



Security Council

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Report of the Secretary-General on the United Nations Interim Administration Mission in Kosovo

I. Introduction

1. The present report is submitted pursuant to Security Council resolution 1244 (1999) of 10 June 1999, by which the Council decided to establish the United Nations Interim Administration Mission in Kosovo (UNMIK) and requested the Secretary-General to report at regular intervals on the implementation of the mandate. It covers the activities of UNMIK and developments in Kosovo (Serbia and Montenegro), from 1 January to 30 April 2006.

II. Political assessment

2. The process designed to determine the future status of Kosovo has moved forward during the reporting period. To date, my Special Envoy for the future status process for Kosovo, Martti Ahtisaari, has focused on bringing representatives of Belgrade and Pristina together in direct talks to discuss practical issues. Four rounds of direct talks between the parties on the decentralization of Kosovo's governmental and administrative functions were held in Vienna on 20 and 21 February, 17 March, 3 April and 4 and 5 May. Talks between the sides on cultural heritage and religious sites were held on 23 May and a meeting on economic issues on 31 May. The direct talks held thus far have shown that there is some convergence on some specific points, but that in many areas the proposals of the parties remain far apart. In parallel, my Special Envoy has held continuing consultations on developments in the future status process with a range of interested Member States and regional organizations. My Special Representative, Søren Jessen-Petersen, and UNMIK continued to support my Special Envoy in his work, and they have worked closely together to ensure greater commitment and results from standards implementation through the future status process.

Political situation

3. During the reporting period, major changes occurred in the leadership of the Provisional Institutions of Self-Government of Kosovo. The changes proceeded in a democratic manner and according to the applicable law. The President of Kosovo, Ibrahim Rugova, died on 21 January. His funeral on 26 January was a major public event that took place without incident. The substantial police deployment for the



funeral involved officers from minority communities and was largely planned and implemented by the Kosovo Police Service (KPS). On 10 February, a new president, Fatmir Sejdiu, was elected by the Assembly of Kosovo, by 80 votes in favour out of 120. After the governing coalition parties, the Democratic League of Kosovo (LDK) and the Alliance for the Future of Kosovo (AAK), reached an agreement regarding changes in the leadership of the Provisional Institutions, the Prime Minister, Bajram Kosumi, announced his resignation on 1 March. The head of the Kosovo Protection Corps, Agim Çeku, was elected as his successor by the Assembly of Kosovo on 10 March by 65 votes to 33, with 5 abstentions. On the same day, the Assembly also replaced the President of the Assembly, Nexhat Daci, with Kolë Berisha, who was the Vice-President of LDK. The new leadership reaffirmed its aspiration for the independence of Kosovo as its preferred outcome of the political process to determine the future status of Kosovo. At the same time, it expressed its determination to accelerate the implementation of standards and to create a more constructive relationship with Kosovo Serbs; the Prime Minister, Agim Çeku, for example, delivered part of his acceptance speech in the Serbian language.

4. During March and April, the new leadership began to translate its intentions into action. An extensive and vigorous outreach campaign, led by President Sejdiu and Prime Minister Çeku, has started. They have visited municipalities and minority communities all over Kosovo. They have also called on Kosovo Serbs and other minority communities to consider Kosovo their home and to work together with the Provisional Institutions to address their concerns. The President of the Assembly, Kolë Berisha, has begun to create a culture of debate in the Assembly, which at recent meetings had seen all-day discussions on standards implementation, the future status talks and privatization. Unfortunately, the same period has also seen no change in Belgrade's position against Serb participation in the Provisional Institutions, and insistence that the issue be treated in the context of the future status negotiations.

Standards

5. A detailed technical assessment of standards implementation for the period from 1 January to 30 April 2006, prepared by my Special Representative, is contained in annex I to this report. Under the former Prime Minister, Bajram Kosumi, the Government reacted positively to the critique of the pace of standards implementation reflected in my last report to the Security Council (S/2006/45, paras. 7 and 8) by launching action programmes in December 2005 and February 2006 which addressed many of the specific shortcomings. The new Prime Minister has accelerated the pace further. He has convened a Standards Steering Group, which currently meets every two weeks to assess progress on all eight standards. As a result, many processes within the standards programmes have been revitalized. If this momentum is sustained, the processes should start to bear results, and progress achieved thus far should become sustainable and permanent. An increasing obstacle to the fulfilment of the standards, particularly those affecting the life of minority communities in Kosovo, is the unwillingness of many Kosovo Serbs to fully cooperate with, and participate in, the Provisional Institutions.

6. The Assembly of Kosovo held a nine-hour debate on the fulfilment of standards on 20 April. Prime Minister Çeku acknowledged a direct link between the Provisional Institutions' ability to improve performance on the standards and the possible outcomes of the discussions on the definition of Kosovo's future status. At

the same time, the Prime Minister also vowed to continue with the implementation of the standards' goals as a high priority even beyond the determination of future status. In parallel with the implementation of standards, work has continued on preparing a workplan for the European Commission that would firmly embed the values and principles of the standards process in the European integration work and foster EU-compatible reforms (see S/2006/45, para. 9).

Political process

7. The political process to determine the future status of Kosovo, led by my Special Envoy, has remained the driving force behind all major political and policy developments in Kosovo during the reporting period. The Kosovo negotiating team, which now includes the new Kosovo leadership, President Sejdiu, Prime Minister Çeku and Assembly President Berisha, welcomed the statement on the political process to determine Kosovo's future status by the Contact Group countries following their meeting in London on 30 January. The leaders of political parties, both in the Government and in the opposition, have moved ahead with preparations for talks with their counterparts in Belgrade. The negotiating team has produced inter alia detailed proposals for decentralization and a plan for the future governance of Mitrovica. The team's Communities Council, led by an opposition party leader, has made several visits to Kosovo Serb areas and has consulted with most ethnic minority community leaders over the past months. There continued to be no direct participation of minority representatives in the work of the negotiating team, however (with the exception of the Bosniak-minority Minister of Health, who has taken part in the future status talks) and the team does not include women members. The Belgrade delegation to the future status talks has included some Kosovo Serb representatives.

Kosovo Serb participation in the political process and the Provisional Institutions

8. Despite the increased efforts to reach out to minority communities undertaken by President Sejdiu, Prime Minister Çeku and the Kosovo negotiating team, Kosovo Serb participation in the governance structures of Kosovo remained marginal, particularly at the central level. At the municipal level, Kosovo Serbs work in Provisional Institution structures generally on issues of concern to minorities only, such as returns, or in health and education, where they receive salaries from both the Provisional Institutions and Belgrade. The Minister of Communities and Returns (and leader of the Serbian Democratic Party of Kosovo and Metohija) remained the only central-level Kosovo Serb political representative. The largest Kosovo Serb party to participate in the last elections, the Serbian List for Kosovo and Metohija, still hesitates to take part in either the Government or the Assembly structures given the contrary stand of Belgrade. A new Kosovo Serb party, the Independent Liberal Party, which advocates participation in the political process, was registered on 18 April. It would appear that parts of the Kosovo Serb community are reassessing their approach to participation in the political process in the light of the future status talks and improved outreach by the leadership of the Provisional Institutions, although no concrete steps have been taken yet. Some Kosovo Serb politicians maintain informal contacts with representatives of the Provisional Institutions to present their concerns and ideas.

