



Corruption in Kosovo: Observations and Implications for USAID

Final Report

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Table of Contents

Executive Summary	2
Abbreviations and Acronyms	4
1. Objectives.....	5
2. Methodology	5
3. Observations and Findings.....	7
4. Conclusions: Implications for Corruption, Anti-Corruption Programs and USAID	35
References.....	42
Appendix 1: Interviews Conducted	44

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Executive Summary

This report analyzes the state of public corruption in Kosovo, what is being done to control, and where the opportunities lie for future initiatives. The assessment reviews corruption at the central and local levels, and in a variety of key governmental functions. Government staff, international administrators, donors, civil society organizations, business representatives, and mass media representatives were interviewed. A corruption survey of 505 respondents was conducted as well.

As in all countries, we found that corruption exists in Kosovo today. But, despite public opinion and discussions in the mass media that presume very high levels of public corruption, it does not appear that corruption is a pervasive force in the governance process and it does not appear to significantly undermine the capacity of government to perform its duties and deliver services in a fundamental way.

The institutions perceived to be the most corrupted are KEK, the business community, PTK, customs, hospitals, and lawyers. The Serbian minority believes that many Kosovar institutions are more corrupted than does the Albanian population and other minorities. Other significant findings suggest that:

- For some, the pre-war experience of corruption and discrimination during the Milosevic period has strengthened their political will to resist and combat corruption, but for others, it has reinforced the practical utility of corrupt practices to simply get things done.
- Significant economic growth is one of the major preconditions for reducing corruption in Kosovo. If economic stagnation continues, the impact of even the most effective of governance reform and law enforcement programs against corruption is not likely to be sufficient to prevent backsliding toward corrupt practices.
- The upcoming privatization process offers the potential for major abuses.

In comparison to other countries in the region, the survey results suggest that the corruption situation in Kosovo is more optimistic. Corruption does not appear to be as widespread among public officials, the demands of corrupt officials are lower, and the extent of citizen involvement in corrupt transactions is lower in Kosovo than in other countries of Southeast Europe. In addition, Kosovars appear to believe that they can cope with the problem. In terms of tolerance for corruption and susceptibility to corruption, Kosovo seems to be at the same level as other former republics of Yugoslavia.

As more powers are transferred to the Kosovar Provisional Government from UNMIK, corruption problems may intensify. It is incumbent upon the current international administration in Kosovo as well as upon donors to provide as much help as possible now to establish and implement a significant framework of laws, practices, and governance procedures and controls, side-by-side with a mobilized civil society, private sector and mass media, to prevent and manage the growth of corruption.

Much work has been accomplished in establishing an operational governing authority across the wide range of public services. This has involved the development of laws, procedures, systems and institutions. Most are still in their incipient stages. It is critical that attention be paid now to how governance procedures and systems, which may be state-of-the-art, are implemented, bureaucrats and supervisors trained in them, and their performance tracked and monitored. While they may appear tamper-proof on paper, ways to subvert these systems have already been found and it is critical that these gaps and loopholes be plugged quickly to avert further abuse. As well, many existing governance procedures still leave excessive discretion to bureaucrats and need to be brought to the next level of detail.

Overall, the UNMIK administration has been a poor role model for the Kosovars when it comes to transparency and accountability. It has created a situation where the *appearance* of impropriety has become more potent than perhaps the actual occurrence of corruption within the UNMIK administration.

This can be remedied, but it will take a major conscious effort by the SRSG to direct greater openness and responsiveness by the international administration. Meanwhile, the transfer of greater responsibilities and authority to Kosovar administrations at the central and municipal levels will put the onus on local leaders to develop situations where governing practices and the rule of law prevent and control effectively for misuse of public office. Civil society, business and the media will have to be further mobilized and their capacity developed to take on the active roles of educators, advocates and watchdogs. As this is proceeding, international donors will need to coordinate their activities more effectively in the broad area of anti-corruption and good governance programs.

With respect to the justice and law enforcement sector, there is much to be done if judicial, legal and law enforcement institutions are to avoid corrupt influence and fulfill legal responsibilities to address public corruption. Because authority in this sector (Pillar 1) remains reserved to UNMIK, it is difficult to determine the extent to which Kosovar institutions are capable of functioning on their own, particularly given the severe shortages of resources noted in the body of this report. Indigenous strength in the sector is derived from senior judges, lawyers, and prosecutors who seem to have the capacity and the willingness to provide the leadership necessary to transition to autonomy and from a police force being built from the ground up that seems to have gained public confidence. The most significant weaknesses are the relatively rudimentary nature of court administration, insufficient salaries for judicial and law enforcement personnel, and the continued perception that fundamental laws and procedures are being imposed without meaningful local consultation and input.

As indicated throughout, avoiding the temptation to make definition and quantification of corruption and crime a program goal is an important step toward realizing the programmatic opportunities presented. Focusing on development of fundamental judicial and legal institutions as a program priority will do far more to contribute to the capacity of Kosovar institutions to address internal corruption and meet responsibilities to fight external (extra-institutional) corruption than support of sophisticated initiatives built on shaky institutional foundations. Below are some suggested initiatives in the justice and law enforcement sector that meet these criteria.

Years of suppression under Milosevic's totalitarian regime developed a tolerance among the majority of people to uncontrolled arbitrariness of the government and pessimism about the mission of government to serve in the public interest. The international administration that has been governing Kosovo for several years has not put a priority on citizen participation in decision-making processes or on transparency and accountability in government. Now, with more governmental power and responsibilities transferred to Kosovars, there is a need to educate citizens on their rights and government responsibilities and to promote their active participation in keeping government accountable to prevent further abuses by government.

Civil society organizations, the media and the business community have to play an important role in these initiatives. There is a general understanding of the negative economic and social impact of corruption on Kosovar society and a sincere willingness to prevent corruption from getting rooted in a newly established Kosovar government and in society at large. Some civil society organizations and media, as well as business associations have made efforts in the right direction through their advocacy, public awareness and reform initiatives. These efforts, though, tend not to be fully thought through in terms of their application against corruption and are rather discrete and event driven. NGOs seem to be likely to become an active player in anti-corruption campaigns upon better education and awareness about corruption impacts and training in anti-corruption techniques. Media and the business sector may require more effort to direct them towards effective actions against corruption. Insecurity, lack of professionalism and limited resources in the media, and insecurity and self-interest among businesspeople create obstacles for these sectors to become proactive partners in anti-corruption campaigns unless they are organized through professional associations where they can express their position anonymously.

Abbreviations and Acronyms

BPK – Banking and Payments Authority of Kosovo
CIPE – Center for International private Enterprise
DFID – Department for International Development, UK
FYROM – Former Yugoslav Republic of Macedonia
IDRA – Institute for Development Research and Alternatives (Tirana)
IMC - Interim Media Commission
IOM – International Organization for Migration
IREX – International Research and Exchange Board
KCB – Kosovo Consolidated Budget
KBS – Kosovo Business Support
KEK – Power Corporation of Kosova
KFOR – Kosovo Force
KJI – Kosovo Judicial Institute
KNAP - Kosovo NGO Advocacy Project
KPS - Kosovo Police Service
KTA – Kosovo Trust Agency
KTI – Kosovo Transitional Initiative
NDI – National Democratic Institute for International Affairs
NGO - non-governmental organization
OECD – Organization for Economic Cooperation and Development
OEK – Kosova Chamber of Commerce
OSCE – Organization for Security and Co-operation in Europe
PISG – Provisional Institutions of Self-Government
POE – publicly owned enterprise
PPRB – Public Procurement Regulatory Body
PTK – Post and Communications Kosovo
SELDI – Southeast Europe Law Development Initiative
SIGMA – Program entitled “Support for Improvement in Governance and Management in Central and Eastern European Countries” (a joint initiative of the Organization for Economic Co-operation and Development and the European Union)
SME – small and medium size enterprises
SOE – socially owned enterprise
SRSG – Special Representative of the Secretary-General
TMC - Temporary Media Commission
UNDP – United Nations Development Programme
UNMIK – United Nations Mission in Kosovo

1. Objectives

The goal of this report is to inform the USAID Mission in Kosovo with focused analysis on the state of corruption in Kosovo, what is being done to control it, and where the opportunities are for future initiatives as the Mission is developing a new five-year strategy. To do this, information has been gathered on:

- The degree to which corruption exists in Kosovo and where it exists in institutions and structures
- The capacity of government and civil society to combat corruption
- The extent of current programs to control corruption and where they can be strengthened
- How Kosovo compares with other regional states
- The consequences of corruption for USAID/Kosovo's programs.

Public corruption is generally understood as *the misuse of public office for private gain*. Within this definition, corruption can take many forms: bribery, speed money, extortion, fraud, embezzlement, influence peddling, favoritism, and nepotism, among others. In the absence of any law or regulation in Kosovo that defines corruption explicitly, this study employs this broad conception of corrupt behavior. As a result, we examine conditions of both petty corruption, which involves low level bureaucrats and small money, gifts or favors, and grand corruption, which includes higher levels of authority and higher stakes. Our investigation looks at abuses of power that are both sporadic and intermittent, and those that appear to be systemic and embedded in the way government operates. We do *not* look at corruption that occurs solely within the context of the private sector.

