



EUROPEAN UNION

THE EUROPEAN COMMISSION LIAISON OFFICE
TO KOSOVO

PRESS RELEASE

European Commission proposes feasibility study for Kosovo

Pristina, 5 November 2008

Today, the European Commission adopted its annual strategy paper for the EU's enlargement policy. The European Commission proposes to conduct a feasibility study to evaluate how Kosovo can best take advantage of regional and European integration. The Commission also proposes to intensify the regular policy and technical dialogue between Kosovo and the Commission. In its progress report the Commission finds that some progress has been made in addressing key European Partnership priorities but key challenges remain.

In its report, the Commission analyses Kosovo's progress over the past year.

Overall stability has been maintained and Kosovo continued to actively cooperate with the wider international community, the European Union in general and the European Commission in the framework of the Stabilisation and Association Process Tracking Mechanism.

The new constitution is in line with European standards and a considerable amount of key legislation has been adopted. Kosovo continued to participate actively in regional cooperation initiatives in areas such as energy, transport and trade. The government finalised a Mid-Term Expenditure Framework covering the years up to 2011, which was the basis for the successful Donors' Conference. Some progress was made in the approximation with European standards, particularly in the areas of customs, free movement of goods, the environment and agriculture.

Key challenges remain. Parallel institutions prevent the government from exercising its authority throughout Kosovo. A lack of inter-ministerial coordination and interaction between the government and the assembly lead to weak policy making and implementation. Corruption and organised crime continue to be a very serious problem. The protection of minorities is ensured in theory, but more determined efforts are required to integrate the Kosovo Serb and other communities in practice. The judicial system remains weak and vulnerable and operates in a complex and uncertain legal environment.

Economic development continues to be fragile and is impeded by political uncertainties. It continues to be affected by insufficient rule of law, limited production capacity, a weak education system and poor infrastructure, especially for energy. Unemployment remains very high and economic governance is not always consistent. The budget is not used as an efficient instrument of fiscal policy, but as a tool to respond to ad-hoc spending pressures. The privatisation process has been delayed.

Kosovo has made some progress in approximating its legislation and policies with European standards notably in areas such as customs, agriculture and free movement of goods. However, little progress has been made on the effective implementation and enforcement of legislation. More efforts are needed in approximation and implementation of European standards, in particular in fighting organised crime, money laundering, drugs, taxation, energy and employment. Overall, the focus on status has significantly delayed sectoral reform efforts.

The European Commission expects the Kosovo authorities to use the findings to design and implement a coherent and consistent set of reforms to bring Kosovo closer to Europe

While Kosovo's European integration remains at an early stage, Kosovo shares the European perspective of the Western Balkans; also as a basis for sustainable development.

In the autumn of 2009, the Commission will present a feasibility study, evaluating means to further Kosovo's political and socio-economic development, and examining how Kosovo can best progress, as part of the region, towards further integration with the region and the EU.

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