9. The efforts of the new Kosovo leadership to rebuild confidence with the Kosovo Serb community were dealt a severe blow by the recent directives issued by

the Coordination Centre for Kosovo and Metohija. In March, the Centre began to demand that Kosovo Serb municipal employees choose either to be on the payroll of parallel structures sponsored by Belgrade or to be on the payroll of the Provisional Institutions. Many Kosovo Serb teachers and health-care workers have paid pension contributions for many years, which would be lost if they remained with the Provisional Institutions. All Kosovo Serb education workers have now resigned from their posts in the Provisional Institutions, although they continue to perform their functions, receiving payments from Belgrade. Prime Minister Çeku has tried to counter pressure from the Coordination Centre by assuring Kosovo Serb employees that his Government would not require a choice and would hold their payments in a special account. Both my Special Representative and my Special Envoy have expressed profound concerns regarding the pressure from Belgrade on this issue. Evidence of unregulated financing of services to the Serb population in Kosovo came to light on 10 March, when UNMIK Customs seized almost €2 million worth of undeclared Serbian dinars, which were apparently destined for pensions, child benefits and student loans, from a vehicle that had entered the northern part of Kosovo from Serbia proper. UNMIK returned the money to the National Bank of Serbia on 15 March following recognition by the Bank of its failure to declare the funds.

10. Relations between the Serbian Orthodox Church and the Provisional Institutions have continued to develop. For example, in an historic rapprochement, President Sejdiu visited the Visoki Decani monastery for the Serbian Orthodox Easter celebrations on 23 April. In other areas of importance to the Church, on 25 April, my Special Representative signed an executive decision extending the validity of the special zoning area in Decani, which aims to encourage development of that area through economic activities that do not damage the natural and cultural attributes of the canyon, including the Visoki Decani monastery. The Reconstruction Implementation Commission, which is responsible for repairing church property damaged in the violence of March 2004, has begun the second phase in the reconstruction process. The first phase, completed in 2005, protected 30 sites and prevented their further deterioration. The second phase, to be carried out in 2006 and 2007, will consist of extensive reconstruction works to priority sites mainly in Pristina and Prizren. Tendering for this work is under way.

Dialogue

11. During the reporting period, the working groups established for the direct dialogue between Pristina and Belgrade on technical matters have not been active. Only two working groups have met in plenary session this year: the Transport and Communications Working Group in February and the Missing Persons Working Group in March, both in Pristina. No significant progress was achieved at either session. UNMIK and the chairpersons of the working groups have often noted the lack of support provided by the Provisional Institutions to the Pristina delegations in these talks. As a result, in mid-April Prime Minister Çeku appointed his principal political adviser to oversee the process. He also pledged empowerment of the delegations; and has made changes in the personnel of some working groups, notably the Missing Persons Group. At the same time, the focus has now clearly moved to the framework of the future status process. While it remains important to pursue the direct dialogue, in particular on humanitarian issues such as missing persons and returns, further progress is expected to remain limited.

Regional cooperation

12. Regional cooperation and integration have improved notably during the reporting period. In January, UNMIK committed itself to participating in the Stability Pact-led Investment Compact, with a view to harmonizing the investment policies of Kosovo with those of its neighbours. On 6 April, UNMIK, together with other participants, approved a joint declaration on the enlargement of the Central European Free Trade Agreement to include all South-East European members of the network of bilateral free trade agreements established under the auspices of the Stability Pact. On 7 April, UNMIK signed an investment protection agreement with Turkey.

Decentralization

13. The Kosovo Ministry of Local Government Administration, with the assistance of UNMIK and other international partners, made progress on decentralization despite the continued lack of participation by Kosovo Serbs. The joint Provisional Institutions/UNMIK working groups on legislation and local finance have produced a draft law on local self-government, as well as a concept paper on local finance, which will provide essential inputs for amendments to the already promulgated Laws on Public Financial Management and Accountability and Local Finance. The Provisional Institutions are thus ready to establish a domestic legislative framework on decentralization and are prepared to incorporate additional elements agreed to during the negotiations on decentralization in the framework of the future status process.

14. The two foreseen Kosovo Serb-majority pilot municipal units have not been established as had been planned (see S/2006/45, para. 10). The remaining three pilot municipal units, two in Kosovo Albanian areas and one in a Kosovo Turkish-majority area, have however moved forward with the establishment of provisional assemblies, municipal statutes and budgets and the recruitment of interim financial administrators and staff. The three pilot municipal units are, in cooperation with the relevant municipalities, ready to exercise their competencies. The pilot municipal units face significant challenges, however, as they are new, fragile entities that require additional financial and capacity-building support. Nevertheless, the progress made in the establishment of the pilot municipal units may provide valuable lessons for the establishment of new municipalities, should this be agreed to in the future status process. The Pristina-based decentralization process remains closely linked to the ongoing talks on this topic in the framework of the future status process and will be guided by the decisions reached by the parties therein.

Security

15. The security situation remained generally stable, although fragile, and was not affected by the changes in the political leadership of Kosovo or by the start of the future status process. The level of inter-ethnic incidents remained low and it seems likely that criminal rather than ethnic motives may be at the origin of some of the reported incidents. Such incidents still contribute to creating a perception of insecurity, however, mainly for members of minority communities. In close coordination with the Kosovo Force (KFOR), UNMIK police and the Kosovo Police Service will continue to take stringent measures to enhance the general security in Kosovo to support the political process leading to a determination of future status.

Police and justice

16. UNMIK has moved forward with the transfer of further competencies in the area of the rule of law to the Provisional Institutions while retaining overall authority in the areas of police and justice and without prejudice to Security Council resolution 1244 (1999). Senior officers of the newly established Kosovo Ministry of Justice, Ministry of Internal Affairs and Kosovo Judicial Council were appointed in January 2006. After considerable delay, the new Ministers were included in the Government elected by the Kosovo Assembly on 10 March. UNMIK is closely monitoring staff appointments to these Ministries to ensure that they are made on the basis of merit and in accordance with the law.

17. Simultaneously with the establishment of the new Ministries, a regulation on the framework and guiding principles of the Kosovo Police Service was promulgated, which provides concrete guarantees for minorities. Provisions for decentralization and stronger relations with local communities, in particular minority communities, include the establishment of police sub-stations in consultation with their representatives, as well as the creation of municipal and local committees whom police must consult on matters related to policing and public safety. The KPS regulation also established a new role for municipal assemblies in the selection of their local police station commander. In parallel, efforts to recruit police officers from the communities have been reinforced. My Special Representative also promulgated a regulation on the regulatory framework for the justice system in Kosovo. This regulation includes provisions mandating affirmative action measures to recruit more judges and prosecutors from underrepresented communities; entrenching guarantees of improved access for all communities to justice, including court liaison offices, "court days" and new departments of municipal courts; providing for international judges to decide on appeals where ethnic bias is credibly believed to have affected the decision of the court of first instance; and establishing an Independent Judicial and Prosecutorial Commission to administer a comprehensive vetting and reappointment process for all judges and prosecutors in Kosovo.