The analysis reviews corruption at the central and local levels, in a variety of governmental functions (such as health, education, finance and the judiciary), and across a range of activities (including enforcement, prevention, and public education programs). From all of these perspectives on the problem, the assessment seeks to evaluate the level of readiness to fight corruption, that is, the political and societal motivation and will to take serious action against corruption, and the extent of institutional capability and strength of government agencies and interested groups to participate in anti-corruption activities, as well as their sustainability.

This assessment is intended to provide guidance to USAID in their development of anti-corruption, transparency and accountability programs throughout its portfolio. These programs will require the active participation of Kosovar civil society, the private sector, government authorities, and the mass media.

2. Methodology

2.1 Information gathering and analysis

The assessment team consisted of one specialist in the justice system and law enforcement, another specialist in public administration and governance processes, and a third specialist in civil society, the mass media and the private sector. Over the period of four weeks, they collected and reviewed documents and reports concerning corruption in Kosovo, and within two weeks in country, conducted interviews and focus groups with individuals and representatives from all major stakeholders in anti-corruption efforts, including Provisional Government officials, UNMIK representatives, international and bilateral organizations and donors, civil society organizations, the mass media, the private sector and business associations (see Appendices 1 and 2 for the meeting schedule and list of interviewees). In addition to meetings at the central level in Pristina, trips to two cities – Gjilan and Ferizaj – were conducted, including sessions with the major stakeholders at the municipal level.

Finally, a representative systematic public opinion survey was conducted in May 2003 patterned after the corruption survey conducted in 2001 and 2002 by the Southeast Europe Law Development Initiative (SELDI) Project in most other countries of the Balkan region. The survey instrument was customized to account for the Kosovar situation, and the sampling plan developed and network of interviewees trained and supervised by a local Kosovar survey research group, INDEX Kosova, in coordination with Institute for Development Research and Alternatives (IDRA), a think tank in Tirana, that has experience implementing this survey instrument in Albania for the SELDI project. The highlights of the survey findings are presented in this report; a separate MSI report presents all of the detailed results.

With this information in hand, the team assessed the current corruption situation in Kosovo. There are no commonly accepted methodologies to evaluate or measure the extent of corruption in a country in a systematic way. The best that can be done is a synthesis of the information gathered from interviews, survey, and documents to provide a multi-perspective situational assessment of corruption. The survey results were analyzed in relation to recent survey results in neighboring countries to put Kosovo into context. Observations and findings in each functional area are presented next, including the interests, perceptions, political will, capacity, and overall readiness to act of the major stakeholder groups in government and outside of government. Finally, the implications of these findings in terms of strengths, weaknesses, gaps and opportunities are presented, and some implications for USAID are offered.

2.2 Cautionary Notes

There are several factors that should be noted concerning this assessment's observations and the implications that can be drawn from these findings. However, taking these cautionary items into account, we believe the conclusions of this report are reasonable and valid.

First, the assessment was conducted within one calendar month, with only 2 weeks on the ground in Kosovo; this leaves little time to examine any issue in depth. Further, many of the laws, regulations, procedures and institutions that we refer to have been in existence for a very short period of time and there is little or no documentation as yet of how their actual performance compares with their intended performance. Even if there has been sufficient time to understand Kosovo's experience, our short TDY limited the team's ability to monitor implementation in any depth. Our observations are based on brief encounters at best and largely dependent on the accuracy of the individuals that we interviewed. The assessment is limited by the information, documents and interviews that were available to the team.

Second, corruption is a multi-dimensional issue and, as a result, it is difficult to circumscribe the scope of this assessment. Potentially, an assessment of corruption requires a review of all government systems, institutions, and laws, as well as all aspects of civil society, mass media and private sector activity. Obviously, this is a challenging task for such a rapid endeavor as this; the team sought out information on what it considered to be the most affected and vulnerable areas. We may have missed some important documents and interviews.

Third, this assessment was conducted without a thorough and up-to-date review and evaluation of the legal framework in Kosovo. The body of law often establishes the fundamentals within which corruption can be identified, prosecuted and punished, and is the basis for preventive and public education strategies to fight corruption. An in depth analysis of existing law would identify its adequacy in areas important to fighting corruption, especially as the legal body evolves.

Fourth, it is important to understand that many people tend to blame anything that goes wrong in the public sector as indicative of corruption. While this assessment depends heavily on our interviews with stakeholders from many sectors, we have tried to separate evidence and fact from perception, suspicion and allegation as it concerns the phenomenon of corruption.

3. Observations and Findings

3.1 The Corruption Situation in Kosovo

As in all countries, corruption exists in Kosovo today. The mass media and public opinion, as demonstrated by survey results presented below, presume relatively high levels of corruption. However, based on our wide-ranging discussions, corruption does *not* appear to be a pervasive force in the governance process and, as of yet, does not appear to significantly undermine the capacity of government to perform its duties and deliver services in a fundamental way.

Several public opinion surveys, including our own, have polled Kosovars recently on their perceptions of corruption. It is typically the case that public opinion about corruption is worse than what can actually be determined objectively. Often, citizens assume that administrative delays, incompetence, mismanagement, and lack of funding and resources are attributable to corruption despite the lack of evidence. This negative response is especially exaggerated during periods when the media reports on particular corruption scandals, as was the case during the first half of 2003 when some of these surveys were collected. Moreover, questions in each of the survey instruments discussed below were asked differently and, so, the results vary. However, the common conclusion across several surveys is that corruption is perceived by the public to be a major problem, *among others*. Our overall conclusion, stated above, that corruption is *not* a pervasive force in Kosovo is based on our analysis that places these survey results into a broader context, along with information gathered from other sources. It is our contention that despite the level and nature of corruption in Kosovo, in general, it has not resulted in dysfunctional governance processes.

In response to the question “What are the top three problems facing Kosovo?,” respondents to our corruption survey answered that unemployment, by far, was the most prominent on peoples’ minds (at 85.8% of respondents). Corruption was second in perceived importance (38.9%), followed by poverty (32.9%), low incomes (30.9%), and high prices (30.3%). In a March-April 2003 survey conducted by the Kosova Institute for Democratic Society with a sample drawn *only* from Pristina, respondents were asked their opinions about many problem areas, each separately. 66% of these respondents indicate that corruption is a major problem in their daily life. 85% said that corruption is a major problem for Kosovo in general, 63% said it was a major problem for the Pristina municipal government, and 29% said it was a major problem for their neighborhoods.

The findings were a bit different in a recent UNDP public opinion poll on perceptions of local government and public services in Kosovo. Sixty percent of the 6,000 respondents named unemployment as the most important problems faced by municipalities, about 37% named power/electricity/KEK, followed by rebuilding the economy and infrastructure (about 28%) (Kosovo Mosaic, UNDP, 2003). Corruption appeared only in 8th place (about 7%) among 20 problem areas suggested by the questionnaire. When the same question was asked with regards to Kosovo in general, about 46% put unemployment in first place, followed by Kosovo status (about 12%) and power/electricity/KEK (about 9%). Corruption was in 9th place (about 2%) among 21 different problem areas. These differences can be attributed, in part, to the fact that the UNDP survey asked respondents for only their top two problem areas and additional response options were provided that were not offered in our corruption survey.

What are the conditions in Kosovar society that enable and promote corruption? Our corruption survey points to several potent causes, including low salaries for public officials (80.9%), the lack of strict administrative controls (34.4%), inefficiencies in the judicial system (31%), problems inherited from the communist past (29.8%), and the motive to make fast money (28.9%). These results coincide with findings from other recent SELDI surveys in the Southeast Europe region.

Forty percent of respondents believe that all or most government officials are involved in corrupt practices and 54.9% believe they have to do a favor for public officials to solve a personal problem successfully. Here, as indicated before, while the common attitude is that corrupt practices are widespread, we believe that perceptions are more highly inflated than reality, given the prominent media coverage accorded to a scandal at the very time that the survey was conducted and based on other data that we collected. In fact, a comparison of results in Tables 1 and 2 demonstrate the wide differences between the public's perceptions of and experience with corruption.

Table 1 provides our survey results on institutions and functions *perceived* to be most vulnerable to corruption. By far, the publicly-owned power company (KEK) is viewed as extremely corrupted (78.2%), which probably reflects much of the recent publicity concerning mismanagement of funds. The telecommunications company (PTK), also publicly-owned, is perceived to be highly corrupt as well (55.2%). Assessments of corruption in the customs service and of businesspeople, in general, are at comparable levels – 54.9% and 57.0% respectively. Hospitals (45.6%) and lawyers (43.3%) are at the next level of suspected corruption. One-third of the respondents view political party leaders (33.7%), tax officials (31.8%), and the UNMIK administration (31.0%) as highly corrupted.

The picture is very different when respondents were asked about their *actual experiences* with corruption, as opposed to their *perceptions* (see Table 2). In most cases, they admit to much less corruption than they allege exists. The largest percentage of respondents (32.2%) were asked for unofficial payments, gifts or favors from doctors.¹ After that, respondents cited municipal officials (16.7%), lawyers (11.2%) and judges (10.5%) as the officials who most often requested unofficial payments for services. Overall, the survey showed that 3.5% of the respondents gave cash to public officials in all or most transactions, 2.3% gave gifts, and 5.3% did a favor.

