international administration which, with its people, has unique historical, legal, cultural and linguistic attributes.

2.3 Division of Powers

UNMIK was established on 10 June 1999 when the Security Council, with UNSC Resolution 1244, authorised the Secretary-General to establish in the war-ravaged province of Kosovo an interim civilian administration led by the United Nations under which its people could progressively enjoy substantial autonomy and self-government.

In particular, UNSC Resolution 1244 has called upon UNMIK to:

- Perform basic civilian administrative functions;
- Promote the establishment of substantial autonomy and self-government in Kosovo;
- Facilitate a political process to determine Kosovo’s future status;
- Coordinate humanitarian and disaster relief of all international agencies;
- Support the reconstruction of key infrastructure;
- Maintain civil law and order;
- Promote human rights; and
- Assure the safe and unimpeded return of all refugees and displaced persons to their homes in Kosovo.

To implement its mandate, UNMIK initially brought together four “pillars” under its leadership. At the end of the emergency stage (June 2000) Pillar I (humanitarian assistance), led by the Office of the United Nations High Commissioner for Refugees (UNHCR), was phased out. In May 2001, a new Pillar I was established. Currently, the four pillars are:

- Pillar I: Police and Justice, under the direct leadership of the United Nations;
- Pillar II: Civil Administration, under the direct leadership of the United Nations;
- Pillar III: Democratisation and Institution Building, led by the Organisation for Security and Cooperation in Europe (OSCE); and
- Pillar IV: Reconstruction and Economic Development, led by the European Union (EU).

The head of UNMIK is the Special Representative of the Secretary-General for Kosovo (SRSG). As the most senior international civilian official in Kosovo, he presides over the work of the pillars and leads the political process designed to determine Kosovo's future status. The SRSG is appointed by the United Nations Secretary-General in consultation with the Security Council and other international organisations.

According to UNMIK Regulation 1999/1, Article 1, paragraph 1.1, all legislative, executive and judicial powers are exercised by the SRSG. With the Constitutional Framework a new distribution of tasks and a further gradual transition of powers to the PISG was adopted. The respective powers and responsibilities of the SRSG and the PISG are enumerated in the Constitutional Framework

The powers and responsibilities of the PISG do not include so-called “reserved powers” that remain exclusively in the hands of the SRSG.

These reserved powers (Chapter 8 of the Constitutional Framework) include:

- The power to ensure comprehensive defence of community rights and interests;

- The right to dissolve the Assembly and to announce new elections in cases when it is considered that the PISG are acting in opposition with the UNSCR 1244;
- Final authority to determine financial and policy parameters for and to approve the Kosovo Consolidated Budget (KCB), acting on the advice of the Economic and Fiscal Council;
- Monetary policy;
- Establishing arrangements for the independent external audit of the Kosovo Consolidated Budget;
- Exercising control and authority over the UNMIK Customs Service;
- Exercising final authority regarding the appointment, removal from office and disciplining of judges and prosecutors;
- Exercising powers and responsibilities of an international nature in the legal field;
- Exercising authority over law enforcement institutions and the correctional service;
- Exercising control and authority over the Kosovo Protection Corps;
- Exercising control and authority over the management of the administration and financing of civil security and emergency preparedness.
- Concluding agreements with states and international organisations;
- Control over cross-border/boundary transit of goods;
- Authority to administer public, state and socially-owned property;
- Administrative control and authority over railways, frequency management and civil aviation functions;
- Control and authority over the Housing and Property Directorate, including the Housing Claims Commission;
- Preserving the existing boundaries of municipalities; and
- Appointing the members of the Economic and Fiscal Council, the Governing Board of the Banking and Payments Authority of Kosovo, the chief executives of the Customs Service and Tax Inspectorate, and the Auditor General; convening and presiding over the Economic and Fiscal Council.

The SRSG shall coordinate closely with the International Security Presence (KFOR) in:

- Conducting border monitoring duties;
- Regulating possession of firearms;
- Enforcing public safety and order; and
- Exercising functions that may be attributed to the domain of defence, civil emergency and security preparedness.

Aiming at achieving one of the main goals in Kosovo by creating local institutions and establishing legislative acts, the SRSG confirmed that Kosovo will be governed in a democratic way, through legislative, executive and judicial bodies and institutions, in accordance with the Constitutional Framework and UNSC Resolution 1244, and that the PISG are:

- The Assembly;
- The President of Kosovo;
- The Government; and
- The Municipalities.

The powers and responsibilities, according to Chapter 5 Constitutional Framework transferred to the PISG, include the following:

- Economic and financial policy;

- Fiscal and budgetary issues;
- Administrative and operational customs activities;
- Domestic and foreign trade, industry and investments;
- Education, science and technology;
- Youth and sport;
- Culture;
- Health;
- Environmental protection;
- Labour and social welfare;
- Transport, post, telecommunications and information technologies ;
- Public administration services;
- Agriculture, forestry and rural development;
- Statistics;
- Spatial planning;
- Tourism;
- Good governance, human rights and equal opportunity; and
- Non-resident affairs.

The PISG also exercise some responsibilities in the fields of:

- Local administration: supporting, assisting, monitoring the quality of services, and general overseeing the legality of operations;
- Judicial affairs: provisions, development and maintenance of courts and prosecutorial services; the provision of technical and financial requirements, support personnel and material resources to ensure the effective functioning of the judicial and prosecutorial systems; training and appointment of judges and prosecutors; appointment, training, disciplining and dismissing of members of judicial support staff;
- Mass media: regulating broadcast media, guaranteeing the editorial independence of public broadcaster;
- Emergency preparedness: developing and implementing a strategy for emergency planning and civil protection services; directing and coordinating fire and rescue services; and
- External relations — in close coordination with the SRSG.

In line with the “standards before status” initiative, gradually more powers will be transferred to the PISG in Kosovo. In the ongoing “Kosovarisation process” the international staff is being replaced by Kosovar staff; the international staff, however, often stays on as advisors. UNMIK’s most important objective is to build indigenous capacity capable of administering the new and reformed institutions after the international community has left. For example, in the course of 2003 some important competencies in the area of budgeting, internal and external audit and public procurement were shifted from the international administration towards the local authorities.

3. President of Kosovo

The President of Kosovo represents the unity of the people and guarantees the democratic functioning of the PISG. The President of Kosovo, in coordination with the SRSG, represents Kosovo and exercises his rights and duties in accordance with the provisions of the Constitutional Framework and the applicable law.

3.1 Electoral Rules

The Assembly of Kosovo elects the President of Kosovo by secret ballot. The nomination for the post of President of Kosovo requires the support of the party having the largest number of seats in the Assembly or of at least 25 members of the Assembly. The Assembly elects the President of Kosovo by a two-thirds majority of all the members of the Assembly. If after two ballots a two-thirds majority is not obtained, in the subsequent ballots a simple majority of votes of all members of the Assembly suffices for election.

The term of office of the President of Kosovo is three years. It may end earlier, namely due to resignation, or dismissal from office; for dismissal a respective vote of a two-thirds majority of all members of the Assembly is necessary.

If the President is temporarily unable to perform his duties, the function of the President of Kosovo is exercised by the President of the Assembly of Kosovo.

3.2 Main Responsibilities

The duties of the President of Kosovo are as follows:

- In coordination with the SRSG, take action in the field of external relations;
- Following consultations with the political parties represented in the Assembly, propose the Prime Minister to the Assembly;
- Communicate to the SRSG a request of the Assembly to dissolve the Assembly;
- Present a report on the general state of affairs in Kosovo to the Assembly at least once a year; and
- Present awards and express gratitude.

The President of Kosovo enjoys immunity with respect to acts performed in exercising his functions.

3.3 Office of the Head of State

The Office of the President of Kosovo consists of five full time political advisors and 64 “permanent” staff to support the president in carrying out his tasks.

The Office is comprised of the following units/bodies:

- The Cabinet of the President;
- Administrative Services;
- The Office of Public Relations; and
- The Office of Intergovernmental Coordination.

3.4 Head of State in the Legislative Process

The President of Kosovo does not play a role in the legislative process.

The President of Kosovo is not in charge of promulgating new legislation. The laws adopted by the Assembly become effective upon promulgation by the SRSG, who may also veto or change them.

4. Parliament

4.1 Electoral Rules

Elections in Kosovo are determined by UNMIK Regulation 2001/33 on the Elections for the Assembly of Kosovo.

The elections are free, direct, by secret ballot and are based on a system of proportional representation. In line with the electoral rules candidates may be proposed by political parties, coalition's candidates' lists, citizens' initiatives and may also be proposed as independent candidates.

The SRSG, after consultation with the Secretary-General and the Deputy SRSG for Institution-Building, sets and announces the date of the Assembly elections.

The term of office for members of the Assembly is three years, and the term for municipal advisors is four years. Each person having attained 18 years of age on the day of the election shall be entitled to vote.

A person residing in Kosovo shall be registered in the voters list provided he is registered in the Central Civil Registry established by UNMIK and meets the voter eligibility requirements.

No person who is serving a sentence imposed by the International Criminal Tribunal for the former Yugoslavia, and no person who is under indictment by the Tribunal and who has failed to comply with an order to appear before the Tribunal, may be registered to vote in elections in Kosovo. The SRSG has the authority to certify that the voters' lists have been established in accordance with applicable regulations.