18. An interim review of progress on establishing the Ministries confirmed the commitment of the respective Ministers to the principles contained in those regulations. My Special Representative thus proceeded on 26 April with the appointment of the first KPS Deputy Police Commissioner and three KPS Assistant Deputy Police Commissioners, who were selected by the Senior Police Appointment and Disciplinary Committee; a fourth is still to be appointed.

Returns

19. An eight-month long consultation and review of the policy and process regarding communities, returns and sustainable solutions to displacement was concluded at a two-day joint Provisional Institutions/UNMIK workshop on a new strategy and action plan on communities and returns for Kosovo, held in Pristina in April 2006. On the basis of the review, the Manual for Sustainable Return will be revised by the end of May 2006. The manual, amended in accordance with the workshop's recommendations, and endorsed by the Provisional Institutions, will focus on a rights-based approach allowing for the free and informed choice of residence and assistance through development and social cohesion programmes.

20. The challenges in promoting returns and integrating returnees remain significant, however. Since 2000, the total number of minority returnees is estimated at 14,648, 45 per cent of whom are Kosovo Serbs. According to the Office of the United Nations High Commissioner for Refugees (UNHCR), 1,231 people remained displaced as a result of the violence of March 2004, out of a total of approximately 4,100 originally displaced. The fact that the first Kosovo Serb return to a town, Klina municipality, took place only in March 2005, illustrates the obstacles to urban return. So far, 63 Kosovo Serb families have returned to Klina with the assistance of municipal authorities. The overwhelming majority of Serb returns have been to all-Serb communities and minority areas with minimal interaction with Kosovo Albanians. While it must remain a high priority to prepare the conditions for sustainable returns, it would appear that those who have been displaced watch the future status talks closely and will decide whether to return in the light of the outcome and the specific conditions of the eventual political settlement.

UNMIK restructuring and future arrangements

21. UNMIK continued to adapt its structures as further competencies were transferred and, in anticipation of future international engagement in Kosovo, in preparation for the implementation of an eventual political settlement. Under the leadership of my Special Representative, preparations continued for a possible international civilian presence in Kosovo following a determination of future status (see S/2006/45, para. 14). Regular Steering Board meetings were held in Vienna and thematic working groups met in Pristina. The working groups have produced technical assessments of the functions and capacities of a possible future international civilian presence, which were developed in consultation with key partners likely to have substantial roles in Kosovo after the end of the UNMIK mandate. In addition, the European Union intends to establish a planning mission in Pristina in May. It is clear that no firm commitments can be expected until the future status of Kosovo has been determined.

III. Observations

22. I am pleased that the political process to determine the future status of Kosovo is under way, with the active involvement of both sides. Much, however, remains to be done to ensure substantial progress. I echo the calls made for both sides to demonstrate flexibility, generosity and a spirit of compromise in the talks. Though initial positions will naturally differ, mutually beneficial arrangements can be found if both sides pursue negotiations in this manner. Without such an approach, progress will be difficult and neither side will benefit. I welcome the international community's support for the political process to determine the future status of Kosovo. Although it is the responsibility of the two sides to ensure progress, the unified and coordinated support of the international community is essential for the success of our common endeavour.

23. The election of the new Kosovo leadership, in accordance with democratic procedures, can be seen as a sign of the increased capacity of the institutions of Kosovo, which bodes well for the future when it will surely face additional challenges. These challenges can be more readily met if Kosovo's leaders maintain their vision of a multi-ethnic and democratic society.

24. I welcome the renewed vigour in the implementation of the standards. The processes that have been put in place give hope that concrete and demonstrable results will follow. Implementation of the standards is a measure of the commitment of the political leaders and Provisional Institutions of Kosovo to realizing a society where all people can live in dignity and without fear. I would remind them that real progress in this regard remains an essential factor in determining progress in the political process to determine Kosovo's future status. I therefore call upon the Government of Kosovo to tackle the challenges in standards implementation without delay, with a particular focus on priority areas, with the same energy it has used to invigorate the process. I call upon all of Kosovo's leaders to support the Government to this end.

25. It is equally essential that Kosovo Serbs rejoin the Provisional Institutions at all levels and actively engage in them. Remaining outside the Institutions will not bring their communities any benefit, and in fact negatively affects their ability to bring meaningful improvements into the lives of their communities. I am concerned about reports of pressure on Kosovo Serbs to withdraw from positions within the Provisional Institutions. I call upon Belgrade to facilitate their working within these Institutions, and not to hamper them.

26. Reconciliation remains essential for the future of a multi-ethnic Kosovo as well as stability in the region. Although all communities have a role in improving the conditions under which all can live and work together in harmony, the principal responsibility rests with the majority. The increased outreach to non-majority communities, particularly Serbian, by the leaders of Kosovo is therefore welcome. The outreach by Kosovo's leaders will not however suffice as, in the absence of a change in the hearts and minds of the majority population, reconciliation will not take root. I call upon the leaders and people of Kosovo to increase their efforts to engage in reconciliation and the promotion of confidence across communities. This is an essential factor in reassuring all who live in Kosovo that they can remain in — and return to — a Kosovo where they are welcome. I remain disappointed with the low numbers of returns, and I support the measures under way to encourage people to return to, and remain in, places where they can live. This requires not only political commitment but also financial commitment, at all levels, to ensure tangible improvements in the conditions on the ground.

27. Despite the stable security situation, I remain concerned about incidents of violence, whatever the source, directed against people and religious sites. Such incidents only reinforce people's fear and isolation, and reduce mutual trust and confidence. Violence will affect the future status process, and must not be tolerated by any part of the society in Kosovo. Those responsible must be brought to justice, which requires active support to the rule of law institutions by the people in Kosovo. It is their responsibility as members of a society to give that support. I am pleased that the transfer of additional police and justice competencies to the Provisional Institutions is under way, and encourage those institutions to ensure that they conduct their work in a way that increases the confidence of all communities.

28. I welcome the commitment of the European Union to prepare for a possible leading role in the police and justice sector. This initiative is critical to ensuring that any future international presence is well coordinated, appropriately resourced, and fully prepared for the commitments necessary to sustain our achievements so far. I

urge our partners to remain engaged so that the eventual transition following the political settlement is smooth and orderly.

29. I would like to extend my appreciation to my Special Representative, Søren Jessen-Petersen, and to the staff of UNMIK for their continued dedication and commitment to the values and objectives of the United Nations and to their steadfastness in carrying out their challenging tasks, often in difficult circumstances. I would also like to extend my appreciation to KFOR, our partners within UNMIK — the European Union and the Organization for Security and Cooperation in Europe — and the United Nations agencies, funds and programmes as well as other organizations, contributors and donors for their commitment and valuable political and practical support.