The survey results suggest that Kosovars are more likely to offer unsolicited bribes to public officials (8.1%) than to be confronted by an official who explicitly demands unofficial payment, gifts or favors (5%). This finding suggests an expectation for corruption among the population that requires serious re-education. This survey and others in the past (see Early Warning Report, 2002) indicate a high level of tolerance for corruption within the general population that allows the practice to thrive.

Some surveys have compared Kosovar Albanian and Kosovar Serb responses. As indicated in Table 3, Kosovar Serbs generally perceive the corruption situation to be worse than the Kosovar Albanian respondents (Early Warning Report survey, 2002). Interestingly, the Kosovar Serbs view the courts, UNMIK and local police, customs, and the municipal administrations as being more corrupted than does the Albanian population. On the other hand, Kosovar Serb transactions with international organizations as well as interactions to obtain healthcare and educational services do not differ substantially from the Kosovar Albanians. In almost all cases, other minorities have just the opposite impression of corruption in the Kosovar public sector: generally, they perceive less corruption than either the Kosovar Albanian or Kosovar Serb populations.

¹ Many doctors work both in public hospitals and private clinics and often offer patients the option to get better and faster care at the private clinic for a fee. It is questionable whether this practice can be labeled as corruption.

Table 1. In your opinion, what is the degree of corruption proliferation in the following institutions?

Institution	Percent of respondents who believe that corruption is high or very high
KEK (Power Corporation)	78.2
Businesspeople	57.0
Telecommunication Company (PTK)	55.2
Customs	54.9
Hospitals	45.6
Lawyers	43.3
Political party leaders	33.7
Tax offices	31.8
UNMIK Administration	31.0
Municipal government	28.2
Judiciary	27.7
Prosecutors	25.2
UNMIK Police	24.5
Universities/Schools	23.0
Municipal administration	22.6
Kosovo Trust Agency	16.5
Presidency	16.4
Parliament	15.6
Media	15.5
Journalists	15.0
Kosovo Government	14.3
KFOR	13.3
Non-governmental Organizations	11.9
KPS (Kosovo Police Service)	9.4
Teachers	8.6
Banking Authority of Kosovo	8.4
Statistical Institute	7.3
TMK (Kosovo Defense Body)	5.9

Source: MSI Corruption Survey, May 2003 (n=505)

Table 2. Over the past year, if you have had contact with the following officials, have you been asked for unofficial cash, gifts or favors to solve problems?

Officials contacted	Percent of respondents who experienced being asked for cash, gifts or favors	Number of respondents
Doctor	32.2	402
Municipal official	16.7	257
Lawyer	11.2	161
Judge	10.5	158
Official at a ministry	9.9	168
Businessman	9.7	180
University professor or official	8.7	200
Administrative official in the judicial system	7.7	156
Customs officer	7.7	150
Public prosecutor	7.3	148
Tax official	5.8	206
Municipal councilor	4.5	177
Police officer	4.4	150
Leader of Political Parties	3.8	194
Banker	3.6	199
Teacher	2.8	316
International Representative	2.7	154
Journalist	2.4	167
NGO representative	2.1	195
Member of parliament	1.8	118
Local political leader	1.8	226
Minister	0.9	127

Source: MSI Corruption Survey, May 2003

Table 3 also presents the results of a 2003 survey of Pristina residents. While the percentages are not identical with the 2002 survey or our household survey, the rank ordering of institutions perceived to be most corrupt is remarkably similar (customs, healthcare and UNMIK heading the list), as is the list of institutions where respondents claim to have been extorted over the past six months – primarily in the healthcare sector and municipal administrations.

Table 3. Institutions perceived to be very corrupt – Results in in Kosovo across ethnic groups and in Pristina

Institutions	Early Warning Report, 2002			KIDS 2003 – Pristina only	
	Albanian Kosovar	Serb Kosovar	Other minority	Perceived corruption – in Pristina	Experience of extortion in past 6 months – in Pristina
Customs	37	49	40	33	6
International Organizations	37	37	25	20	2
Healthcare	28	31	13	31	14
Local Administrations	19	37	7	17	7
Education	17	23	10	-	-
Courts	16	47	11	15	3
UNMIK Police	8	30	5	17	1
Local Police	2	42	0	5	2
Tax Administration	-	-	-	19	4
Kosovar government	-	-	-	12	1
NGOs	-	-	-	9	2

Sources: Early Warning Report, 2002, p. 33-34; Kosova Institute for Democratic Society (March-April 2003 survey in Pristina)

Note: Where cells are blank, institutions were not included in the questionnaire.

Table 4 compares the results from our corruption survey in Kosovo with identical surveys conducted in other neighboring countries under the SELDI project. The indices presented in the table combine several of the questions in the survey instrument and are defined as follows:²

- **Acceptability in principle** – This index reflects the tolerance that exists in the society towards the corruption phenomenon.
- **Susceptibility to corruption** – This index measures inclination of citizens to compromise on values and principles under the pressure of circumstances.
- **Corruption Pressure** – it measures the efforts of public employees to exert direct or indirect pressure on citizens with the aim of getting from them gifts, bribes or favors.
- **Personal involvement in corrupt practices** – it reflects personal involvement/ admission in corrupt behavior
- **Spread of corruption** – This index registers the citizen’s perception on the spread of corrupt practices among public sector employees.
- **Practical effectiveness** – Indicates citizens’ assessment of the extent to which corruption is becoming an efficient tool to solve personal problems and a social behavioral norm.
- **Corruption expectations** – indicates the perception by society that they can cope with the problem of corruption.

Each corruption index varies from 0-10. The closer the index is to 10, the worse is the corruption situation; the closer the index is to zero, the better the prognosis. Overall, these indices provide a multi-dimensional view of the corruption situation in the surveyed countries.

² For more information on these corruption indices, see <http://www.anticorruption.bg/eng/corindex/about.htm> for a description of the Corruption Monitoring System (CMS) of *Coalition 2000* where they were first developed.

Table 4. Corruption Indexes' values

	<i>Acceptability in Principle</i>	<i>Susceptibility to corruption</i>	<i>Corruption pressure</i>	<i>Involvement in corrupt practices</i>	<i>Spread of corruption</i>	<i>Practical efficiency of corruption</i>	<i>Corruption Expectations</i>
Albania	2,4	4,5	3,4	2,0	7,0	6,6	5,5
Bosnia and Herzegovina	2,0	2,9	2,5	1,5	6,0	5,9	5,0
Bulgaria	1,3	2,7	1,0	0,3	6,4	6,9	5,8
Macedonia	2,4	3,0	2,3	1,6	6,8	6,1	6,1
Romania	1,9	3,7	1,9	1,1	6,9	7,1	6,2
Croatia	2,2	2,6	1,4	0,6	5,3	5,8	4,8
Serbia	2,0	2,7	2,2	1,4	6,0	6,5	5,1
Montenegro	1,5	2,6	1,8	1,0	6,0	6,7	4,5
Kosovo	2,1	2,8	1,1	0,7	4,9	3,9	3,8

Source: MSI Corruption Survey, May 2003 and SELDI Corruption Index Report, April 2002

In general, Kosovo fares well in comparison with other countries in the region on these corruption indices. Corruption does not appear to be as widespread among public officials, the demands of rent-seeking behavior by public officials are lower, and the extent of citizen involvement in corrupt transactions is lower than in other neighboring countries. Moreover, respondents in Kosovo are more optimistic than the other countries about their ability to cope with the problems of corruption. On some other indices, there is striking similarity with other former republics of Yugoslavia, in particular, Kosovo's tolerance for and susceptibility to corruption.

The Nations in Transit report (Freedom House, 2002) provides some contradictory impressions of Kosovo versus the region. It suggests that the corruption situation in Kosovo is worse than in other parts of the former Yugoslavia because of the close ties among the political leadership, the Kosovo Liberation Army leadership, and organized crime. These Freedom House assessments are made on the basis of expert panels, not empirical data or surveys.

Our corruption survey in Kosovo asked respondents to look outward to its neighbors to assess their perceived levels of corruption. The results suggest that a large percentage of Kosovar respondents perceives that corruption in Serbia and Montenegro is very widespread (48.3%), while 32.9% believe it is very widespread in Kosovo, 23.7% that it is widespread in Macedonia, and 7.6% and 4.0%, respectively, that it is prominent in Bosnia and in Croatia

Overall, these comparative results suggest that the corruption situation in Kosovo is more positive than in neighboring countries. These survey findings are consistent with our observations from interviews and focus groups. Corruption exists in Kosovo, but is at a stage at which preventive action might be extremely effective.

Stakeholders perceive the corruption situation in different ways and there is a lot of finger-pointing across groups as to who is to blame. NGO, business and media participants in several focus groups conducted by the assessment team in May 2003 identified the institutions that they felt were most corrupted (see Table 5).