Elections are organised by the Central Election Commission, which is composed of nine Kosovar members and three international members, appointed by the SRSG and chaired by the Deputy SRSG for Institution-Building. The SRSG has the authority to certify the final election results upon the recommendation of the Central Election Commission. The SRSG, on the recommendation of the Central Election Commission, may order a recount of the ballots and may order to repeat elections in any or all polling stations.

The Assembly has 120 members elected by secret ballot. One hundred of the 120 seats of the Assembly are distributed amongst all parties, coalitions, citizens' initiatives, and independent candidates in proportion to the number of valid votes received by them. Twenty of the 120 seats are reserved for the additional representation of non-Albanian communities. Ten of these seats are allocated to parties, coalitions, citizens' initiatives and independent candidates that have declared themselves as being representative of the Kosovo Serb community. The other ten seats are allocated to the other communities as follows: Roma, Ashkali and Egyptian communities: 4; Bosniak community: 3; Turkish community: 2; and Gorani community: 1.

The Assembly has to be convened for the inaugural session within thirty days after the certification of the election results.

Each member of the Assembly has an equal right and obligation to participate fully in the proceedings of the Assembly.

The Assembly may be dissolved by the SRSG, if he deems the PISG to act in a manner which is not in conformity with the UNSC Resolution 1244. In that case directly after dissolution of the Assembly, the SRSG announces new elections. The SRSG shall exercise this power after consultation with the President of Kosovo.

The Assembly itself may, by a decision supported by two-thirds of its members, request the SRSG to dissolve the Assembly. Such a request has to be communicated to the SRSG by the President of the Assembly.

4.2 Main Powers of Parliament

The Assembly is the highest representative and legislative Provisional Institution of Self-government of Kosovo.

The Assembly has the following responsibilities:

- Adopting laws and resolutions in the areas of responsibility of the PISG;
- Endorsing the Presidency of the Assembly;
- Electing the President of Kosovo;

- Endorsing or rejecting the Prime Minister candidate together with the list of Ministers of the Government proposed by the Prime Minister candidate;
- Deciding on other appointments as specified in the Constitutional Framework;
- Considering and endorsing proposed international agreements;
- Deciding on motions of no-confidence in the Government;
- Instructing the Government to prepare draft laws; and
- Adopting the Rules of Procedure of the Assembly and its committees, etc.

4.3 Internal Organisation

The Assembly is comprised of the following bodies:

- The President of the Assembly;
- The Presidency of the Assembly; and
- The Assembly Committees.

The President of the Assembly represents the Assembly, presides the meetings of the Assembly, calls its sessions to order, and performs other tasks prescribed by the rules of procedure of the Assembly. He signs laws adopted by the Assembly and sends them to the SRSG for promulgation and under extraordinary conditions, acts as the President of Kosovo. A member of the Presidency from the party or coalition having obtained the highest number of votes in the elections for the Assembly shall be the President of the Assembly. He is appointed through an additional formal vote.

The Presidency of the Assembly consists of seven Assembly members, who are selected as follows: two members are appointed by the party or coalition that obtained the highest number of votes in the Assembly elections; two members are appointed by the party or coalition that obtained the second highest number of votes in the Assembly elections; and one member is appointed by the party or coalition that obtained the third highest number of votes in the Assembly elections. One member is appointed from among the members of the Assembly belonging to those parties that represent the Kosovo Serb community and one member is appointed from among the members of the Assembly that belong to parties that have declared themselves as being representative of a non-Kosovo Albanian and non-Kosovo Serb community.

The Presidency of the Assembly has the following responsibilities:

- Making recommendations to the Assembly on all organisational matters of Assembly business, including the agenda;
- Maintaining appropriate external parliamentary contacts, in coordination with the SRSG;
- Acting on motions regarding draft legislation; and
- Endeavouring to adopt all decisions by consensus. When efforts to reach consensus fail, it shall decide by a majority vote of those present and voting, provided that at least five members are present. In the event of a tie vote, the President's vote shall decide the matter.

The Assembly established as specific working bodies Main and Functional Committees to review draft laws and make recommendations as appropriate.

The Main Committees are:

- the Budget Committee; and
- the Committee on Community Rights and Interests.

The Budget Committee has general competencies in budgetary and financial matters and is also responsible for ensuring that all proposed laws having budgetary implications are accompanied by a financial impact statement.

The Committee on Rights and Interests of Communities includes all ethnic communities whose representatives were elected to the Assembly. The Committee may issue recommendations regarding any draft law discussed in the Assembly.

The Assembly may establish Functional Committees as it deems necessary and appropriate to carry out its responsibilities.

At present the following functional committees are established:

- Finance and Economy Committee;
- Trade and Industry Committee;
- Committee of Education, Science and Technology;
- Committee of Culture, Youth and Sport;
- Committee of Health;
- Committee of Environment and Spatial Planning;
- Committee of Labour and Social Welfare;
- Committee of Transport and Communication;
- Committee of Public Services;
- Committee of Agriculture, Forestry and Rural Development;
- Committee of International Cooperation;
- Committee of Emergency Preparedness;
- Committee of Judiciary, Legislative and Constitutional Framework Issues;
- Committee on Petitions and Public Claims;
- Committee of Gender Equality;
- Committee on Kidnapped and Missing Persons;
- Media Committee; and
- Committee on Mandates and Immunity.

All members of the Assembly have equal access to all services of the Assembly, including: the Assembly building, professional services of the Assembly, computer equipment, internet and other electronic services, library, translation services, transport and so on. These services are managed by the Assembly secretariat.

Parliamentary parties are organised in the Assembly through their parliamentary groups. Each parliamentary group has its own chair. The Presidency of the Assembly calls in the heads of parliamentary groups when setting up the agenda of the Assembly sessions. The Presidency of the Assembly consults the heads of parliamentary groups on the issues related to the timetable at least once a month. During sessions the heads of parliamentary groups have the right to speak after the heads of the main and functional committees. At present, the Assembly of Kosovo has four parliamentary groups.

4.4 *Legal Status of Members of Parliament*

Members of the Assembly enjoy immunity and are not subject to civil and criminal proceedings with regard to words spoken or other acts performed in their capacity as members of the Assembly. Such immunity, however, does not cover acts that are clearly conducive to inter-community violence. There are no restrictions for business activity of members of Parliament, but they are obligated to act in a transparent way and inform Parliament of all other revenues.

4.5 *The Legislative Process*

The legislative procedure may be initiated by members of the Assembly and by the Government.

Any member of the Assembly may submit to the Secretariat of the Assembly proposals for instructions for the Government to prepare a new draft law. Any proposal of this kind should describe the suggested content of the draft law, the objectives that it is expected to achieve and the means by which that could take place. Besides this, it should also include a pre-calculation of the expenses related to this draft law proposed. Before deciding whether or not the Assembly should review such a proposal, the Presidency of the Assembly should ask for the Government's observations and should consider them before it reaches a decision. If the Assembly adopts the proposal in question, the Government should prepare the draft law accordingly.

When preparing annual reports, ministries are expected to forecast the needs for new legislation, and send these reports to the Prime Minister's Office. During regular sessions of the Government, the Permanent Secretary of the Prime Minister's Office can also initiate the establishment of a working group for the preparation and completion of a draft law. This working group is comprised of the Legal Section of the Prime Minister's Office, Legal Offices of Ministries that cover the draft law subject matter as well as experts from relevant fields. Experts from UNMIK's Legal Office also participate. The working group prepares the draft law and, together with an explanatory note, written in three languages, passes it to the Prime Minister's Permanent Secretary. This draft law, as prepared by the working group, is included in the agenda for regular government meetings, where the Government decides whether to send it to the Assembly.

In all of these instances, the draft law should be submitted to the members of the Assembly at least ten working days before the first reading. The endorsement of the draft law during the first reading represents the endorsement of the draft law in principle. If it is endorsed in principle, the draft law has to be reviewed by the Budget Committee, the Committee on Community Rights and Interests, as well as relevant Functional Committees.

Committees have to comply with the general provisions regarding committees, as foreseen in Rules 37/39 of the Provisional Rules of Procedure of the Assembly of Kosovo, when reviewing draft laws, but can also determine their own procedures. The review of a draft law should result in recommendations for the Assembly regarding:

- amendments that are considered as desirable; and
- the adequacy of recommending the adoption of the draft with these amendments upon the second reading.

In cases when more than one committee is involved in reviewing a draft law, each committee should inform the others regarding the conclusions they reach during such contemplation. Special emphasis should be put on all amendments proposed by the Budget Committee. Committees that review a draft law should report to the Assembly in writing, highlighting the text of each amendment in the draft law proposed. In addition, either the President of the Committee, or the committee designated to report, should be able to address the Assembly to explain and defend the written report.

The Assembly in the second reading considers the draft law with all amendments proposed by the committees and with other amendments proposed by the Government or individual or group of members of the Assembly. At the end of the second reading the Assembly votes on the proposed amendments and thereafter on the draft as a whole. The draft law is approved if it receives the majority of the votes of those present. The Assembly may decide to submit a draft law that failed to receive the necessary votes in the second reading for a third reading together with any further amendments.

Within 48 hours from the approval of a law by the Assembly, any member of the Assembly (supported by five additional members) may submit a motion to the Presidency claiming that the law or certain of its provisions violate vital interests of the community to which he belongs. In that case the Presidency seeks a consensus between the supporter of the motion and sponsors of the law. If the Presidency fails to produce such a consensual proposal within five days, a special panel, chaired by a representative of the SRSG, should be established. The panel should submit a proposal to the Assembly. The Assembly decides whether to accept the consensual proposal of the Presidency or the recommendation of the panel.