Annex I

Technical assessment of progress in implementation of the standards for Kosovo

**Prepared by the Special Representative of the Secretary-General for Kosovo,
30 April 2006**

Introduction

1. In my last technical assessment, dated 20 December 2005, I noted that implementation of the standards had slowed. In response to that assessment the Provisional Institutions of Self-Government immediately began to revitalize the standards process by launching workplans in December and February targeted at specific areas identified in the assessment as priorities.
2. The new leadership established in the first quarter of 2006 stated clearly and frequently that standards implementation would be a top priority for all organs of the Provisional Institutions, with special emphasis on the agreed workplans and minorities. In order to review and intensify progress, the Prime Minister has convened fortnightly meetings of the Standards Steering Group, comprising all ministers with responsibilities for standards, a body which had previously met infrequently. Working Groups on all eight standards have met regularly during the reporting period.
3. As a result of this intensified effort it is now possible to discern progress across a broad front on standards implementation. If the Provisional Institutions maintain their present level of commitment we should witness substantial further achievement in the coming months.

Functioning democratic institutions

4. The institutions of Kosovo coped competently with the death of President Ibrahim Rugova on 21 January, his funeral on 26 January, and the election by the Assembly of Kosovo of his successor Fatmir Sejdiu on 10 February, then the new President of the Assembly, Kolë Berisha, and the new Prime Minister, Agim Çeku, on 10 March, in full compliance with the rules of procedure and the Constitutional Framework.
5. Assembly rules of procedure have generally been adhered to. Plenary session agendas are now prepared in advance and formally adopted by the Assembly in plenary, in compliance with the rules and in contrast to previous reporting periods. An exception to generally good adherence to procedure was the appointment of three members of the Anti-Corruption Agency Council according to an irregular procedure at the plenary session on 23 February under the previous Assembly President.
6. Of the Kosovo Serb members occupying 10 reserved seats in the Assembly, the eight members from the Serbian List for Kosovo and Metohija have continued to exclude themselves from plenary sessions but have participated to a limited extent in committee work and have submitted comments on for example the draft law on cultural heritage. The two Assembly members from the Serbian Democratic Party of Kosovo and Metohija have continued to attend plenary sessions.

7. The official target set by the Provisional Institutions of 16.6 per cent minority participation at the central level and the fair-share employment targets for the local level, including people employed in parallel structures, have not yet been met. In the central government institutions the figure is 11.4 per cent, while in municipalities figures available suggest 13.4 per cent.

8. Parallel structures have continued to operate in areas where significant Kosovo Serb populations live. Although the Provisional Institutions have continued to pay salaries to Kosovo Serb employees who also receive salaries from Belgrade for the same work, those employees were faced during the reporting period with an increasing insistence from the Belgrade Government's Coordination Centre for Kosovo that they should choose between the Belgrade and Provisional Institution salaries. This has led many of them (as many as 70 per cent by UNMIK estimates) to withdraw from the Provisional Institution payroll. The policy of the Provisional Institutions, however, has been to keep those Kosovo Serb employees on the payroll.

9. The Office of Gender Equality has been fully established within the Office of the Prime Minister. According to their data women hold 28.7 per cent of decision-making positions in the central institutions. In the municipalities, women occupy 10.08 per cent of the decision-making posts.

10. Progress on use of languages remained variable, though progress has been made at central and municipal level. Interpretation is available at all Assembly meetings and all municipal assembly and committee meetings whenever minority members are present. But the progressive draft law on languages is held up, as the Assembly considers objections raised by the Turkish community. Twenty-two of 30 municipalities have dedicated language units: the others, except Zvečan/Zvečan, have at least one translator/interpreter — translation services are generally inadequate in the three northern municipalities. The Ministries of Public Services and Local Government have units to monitor language compliance in ministries and municipalities respectively, but in many cases there has been insufficient allocation of resources for ensuring compliance with language standards. The quality of translation needs to improve.

11. Many cases have been reported of use of unofficial place names by official bodies, especially at the municipal level. Action by Provisional Institution authorities to replace or repair road and place-name signs where the name in one language has been defaced, however, has intensified.

12. The Internal Oversight Board, investigating grievances from and allegations of misconduct by civil servants, has handled 68 cases since August 2005. The Senior Public Appointments Committee has to date handled eight dismissal cases involving Permanent Secretaries, amid concerns that the position of permanent civil servants is still vulnerable. The Prime Minister moved to allay these concerns by seeking my authority to incorporate the Appointments Committee into his office; I have now given that authority and the transfer will take place on 2 May.

13. From November 2005 to April 2006, the Office of the Auditor General issued and made public 17 external audit reports regarding procurement procedures within municipalities and some ministries. Auditors' observations note widespread non-compliance with laws and regulations regarding procurement. Audits of all

municipalities are under way, and both the President of the Assembly and the Prime Minister have requested audits of their institutions.

14. Of the 118 licensed broadcasters, 72 operate only in Albanian and 35 operate only in Serbian. The remaining 11 stations are multi-ethnic and/or multilingual. The first Kosovo Turkish television station was officially launched on 13 April, which will also transmit news in the Albanian, Serbian, Bosnian and Roma languages.

15. Of the three Kosovo-wide television and four Kosovo-wide radio broadcasters, only the public broadcaster, RTK, provides television and radio programming in minority languages. A new law governing the public broadcaster RTK was promulgated on 11 April. Minority programming amounted to 9.2 per cent of RTK broadcast time. This is significantly less than the 15 per cent required by both UNMIK Regulation 2001/13 and the new law. More positively, RTK reports that 16 per cent of the programming it produces itself, and 20 per cent of its news programming, is in minority languages.

16. Slow progress is being made on the appointment by the Assembly of members of the independent media commission council. Once the council is established, an indigenous Chief Executive can finally be appointed.

17. No cases of hate speech were reviewed by the Temporary Media Commissioner in this period, and the incidence of hate speech in the media has been small. Media in all communities, however, continue to show little sympathetic understanding of the perspectives and problems of other communities.

18. The system for awarding and administering grants for the Minority Media Fund has been finalized in accordance with the strategy for minority broadcasting. A call for applications for grants from the Minority Media Fund has been published. The Government has allocated €50,000 and the RTK law allocates 5 per cent of the broadcasting fee to the Minority Media Fund.

Functioning democratic institutions: challenges ahead

19. Improvements in the handling of Government and Assembly business, especially since the change of leadership of these institutions in March, need to be consolidated and become self-sustaining. The authorities of the Provisional Institutions of Self-Government now seem increasingly determined to use the standards to bring permanent improvements into the lives of ordinary people.

20. The push to increase minority participation in government must continue, but cannot fully succeed as long as Kosovo Serbs are actively discouraged by the Belgrade authorities and their own communities from responding to overtures from Kosovo Albanian leaders.

21. Language provision, for example, is an area not entirely dependent on cooperation. Adoption of the language law and fulfilment of the standards on language provision would be a positive sign to the Kosovo Serbs of the open attitude of the Provisional Institutions.

22. Allegations persist in improper recruitment practices. The proceedings of the Internal Oversight Board and the Senior Public Appointments Committee need to be strengthened until they are generally perceived as ensuring impartial recruitment and disciplinary practices. The move of the Appointments Committee into the Office of the Prime Minister is a welcome step in this direction.

23. The Independent Media Council and the Chief Executive must be appointed in order to continue the promotion of higher quality broadcasting.