Table 5. Nongovernmental Focus Group Results: Perceptions of most corrupted institutions

NGO Focus Group #1 in Pristina	NGO Focus Group #2 in Pristina	NGO and Business Focus Group in Gjilan	NGO and Business Focus Group in Ferizaj	Business Focus Group in Pristina	Media Focus Group in Pristina
Courts Customs Healthcare KEK Procurement PTK Public service Universities UNMIK	Agriculture Construction permitting Courts Customs Healthcare KEK Public Services Social Services UNMIK	Business sector Civil service recruitment Construction permitting Courts Customs Education Fiscal authorities Healthcare KEK Procurement PTK UNMIK	Customs Fiscal authorities Healthcare KEK PTK Public services UNMIK	Customs Judicial and court system Law Enforcement Procurement Tax system UNMIK	Customs Education Energy sector Healthcare Justice system Kosovar NGOs Municipal services Police Procurement PTK UNMIK

In each focus group, UNMIK was mentioned as corrupted, particularly with respect to procurement. In customs, nepotism and favoritism in hiring practices was viewed as a serious vulnerability. Kosovar NGOs were seen as embezzling funds and stealing construction materials allocated to improve infrastructure. The police were mentioned as corrupted because they overlook corruption cases under pressure by high-level authorities, prosecutors, judges or political parties. In the healthcare system, small gifts are almost always expected and doctors working in the public sector direct patients to their private practices and collect fees for their services. Medical equipment purchased or donated to public healthcare facilities often are reported lost and reappear in doctors' private offices. Businesses admitted that they were extorted by public officials in the registration, inspection, tax collection, and procurement processes.

Where do the Kosovar government officials and international advisors perceive the greatest vulnerabilities to corruption? Provisional government officials tend to point to the UNMIK administration and private business people as abusing their positions and influence. They also believe that there is more corruption opportunity at the municipal than at the central level. They indicate that the absence of an integrated framework of laws, institutions and control procedures opens society to corruption; currently, there are only limited mechanisms available to rein in abuse of office. Members of the government see pervasive corruption in procurements, the border police and customs, publicly-owned enterprises, and large reconstruction grants controlled by international donors.

The international advisors and administrators, on the other hand, tend to suggest that provisional government officials are the major source of corruption. They tend to see the incipient Kosovar government as an uncontrolled source of patronage and favoritism, and argue that Kosovar officials have been able to subvert state-of-the-art administrative systems to their advantage.

3.2 Public Administration and Services

Many of the administrative functions of government in Kosovo have now been transferred to the PISG, though some, like privatization, are still reserved for UNMIK. The administration of government and the delivery of services cover a very wide range of functions at both the central and municipal levels. This part of the assessment addresses the areas that typically are most vulnerable to corrupt practices or that are charged with controlling corruption – high level policymaking bodies, administrative and civil services, financial management and audit, public procurement, the delivery of public services, and privatization.

3.2.1 Policymaking Bodies

The Prime Minister's Office of Good Governance is the highest level policymaking body dealing with anti-corruption issues. It drafted and gained the Prime Minister's approval for the first government Anti-Corruption Plan in July 2002 that includes public awareness, legislative and administrative initiatives, some of which have been implemented. Along with the Inter-Ministerial Working Group on Corruption that it chairs, the Office is charged with drafting an anti-corruption policy and strategy for the PISG, drafting appropriate legislation, recommending institutional structures to guide the national program, and educating the public on the costs of and remedies to corruption. The Working Group currently consists of representatives from three ministries plus 2 UNMIK offices; there are plans to enlarge the group.

Key Observations about the Corruption Situation in Kosovo

The assessment team meetings yielded other significant perceptions of the problem of corruption in Kosovo:

- For some, the pre-war experience of corruption and discrimination during the Milosevic period has strengthened their political will to resist and combat corruption, but for others, it has reinforced the practical utility of corrupt practices to simply get things done.
- Favoritism, nepotism and the use of speed money are culturally entrenched.
- UNMIK does not provide a good role model for transparency and accountability in government.
- Significant economic growth is one of the major preconditions for reducing corruption in Kosovo. If economic stagnation continues, the impact of even the most effective of governance reform and law enforcement programs against corruption is not likely to be sufficient to prevent backsliding toward corrupt practices.
- The upcoming privatization process offers the potential for major abuses.

A current obstacle to effective anti-corruption activity is the separation of authorities between UNMIK and the PISG during the transition. There is a clear disconnect between the justice/law enforcement elements (reserved for UNMIK) and the administrative elements of government (transferred to PISG). Coordination of enforcement efforts with administrative prevention initiatives is essential in formulating a comprehensive anti-corruption program.

The Government stated its political will and commitment to pursue these activities in an Advisory Policy Paper drafted by the Working Group and just recently signed by the Prime Minister on April 30, 2003. While it took a long time for the Group to develop this brief paper (seven months since it was first recommended in a Council of Europe workshop), this was due primarily to necessary discussion among the members on the issues at stake and UNMIK delays. There was no indication that there might be obstacles to continued activity by this Working Group.

As it pursues its next important tasks, the Office and Working Group will need extensive expert assistance in anti-corruption measures that can be included in the strategy, legislation that can be drafted, and ways to incorporate civil society participation in the process of developing and implementing the strategy. The Office intends to increase the size of the Working Group to include all ministries. There is a lot of experience in the region (for example, through the Stability Pact Anti-Corruption Initiative, the Southeast Europe Legal Development Initiative (SELDI) project, the OECD-sponsored Anti-Corruption

Network for Transition Economies, and the USAID-sponsored www.nobribes.org website) that can be brought to bear to support the strategy design and implementation. In the past, the Office of Good Governance has received training support from the Council of Europe, legal drafting support from GTZ, and technical assistance from NDI. Currently, it does not have firm assistance support promised from any donor organization.

The Prime Minister's Office for Good Governance requested the following types of assistance:

- Technical assistance in compiling the strategy and coordinating with civil society
- Technical assistance in formulating and implementing an effective government unit to monitor and coordinate implementation of the anti-corruption strategy
- Expertise in drafting legislation
- Study tours and local training for civil servants within the PM's Office
- Direct technical assistance and financing of particular anti-corruption projects, including anti-corruption awareness and training campaigns for civil servants, the police and the public; administrative streamlining reforms (creating one-stop shops); establishing an anti-corruption reference library in Albanian and Serbian, developing anti-corruption curricula for the police and customs schools and for the Public Administration Institute; regional cooperation and networking; and building civil society capacity at both the central and municipal levels.

The Office has indicated some interest in formulating an executive body to guide the anti-corruption program. This might take the form of an independent anti-corruption commission or an administrative steering committee that directs a national anti-corruption strategy. Such commissions can have a positive impact on raising the level of public awareness about public corruption and can serve as a useful intergovernmental coordination mechanism. However, anti-corruption commissions have been largely ineffective in either prevention or law enforcement efforts in other countries. Meaningful development of a law enforcement capacity to address corruption is likely to be far more effective as part of a comprehensive effort to upgrade existing law enforcement entities. Overall, the pros and cons of each type of institution must be examined in relation to the program, resources available, and authority that is delegated to it.

3.2.2 Administrative and Civil Services

The Ministry of Public Services is responsible for providing the administrative services of government (including central procurement; civil, vehicle, and land registration; statistics office; facilities management, etc.) and running a professional civil service (including human resource management, training, etc.). There are approximately 62,000 civil servants (including the police) with total salaries of approximately 12 million Euros per month. The size of this Kosovar civilian government workforce is comparable favorably to other Eastern European countries.³

Several state-of-the-art IT systems have been developed since 1999 to gather systematic information for provision of administrative services, such as civil and vehicle registration. These were designed to incorporate checks and balances, internal controls on fraud, and to increase public confidence in government. Unfortunately, some of these systems – notably the vehicle registration system – may have succumbed to fraud and abuse by public officials, some of whom are currently under prosecution in Prizren and Peja; current investigations by UNMIK police may uncover higher level collusion in this

³ This amounts to a civilian government employment rate (central and local administrative staff, excluding healthcare and education) of approximately 3% as a percentage of the Kosovar population of about 2 million. This compares to a figure of a little over 4% for averaged OECD countries, 4% for the Czech Republic, 3% each for Hungary and Estonia, and less than 1% for Bulgaria (see the World Bank's Administrative and Civil Service Reform website for data from 1999: www1.worldbank.org/publicsector/civilservice/index.html).

fraud scheme. The Ministry has realized that increased controls – both IT-based controls and strengthened good governance procedures -- are required to protect these administrative systems from fraud and abuse.

A Civil Service Oversight Board was envisioned in the Civil Service Law, but has yet to be implemented. Had this Board been in existence over the past 18 months, bad hiring practices and politicization of the civil service (the appointment of Permanent Secretaries as well as department heads have been based primarily on political patronage) might have been questioned and averted. At the urging of the Ministry of Public Services, DFID and others, a temporary director for the Board has now been selected.

There are other gaps in the civil service legislation and implementation.

- The Kosovo Institute for Public Administration is finally getting established, but the newly evolving curriculum can be enhanced with training on good governance practices, ethics and standards of performance, customer service, conflicts of interest, and complaint mechanisms. Training of lower level (non-management) civil servants in these same areas is essential, but may not fall within the purview of this Institute; thus, other vehicles for training and re-training are still required.
- Training in civil service provisions and procedures is also essential in the municipalities at all levels of the bureaucracy.
- Conflict of interest provisions are not explicitly addressed in the Civil Service Law and need to be spelled out concretely. Training and brochures for all civil servants on practical conflict of interest situations should be developed and implemented.
- A Financial Declaration of Assets for all civil servants should be instituted. This may require legislation and workable implementation mechanisms. The Oversight Board might be given the responsibility to review and analyze these declarations.
- A Ministerial Code of Conduct should be adopted.
- Mechanisms for monitoring corruption in the civil service should be established.