All the laws approved by the Assembly during the years 2001-2003 were sponsored by the Government.

During the past three years the Parliament has not approved any legislation using the urgency procedure.

The laws adopted by the Assembly are signed by the President of the Assembly within 48 hours and then sent to the SRSG for promulgation. The laws enter into force the day of their promulgation by the SRSG.

In each law drafting working group there is a representative of the Legal Office of the SRSG. The SRSG representative comments draft laws in such cases when it is ascertained that the law affects the authority of the reserved powers.

On several occasions before its final approval the SRSG has provided concrete proposals for amendment of draft laws and requested their revision by the Assembly. This has happened e.g. in the case the Law on Higher Education, the Law on Spatial Planning, the Law on Finance Management, etc.

In cases where the Assembly does not take these proposals into consideration, the SRSG holds the right to amend the law in line with his proposals before its final promulgation. The SRSG enjoys the right to intervene in each phase of the drafting of a law.

All laws of special importance are being revised by the Legal Office of the United Nations in New York.

5. The Central Executive

5.1 *Legal Bases of Executive Authority and Administration*

The Government establishes its work based on UNMIK Regulation 2001/9, the Constitutional Framework, and UNMIK Regulation 2001/19, on the Executive Branch of the Provisional Institutions of Self-Government in Kosovo. The latter was amended by UNMIK Regulation 2002/05.

5.2 *Composition and Powers of the Council of Ministers*

The Government consists of the Prime Minister and ten ministers. The Prime Minister is elected on the proposal of the President of Kosovo, following consultations with the parties represented in the Assembly. The proposed candidate has to present a list of proposed ministers to the Assembly. At least two ministers have to be from communities other than the community having a majority representation in the Assembly. At least one of these ministers has to be from the Kosovo Serb community. The Prime Minister is elected together with the ministers by a majority of all the members of the Assembly. The Prime Minister and ministers may be members of the Assembly, but there is no such compulsory requirement.

Upon the resignation of the Prime Minister, the entire Government has to resign. The Government shall continue in a caretaker capacity until the election of a new Prime Minister.

All members of the Government enjoy immunity with regard to words spoken or other acts performed in their capacity as members of the Government.

The meetings of the Government and its bodies are conducted in both the Albanian and Serbian languages. All official documents of the Government shall be printed in both Albanian and Serbian.

Government meetings are attended by the Prime Minister, ministers, the SRSG or his representatives, the Permanent Secretary of the Office of the Prime Minister; the Principal International Officer from the Prime Minister's Office, other permanent secretaries accordingly; the Government spokesperson; as well as representatives of the Office of the President of Kosovo.

The Government shall exercise executive authority and shall implement Assembly laws and other regulations within the scope of responsibilities of the PISG.

5.3 *Division of Executive Power*

The Prime Minister calls and chairs meetings of the Government and proposes the agenda for these meetings. He represents the Government and defines the general lines of policy of the Government. Each minister is responsible for implementing the policy of the Government within his area of responsibility. The Government endeavours to reach its decisions by consensus. If a vote is necessary, decisions shall be taken by a majority of the Ministers present and voting. The Prime Minister shall cast the deciding vote in the event ministers are divided equally.

The Prime Minister heads the Office of the Prime Minister (PMO) which has the status of a ministry.

The Permanent Secretaries in the PMO and in the Ministries are responsible for the overall administration and management as well as for ensuring the implementation of the functions that are entrusted to the respective institutions. The Permanent Secretaries of ministries and the chief executive officers of Executives Agencies are appointed by the Senior Public Appointments Committee. They are appointed for three years; their appointment may be renewed. They report directly to the Prime Minister, and/or their respective minister.

5.4 The Office of the Government

Structure and functions of the PMO are set out in Annex I of Regulation 2001/19.

Presently, the following units exist within the PMO:

- Political Cabinet of the Prime Minister;
- Permanent Secretariat;
- Office of Legal Services Support (OLSS);
- Office of Public Information;
- SAp Tracking Mechanism Unit;
- Advisory Units:
 - Advisory Office on Good Governance, Human Rights, Equal Opportunities and Gender Equality; and
 - Advisory Office for Communities.

Political Cabinet of the Prime Minister: The Office includes five Political Advisors. The PISG Stability Pact Office is attached to the Prime Minister's Cabinet and is headed by one of the advisors. Its main activity is facilitating the participation of Kosovo businesses in regional initiatives.

Permanent Secretariat: The Secretariat includes six Policy Advisors and two support staff. They provide logistical support for the meetings of the Government and of the Permanent Secretaries, and are involved in efforts to monitor the activities of ministries.

Legal Services (OLSS): There is a Head of Service, and the staff of the unit recently increased from three to 11. The Office provides legal guidance, advisory services and expertise to the Government. The OLSS reviews all draft legislation to be submitted by the Government to the Assembly, to ensure consistency with the applicable law.

Office of Public Information: Informs the media about the work and decisions of the Government through press conferences and issuing press releases.

Stabilisation and Association process (SAp) Tracking Mechanism (STM) Unit: This unit was established to manage the STM, which is the EU process for Kosovo that parallels the SAp in the rest of the region.

Advisory units: The Office of the Prime Minister includes a number of units that handle specific policy issues. These include an Advisory Office on Good Governance (anti-corruption, transparency), Human Rights, Equal Opportunity and Gender Equality, and an Advisory Office for Communities. The units carry out a combination of policy development, consultation and coordination. Some are assigned to policy areas that are presently part of the reserved powers, but where the Government sees a need to have some involvement without having a ministry.

The Prime Minister's Office consists of 88 civil servants and 5 political advisers.

The Prime Minister chairs the Senior Public Appointments Committee. It has the following members: the Minister of Public Services, the minister under whom the candidate for appointment would serve, the two

ministers from non-Kosovo Albanian communities, three eminent inhabitants of Kosovo to be appointed by the SRSG and three international members to be appointed by the SRSG. This Committee appoints:

- The Permanent Secretaries of the ministries;
- The Chief Executive Officers of the executives agencies; and
- And to other senior positions as may be decided by the SRSG.

5.5 *Line Ministries*

The following Ministries have been established pursuant to UNMIK Regulation 2001/19 on the Executive Branch of the PISG:

- Ministry of Finance and Economy (MFE)
- Ministry of Trade and Industry
- Ministry of Education, Science and Technology
- Ministry of Culture, Youth and Sports
- Ministry of Health
- Ministry of Environment and Spatial Planning
- Ministry of Labour and Social Welfare
- Ministry of Transport and Communications
- Ministry of Public Services
- Ministry of Agriculture, Forestry and Rural Development

The annexes to UNMIK Regulation 2001/19 (amended by UNMIK Regulation 2002/5) enumerate tasks and define remits of all ministries. There is a roughly similar structure of the ministries at the level of departments, divisions, sectors, units and special offices. Furthermore, each ministry has its Permanent Secretary. Each ministry has within its structure the Office of Legal Assistance, the Office of Public Relations, the Office of Human Resources etc. Each minister has the right to appoint five political advisors.

5.6 *Central Non-Ministerial Bodies*

In addition to ministries there are a number of central bodies which play an important role in central government management. They are responsible for carrying out specific tasks in a given field of activity.

In line with UNMIK Regulation 2001/19 section 3, several Executive Agencies have been established, including the Kosovo Statistical Office, and the Kosovo Cadastral Agency and the Kosovo Drug Regulatory Authority. Such agencies are established by law and operate within the Ministry to which they are attached and under the authority of the Minister concerned. The budgets of such agencies are provided by the ministry to which they are attached.

Besides Executive Agencies a number of Independent Bodies and Offices have been established in line with the Constitutional Framework, Chapter 11. These bodies and offices carry out their functions independently of the PISG and report directly to the SRSG. The powers, obligations, and composition of such bodies have to be specified in the legal instrument by which they are established. The tasks of these independent bodies are in general not within the remit of the executive, e.g. Kosovo Judicial and Prosecutorial Council or the Office of the Auditor-General; however there are some offices which to a certain degree, carry out administrative tasks, e.g. the Banking and Payments Authority or the Housing and Property directorate and the Housing and Property Claims Commission.

5.7 *Inter-ministerial Coordination*

Inter-ministerial coordination is not assigned to a specific unit. General coordination is achieved through a weekly meeting of all permanent secretaries which is chaired by the Permanent Secretary of the PMO. Main

purpose of these meetings is to update and monitor the government agenda in view of the government programme and to discuss current policy issues.

Other instruments for inter-ministerial coordination are the SAP tracking mechanism and the Standards before Status monitoring process. Both the processes call for close coordination between ministries to achieve progress and have put the respective unit in the PMO in a lead role for inter-ministerial coordination.

5.8 Governmental Preparatory Legislative Process

Most initiatives for developing a new draft law derive from ministries either based on the Government programme/government obligations or a request of the Prime Minister and /or the Council of Ministers.

When a legislative initiative derives from a ministry, that ministry has to present the proposal — with an explanatory note — to the Office of Legal Support Services (OLSS) in the PMO. In addition, the ministry is required to also submit the cover letter to the Ministry of Finance and Economy, the Ministry of Public Services, UNMIK, the PM's Legal Advisor, and the political cabinet of the PM.