Rule of law

24. On 10 March, the Kosovo Assembly confirmed the appointments of new Ministers of Internal Affairs and Justice. Establishment of the new ministries has been slow but correct and orderly. Following my positive assessment of the exercise of competencies in the first months after the establishment of the ministries, a second more extensive set of competencies (including oversight over the Kosovo Police Service (KPS) and the Kosovo Correctional Service (KCS)) were transferred to the new ministries by a further Regulation promulgated on 27 April. A Regulation setting out a regulatory framework for the justice system in Kosovo was promulgated on the same day.

25. Most functions of the police have transitioned to the control of the Kosovo Police Service except Mitrovicë/Mitrovica regional headquarters, and certain units like War Crimes and Witness Protection. Traditional police and investigative functions are handled almost entirely by KPS. On 26 April, and coinciding with the second phase of transfer of competencies, I appointed the first KPS Deputy Police Commissioner and three KPS Assistant Police Commissioners; a fourth has yet to be appointed.

26. On 1 February, the first local Commissioner of the Kosovo Correctional Service was appointed by the Penal Management Division of the Department of Justice.

27. Pursuant to Regulation 2005/54, the Kosovo Academy of Public Safety Education and Development and the Kosovo Public Safety Standards and Education Board have been established.

28. A total of 15.5 per cent of all KPS officers are from minority communities (slight increase from the last reporting period) with more than 20 per cent of higher ranking officers coming from minority groups. KCS has 14.53 per cent minority staff. Women's participation in rule of law institutions compares favourably with the region: 27 per cent of judges, 18 per cent of prosecutors, 17 per cent of correctional staff, and 14 per cent of police. However, there are only 27 women of a total of 413 registered advocates.

29. Most of the cases arising from the violence in March 2004 have been conducted by the local judiciary (charges pressed against 426 people, 217 convictions, 14 acquittals, 89 cases pending, 106 cases dropped for lack of evidence). International prosecutors ran 44 most serious cases (13 convictions, 12 cases dropped, 2 before courts, and others pending). Files received from the Serbian Ministry of the Interior have been translated and investigations into the remaining cases expedited and prioritized.

30. Pursuant to UNMIK Regulation 2005/52 of 20 December 2005, the Kosovo Judicial Council was established as the successor of the Kosovo Judicial and Prosecutorial Council. The Council immediately commenced a campaign inviting applications for the posts of judges and prosecutors from minority communities, with a good initial response from Kosovo Serb candidates.

31. Nine Court Liaison Offices are functioning in minority areas. Field preparations are ongoing for the organization of Court Days in six places. The first court day was 25 April in Hoça e Madhe/Velika Hoča. The second will be held in Grace on 9 May. The opening of a minor offences court in Graçanicë/Gračanica is being actively discussed with community leaders.

32. Minority community members are 9.44 per cent of judges and 9 per cent of prosecutors.

33. A total of 43,994 cases are awaiting decision in the civil courts (an increase of 3.7 per cent since the last report).

34. On 23 February, the Kosovo Assembly adopted the Law on the Kosovo Judicial Institute establishing the Institute as an independent body to coordinate training of judges and prosecutors and of judicial and prosecutorial candidates. The law was promulgated on 24 April.

35. Mechanisms are still not in place for adequate witness protection. Since 1 December 2005, seven cases of witness intimidation have been reported, and protective measures ordered for three cases. The draft law on witness protection will be submitted to the Government by June 2006. Witness protection equipment for five district courts, donated by the British Government, will be installed by June 2006. It is hoped these measures will encourage more witnesses to come forward. Without the ability to relocate witnesses out of Kosovo, however, results may be limited.

36. On 7 February, the Government approved the long-awaited Anti-Corruption Action Plan. Ten months after the deadline foreseen by the Anti-Corruption Law for the establishment of the anti-corruption agency, no Director has been appointed and the agency is not in existence, though an Anti-Corruption Council was finally established on 23 February.

37. On 24 March, a municipal court judge and his co-conspirator were convicted of extortion and were sentenced to three years in jail, in a case where the judge was convicted of accepting a bribe. This successful prosecution sends a strong message that such behaviour is criminal and will be investigated, prosecuted and punished.

38. The Victims Advocacy and Assistance Unit is opening three new Victims' Advocate offices in various regions of Kosovo. The Interim Secure Facility continued to support victims of trafficking.

39. Full cooperation with the International Tribunal for the former Yugoslavia, and legal cooperation with other jurisdictions, continued.

Rule of law: challenges ahead

40. The new Ministries of the Interior and Justice need to continue to develop capacity to accept increasing responsibilities in the police and justice sectors.

41. Cases arising from the violence of March 2004 need to be closed so that Kosovo can move on. Local leaders should publicly call for witnesses to come forward because progress is hampered by the failure of witnesses to testify.

42. Serious and organized crime, financial and economic crime, including money-laundering and trafficking, continue to be a challenge for Kosovo as for the whole region.

43. Corruption remains a concern to both international and domestic observers; the anti-corruption agency needs to be established and to develop a track record in fighting corruption at all levels. Successful prosecutions for corruption need to be publicized as a deterrent to others.

44. Measures to protect witnesses and court officials from intimidation need to be strengthened, and seen to be strengthened. Only in this way will public confidence in the legal system be encouraged.

45. The increasing backlog of civil cases before the courts needs to be reduced. Judgements once passed need to be enforced.

Freedom of movement

46. Leaders of the Provisional Institutions continued to condemn incidents of violence and vandalism, speaking directly to the public at open meetings and through statements to the media.

47. Twenty-eight municipalities had functioning Local Crime Prevention Councils. In accordance with the new Regulation on the Framework and Guiding Principles of the Kosovo Police Service (2005/54), all have begun transitioning these councils into Municipal Community Safety Councils to enhance the security of members of all communities.

48. Citing budget constraints, the Ministry of Transport and Communications ceased the operation of the five inter-urban bus lines subsidized from the consolidated budget that had been serving minority communities on a pilot basis. The Ministry is currently preparing an all-inclusive strategy to meet minorities' needs for public transportation in cooperation with the Ministry of Communities and Returns. Once the strategy is completed and approved, the Government will need to ensure sustainable funding for its implementation. Transport operators need to hire more minorities.

49. Although it is not always possible to identify with certainty which crimes have an inter-ethnic motive, police figures for potential ethnically-motivated incidents were low and showed a declining trend compared to 2005. The improving picture was offset by a small number of high-profile cases, and despite the statistical improvement members of minority communities continue to express fears about their freedom of movement.

50. KPS regularly conducts freedom of movement surveys among minority communities. In the latest, dated 28 April, 99 per cent of those polled reported travelling outside their home area, 80 per cent said they felt safe while doing so, and none reported crimes against them while moving.

Freedom of movement: challenges ahead

51. Discussion must continue on the most appropriate form of policing in minority areas, in response to the needs of the communities.

52. Minority communities should be provided with transport links, in response to a survey of needs.

53. Confidence-building measures must continue to encourage minority community members to feel more confidence in their freedom of movement,

reflecting the statistical improvement in the number of crimes and incidents. The Provisional Institutions and the Belgrade authorities can both play a part in this.