The Ministry recently conducted a donor meeting (May 6, 2003) requesting assistance in implementing over 20 projects that would strengthen training and governance procedures in the provision of administrative services. DFID is providing technical assistance in developing the civil service legal framework and its implementation (including training), especially in the human resources management area.

3.2.3 Financial Management and Audit

The Ministry of Finance and Economy, with the help of Bearing Point, has implemented several best practices IT systems and procedures to control the inflow and expenditure of public funds in the Kosovo Consolidated Budget. The budgetary process is established in a transparent and systematic fashion, with a single IT system, the “Free Balance” system, containing all budgetary information of the central and municipal levels and enabling centralized reporting. This unitary system helps to keep an accountability trail for the treasury system. All major revenues are paid through commercial banks to the BPK treasury account. Expenditures are also paid directly into bank accounts for 97 percent of civil service salaries and for public contracts. Procedures require three signatures to authorize payment. Public reporting on the budget can still be improved.

Audits of the KCB were conducted by the Dutch Supreme Audit Institution and are now complete for 1999 and 2000, but have yet to be released by the SRSB. Audits for 2001 and 2002 are being conducted by Deloitte Touche and are not yet completed. Public release of these audits would increase public confidence in government. Failure to release these audits significantly undermines what should be a consistent message that transparency is fundamental to good governance.

The Ministry of Finance is presently responsible for auditing the central ministries and the municipalities. All audits conducted to date have been financial audits, with the capacity and criteria necessary for

meaningful performance audits estimated to be three years away. Long-term planning contemplates that each central ministry and each municipality will have its own internal audit unit with the Ministry of Finance responsible for oversight. During 2002, a Deloitte Touche team conducted audits to certify municipalities to handle their own finances.

A supreme audit institution, an Auditor General's Office, is in the process of being established; an Auditor-General is being recruited. Ensuring that this new institution is independent and has full access to all data related to public funds and the capacity to preliminarily investigate fraud and misconduct uncovered in the audit process will provide an invaluable resource in detecting and combating public corruption. At present, the European Agency for Reconstruction is providing technical assistance in the establishment of the Auditor General's Office, and the development of the internal audit capacity and the budgetary management system of the Ministry of Finance.

A financial declaration of assets report for tax officials is under development to control for fraud and abuse, but is not yet in place.

3.2.4 Public Procurement

The public procurement system is designed according to OECD standards and is EU-compatible. A new draft law was just submitted to the Assembly for its review. Approximately 45 percent of the total Kosovo Consolidated Budget (approximately 300 million Euro) is spent on public procurements. The Central Procurement Entity is situated within the Ministry of Public Services, conducts complex centralized bidding over a certain level, and approves procurements conducted at the municipal level. Ministries and municipalities are authorized to conduct procurements for their own needs. A Public Procurement Regulatory Body (PPRB) is situated in the Ministry of Finance to develop procedural guidelines, train personnel, monitor the tendering function, and review complaints – essentially, to serve as a regulatory mechanism.

The PPRB has found several alleged procurement irregularities at the municipal level as well as at the Ministerial level. Noteworthy is a procurement from the Ministry of Health for pharmaceuticals in the amount of 18 million Euros in which a bidder allegedly complained that the evaluation committee asked for a kickback of 10 percent from bidders. Their illicit request was caught on tape and the evidence was turned over to the prosecutor. The Minister was fired, but nothing has yet happened in the courts. In another case, a complaint by three bidders concerning mistakes in standards for a Central Procurement Entity tender for office supplies resulted in the PPRB canceling the bid; however, the UNMIK Legal Advisor allegedly indicated that the PPRB does not have the authority and reinstated the procurement. In yet another situation, an audit of Termokos and PTK procurements indicated some doubtful procedures and were sent back to the Kosovo Trust Agency for action. Finally, an airport procurement involving construction of a cargo building also had alleged irregularities and the bidding documents now appear to be missing.

The PPRB also hears complaints from bidders, assigns a review expert to investigate the grievance, and makes recommendations to the procuring authority if warranted. The PPRB also monitors contracts after award, patterned on internal auditing procedures. If they find potential misconduct, under the existing law, the PPRB passes the evidence to the procuring agency.

Under the new draft law, the PPRB would be empowered to conduct an investigation and pass evidence of misconduct directly to the public prosecutor. While this may seem on the surface like a solid anti-corruption advance, the opposite may be true. Unless a unit with specialized investigation skills is developed within the PPRB (doubtful given the staffing levels noted below), any preliminary evidence of misconduct should be referred to police and prosecutors for investigation. The more dispersed the law enforcement function, the less likely that meaningful enforcement mechanisms will be developed. In lieu

of investigative authority, monitoring and oversight functions and capacity should be enhanced. To advance this process, consideration should be given to development of a procurement information center, including creation of a state-of-the art website and procurement databases, that can provide the transparency and accountability fundamental to reducing corrupt procurement practices.

The PPRB is woefully understaffed. It now has six employees; under the new law, it will be authorized to increase the staff to 30 personnel. The new draft law on procurement does not have conflict of interest or bid rigging provisions, though these are being considered for future amendments. The European Agency for Reconstruction, along with SIGMA, is providing training and secondary legislative assistance to the PPRB.

3.2.5 Delivery of Public Services

Education and health services get the largest grants from the Central Budget, so these were examined in greater depth. In the health sector, one of the greatest vulnerabilities exists in the pharmaceutical sector (30 percent of the health budget goes to purchasing medicines) where problems and irregularities exist in the procurement and dissemination of drugs. Another major problem area is in international donations (totaling approximately \$60 million since the war); however, much of the money and equipment is now unaccounted for and there is little visible improvement in capacity in the public health system. Petty corruption at hospitals and clinics exists, less so with under-the-table payments but more in terms of shifting patients that can pay from public to private doctors (the salary differential between public and private doctors is great – from 250 Euros to 2500 Euros per month).

An internal audit division was recently established and audits for the years 2001 and 2002 are complete, but not yet released. Problems exist largely due to sloppy management procedures and a lack of controls. The Italian Guardia di Financia is conducting an audit of international health staff. During its first 8 months of operation, the internal audit division has audited 16 large health institutions and found problems with copayments being transferred to the wrong BPK accounts and allegedly irregular procurement procedures. Reports are sent to the Ministry's Permanent Secretary who then decides what to do; the decision of whether or not to get the police or prosecutor involved when audits turn up irregularities has not been regularized.

This internal audit division is understaffed; in total there are three personnel in place currently, with 5 recommended. The division needs to be strengthened: an international expert could help and procedures developed on Permanent Secretary actions if fraud and abuse are discovered.

There are several Kosovar NGOs that are concerned with healthcare-related issues; one of them, Mental Disability Rights International has a local office that serves as a watchdog group, keeping the Ministry accountable to patients.

The draft General Health Law (still under discussion within the Ministry) contains a code of conduct for health workers. However, it might be preferable to put most health workers outside the civil service, in order to raise salaries and remove the current conflicts between public and private sector health workers.

The situation concerning corruption problems in the Education Ministry is somewhat different. Vulnerabilities occur primarily in hiring practices that are highly politicized – among Ministry staff and among school directors. The SRSG has urged transparency for regional recruitment commissions for school directors, but no directive has been sent from the Education Minister. The Ministry's department heads are all political appointees and can operate with impunity. Another area of corruption concern is the education budget, now under the authority of the municipalities and audited by them. The Ministry itself does not have an internal audit team.

To ensure greater accountability, school boards and parent associations in local communities can be trained to operate as external watchdogs of the local school budget and hiring practices. Within the Ministry, committees need to be trained and organized to provide more reporting on their activities and decisions, so as to be more accountable. In addition, more detailed procedural guidelines need to be developed to reduce bureaucratic discretion and the opportunity for corrupt practices related to student testing and acceptance into university and secondary schools.

3.2.6 Privatization

The Kosovo Trust Agency (KTA) is empowered under law to expropriate and manage socially- and publicly-owned enterprises (SOEs and POEs), as well as privatize the SOEs. Its current mandate expires in June 2005. Currently, almost 500 SOEs are either directly managed by or report to KTA which is a reserved function, operated by EU staff, several USAID contractors, and supported by 30 Kosovar staff. Rumors abound among Kosovars that KTA and the SOEs are operating illegally, not paying taxes, and embezzling assets; while we found no substantiation of this, KTA's lack of transparency encourages such perceptions.

The final stumbling blocks to begin the privatization process, including the difficult issue of resolving ownership disputes, have been addressed in a very recent regulation that has been approved. Detailed privatization steps have been outlined in a written transaction process that will be well-publicized. KTA representatives believe that the 100 transaction steps outlined will lay the foundation for a standard and transparent privatization process that will minimize opportunities for corrupt practices. There will be no valuation of the SOEs; sale will be made to the highest bidder, liabilities will be liquidated, and the remaining proceeds will be saved in the Trust to pay off future ownership claims if any are determined by a Special Chamber of the Supreme Court. In a recent agreement with the trade unions, 20 percent of the proceeds will go to workers who were employed by the privatized SOEs for the past three years.