The summary of the explanatory note is — for coordination and information purposes — sent to all ministries, the President of the Assembly as well as the SRSG; at the same time the drafting time table of the envisaged law — as decided by the PM in coordination with the lead ministry — is communicated.

Following this decision a working group is established, which includes legal experts from relevant ministries, the OLSS, representatives from UNMIK's Legal Office, as well as external experts. One of the legal experts of the ministries chairs the working group. Parallel to this, efforts are made to ensure the capacity required for drafting the law; this includes the request of external support, as appropriate (USAID, EAR, etc). In such working groups are also included professional and business association such as the Chamber of Commerce, the Institute of Economy, the university, trade unions, etc.

When the drafting process is completed, the OLSS and the chairman of the working group provide an assessment for the Prime Minister and ministers involved, stating: (a) whether the draft is sufficiently compliant with the principles delineated in the cover letter, EU standards, principles for the protection of community interests, the Constitutional Framework; as well as (b) the administrative consequences for the Central and Local Governments.

The Prime Minister and ministers are supposed to provide comments and recommendations for the government meeting in which the draft is being discussed. After discussion and approval of the law by the Government, the Permanent Secretary of the PMO sends the draft law with a cover letter and/or an explanatory memorandum to the Secretary of the Assembly.

The rules of procedure of the Assembly provide for a special (accelerated) procedure changing and amending laws; to apply this procedure the approval of the President of the Assembly is necessary.

5.9 Executive Budgeting Process

The Kosovo Consolidated Budget is an annual financial programme of the Government. This area is regulated by the Law on Finance Management and Responsibilities No. 2003/17 (promulgated by the SRSG in May 2003).

The Budget is created from revenues collected from taxes, customs and other financial duties, as well as other income generated from property. It includes all expenses of budgetary agencies.

A budgetary year is the same as a calendar year.

Upon the preparation of a draft budget, the following is taken into account: requests for economic development; macro-economic analyses; the needs of the public administration to function; as well as policies and regulations that emerge from the Government and the Ministry of Finance and Economy.

The Ministry of Finance and Economy has to submit overall expenditures thresholds by 1 April of each year to the SRSG, who should give his approval not later than 20 April. On 15 April of each year the Ministry of Finance and Economy has to submit to the financial directors of all budgetary organisations a budget digest,

which provides information and instructions on methodology and matrixes that will be used by the budgetary organisations throughout the preparation process of the draft budgets and their requests for acquisitions for the coming fiscal year.

Budgetary organisations have to complete and submit draft budgets and their requests for acquisitions to the Ministry of Finance and Economy on June of the current year. The financial director of each budgetary organisation is responsible for (a) the preparation of the draft budget and requests for acquisitions of the relevant budgetary organisation according to the information and instructions put forward in the budget digest; and (b) submitting the draft budget and requests for acquisitions to the Ministry of Finance and Economy, within the timeframe specified by the budget digest.

Following the expiration of the deadline specified by the budget digest, the Ministry of Finance and Economy reviews all draft budgets and requests for acquisitions submitted by the budgetary organisations, and prepares and hands out to all heads of the budgetary organisations a budget proposal for their respective budgetary organisation.

Following preparation and distribution of the proposed budget allocations and consequent consultations with the heads of the budgetary organisations to address their concerns regarding the proposed budget allocations, the Ministry of Finance and Economy prepares the final draft of the of the Kosovo consolidated budget (KCB) for the coming fiscal year.

The Minister of Finance and Economy submits this draft to the SRSG and the Economic and Fiscal Council (EFC) at least twenty-one (21) days before the first EFC meeting at which the draft budget will be discussed and reviewed. At the same time, the Minister of Finance and Economy informs the heads of the budgetary organisations about the respective budget allocations in the final draft of the KCB.

The Government — after review by the EFC — submits to the Assembly the draft of the Annual Kosovo Consolidated Budget, the annual law of the proposed acquisitions and the annual law on regulation of acquisitions (profits) of the determined units, approved by the Ministry of Finance and Economy. The Government shall submit above documents before 30 October of the year before the year in which relevant documents will become effective. The SRSG has the final power to approve the Kosovo Consolidated Budget, according to the guidelines of the Economic and Fiscal Council. All acquisitions for the fiscal year shall expire at the midnight of 31 December.

5.10 *Advisory and Consultative Arrangements*

International presence in Kosovo has provided, among other things, expertise in relation to direct management in certain fields, as well as technical and professional assistance for self-government institutions in Kosovo. This process included the European Union, EAR, USAID, as well as a multitude of other donors and professional international organisations, etc.

The international community assists directly in the drafting of laws and other legal acts.

Each ministry has international experts who are involved in drafting legislation and more often than not in day to day management.

6. *Executive Linkages*

6.1 *The Executive and the Presidency*

The President does not play an important role in the executive branch, except for his right to propose the candidate for Prime Minister. The President's representatives take part regularly in the permanent secretaries' weekly meetings. There is no other apparent formal or informal communication between the government institutions and the President of Kosovo.

6.2 *The Executive and Parliament*

Each ministry has appointed an official to liaise and cooperate with the institutions of self-government and the Parliament as a standard means of communication. The Government is obliged to report to the Assembly in written form as well as to participate in sessions of interpellation, upon the Assembly members' request.

When a decision is made to commence with drafting a new law, the President of the Assembly is informed of the decision. When the draft law is approved by the government, the Government's Permanent Secretary sends the draft law, together with the cover letter, to the Secretary of the Assembly to start the procedure for its adoption in the Assembly.

If the Assembly initiates the drafting of new legislation, the Secretary of the Assembly submits a request to the PMO to ensure that a respective law will be drafted and subsequently be submitted to the Assembly. The Prime Minister may task the respective ministry or the OLSS with drafting the requested legislation.

6.3 *The Executive and Political Parties*

The registration, operation and dissolution of political parties in Kosovo are regulated in UNMIK Regulation 2000/16 and UNMIK Regulation 2001/16. These Regulations define a political party as an organisation of individuals who voluntarily associate on the basis of a common idea, interest or view, with the objective to obtain political influence and to have their representatives elected to governing bodies.

Parties can apply for registration at the Department for Democratic Governance and Civil Society in order to operate as legal entities in Kosovo. An application for registration shall include a supporter's registration form. The number of registered supporters for a valid application must not be less than 500. The Department shall issue a written decision accepting or denying registration within two months. Any decision denying the registration of a political party shall be automatically reviewed by a Review Committee (three members appointed by the SRSG). UNMIK Regulation 2000/16 enumerates grounds on which the registration of a political party may be denied.

The assembly of members shall have ultimate responsibility for the political programme, the policies and financial affairs of the political party. All decisions shall be taken through democratic procedures. A political party shall elect from its members an executive body including a chairman and other officers. The political party shall clearly indicate who is authorised to sign on behalf of the political party in financial matters and who is responsible for activities and statements on behalf of the political party.

Income of political parties may include donations of cash, membership fees, subventions, gifts, grants, bequests, real or personal property and income generated from any lawful activities undertaken by the political party with its property and resources. Registered political parties should prepare and submit to the Department annual financial reports containing all contributions that exceed the equivalent of 3 000 DM in total from any single source during the year.

Registered political parties must not be involved in any commercial activity for whatever purpose and must not distribute whatever income or assets as such to any individual. Assets and revenues of a political party should be used to support not-for-profit political purposes of the political party and must not be used to ensure benefits, directly or indirectly to any member of the political party, its executive bodies or donator of the political party.

In the fiscal year 2003 political parties have benefited from financial support through the KCB on behalf of a Project on Democratisation. The allocation has been done based on the number of seats of the political parties in the Assembly.

6.4 *Executive and Civil Society*

The Government has ensured some participation of the civil society in decision-making process, e. g. appointments to senior managerial posts presence in the Senior Public Appointments Committee), preparation and drafting of legislation (presence in working groups).. There are also several joint projects that the Government has implemented together with various non-governmental organisations.

The NGOs have, however, played a major role in organising round tables and public debates where members of the Government are invited to participate.

6.5 *The Executive and the Media*

The Temporary Media Commissioner is responsible for the development and enhancement of independent and professional media and for the implementation of a temporary system for all media in Kosovo until an

Independent Media Commission is established. The Temporary Media Commissioner is appointed by the SRSG.

The Government informs the mass media on its activities, mostly through press conferences, press statements or interviews. The Prime Minister's Office and every ministry have organised information and public relations offices, which inform citizens on important news and activities.

Work on the Government's web site is underway, whereas some ministries, individually, already have web sites.

7. Deconcentration and Decentralisation

7.1 Deconcentrated Administration

Kosovo has two levels of government: central government and municipal governments. Nonetheless, there are some regional bodies that are administered directly by the Government, namely the respective ministry. The Ministry of Finance and Economy has five regional tax administration offices and five treasury departments in the largest regional centres of Kosovo. The Ministry of Labour and Social Welfare also has established its offices in these regions.

7.2 Regional Self-government

There is no regional self-government in Kosovo.

7.3 Local Self-government

The proceedings of municipal governments are regulated by UNMIK Regulation 2000/45 on Municipal Self-Government in Kosovo.

The basic territorial unit for local self-government is the municipality, which exercises all the power that is not expressly reserved for the central government. Municipalities consist of villages, settlements and urban quarters.

Municipalities regulate and administer public issues in their territory, within the limits fixed by law, to ensure conditions for a normal and peaceful life for all inhabitants of Kosovo.