Sustainable returns and the rights of communities

54. Visible support for returns and outreach to displaced and receiving communities continues by all political leaders. An unprecedented event occurred on 23 April, when President Sejdiu accepted an invitation from Bishop Teodosije of the Serbian Orthodox Church to celebrate Easter in the monastery at Deçan/Dečani. Political party leaders contribute to community dialogue through the work of the Community Consultative Council, under the chairmanship of Veton Surroi, leader of the ORA party. The Prime Minister formed a new confidence-building task force to advise him on strategy towards Kosovo communities, which met for the first time on 25 April.

55. The number of returns remained low partly because the returns season has not yet started. UNHCR documented 218 voluntary returns from 1 December to 31 March, of which 50 per cent were Kosovo Serbs. Returns projects are ongoing in 17 municipalities and planned in 6 more. Out of approximately 515 families that were displaced in March 2004, 154 have returned to their homes permanently. About 50 houses were reported sold and 216 houses remain abandoned.

56. There is an estimated funding gap of €31 million for already-approved projects. The Provisional Institutions have allocated €8.5 million for returns in the 2006 consolidated budget, and remain the biggest single funding agency.

57. The reconstruction programme of March 2004 was not significantly advanced during the reporting period. No new body has been established to finalize the operational responsibilities of the dissolved Central Inter-Ministerial Commission. More than two years after the events of March 2004, the reconstruction of residential property has not yet been concluded; the reconstruction and/or compensation of commercial property has not yet begun; the payment of start-up assistance, as well as compensation for damaged secondary buildings, is far from being complete. One hundred and sixty one complaints have been received about the quality of residential reconstruction. An amount of €417,000 has been included in the 2006 consolidated budget, which is insufficient for completion of the reconstruction and compensation programmes. On 25 April, the Prime Minister went with me to the village of Svinjarë/Svinjare, site of the majority of complaints, talked to some of the residents and undertook to ensure a better response by the Provisional Institutions of Self-Government.

58. Urban returns are ongoing in 11 municipalities and planned in two more. Successful implementation of the return of 36 Kosovo Serb families (by 19 April) to urban Klinë/a has influenced Lipjan/Lipljan to start developing an urban return project. Progress was achieved in the reconstruction process of the largest informal settlement in Kosovo, Roma Mahala of Mitrovicë/Mitrovica. The municipality has issued the construction permits for two apartment blocks that will host some of the inhabitants. A ceremony to mark the start of the reconstruction was held on 25 April. Some of the potential beneficiaries, 58 Roma/Ashkali and Egyptian internally displaced families, have moved out of the lead-contaminated camps in northern Mitrovicë/Mitrovica and Zveçan/Zvečan into safer facilities in the northern part of the city. Two hundred and seventy-two individuals remain by their own choice in the contaminated camps, despite the offer of safer alternatives.

59. A workshop on a Strategic Framework on Communities and Returns was held on 10 and 11 April, with the significant participation of representatives of the internally displaced from Serbia and Montenegro, to finalize the policy for achieving sustainable solutions for the displaced population and to stabilize the life of communities in Kosovo.

60. The Ministry of Communities and Returns has downsized its staff to 125 to bring it in line with its budget authorization. Recruitment and subsequent terminations have not been conducted according to civil service regulations. The Ministry's capacity to manage its area of responsibility still requires significant improvement. Return projects not in compliance with the Manual for Sustainable Returns were developed by the Ministry, such as new building at Zoçishtë/Zoçište and a plan to build social housing for resettlement of internally displaced persons.

61. The overall fair-share financing target for 2005 has been slightly exceeded, and a large majority of municipalities achieved their targets.

62. In general access to public services is available, although the perception in the Kosovo Serb communities is that health facilities cannot be accessed, owing to security concerns and linguistic problems. The Ministry of Health has established mobile teams that offer services to returned communities and others who do not otherwise have access.

63. Communities and mediation committees have been established in all municipalities. Communities committees are functioning in 10 municipalities, and partially functioning in 15 municipalities. Communities committees need to start functioning in Glllogoc/Glogovac, Malishevë/Mališevo, Obiliq/Obilić, Kaçanik/Kaçanik and Shtërpçë/Štrpce.

64. Human rights units have been established in all ministries. As part of the Government's emphasis on improving human rights protection, the Prime Minister signed an agreement with OSCE on 20 March to build the capacity of these units in cooperation with international human rights advisers.

65. Despite the endorsement of a comprehensive action plan to implement the Anti-Discrimination Law, no measures for its implementation have been put in place yet.

66. The Framework Convention for the Protection of National Minorities Advisory Committee Opinion on Kosovo was adopted on 25 November 2005 and made public on 2 March 2006. Since then, no decision has been made on how to implement its recommendations and/or on how to coordinate their implementation.

Sustainable returns and the rights of communities: challenges ahead

67. The Provisional Institutions of Self-Government urgently need to complete the reconstruction of property damaged in March 2004, so that the people displaced by those events can have the choice to return.

68. The new strategy on communities and returns needs to be agreed between UNMIK, the Provisional Institutions and the authorities in Belgrade, and then implemented.

69. The Ministry of Communities and Returns needs to follow the established recruitment, budget and civil service laws and procedures, and the policies developed in line with the European standards for good governance.

70. The Provisional Institutions need to do more to implement the Anti-Discrimination Law and the Framework Convention for the Protection of National Minorities.

Economy

71. Budget management strengthened. The total execution rate of the 2005 budget was 93.5 per cent. The final budget report for 2005 indicates that expenditure was within legal ceilings, including for wages and salaries.

72. The recommendations of the IMF letter of intent (signed in the previous reporting period) have been partially implemented. The Ministry of Finance and Economy is controlling the wage bill in line with the Budget Law. Eligibility for the old-age pension is being more strictly controlled. Implementation of the commitment to cut public employment by 10 per cent has yet to begin, however.

73. The medium-term expenditure framework was presented at a preliminary donors' meeting on 13 December 2005 and subsequently revised to reflect stakeholders' comments. It was reissued on 22 March and presented at the donors' meeting for Kosovo organized by the World Bank and the European Commission in Pristina on 5 April.

74. Privatization continued to accelerate. The thirteenth, fourteenth and fifteenth waves were initiated. Special spin-off sales continued. A total of 122 sales contracts have been signed up to date, to a value of around €240 million paid and pending, and 79 more are in progress. The finalized sales purchase agreement on 20 April for Ferronikeli — worth €30.3 million — represented the largest private foreign investment in Kosovo since 1999.

75. On 28 April I promulgated the Law on the Procedure for the Award of Concessions and the Law on Foreign Investments.

76. The Advisory Board of the Investment Promotion Agency has been established and its first meeting held on 8 January. Interviews for the CEO of the Agency have recently been concluded by the Senior Public Appointment Committee, but a final appointment is yet to be made. The operational statute of the Agency has been completed but has not yet been approved.

77. The Kosovo Trust Agency disputes with municipalities over sequestered socially owned enterprise land made some progress. The Trust Agency received from the Ministry of Local Government cadastral documentation and letters from municipalities justifying their requests for certain land plots in the public interest. Twenty-six municipalities have provided preliminary lists of socially owned enterprise land they request for public use.