The KTA Board in charge of privatization includes four Kosovars and four internationals. Especially for the larger SOE sales, this Board will preside over the prequalification of bidders and will establish investment and employment requirements. Conflict of interest provisions appear not to have been considered in the existing procedures for privatization which may result in *appearances* of impropriety even if there are none in reality. It is hard to say at this point whether KTA has considered all of the contingencies that might result in potential fraud, abuse, corruption, and lack of transparency in the privatization process. However, given the experience in other transitional and developing countries, privatization is extremely vulnerable to corruption. Safeguards and controls need to be put in place and procedures need to be flexible enough to respond to unexpected irregularities and misconduct quickly and constructively.

It bears noting that KTA management expressed confidence in the procedures that are being outlined while admitting that difficulties are sure to arise in the privatization process. Their confidence seemed derived from both a zeal for privatization and the faith that the process about to be undertaken was clearly better than nothing, even if privatization proved problematic. This faith, if not supported by careful screening of potential purchasers and a program to ensure diversity, presents an opportunity for consolidation of valuable assets in the hands of a few, some of whom may have acquired the wealth to participate through questionable means. This presents the unfortunate potential for the privatization process to become a de facto money laundering operation.

3.2.7 Ombudsperson

The Office of the Ombudsperson is an independent entity that directly serves and protects the rights of citizens vis à vis the governmental authorities – both PISG and UNMIK. There are particular limitations on its jurisdiction: it cannot take cases to court, cases must be situated in Kosovo proper, cases can be

handled only if the grievance occurred after July 2001, cases cannot deal with KFOR, and complainants must have exhausted all legal recourses before being picked up by the Ombudsperson.

While the Office handles a wide variety of cases, many are potentially related to alleged corruption or excessive bureaucracy concerning property issues, employment issues, fair trial issues, impunity issues, and abuse of authority. The Office can be a powerful champion in the fight against corruption, but faces an uphill battle in gaining the attention of governmental authorities, especially the SRSG. A major challenge within the next year will be identifying a Kosovar successor to the current Ombudsperson who is Polish.

3.3 Legislature

The leadership of the Assembly appears to be motivated and knowledgeable about the problem of corruption and its social costs and consequences. It seeks to develop a serious program to fight corruption and believes that the necessary structures, institutions, and laws are not yet in place in Kosovo, leaving a vacuum that enables corruption to grow with impunity.

There is a perception that the Assembly is not fully empowered: internationals are developing legislation, formulating the structures of the Assembly and its leadership, and hiring staff without consultation with deputies. Deputies also lack adequate information to analyze the budget and expenditures, though this may be remedied if they are given access and trained to use the new budgetary and expenditures system.

Leading deputies across political parties are focused on developing an anti-corruption law and other anti-corruption-related laws such as a conflict of interest law and a financial declaration of assets law for civil servants, an ad-hoc commission on corruption and transparency, an administrative procedures code, and enhanced executive oversight. They foresee themselves as watchdogs of various executive functions including the budget, public procurements, and publicly owned companies.

There appears to be political will and commitment among the current Assembly leadership to deal with the problem of corruption, but consensus across party lines is not likely to be achieved easily. Institutional capacity is nascent, but further training and awareness of workable anti-corruption mechanisms would be helpful. NDI has provided such training to the Assembly, recently in executive oversight and transparency mechanisms. NDI has also worked with NGOs and the Assembly to develop a draft law on Access to Official Documents (a freedom of information law) which is now in the Assembly for consideration. OSCE's Central Assembly Support Team and the multi-donor Assembly Support Initiative have provided training, legal drafting support, and technical assistance on procedures to Deputies and Assembly Committees. A parallel Municipal Assembly Support Team of OSCE is beginning to train trainers who will disseminate information and good governance practices to localities across all regions.

External citizen watchdog groups, sponsored by NDI and OSCE, have been established recently to monitor the activities of municipal assemblies.

3.4 Justice and Law Enforcement

Justice and law enforcement remains the sector (Pillar I) with the least degree of Kosovar autonomy. Virtually all aspects of development, management, and oversight of the sector are reserved to UNMIK and the SRSG. While this provides an opportunity for consistent step-by-step development of judicial institutions and law enforcement agencies, it has consequences for the sustainability of that development. Further, specifically with respect to efforts to combat corruption, active indigenous participation in the

development of applicable criminal laws and procedures is critical to the public acceptance and access to evidence without which meaningful investigations of public corruption are difficult at best.

At the outset, it is important to recognize that law enforcement is but one tool in seeking to curb governmental corruption, rather than the only or even principal tool. There is a tendency to believe that if alleged perpetrators were only brought to justice, everything else would fall into place. However, it is far more analytically sound to view criminal prosecution as a source of underlying credibility for significant efforts at prevention and public awareness. In Kosovo, it is also important to note that there are elements of the judicial system and law enforcement that are working and merit both study and support, fueled in large measure by impressive Kosovar human resources in the legal profession.

The following is a summary of findings in the Justice and Law Enforcement sector that reflect a review of available documentation and interviews of both Kosovars and internationals working in the sector or with relevant information reflecting on the sector. In all instances, the focus was on perceptions of corruption within a justice or law enforcement institution and the present capacity of a particular institution to meet its responsibilities in reducing corruption. Although the findings and analysis pertain to institutions significantly impacted by substantive law and procedure, the findings do not reflect detailed analysis of either presently applicable law and procedure or proposed changes in law or procedure.

3.4.1 Judiciary

The fundamental structures of a meaningful judicial system are in place, outlined in limited detail in the Constitutional Framework. As with much of the developing structure still under UNMIK control, the judicial system is a work-in-progress. The background information in the ABA/CEELI Judicial Reform Index for Kosovo (April 2002) details the institutional framework of the courts and describes the conditions of judicial service. Although the authority over the judiciary remains reserved to UNMIK, there is considerable potential, particularly at the Municipalities level, for improvement of virtually all aspects of the judicial administrative process that can proceed even as UNMIK makes final determinations about the structure of the judiciary and the procedures that will govern judicial proceedings.

In general, there appears to be Kosovar acceptance of the existing structure, and the Kosovar judges and prosecutors with whom we met were fully conversant with regard to the structure of the judiciary, the problems presently being faced, and the solutions most likely to improve the functions of the judiciary. However, public questions appear to remain about the independence and impartiality of the judiciary (see "Report of the Secretary-General on the United Nations Interim Administration Mission in Kosovo," p5.) Further, selection and discipline of judges and prosecutors remains an UNMIK function, although there are some Kosovars involved in the process. Development of a fair and impartial local selection and discipline process is essential to the long-term credibility of judicial institutions.

There have been some positive steps toward developing an indigenous and independent judiciary. Of prime importance, meaningful codes of ethics and professional conduct exist for both judges and prosecutors. Implementation of the codes and the training necessary to institutionalize the codes as a fundamental aspect of judicial performance are ongoing. There is a recently established Kosovo Judges' Association with the potential to become a voice for issues of importance to indigenous judges. This association, however, receives very little outside financial support from anyone and only a limited amount of technical and administrative support from ABA/CEELI. There is also an Association of Prosecutors that appears to be relatively new and receives no outside support.

Training of judges and prosecutors remains sporadic. The OSCE-sponsored Kosovo Judicial Institute (KJI) is intended to develop into a Magistrate School with the mandate to train new judges and prosecutors in a systematic way. However, at present, no such program exists, and training remains short-

term and largely unfocused on development of an across-the-board set of fundamental skills. This shortcoming will become critical with the anticipated introduction of a new Penal Code and Criminal Procedure Code.

Unlike in some development settings, the judiciary is functioning. Cases are filed and appropriately docketed, files are created and maintained, and cases seem to move forward to eventual completion. Neither judges nor prosecutors believe that corruption within the judiciary is a major problem, although all agree that conditions exist that make the potential growth of the problem more likely. Universally, Kosovars in the legal profession believe that shortage of resources is the most significant impediment to sustainable development of the judiciary and that the longer the shortages remain unaddressed, the greater the likelihood that sporadic corruption will move toward endemic corruption. Knowledgeable internationals seem to concur, although they reflect far greater confidence than Kosovars in the systems they (the internationals) are installing to meet the challenge of increased corruption.

Number one on every list is salaries. Although judges and prosecutors make somewhere between 250 and 550 Euros per month, all suggest that this is not a living (“normal”) wage, particularly for professionals. Low salaries in the judiciary appear to be contributing to a serious “brain drain,” with competent judges and prosecutors moving from public service to the private bar and other opportunities in the private sector. If the remuneration disparity is allowed to continue, many of the Kosovars needed to sustain an honest and effective judiciary will reject public service.

Another significant factor in creating a vulnerability to increased corruption in the judiciary is the relatively rudimentary nature of the judicial administration system. In the judiciary, there appears to be no computer network and no Internet connection (making the general lack of law libraries even more of a serious problem). Even the Chief Judge of the Supreme Court has a computer in his office that functions as nothing more than a word processor. Case tracking is done by after-the-fact data entry that can yield a written report but cannot be accessed by judges, prosecutors, or administrators in electronic form. Lack of a meaningful case tracking system connected nationwide makes systematic monitoring very difficult without an enormous investment in human resources. As the capacity to monitor increases, vulnerability to undetected corruption decreases.