The responsibilities and duties of municipalities:

- Providing basic conditions for sustainable local economic development;
- Urban and rural planning and land use;
- Licensing of building and other development;
- Local environmental protection;
- The implementation of building regulations and building control standards;
- Service provision in relation to local public utilities and infrastructure including water supply, sewers and drains, sewage treatment, waste management, local roads, local transport, and local heating schemes;
- Public services including fire and emergency services;
- Management of municipal property;
- Pre-primary, primary and secondary education;
- Primary health care;
- Social services and housing;
- Consumer protection and public health;

- Licensing of services and facilities, including entertainment, food, markets, street vendors, local public transport and taxis, hunting and fishing and restaurants and hotels;
- Airs and markets;
- Naming and renaming of roads, streets and other public places;
- The provision and maintenance of public parks and open spaces and cemeteries; and
- Such other activities as are necessary for the proper administration of the municipality and which are not assigned elsewhere by law.

Elections for local government are determined by UNMIK Regulation 2000/39 and UNMIK Regulation 2002/11 on Municipal Elections in Kosovo. Two municipal elections were held in Kosovo. In the first, the mandate of municipal assembly members was two years and in the second, the term was four years. The certification of the final election results is in the responsibility of the SRSG. Each municipality is considered a single, multi-member electoral district. Members of the municipal assembly are elected based on the system of proportional representation. Certified political entities (i.e. political parties, coalitions, etc.) are included on the ballot of the municipalities in which they wish to contest, provided they satisfy the requirements established by the Central Election Commission. All candidate lists of certified political entities have to have, at least 33 per cent female candidates with at least one candidate of each gender included in each group of three candidates counting from the first candidate on the list.

Kosovo has 30 municipalities; the number of elected officials and staff differs depending on the number of inhabitants.

The highest representative body of the municipality is the Municipal Assembly which is directly elected. The powers and duties of the municipality shall be exercised and performed solely by the Municipal Assembly and its organs. All members of the Municipal Assembly have equal rights and opportunities to participate fully in Assembly proceedings.

The functions and duties of the Municipal Assembly are:

- Adopting a Statute and amending it when it considers it necessary to do so. The decision to adopt or amend the Statute must be approved by more than two-thirds of the members present and voting at the meeting at which the proposal is considered. The Municipal Assembly adopts the Rules of Procedure and may amend them when it considers it necessary to do so.
- Other duties of the Assembly are as follows:
 - The approval of the budget;
 - The approval of other financial matters that are reserved to the Assembly by the Statute or the Rules of Procedure;
 - The compensation to be paid to elected members;
 - The annual report;
 - The adoption, amendment or repeal of local municipal regulations;
 - The establishment of the committees required by UNMIK Regulation 2000/45;
 - The election of the President and Deputy Presidents of the Municipality;
 - The appointment of the Chief Executive Officer;
 - The appointment of the Board of Directors;
 - The level of fees and charges;
 - The creation and use, in accordance with Central Authority Regulations, of municipal symbols, decorations and honorary titles; and
 - The naming and renaming of roads, streets and other public places.

The Municipal Assembly elects the President of the municipality who shall call and chair the sessions of the Municipal Assembly. The Municipal Assembly shall hold at least ten sessions in the municipal year. Most of the members of the Municipal Assembly should be present for the session to be successful, whereas decisions are made with a majority vote and with open votes.

The Municipal Assembly appoints a Policy and Finance Committee, a Communities Committee and a Mediation Committee. The Municipal Assembly may also appoint other committees and decide on their competency and activities.

The Committees appointed may co-opt members who are not members of the Municipal Assembly. The membership of each committee shall reflect as closely as possible the proportion of seats held by political parties and coalitions in the Municipal Assembly.

The Municipal Assembly elects the President from among its members, for a mandate of four years. The President may not serve more than two mandates. The President of the Municipal Assembly is elected by secret ballot and is responsible for:

- The general supervision of the municipality's financial administration and execution of decisions reached in the Assembly; and
- Carrying out other duties as determined by the statute and rules of procedure.

The Municipal Assembly, on the proposal of the President, appoints a Chief Executive Officer. The Chief Executive Officer's duties are to:

- Act as secretary to the Municipal Assembly;
- Be the chairperson of the Board of Directors;
- Be responsible for the efficient management of the financial affairs of the municipality and the maintenance and implementation of effective financial procedures and controls, in accordance with the requirements of the Central Authority;
- Carry out all responsibilities assigned to him or her by the statute and the rules of procedure;
- Carry out all responsibilities assigned to him or her by the President or the Municipal Assembly.

The Chief Executive Officer is the chief of staff.

The Municipal Assembly appoints the Board of Directors, which includes the heads of the municipal departments and the Head of the Community Office. The statute specifies the number of Directors, the duties and responsibilities of each director, the qualifications required for appointment and the appointment procedures.

The duties of the Board of Directors are:

- To assist the Municipal Assembly and its committees by providing all necessary information and reports for the decision-making process;
- To assist the President and the Chief Executive Officer;
- To implement all decisions of the municipality.

The administrative structure of municipalities includes the following Directorates:

- Directorate of Budget and Finance
- Directorate of Economy and Finance
- Directorate of General Administration
- Directorate of Property, Cadastre and Geodesy
- Directorate of Culture, Youth and Sports

- Directorate of Education and Science
- Directorate of Health
- Directorate of Urbanism and Construction
- Directorate of Inspection
- Directorate of Rural Development
- Directorate of Public Services
- Directorate of Civil Protection and Emergency Preparedness
- Community Office

The municipality's budget has to be balanced, prepared in a transparent manner and based on objective criteria. The budget has to contain a plan for activities and economic management during the fiscal year, and has to include all revenue estimates, capital expenditure and current expenditure of the municipality. It has also to allocate the funds available to meet the expenditure requirements of the municipality.

Financial transfers are made to the municipality by the Central Authority based on objective criteria, including an assessment of the financial needs and resources of each municipality and the spending priorities established by the Central Authority. The municipality is notified of the amount of the financial transfers for the forthcoming fiscal year in accordance with procedures established by the Central Authority.

A municipality can raise revenue, in accordance with the laws and instructions of the Central Authority regulating each of these matters, by:

- Licenses and fees assessed and levied by the municipality;
- Income from municipal assets;
- Fines or a proportion of fines;
- Property tax.

The SRSG may set aside any decision of a municipality, which he considers to be in conflict with United Nations Security Council Resolution 1244 or the applicable law or which does not take sufficiently into account the rights and interests of the communities which are not in the majority in the territory of the municipality. The SRSG can co-opt additional members to the Municipal Assembly if he considers it necessary to do so in order to ensure representation of all communities. The SRSG can, exceptionally, remove a member of a Municipal Assembly from office who seriously misconducts himself in the exercise of his duties as a member.

The SRSG may dissolve the Assembly and call for new elections to take place.

8. Personnel Management in Public Administration

8.1 *Legal Bases and Principles of Public Employment*

The main legal basis that regulates public employment is UNMIK Regulation 2001/36 on Civil Service in Kosovo. The Regulation contains mainly definitions and governing principles. In addition it establishes an oversight board and a Senior Public Appointments Committee and defines in some detail their remit and procedures. Finally the law includes a short code of conduct. The law was supplemented with the UNMIK Administrative Direction No.2003/2 of 25 January 2003, which offers some detail on recruitment, career development, personnel records and conditions of employment as well as on disciplinary measures.

Among the most important principles in Civil Service are: professionalism, independence, political impartiality, integrity, transparency, and gender equality. The legislation provides the legal grounds for equal employment opportunities, open competition and recruitment based on merit and career development

The Civil Service UNMIK Regulation applies to all staff employed by a public authority and paid out of the KCB. The staff in the PISG is divided in only staff categories: "civil servant" and "political servant". The

UNMIK Regulation excludes members of the board, exempted appointees and members of the Kosovo protection corps. Exempted appointees are directly appointed advisors to politicians, and international and other personnel appointed and assigned to a ministry by the SRSG to enhance the effectiveness of the executive branch. Personnel working in public, state and socially owned enterprises are not covered by the law (UNMIK/REG 2001/36; section 1).

The number of Kosovar civil servants is approximately 64 000 (excluding police but including health and education).

The international staff in the Kosovo civil administration at the end of 2003 was about 1 000. They consisted of roughly 400 professionals, 400 support staff and 200 UN volunteers. In addition, there were a significant number of consultants.

8.2 Personnel Management

The Department of Public Administration in the Ministry of Public Services is the central body responsible for personnel policy and personnel development. A major task of the ministry is to develop a policy to ensure the creation of a multi-ethnic, impartial, professional and accountable civil service in Kosovo and to oversee its implementation. In addition, it has to monitor that personnel management in the various bodies of the PISG is following the same principle, laid down in the UNMIK regulation and the Administrative Directions. The monitoring task of the ministry is complemented by the supervision through the Civil Service Committee, which is an independent body and includes representatives of various institutions

Personnel management is decentralised and in the responsibility of each administrative body. Only exception is the appointment of senior officials in the Civil Service, which is carried out by the Senior Appointments Committee.

All other recruitment of civil servants is carried out by the departments for human resources in every public and governmental institution individually.

Recruitment is open to all citizens of Kosovo, aged between 18 and 65 years, except those who were sentenced to imprisonment for a period longer than six months.