78. UNMIK Railways, District Heating and KEK have been incorporated, completing the incorporation of all major publicly owned enterprises in Kosovo.

79. Utilities billing rates have remained comparable to previous periods (KEK at 52 per cent, water waste and irrigation at 89 per cent, PTK stable at 100 per cent). The KEK collection rate against billed energy in the period from January to March

2006 was 68 per cent, up from 52 per cent for the same period last year. The average KEK collection rate against supplied energy for the period from January to March 2006 was 32 per cent.

80. A Department of Resource Planning was established in the Ministry of Local Government with the task of tracking the preparation and realization of municipal economic development strategies and to assist with donor contacts.

81. Minority employment is 4.9 per cent in the Banking and Payments Authority, 4.7 per cent in the Tax Administration and 18 per cent in UNMIK Customs.

82. Negotiations on a free trade agreement with Bosnia and Herzegovina have been concluded and await approval; an investment protection agreement was signed with Turkey. UNMIK/Kosovo approved by acclamation at a meeting in Bucharest on 6 April a joint declaration on the enlargement of the Central European Free Trade Agreement to all South-East European members of the network of bilateral free trade agreements established under the auspices of the Stability Pact.

83. On 15 February, the Assembly of Kosovo approved 13 nominees for the Independent Tax and Customs Review Board. The Board convened its first meeting on 1 March, and has begun work on its backlog of 240 cases at a rate of four cases per day.

Economy: challenges ahead

84. Urgent action is needed to implement auditors' recommendations on public procurement procedures (the Public Procurement Law has now been revised and will be forwarded for Government approval in the near future).

85. The commitments from the IMF letter of intent should be fully implemented: eligibility for social benefits should be more strictly controlled; planning should be done for a 10 per cent cut to public employment.

86. Work should continue on the completion and implementation of the Treasury's financial directive for internal control of public finances and the implementation of a purchasing module in the Treasury's free balance system. The financial directive and purchasing module will permit central monitoring and control over expenditure obligations incurred by budget organizations.

87. The socially owned enterprises land sequestered by municipalities should be returned or municipalities should provide a public benefit justification in line with Regulation 2006/5.

88. The Investment Promotion Agency should be made operational by the appointment of a CEO and the approval of the operational statute.

Property rights

89. The Kosovo Property Agency was established on 4 March as an independent body and successor to the Housing and Property Directorate. The Property Agency has the function to receive, register and assist the courts in resolving conflict-related private immovable property claims (including those related to agricultural and commercial property) to enforce the related decisions and to administer abandoned properties.

90. Initiatives were taken to address the backlog of property-related cases. The Ministry of the Environment and Spatial Planning requested the new Ministry of Justice to assess the legal possibilities and available resources in the courts to support the reallocation of judges to address cases in the courts with the highest backlog.

91. The Housing and Property Directorate has adjudicated 99.95 per cent of the 29,155 claims received. The remaining claims are scheduled to be adjudicated in June/July 2006. A total of 26,351 claims from the Directorate's caseload have been implemented and 2,804 (10.6 per cent) claims are pending implementation. The trend of repossession remains low — only 10.34 per cent claimants have chosen repossession. Of 3,473 released properties, 86.15 per cent were released through evictions, and 13.84 per cent were voluntarily released. A total of 5,328 residences are under administration.

92. A Kosovo-wide information campaign against illegal occupation was implemented. A new memorandum of understanding has been signed between the Police and the Kosovo Property Agency that outlines the responsibilities of both in securing the enforcement of eviction orders. The Government has begun to implement a policy to sanction civil servants illegally occupying property: following a comparison of Kosovo Property Agency and civil service databases a very low incidence (eight cases) has been reported and measures against those individuals are pending.

93. Implementation of the Immovable Property Rights Register is ongoing. The Kosovo Cadastral Agency has linked seven municipal cadastre offices to the digital register. The field work has been completed for three pilot cadastre reconstruction projects and the Agency is considering the claims filed.

Property rights: challenges ahead

94. The protection of housing and property rights continues to challenge both the international community and the Provisional Institutions. More than 5,000 residencies remain under temporary administration. Illegal construction and illegal occupation are recurrent problems.

95. Legal reform relating to property rights needs to move forward to ensure compliance with international and European standards. Harmonization of the whole framework is needed. The task force established by the Expert Group on Property to support the reform should meet on a regular basis.

96. Concerns remain in the conduct of expropriation at the municipal level.

97. Judicial remedy mechanisms are not sufficiently effective to command the confidence of the public in due process under the law.

98. The work of the Cadastral Agency and the municipal cadastral offices, as well as the functioning of the judiciary, is still hindered by lack of access to cadastral and judicial records currently held in Serbia but relevant to and originating from Kosovo. My latest request on 2 February to the Prime Minister of Serbia to gain access to all relevant property records has not so far received a reply.

99. Concrete actions to regularize informal settlements at the municipal level, following the recommendations of the informal settlements situation analysis

conducted by the Ministry of the Environment and Spatial Planning, are still necessary.

Cultural heritage

100. A Ministry of Culture, Youth and Sport youth information campaign on cultural heritage started in March and will continue until early May. The campaign consists of presentations in 12 municipalities most affected by the violence of March 2004, where the ministers and officials have spoken on the importance of cultural heritage in Kosovo. Leaflets and posters in three languages have been distributed, and a billboard campaign mounted all over Kosovo.

101. In February 2006 the Minister for Culture, Youth and Sport stopped the approval of the draft law on cultural heritage by the Assembly, after minority representatives requested further consultations. The Council of Europe agreed to assist the Ministry and the Parliamentary Committee in the redrafting of the law and organized two workshops in April with international and local experts to revise the final draft. Minority representatives were invited to both workshops but none participated.

102. On 21 February and 27 April, meetings of cultural coordinators from Pristina and Belgrade were held, according to an agreement which arose out of the meeting held in September 2005 between the Minister for Culture, Youth and Sport and the Serbian Minister of Culture. Coordinators agreed to establish four working groups on issues related to return of documents; return of artefacts; archaeology; and artist-to-artist exchange.

103. Preparations were made for substantive work on the archaeological, architectural and movable heritage inventories to start by early May 2006. So far 2,500 sites and monuments have been registered.

104. The first phase of consolidation and emergency works on 30 Orthodox sites damaged during the riots of March 2004 was completed in December 2005, led by the Reconstruction Implementation Commission under the chairmanship of the Council of Europe. Following the restart of the activities of the Commission early in April, a second phase of more substantial reconstruction/restoration works on Orthodox sites is expected to start in May/June. The Commission met in April in Pristina and all parties, including the Ministry of Culture, Youth and Sport and the Serbian Orthodox Church, made clear their commitment to move the process forward as quickly as possible. In addition to the budget allocated in 2006 for cultural heritage protection (€740,000), €2,923,709 has been allocated to the Commission.

105. In April, the proportion of minorities employed in the sector was 14.61 per cent in the Ministry of Culture, Youth and Sport at the central level and 14.28 per cent in its Cultural Heritage Division, 1.79 per cent in the cultural institutions at the central level (excluding the Ministry) and 11.65 per cent in the cultural institutions at the regional level.