Backlogs in many of the courts appear to be growing, a phenomenon generally attributed to a lack of judges, a lack of the basic tools of court administration, and security concerns. (For example in Ferizaj, one municipal court has 3 judges, 1500 cases and the capacity to resolve approximately twenty cases per month per judge.) Backlogs breed public frustration and the potential for abuse of pre-trial detention, and provide public justification for attempts to corruptly influence the judicial process. Many of the same tools that are necessary to improve judicial administration for monitoring purposes will provide the information necessary to address court backlogs. However, as the judiciary develops the capacity to address corruption and organized crime efficiently and effectively, security concerns are likely to increase unless resources are dedicated to the problem.

With respect to Prosecutors, the most significant issue, apart from the issues affecting the judiciary as a whole, is the apparent (the draft Penal Code and Criminal Procedure Code were not available for review) transfer of the primary investigating authority of the judiciary from investigating judges to prosecutors. In the best of circumstances, prosecutors frequently lack the skills and experience necessary to effectively exercise investigative authority. In Kosovo, this shortcoming will be acute and threatens to undermine public confidence in the new codes when significant statutory changes produce few anticipated results.

If the judiciary is to have a meaningful and uncompromised role in combating public corruption, there is no more important issue than quickly developing the capacity of public prosecutors to meet their new investigative responsibilities and arming them with the tools necessary to investigate criminal

misconduct. A training program similar to the intensity and focus of the Kosovo Police Service (KPS) School program would increase the likelihood of developing the coordination between investigators and prosecutors that is fundamental to effective corruption investigations. (See discussion of the KPS below.)

3.4.2 Law Enforcement

UNMIK Police – It is difficult, if not impossible, to develop information about corruption within the UNMIK Police. Generally, international police officers come for a six-month tour of duty, with few relevant language skills (including often limited English), varied training and experience, and varied commitment to and skills for serious investigative work. While some effective police work is surely getting done by UNMIK Police and their presence is essential for public safety while the KPS develops, it is unclear whether even recent efforts to organize specialized units to address organized crime, intelligence gathering, and financial crime is bearing much fruit. Without relevant language skills and Kosovar roots, developing the evidence necessary to move these types of investigations forward is problematic. Also, some have questioned the commitment of UNMIK to aggressively press forward with economic crime and organized crime investigations for fear of implicating some of the new Kosovar leadership perceived to be necessary for political development.

When UNMIK police are well-trained, skilled and committed, they provide an invaluable source of mentoring for KPS recruits. Surely, the presence of the UNMIK police provides Kosovo with the opportunity to develop the KPS in a staged process most likely to provide an important buffer against internal corruption. However, to ensure growing Kosovar respect for the KPS, increased authority must closely follow increased law enforcement capacity.

Kosovo Police Service – Recognizing that USAID has restrictions prohibiting direct programming of assistance to indigenous police forces, the continued institutional development of KPS into a fully functioning law enforcement agency is critical to any effective effort to combat corruption in Kosovo. There is general agreement that training and deployment of KPS officers has produced a relatively corruption-free indigenous police force to date. Low salaries, potential loss of good officers to other endeavors, and personal safety concerns are the issues most likely to create vulnerability to systemic corruption. For example, officers have few benefits commensurate with the risks of the job, a situation that can encourage a willingness to view petty corruption as simply “getting what you deserve.”

Of perhaps most significance to USAID, the apparent success of the training program at the KPS School can serve as a model for development of institutional capacity in other aspects of the justice system. The concept of training from the bottom up with a sustained basic program and practical on the ground experience has served to produce police officers perceived to be honest and capable. This approach ensures common denominators and an esprit d’corps. It also provides a common base from which to select those to be given advanced training and future leadership roles. The KPS School is now training the first groups of investigators and forensic specialists selected from KPS ranks.

While the KPS appears to be a major success story, the present KPS does not have a well-organized capacity to fight corruption from within or the capacity to investigate economic crime, organized crime or public corruption.

3.4.3 Private Bar

There is an active and growing private bar regulated and energized by the Chamber of Advocates. Significantly, private lawyers seem to be able to make a reasonable living through legitimate means, increasing the likelihood that corrupt practices can be minimized, reported when discovered, and appropriately sanctioned. There is senior leadership that seems very capable and mindful of the important role played by the legal profession in a transitional society. Unfortunately, the Chamber seems to have

been only peripherally involved in drafting and implementing new laws and regulations, even those such as the Penal Code and Criminal Procedure Code that are fundamental to the rule of law.

There is a bar exam in Kosovo, administered by UNMIK, eligibility for which follows completion of law school and some form of internship (*praktikant*). At present, there are 265 attorneys registered with the Chamber of Advocates. There is a Code of Lawyer's Professional Ethics and a disciplinary process for private attorneys administered by the Chamber. Two unresolved matters at the moment are standards for admission of former judges, prosecutors, and government attorneys to the bar (conflict of interest, ethics and disciplinary issues) and issues related to the unauthorized practice of law.

The major vulnerability to corruption of the private bar is taking advantage of those clients who believe that payoffs to judges, prosecutors, or police officers are required to produce "just" results. These payoffs can be solicited by unscrupulous lawyers and retained by the lawyer as additional compensation or offered by clients who seek to corruptly influence judicial outcomes. In addition and as indicated earlier, to the extent that court backlogs are or become a problem, clients and their lawyers will be increasingly tempted to corruptly gain access to the courts.

The Chamber of Advocates dates to 1973, giving it a continuing institutional history that should be very useful in developing sustainable Kosovar legal institutions. Support for the continuing development of the role of the private bar in Kosovar society and consultation with that private bar as legal institutions develop could provide an effective means to reduce the long-term impact of corruption on legal institutions. Working closely with the Chamber to fully institutionalize the education and training, qualification, and discipline of lawyers and to constructively resolve conflict of interest and unauthorized practice issues could assist in developing the type of private bar that is fundamental to sustainable rule of law.

3.4.4 Customs

Although technically outside the purview of law enforcement the customs system (presently part of Pillar 4), is generally viewed by the public as a significant law enforcement agency and, as indicated earlier, perceived by the public to be one of the most corrupted institutions. Presently, the Customs Service is managed by four international directors and staffed by approximately 450 local employees. There is a salary, allowance and bonus structure that provides a compensation package that generally exceeds that of other public servants (perhaps averaging close to a living wage). In addition, there is a recently established financial disclosure requirement for Customs Service employees and a Code of Ethics.

With respect to implementation of an effective and efficient customs collection system, procedures and practices are being developed that, if fully implemented, could result in an automated and efficient customs system. At present, however, even Customs Service management recognizes that there is much to be done and that vulnerabilities to corruption continue to exist. There is new customs legislation in the works that, among other things, will provide for a customs appellate board functioning independently of the Customs Service.

Since there are few if any governmental functions more vulnerable to corruption than customs systems, some attention should be paid to carefully defining the function itself. In Kosovo, as in most jurisdictions, customs is an administrative function not a fiscal policy making function.

Because of the nature of its operations, customs is generally considered to exercise both law enforcement and public administration responsibilities. In essence, the function of the customs service is to administer a taxation structure established by other government agencies. Importantly, public perception generally does not comport with this important reality. Thus, it is very difficult to discern whether the level of dissatisfaction with the Customs Service in Kosovo is primarily a byproduct of real corruption or

perceived injustices associated with matters beyond the control of the Customs Service. To address the public perception challenge, the Customs Service is about to engage in a public relations campaign through the NGO, The Forum, and is developing a Coordinating Unit that will serve as a source of public information about applicable practices, procedures, and tariffs.

3.4.5 Criminal Activity and Organized Crime

While there is no generally accepted definition of organized crime, those most closely associated with development of a strategy to combat organized crime in Kosovo define an “organized criminal group” as “a structured group of three or more persons existing for a prolonged period of time and having the aim of committing serious crimes through concerted action by using intimidation, violence, corruption or other means in order to obtain, directly or indirectly, a financial or other material benefit” (Organized Crime Coordination Team, 2002). The focus on the relationship between general criminal conduct and the use of corruption and violence to advance criminal objectives is perhaps the best key to addressing organized crime issues in the context of a development program. By breaking down the concept of “organized crime” into its components, it may be analytically unnecessary to determine the extent to which “organized crime” actually exists in a given jurisdiction in developing programmatic means to address it.

The perception that organized crime is a growing problem in Kosovo is driven largely by the presence of increased trafficking in drugs and humans, smuggling, prostitution, and crime-related violence, in addition to some signs of the types of sophisticated communication and transportation techniques frequently associated with transnational crime. To date, no hard evidence of a well-developed organized crime network has been made public. It bears noting at this juncture that perhaps one important reason for the absence of hard evidence is the limited capacity of law enforcement institutions to investigate this type of criminal enterprise. As indicated in the discussion above, UNMIK Police are developing the specialized techniques necessary to conduct sophisticated investigations, but lack the local contacts, local trust, and undercover capacity that are required to be successful. As for the KPS, they are just beginning to develop a basic investigative capacity, and their authority to act even if they had the capacity is open to question.