Vacancies in the civil service have to be advertised by the employment body in the media in Albanian, Serbian and English. A multi-ethnic selection committee, balanced in the gender aspect, consisting of at least three (3) members of a higher post than that advertised, checks all applications and interviews candidates that were short-listed for employment or promotion. After the selection process, the committee submits the list with the names of the most successful candidates to the appointing body. The appointments are made by the appointing body in accordance with the committee's recommendations and are enacted with written contracts, which should make reference to UNMIK Regulation 2001/23.

The Ministry of Public services, according to UNMIK Regulation No. 2001/9 annex 9, point 2, has the overall responsibility for staff development and in particular training policy with the objective to improve the administrative capacity of the PISG. The Kosovo Institute of Public Administration has been established, but is not yet fully functioning; its responsibility is to carry out centralised training for the staff of the PISG.

Most of the spending agencies funded by the Kosovo Consolidated Budget have also own budget lines for staff training. In addition, there are and have been numerous donations from abroad for training in specific vocational fields.

9. Administrative Oversight and Control

9.1 Internal Oversight and Control

Public expenditure management is regulated by the law on Public Financial Management and Accountability, which replaced UNMIK Regulation 1999/16 on the Establishment of the Central Fiscal Authority and Other Related Matters. The requirement for Internal Audit is established in Section 8.

An Internal Audit Charter (adopted by the Minister of Finance) sets out the requirements for the PISG Audit Committee (AC) and the Internal Audit Department (IAD); it prescribes the establishment of the Internal Audit

Coordination Unit in the Ministry of Finance and Economy and gives the broad framework in which these units should operate.

The Charter specifies the following as mandatory requirements for ministries; other governmental agencies; and municipalities (institutions):

- The Ministry of Finance and Economy must establish an Internal Audit Coordination Unit (IACU) to coordinate and set the standards for the Internal Audit in Kosovo.
- Each major institution must have an Audit Committee (AC), which produces an annual report for the senior management.
- The AC of each institution, advised where appropriate by its Internal Audit Department (IAD), must ensure that satisfactory arrangements are in place to promote economy, efficiency and effectiveness.
- Each major institution must have arrangements for an effective IAD, which reports at least annually through the AC to the IACU, the Permanent Secretary or CEO and if required to the Minister or President of Municipal Assembly.
- The work of the IAD must cover the whole of the internal control system of the institution.
- The Director of the IAD must be directly responsible to the Permanent Secretary or CEO and have direct access to the institution's chairman of the AC, the Minister or President of Municipal Assembly
- Internal Auditors must also have unrestricted access to all records, assets, personnel and premises, and be authorised to obtain whatever information and explanations the Director of the IAD considers necessary.

The Ministry of Finance and Economy has adopted the Internal Audit Statute which includes the establishment of the Internal Audit Coordination Council. This Coordination Council consists of senior managers of the Ministry of Finance and Economy, representatives of the SRSG's office, UNMIK pillars II and IV and the representative of the Prime Minister's Office.

The Coordination Council has responsibilities for the:

- Definition of internal audit standards;
- Preparation and development of audit instructions ;
- Definition of the method for certifying internal audits,
- Fight against corruption;
- Risk assessment
- Planning and coordination of training programmes of internal audits;
- Identification of the necessary number of internal auditors;
- Qualification requirements for internal auditors;
- Coordination with external audit etc.

Internal financial control is carried out in each institution individually by the sector of financial control. The Ministry of Finance has elaborated guidelines which should ensure equal quality of financial control throughout the PISG.

9.2 External Audit and Control

UNMIK Regulation 2002/18 establishes — as a reserved power — the Office of the Auditor General in Kosovo. The Auditor General is appointed by the SRSG with a mandate, which is initially three years, and up to five years at most. The current Auditor General and his Deputy are internationals and were appointed in September 2003.

The Auditor General carries out his duties independently from the SRSG and the PISG. According to the Regulation, the Auditor General has complete autonomy in exercising his duties and powers and cannot be subjected to any direction.

The Audit Office consists of the Auditor General and Audit Office staff; it is funded partly by the Kosovo Consolidated Budget and to a large extent by other sources.

The Auditor General prepares the annual budget, in accordance with the parameters and conditions of the instructions provided by the SRSG, and submits the budget proposed for the Audit Office to the SRSG.

The Auditor General and authorised officials performing Auditor General functions have immunity in respect of words spoken and all acts performed by them in an official capacity.

The Auditor General conducts annually a regularity audit of the KCB, the Assembly, the Office of the President of Kosovo, each ministry and executive agency of the Executive Branch of the PISG,, as well as each municipality, the Banking and Payments Authority of Kosovo (BPK), and other entities that are either publicly owned or receive funding from, or provide dividends or other non-tax revenue to, the KCB, including the UNMIK Customs Service, the Kosovo Trust Agency, the Ombudsperson and all other entities under UNMIK authority that receive funding from the KCB. Other audits, such as performance audit, will be carried out as soon as the capacity of the Office will allow for it.

9.3 Public Redress

The old Yugoslav laws, the Law on General Administrative Procedure no. 46/1986 and the Law on Administrative Conflict no. 537/1976 are currently applicable in Kosovo.

The bodies of municipal administration and the PISG have to apply these laws when deciding on rights and duties, or legal interests of individuals, legal entities or third parties.

Municipal administrative bodies are deciding on administrative redress as the first instance, unless the law prescribes otherwise.

There is a right to appeal against a decision reached in the first instance. Besides the party, also the public prosecutor and the PISG may appeal against a first instance decision, if the decision is seen as a violation of the law, as unduly benefiting certain persons or a legal entity and/or as being detrimental to the interests of the PISG. This old legislation does not allow for an appeal against PISG decisions.

The Supreme Court of Kosovo is the highest instance for reviewing administrative disputes.

The Institution of the Ombudsperson was established by UNMIK Regulation 2000/38. The Institution of the Ombudsperson consists of the Ombudsperson and at least three deputy ombudspersons and a professional administrative staff.

The Ombudsperson is appointed by the SRSG for a two-year term. The appointment may be renewed for further terms of two years.

The Ombudsperson promotes and protects the rights and freedoms of individuals, physical entities and ensures that all the people in Kosovo are able to exercise effectively human rights and fundamental freedoms, as determined in the European Convention on Human Rights, its Protocols and the International Covenant on Civil and Political Rights.

The Ombudsperson has the authority to conduct investigations, either in response to a complaint made or on his/her own initiative. He4/she has the right to examine files and documents of the interim civil administration and of any central or local institution.

The Ombudsperson may at any time enter and inspect places where people are deprived of their liberty and may be present at meetings or hearings involving such persons. The Ombudsperson may also conduct private meetings with such persons.

The Ombudsperson may recommend to the competent authorities that disciplinary or criminal proceedings be initiated against any person.

10. Specific Topics

10.1 Public Procurement

The core regulatory document for public procurement in Kosovo is the Finance Administration Instruction No 2/1999 on public procurement. The FAI No 2/1999 was officially issued on 15 December 1999 and is in force for use by all Contracting Authorities throughout Kosovo.

This document is mainly based on World Bank and UNCITRAL procurement rules.

The legislation introduces the main procurement rules such as: the responsibility of the procuring entity to implement and manage procurements for goods, works and services; the role of approving and authorising officers for signature of procurement contracts; transparency, efficiency, conflict of interest. Procurement methods stipulated by the document are: competitive shopping, competitive tendering, restricted tendering, two stage competitive tendering, public procurement methods for consultancy services, direct single source method and emergency procurement.

Thus Kosovo has a decentralised procurement system with some centralised features — the CPE approves the final results of procedures before signing a contract due to fact of putting a mechanism control upon implementation of procurement process by Contracting Authorities.

The Contracting Authorities conduct the procurement procedures autonomously without external interference, but each procurement contract must be approved and signed by approving officers of the Central Procurement Entity within the Ministry of Public Services.

The main institutions dealing with public procurements matters on governmental level are: the Public Procurement Regulatory Body (PPRB) and the Central Procurement Entity (CPE).

The Public Procurement Regulatory Body is the highest body with responsibility for overall development and operation of the public procurement system in Kosovo and ensuring that such system operates in a manner that achieves a highly rational, efficient and transparent use of public funds and public resources. The PPRB operates within Ministry of Finance and Economy — Government of Kosovo. It is also responsible for reviewing complaints from potential suppliers.

The Central Procurement Entity is the highest executive body with responsibility for approving and signing procurement contracts as is foreseen in Article 6 of the Finance Administration Instruction No 2/1999 on Public Procurement (financial thresholds), including the responsibility for maintaining of public procurement register, conducting seminars on public procurement, etc. The CPE operates within the Ministry of Public Services — Government of Kosovo.

In the Finance Administration Instruction No 2/1999 on Public Procurement, Article 8 foresees an obligation for publication of procurement notices, by which all Contracting Authorities should publish procurement opportunities in the Public Procurement Bulletin. The Public Procurement Bulletin for has not been functioning for approximately three years due to lack of human resources at PPRB. Even though Bulletin does not exist, the Contracting Authorities are encouraged to advertise their procurement opportunities in electronic and printing media of Kosovo and in the South-Eastern Europe Business Network; in Development Business; Commerce Business Daily and international newspapers and magazines.

The Public Procurement Regulatory Body on 21 February 2001 has issued official bidding documents for procurement of goods and works. The bidding documents for procurement of services are not officially issued. These documents are mainly prepared by using World Bank standard model templates.