106. During the reporting period (until 15 April) four incidents relating to cultural heritage sites and monuments were reported to the police, which involved damage to an Orthodox church motivated by economic reasons; unexploded ordnance found near a church; damage to a graveyard; and damage to a memorial erected by a Kosovo Serb.

Cultural heritage: challenges ahead

107. Current outreach activities and public pronouncements are delivering the right message, especially to youth, but will need to be followed by a long-term campaign if they are to be effective in educating the public to respect the cultural heritage of Kosovo. A more vigorous public campaign would have avoided, inter alia, public misconceptions over the special zoning area around the Deçan/Dečani monastery.

108. Progress is needed on the Law on Cultural Heritage, the inventories and the integrated conservation policy, so that Kosovo has the basic infrastructure to care for its cultural heritage.

109. The process of reconstruction to repair damage caused during the violence of March 2004 needs to proceed rapidly under the guidance of the Commission and with the cooperation of the Ministry of Culture, Youth and Sport and all actors involved.

110. Vandalism and attacks upon cultural heritage properties must be systematically condemned by public leaders and prosecuted, to show the public that the Government is serious in its policies.

Dialogue

111. Members of the Pristina and Belgrade delegations to the Returns Working Group have met informally on several occasions to finalize the Protocol on Returns but have not yet achieved agreement. The Transport and Communications Working Group convened its second session on 9 February in Pristina. On 9 March, the Missing Persons Working Group held its fifth plenary session, with no new information but commitment from both sides to making tangible contributions to resolving the issues at hand — the incoming Prime Minister has since appointed a new chairman and a new member of the group. The Missing Persons Working Group has also held numerous meetings with the International Committee of the Red Cross and the Office on Missing Persons and Forensics. The Energy Working Group has not met during the reporting period.

112. On 26 April, the Government issued a statement declaring its commitment to the dialogue, and appealed to the public to come forward with information on missing persons.

113. The Government continues to conduct bilateral meetings and attend regional multilateral conferences in coordination with UNMIK.

Dialogue: challenges ahead

114. The Pristina-Belgrade dialogue must continue despite the high-profile attractions of the process to resolve the future status of Kosovo.

Kosovo Protection Corps

115. Following the election of the then Commander of KPC, Agim Çeku, as Prime Minister by the Assembly of Kosovo on 10 March, he was replaced by Sylejman Selimi. The new Commander announced his priorities as implementation of standard 8, continued professionalization and preparation for future change.

116. The Kosovo Protection Corps performed its functions in accordance with the law and with its disciplinary code. The period saw high-profile involvement by KPC in remedial action against natural disasters such as flooding around the Obilic power station and a landslide at Kaçanik/Kaçanik which closed the main Pristina-Skopje road between January and March.

117. The percentage of ethnic minorities rose from 6.1 per cent to 6.8 per cent of the active contingent (3,036) with 25 recruited on 11 April, bringing the total to 207. Two Kosovo Serbs including one woman were recruited to key positions in the office of the Commander. Six ethnic minorities, including two Serbs, were promoted on 11 April. Outreach and public information campaigns to recruit and support ethnic minorities continued. On 21 April, all 29 members of the basic training course, exclusively for ethnic minorities, graduated.

118. Women constitute 3 per cent of the active contingent, a rise of 0.2 per cent after six female ethnic minorities were recruited on 11 March. Women are represented at all levels of KPC and occupy more senior ranks in comparison with men. Two training courses on gender equality have been held. A regulation covering the KPC Gender Equality Board (formed in the last reporting period) was signed by the Commander and entered into force on 20 April.

119. KPC explosive ordnance disposal teams cleared 19,390 square meters of land between 3 and 21 April, as the demining season began at the end of winter.

120. KPC involvement in returns and other humanitarian projects has included rubble-clearing, road-building, constructing fire-stations, medical assistance, mine risk education, snow-clearing, and monitoring reconstructed properties until returnees have been ready to move in. Regulation 2006/3 amending Regulation 1999/8 came into effect on 24 January, authorizing KPC to undertake additional humanitarian tasks, to perform ceremonial duties and to attend appropriate security courses.

121. A new KPC disciplinary code came into effect on 14 December 2005. Seventeen cases have been opened under the new code. In general terms disciplinary trends continue to improve and most non-compliance cases remain incidents of absenteeism, which primarily involve Kosovo Serbs.

Kosovo Protection Corps: challenges ahead

122. The Kosovo Protection Corps will continue to face difficulties in attracting Kosovo Serb members in sufficient numbers, as long as potential recruits are discouraged from within their own communities from joining. Nonetheless, the efforts must continue if KPC is to be regarded as a service representing and protecting all communities in Kosovo.

123. Efforts must continue to identify possible activities in support of minority communities, particularly Kosovo Serb communities, to reinforce the message that KPC wishes to protect their interests and help them. The Provisional Institutions of Self-Government should provide the necessary support to KPC in this endeavour.

124. Political and financial support is still needed to enable KPC to repair or purchase mission-essential equipment, respond to restructuring needs, and continue to train and professionalize.

Annex II

**Composition and strength of the police component of the
United Nations Interim Administration Mission in Kosovo
(as at 12 May 2006)**

<i>Country</i>	<i>Number</i>	<i>Country</i>	<i>Number</i>
Argentina	4	Malawi	5
Austria	24	Malaysia	11
Bangladesh	32	Nepal	19
Brazil	2	Netherlands	1
Bulgaria	42	Nigeria	34
China	18	Norway	20
Croatia	2	Pakistan	121
Czech Republic	10	Philippines	53
Denmark	23	Poland	124
Egypt	21	Portugal	9
Fiji	19	Romania	186
Finland	5	Russian Federation	54
France	58	Slovenia	15
Germany	223	Spain	15
Ghana	27	Sweden	41
Greece	11	Switzerland	8
Hungary	10	Timor-Leste	10
India	91	Turkey	137
Italy	31	United Kingdom of Great Britain and Northern Ireland	65
Jordan	62	United States of America	220
Kenya	17	Ukraine	185
Kyrgyzstan	4	Zambia	9
Lithuania	8	Zimbabwe	20
Total			2 106

**Composition of the Kosovo Police Service
(as at 5 May 2006)**

<i>Category</i>	<i>Percentage</i>	<i>Number</i>
Kosovo Albanians	84.52	5 769
Kosovo Serbs	9.65	659
Other ethnic minority members	5.83	398
Total		6 826
Men	86.21	5 885
Women	13.90	941

Annex III

**Composition and strength of the military liaison component of
the United Nations Interim Administration Mission in Kosovo
(as at 12 May 2006)**

<i>Country</i>	<i>Number of liaison officers</i>
Argentina	1
Bangladesh	1
Bolivia	1
Bulgaria	1
Chile	1
Czech Republic	1
Denmark	1
Finland	2
Hungary	1
Ireland	4
Italy	1
Jordan	2
Kenya	1
Malawi	1
Malaysia	1
Nepal	1
New Zealand	1
Norway	1
Pakistan	1
Poland	1
Portugal	2
Romania	2
Russian Federation	2
Spain	2
Ukraine	2
United Kingdom of Great Britain and Northern Ireland	1
Zambia	1
Total	37