The Finance Administration Instruction No 2/1999 does not foresee any clauses for preferential treatment of national/regional products/companies. Foreign companies have the right to participate in Kosovo procurement opportunities and there is no restriction on it. The conditions for participation are the same and, since there is no discrimination element foreseen in the core legislative document or standard bidding documents, everyone is therefore free to participate in Kosovo Government opportunities.

In compliance with Article 32 of the Finance Administration Instruction No 2/1999 on Public Procurement, the PPRB is responsible for reviewing complaints lodged by unsatisfied bidders where the estimated procurement contract value is above 25 000 euros. The Contracting Authorities themselves must review the procurement contracts which fall below 25 000 euros. The procedure for reviewing complaints was, on receiving the complaint: studying the object of the complaint lodged by unsatisfied bidders; reviewing bidding documents of the contested procurement; taking the statements of the involved parties and finally preparing memorandum with final determination of the contested case. The memorandum provides, in bullet points, the process of reviewing a specific complaint.

The PPRB is mainly tasked to supervise the procurement activities of public institutions/contracting authorities throughout Kosovo. Due to lack of human resources at PPRB, the monitoring process was not fully implemented but the PPRB has succeeded in monitoring procurement proceedings at ministries, departments, municipalities and public enterprises.

In the monitoring reports, the PPRB has issued reports with mandatory recommendations and suggestions for improvements of their future procurement activities.

A new Public Procurement Law was promulgated by the SRSG and published on 9 February 2004 and will into force in June 2004.

10.2 Combating Fraud and Corruption

In May 2002 a declaration of the PISG was approved by the Parliament, binding itself to undertake a legislative campaign in order to advance transparency and accountability in governance. The Government is working on an anti-corruption strategy; fighting fraud and corruption is also an important issue in the "standards before status initiative".

The SRSG has the right to dismiss staff as well as elected representatives of the PISG for reasons of corruption and fraud.

10.3 Access to Public Information

On 6 November 2003 the SRSG — after having introduced some changes — promulgated the Law No. 2003/12 on Access to Official Documents, adopted by the Assembly of Kosovo on 16 October 2003.

The Law regulates the principles and procedures of access to public documents. The law states that all residents of Kosovo have a right of access to all documents of all institutions of the PISG, municipalities and independent bodies and offices established under the Constitutional Framework.

The Law enumerates situations when disclosure of public documents can be denied as it would undermine the protection of:

- (a) The public interest as regards:
 - (i) Public safety;
 - (ii) Civil protections;
 - (iii) International cooperation;
 - (iv) Financial or economic policy of the PISG;
- (b) Privacy and the integrity of the individual, in particular in accordance with the applicable legislation regarding the protection of personal data

The public institutions may refuse access to a document also where disclosure would undermine the protection of:

- (a) Commercial interests of a natural or legal person, including intellectual property;
- (b) Court proceedings and legal advice;
- (c) The purpose of inspections, investigations and audits;

- Unless there is an overriding public interest in disclosure.

Access to a document, drawn up for internal use, which relates to a matter where the decisions have not been taken, may be refused if disclosure would seriously undermine the institution's decision-making process, unless there is an overriding public interest in disclosure.

Special rules apply to disclosure of sensitive documents — relating to the protection of essential interests of the PISG. The Government has the obligation to draft a list of documents, treated as sensitive and to adopt a separate regulation on treatment of sensitive documents. Access to and classification of documents relating to reserved matters, including security, defence and military matters, external relations and monetary policy remains the responsibility of the SRSG and has to be regulated by UNMIK.

For the purpose of facilitating the access to its documents, each institution has to provide public access to a register of documents, preferably in electronic form. Where possible also the documents have to be made available in electronic form.

Institutions are obliged to make the documents available within 15 working days from obtaining the request for a document (additional 15 days in cases where a request relates to a very long document or a very large number of documents). The costs of copying can be charged from an applicant.

In case of partial or total refusal an applicant has a right to initiate a court proceeding against the institution and/or to file a complaint to the Ombudsperson. Failure to reply within the prescribed period is considered as a negative reply and entitles an applicant to institute the remedy measures.

10.4 Rights of Minorities

Relations between different ethnic groups in Kosovo remain fragile and sensitive, which is the result of the conflict situation that Kosovo has endured during the last decade.

This is the reason why the SRSG and the PISG have approved a series of regulations and undertaken many actions to improve the state and situation of communities.

Communities of inhabitants belonging to the same ethnic or religious or linguistic group (communities) have their rights set forth in order to preserve, protect and express their ethnic, cultural, religious, and linguistic identities. The PISG are guided in their policy and practice by the need to promote coexistence and support reconciliation between communities and to create appropriate conditions enabling communities to preserve, protect and develop their identities.

Communities and their members have the right to use their language and alphabets freely, including before the courts, agencies, and other public bodies; receive education in their own language; enjoy access to information in their own language; enjoy equal opportunity with respect to employment in public bodies at all levels and with respect to access to public services at all levels; enjoy unhindered contacts among themselves and with members of their respective communities within and outside of Kosovo; use and display community symbols, subject to the law; enjoy unhindered contacts with, and participate in, local, regional and international non-governmental organisations in accordance with the procedures of such organisations; establish and maintain their own media; preserve sites of religious, historical, or cultural importance to the community, in cooperation with relevant public authorities; receive and provide public health and social services; operate religious institutions; and be guaranteed access to, and representation in, public broadcast media.

The SRSG, based on his direct responsibilities under UNSC Resolution 1244 to protect and promote human rights and to support peace-building activities, has the authority to intervene as necessary in the exercise of self-government to ensure the rights of communities and their members.

10.5 E-Government

The Department of Information Technology within the Ministry for Public Services is responsible for the development and modernisation of the Information Technology. All the ministries have created a group for this purpose, which assists the staff in efficient usage of equipment and in maintaining the computer equipment, networks and databases. No unique system has been developed yet for the presentation of the

government's activities on the Internet, and the Government web site is still under construction. However, some ministries and municipalities have independently developed web sites and they continue maintaining their own internet pages.

The Government has promulgated a special instruction on e-government, enabling additional investments in equipment and staff. International staff provides technical and professional assistance in most of these departments/units.

11. Managing European Integration

11.1 *The Institutional Framework of EU-Related Policy-Making*

The European Union — its member States and the European Commission — is playing a prominent role in Kosovo.

Paralleling the SA process in the other parts of the CARDS region, in Kosovo the Stabilisation and Association process (SAp) Tracking Mechanism (STM) has been established, and an office. The STM has been established to ensure an institutional framework for EU-related issues. Regular meetings of EC representatives, UNMIK and PISG are held to discuss policies and implementation activities. The STM assists in laying out the roadmap and in monitoring the progress. The STM is a relatively new mechanism; it is currently organised as a unit within the PMO; it is however expected that it will become a separate unit. Focal points have been appointed in all government institutions to monitor the process in the institution and to follow up STM questions and comments.

11.2 *Managing the Approximation of Laws*

The Prime Minister's Office for Legislation oversees the compatibility of new or amended legislation with regulations and directives of the EU. There are local and international experts. A special committee (legal office) to coordinate and supervise the approximation of national legislation with EU law was established 2001 by the SRSG. The Government, too, has established an inter-ministerial body to discuss problems of legal harmonisation and propose appropriate steps to promote the approximation of laws.

11.3 *Implementing the Acquis Communautaire*

Implementation of the *acquis communautaire* is being monitored by the SAp Tracking Mechanism (STM) for Kosovo — a joint technical working group of UNMIK, the Provisional Institutions of Self-Government (PISG) and the European Commission.

12. Plans for Reform and Modernisation

The PISG has committed itself to development and modernisation. The international community, in fostering reform, has determined eight standards that have to be developed before the political status of Kosovo will be discussed and negotiated. The Government has approved these standards and aims to improve its capabilities to deal with the challenges of democracy, economic transition as well as the integration of communities. Action plans to implement the standards have been developed and — with foreign assistance — implementation is underway.

13. Key Statistics

13.1 Budgetary Data

The following data are taken from the 2003 budget (the figures are in euros):

Schedule 1						
Kosovo General Budget						
Table A: For Provisional Government Budget Organisations						
Ministries/Department	Expenditures on Goods and Services		Subsidies and Transfers	Capital Outlays	Reserve	Total
	Wages & Salaries	Goods and Services				
ASSEMBLY	1 161 238	1 793 023	1 853 000	1 900 000	0	6 707 261
OFFICE OF THE PRESIDENT	197 400	607 158	0	1 389 600	0	2 194 158
OFFICE OF THE PRIME MINISTER	357 410	1 194 218	0	448 372	0	2 000 000
MINISTRY OF FINANCE AND ECONOMY	929 257	1 803 626	119 374 503	333 000	2 000 000	124 440 386
MINISTRY OF PUBLIC SERVICES	2 921 024	10 023 976	0	6 855 000	0	22 718 483
MINISTRY OF PUBLIC SERVICES						
Kosovo Institute for Public Administration	56 826	343 174	0	0	0	400 000
MINISTRY OF AGRICULT, FORESTRY & RURAL DEVELOPMENT	985 116	896 884	0	418 000	0	2 300 000
Office of Public Forests and Forest Land	13 572	52 770	0	25 000	0	91 342
MINISTRY OF TRADE AND INDUSTRY	296 490	462 674	0	40 836	0	800 000
MINISTRY OF TRANSPORT AND COMMUNICATIONS	857 200	18 088 623	0	3 658 677	195 500	22 800 000
Road Infrastructure	180 000	15 560 000	0	3 015 000	195 500	18 950 500
MINISTRY OF HEALTH	12 239 910	26 207 090	1 000 000	4 953 000	0	44 400 000
Hospital Health Services	10 631 202	8 400 000	0	1 012 060	0	20 043 262
Other Health Services	1 124 742	16 439 490	1 000 000	1 269 300	0	19 833 532
Department of Administration	483 966	1 367 600	0	2 671 640	0	4 523 206
MINISTRY OF CULTURE, YOUTH AND SPORTS	1 132 740	1 017 260	4,050,000	0	0	6 200 000
MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY	6 977 646	7 122 200	2,000,000	2 500 154	0	18 600 000
MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY	680 056	1 271 000	2 000 000	548 154	0	4 499 210
Educational Administration						
MINISTRY OF LABOUR AND SOCIAL WELFARE	3 412 602	5 748 570	71 968 828	1 470 000	0	82 600 000
Social Welfare	2 213 502	2 379 570	71 968 828	1 145 000	0	77 706 900
Labour and Inspection Authority	189 906	273 000	0	80 000	0	542 906
Labour and Employment Affairs	844 812	2 776 700	0	180 000	0	3 801 512
MINISTRY OF LABOUR AND SOCIAL WELFARE	164 382	319 300	0	65 000	0	548 682
Central Administration						
MINISTRY OF ENVIRONMENT AND SPATIAL PLANING	659 428	945 572	0	1 395 000	0	3 000 000
Independent Taxation Review Board	18 833	151,167	0	30 000		200 000
ADVANCE TO THE MINISTER OF FINANCE AND ECONOMY					3 578 122	3 578 122
Total	34 414 822	81 258 389	200 246 331	28 845 246	5 773 622	350 538 410

Schedule 1							
Kosovo General Budget							
Table B: For Reserved Power Organisations							
UNMIK Directorate/ Organisational Unit	Programmes	Expenditures on Goods and Services		Subsidies and Transfers	Capital Outlays	Reserve	Total
		Wages & Salaries	Goods and Services				
	Customs/Tax Collections Offices						
Customs		2 081 142	5 578 858	0	2 380 000		10 040 000
Economic and Fiscal Council Secretariat	Economic and Fiscal Council Secretariat	13 046	386 085	0	44 000		443 131
Auditor General	Auditor General	57 380	187 973	0	116 500		361 853
Directorate of Administrative Affairs		769 287	2 208 196	0	2 722 517	0	5 700 000
Office of the KPC Coordinator		6 739 796	4 274 517	0	1 150 000	0	12 164 313
Police Services		19 946 213	13 215 787	0	4 738 000	2 000 000	39 900 000

UNMIK Directorate/ Organisational Unit	Programmes	Expenditures on Goods and Services		Subsidies and Transfers	Capital Outlays	Reserve	Total
		Wages & Salaries	Goods and Services				
Justice		5 468 315	5 539 185	0	1 642 500	20 000	12 670 000
Prison Services		3 349 004	3 450 996	0	1 000 000		7 800 000
Directorate of Rural Affairs		328 823	389 123	0	213 354	0	931 300
Kosovo Trust Agency		39 060	2 234 940	13 744 000	7 116 000	0	23 134 000

UNMIK Directorate/ Organisational Unit	Programmes	Expenditures on Goods and Services		Subsidies and Transfers	Capital Outlays	Reserve	Total
		Wages & Salaries	Goods and Services				
Public Utilities Regulatory Authority	Public Utilities Regulatory Commission						[1]
Mines and Minerals	Mines and Minerals						[1]
Radio and Television of Kosovo	Radio and Television of Kosovo			2 000 000			2 000 000
Independent Media Commission	Independent Media Commission						[1]
Banking and Payments of Kosovo	Banking and Payments of Kosovo			1 200 000			1 200 000
Ombudsperson	Kosovo Ombudsperson	130 200	249 800	0			380 00
Legal Experts on Legislative Matters	Legal Experts on Legislative Matters	3 125	35 000	0			38 125
Community Affairs Office		30 857	27 671	1 349 472	42 000	0	1450 000
Office of Gender Affairs	Office of Gender Affairs		50 000	0			50 000
Frequency Management Unit	Frequency Management Unit						[1]
Advance to the SRSG	Contingent Expenditures					7 500 000	7 500 000
Other Reserve [1]	Reserve					12 768 116	12 768 116
Total Reserved Budget		38 956 248	37 828 131	18 164 871	21 164 871	22 288 116	138 530 838

1/ Including partly expenditure coverage for Kosovo Judicial Institute. Provisional Election Management Body and Kosovo Police Service School due to gradual OSCE withdrawal, as well as expenditures for Minority Returns. Freedom of Movement Train and External Audit of the KCB. Provisions for Public Utilities Regulatory Authority of Kosovo. Mines and Minerals, Independent Media Commission and Frequency Management Unit.

13.2 Personnel Data

This overview is to a large extent based on the classification made in UNMIK Regulation 2002/23 on the Approval of the Kosovo Consolidated Budget, based on:

- Schedule 1/Table A (For Provisional Government Budget Organisations)
- Schedule 2/Table B (For Reserved Power Budget Organisations)

Provisional Government Budget Organisations

The PISG includes ten ministries, the Assembly administration and the Office of the President and the Office of the Prime Minister.

The data available (Annex 1) shows that out of 6 699 members of the KCB personnel employed by PISG structures on 31 March 2003, 91.2 per cent (6 111) are Kosovo Albanian, 6.0 per cent (399) are Kosovo Serbs and 2.8 per cent (189) are non-Serbian minorities.

	No. of Staff as of 31st March 2003	Proportional Dispersion of Staff as of 31st March 2003	
		Albanians	Non-Albanians
Assembly Administration	125	103	22
Office of the President	16	15	1
Office of the Prime minister	61	15	6
Ministry of Finance and Economy	563	544	19
Ministry of Public Services	2 263	2 018	245
Ministry of Agriculture, Forestry & Rural Development	382	343	39
Ministry of Trade and Industry	85	78	7
Ministry of Transport and Communication	262	247	15
Ministry of Health	108	99	9
Ministry of Culture, Youth and Sports	78	65	13
Ministry of Education, Science and Technology	1 427	1 339	88
Ministry of Labour and Social Welfare	1 169	1 054	115
Ministry of Environment and Spatial Planning	160	151	9
Total PISG	6 699	6 111	588

Reserved Power Budget Organisations

The data available (Annex 2) on reserved power budget organisations show that minorities are represented better in reserved structures than PISG. Out of 11 938 members of KCB staff employed within reserved structures on 31 March 2003, 88.7 per cent (10 594) are Kosovo Albanians, 6.6 per cent (738) are Kosovo Serbs and 4.7 per cent (561) are non-Serbs.

Reserved Power Structures			
	No. of Staff as of 31st March 2003	Proportional Dispersion of Staff as of 31st March 2003	
		<i>No. of Albanian Staff</i>	<i>No. of Non-Albanian Staff</i>
Customs	414	350	64
Independent tax review board	3	3	0
EFC Secretary	1	1	0
General Auditor	0	0	0
Direct. of admin.affairs	313	254	59
Office of KPC coordinator	3 107	3 004	103
Police	5 029	4 292	737
Justice	1 625	1 464	161
Prison. serv.	1 309	1 122	187
Directorate of rural affairs	72	56	16
KTM	9	9	0
Ombudsperson	51	39	12
Office for community affairs	5	0	5
Total PISG	11 938	10 594	1 344

Budget Organisations — Municipalities

The data available (Annex3) show that out of all municipal employees (municipal administration, health and education sectors), 85.7 per cent (31 814) are Kosovo Albanians, 11 per cent (4 101) are Kosovo Serbs and the rest 3.2 per cent (1 206) are non-Serbian minorities.

Municipal Administration			
<i>Municipality</i>	No. of Staff in the Municipal Administration as of 31st March 2003	Proportional Dispersion of Staff as of 31st March 2003	
		<i>No. of Albanian Staff</i>	<i>No. of Non-Albanian Staff</i>
Prizren	321	266	55
Dragash	105	75	30
Malishevw	121	120	1
Rahovec	164	129	35
Suharekw	175	173	2
Pejw	219	206	13
Deçan	96	94	2
Gjakovw	245	239	6
Istog	133	123	10
Klinw	122	118	4
Prishtinw	632	555	77
Obiliq	103	82	21
Podujevw	266	264	2
Fushw Kosovw	107	77	30
Lipjan	178	155	23
Gllgovc	146	146	0
Shtime	73	70	3
Mitrovicw	341	213	128
Leposaviç	124	4	120
Zveçan	55	5	50
Vushtrri	217	204	13
Skenderaj	191	185	6
Zubin Potok	79	5	74
Gjilan	274	230	44
Kamenicw	145	106	39
Novobwrđw	40	28	12
Ferizaj	250	231	19
Kaçanik	119	119	0
Shtwrpce	49	22	27
Viti	153	126	27
Total	5 243	4 370	873

14. Useful Internet links

UNMIK:www.unmikonline.org

OSCE:www.osce.org/kosovo

Ombudsman:www.ombudspersonkosovo.org

Statistical Office of Kosovo:www.sok-kosovo.org/