Thus, given the less than certain evidence about the extent of organized crime activity and given present limitations on the capacity to investigate that activity, focusing on basic development of the Kosovar judicial and prosecutorial function and the development of underlying investigative skills (e.g. investigation of economic crime) would probably be the most productive use of limited resources. That is to say that assisting in the development of the capacity to administer courts, implement a new penal code and criminal procedural code, investigate and prosecute economic crimes and corruption, and reduce the opportunities for corruption to flourish in general are likely to have a significant impact on organized crime.

Under any circumstances, fundamental development of Kosovar judicial and law enforcement institutions will be a necessary prerequisite for eventual integration of more sophisticated law enforcement methodology. Care should be exercised in avoiding the temptation to promote sophisticated techniques and technology that require a sound institutional foundation for successful application until and unless the institutional foundation is in place (e.g. a modern forensics laboratory is virtually useless if fundamental evidence gathering and storage capacity has not been developed).

3.5 Civil Society and Private Sector

Both civil society organizations and private sector groups agree that corruption undermines the economic and social life of Kosovo and if it is not widespread and deeply rooted in all public institutions now, it might grow over time due to the poor economy that results in low salaries, poor level of management in public sector, and an excessively bureaucratic system, as well as insufficient law enforcement and fear of

retribution. Civil society and private sector leaders that we interviewed tend to believe that the Prime Minister and his Office of Good Governance are sincere in their willingness to fight corruption. However, they see some constraints and limitations due to limited resources and authorities. Most of interviewees were not sure that UNMIK has the political will to initiate and implement anti-corruption programs within the areas of its reserved power. Many of the civil society and private sector representatives we interviewed did not appear to have a consistent and clear understanding of what corruption is.

A number of civil society organizations participated in several forums that were conducted in Kosovo over the last year directly dedicated to the issue of corruption. Among these meetings was a two-day conference on *Fighting Corruption in Kosovo: Lessons from the Region* that was held in Pristina on 4-5 March 2002 and attracted more than 200 representatives of international and local governing institutions, NGOs and associations. This conference discussed the impact of corruption on the Kosovo economy, the role of the newly formed Kosovo government bodies in fighting corruption, the challenge of holding the United Nations Mission in Kosovo accountable and transparent, and the presentation of practical anti-corruption programs implemented in the region. Participants of the conference formulated an articulate problem-solution matrix for fighting corruption at the municipal and central levels in both legislative and executive branches of government; this matrix was supposed to be further developed to serve as a blueprint for a practical and results-orientated anti-corruption program. Even though this initiative by KNAP did not grow into a formalized anti-corruption program for Kosovo, it brought the issue of corruption to the public agenda and facilitated better understanding of the importance of the problem and potential solutions within a wide range of sectors and stakeholders. One of the follow-up activities to the Conference that directly addressed civil society contributions to an anti-corruption effort was a Grants Program launched by KNAP. A few awards were made.

Another meeting dedicated to corruption, a three-day workshop entitled *Towards an Anti-corruption Strategy for Kosovo*, was organized as a joint initiative by the Council of Europe (PACO Programme) and the Office for Good Governance, Human Rights, Equal Opportunities and Gender at the Office of the Prime Minister of the Provisional Institutions of Self-Government in Kosovo (PISG) in Pristina on 30 October – 2 November, 2002. This meeting had very limited representation from the civil society and as a result it did not have a significant impact on mobilizing civil society around the issue.

Currently, there is no comprehensive multi-dimensional anti-corruption program or strategy in Kosovo that mobilize civil society organizations and the private sector around this problem.

3.5.1. Non-governmental organizations

The extensive presence of international organizations and foundations willing to support and engage NGOs in variety of activities, starting from humanitarian assistance in the after-war period to building democratic society in the current time, in combination with a very favorable NGO registration law, sparked the creation of many specialized NGOs. According to the NGO Sustainability Index, the NGO community in Kosovo is represented by about 2,000 officially registered organizations and associations, though less than 100 of them are truly active. Most NGOs are comprised of small groups of people or even one person surviving on a project-to-project basis. According to the assessment by the Kosovo NGO Advocacy Project (KNAP), there are only about 30 well-established and capable NGOs that have clearly defined missions, paid staff members and boards of directors and meet standards comparable to similar organizations in developed countries.

Among the active organizations, there are a number of NGOs that are seriously involved in policy development and democracy building, promoting citizen participation in decision-making process and conducting public monitoring of different branches of the central and local governments. There are also a number of NGOs that provide social services, focus their efforts on specific issues such as the environment or represent interests of particular constituencies (the disabled, children, etc.). All of them

are active in educating the general public or their constituencies in their legal rights and responsibilities and in conducting public awareness campaigns.

Several focus groups and interviews conducted with NGO representatives demonstrated that the problem of corruption is of great concern to most of them and that they consider it very timely to discuss and address the issue now. Even though they did not name corruption as the most acute problem currently facing Kosovo, they placed corruption among most important issues that need active attention.

Overall, the assessment by the NGO community is that corruption is pervasive in such sectors as energy, customs, healthcare, education, and public services. Among the causes of corruption, they mentioned economic reasons such as: poverty and unemployment, low salaries and a number of other reasons including insufficient laws, legal illiteracy, low levels of professionalism in the public sector, lack of transparency and accountability, an ineffective judiciary, lack of law enforcement, fear of retribution, and tolerance for certain kinds of corrupt behavior.

Most NGO representatives that were interviewed believe that the Kosovo government has the political will to address corruption though some are skeptical about this. As for themselves, they seemed to be sincere in wanting to actively participate and contribute to a new anti-corruption campaign.

A number of NGOs participated in the March 2002 anti-corruption conference organized by the KNAP project and in the workshop organized by the Council of Europe in November 2002 that served as a valuable exposure to the problem and developed a clearer understanding of the issue of corruption and anti-corruption remedies. These two and other forums facilitated the development of initiatives by the NGO community to address corruption in their activities. Currently, several NGOs are implementing projects that directly or indirectly target corruption by keeping government accountable, increasing transparency in government, educating the public on citizen rights and government responsibilities, and promoting citizen participation in decision-making process. Among such projects are some with USAID support, including the following:

- Monitoring municipality governments throughout Kosovo, as well as several committees in the Kosovo Central Assembly, conducted by the Council for the Defense of Human Rights and Freedoms and sponsored by OSCE and the NGO network sponsored by NDI.
- Court monitoring in 7 municipalities to observe if court proceedings are conducted according to legal and standard procedures, conducted by the Kosovo Transition Initiative (KTI).
- Conducting public and businesses opinion surveys that include questions related to corruption – implemented by several organizations including Riinvest and Kosova Institute for Democratic Society (KIDS) independently under different sponsorships (UNDP, CIPE, USAID).
- Promoting and facilitating citizen participation in the decision making process by involving citizens and active governmental officials in drafting procedures and developing mechanisms for citizen participation, implemented by the Kosovar Institute for NGO Law (IKDO) in Gjilani and Gjakova.
- Collecting grievances from citizens on corruption and bringing them to the attention of the public and the government with the objective to implement reforms that address the problems, implemented by *Century 21* under a grant from the KNAP project.

Anti-corruption activities conducted by Kosovo NGOs are not coordinated, but rather represent discrete nonsystematic initiatives. Often, organizations are not very familiar with each other's activities despite the fact that they are conducted in similar areas, unless they are part of the same network that sponsored the institution.

Many organizations have received training in some skills that can be very important in carrying out anti-corruption activities, among them advocacy training, citizen participation, and leadership training. However, they lack training in specific techniques that are important for anti-corruption activities, such as, citizen watchdogs, lobbying, targeted anti-corruption public awareness campaigns, etc.

Among the activities suggested by NGOs that could be implemented by the NGO community itself or in cooperation with the government and other stakeholder groups were the following:

- Facilitate NGO cooperation and create an NGO network to fight corruption
- Mobilize society to protect themselves from abuses by the government through public awareness and education in the law and citizen rights
- Conduct in-depth research on corruption
- Monitor the Assembly and executive branch of government
- Monitor procurement processes and the implementation of public contracts
- Conduct activities to increase government transparency
- Develop mechanisms and procedures to improve access to information.

As for government and other sectors, NGOs suggested the following priority actions be taken:

- Improve laws and regulations that reduce opportunities for corruption
- Provide more rigorous oversight of the privatization process
- Establish special law enforcement units to investigate corruption
- Develop more severe sanctions for corrupt acts
- Conduct more investigative journalism.

3.5.2. Media

The media shapes public perception and knowledge. Thus, media involvement in any anti-corruption campaign is of great significance because, according to many public opinion polls, about 50% of respondents consider media to be the major source of information concerning corruption. (Our corruption survey found that 33.7% get their information about corruption via the media.) However, interviews conducted with various stakeholder groups and media representatives in Kosovo indicated that even though the problem of corruption is perceived as important, it is not broadly and systematically discussed in Kosovo's electronic or print media. With a few exceptions of corruption reports on high profile scandals that were thoroughly investigated and substantiated, most information on corruption is very sketchy and not necessarily objective.

Participants in the media focus groups and individual interviewees expressed the opinion that corruption is present within most governmental functions and institutions but most pervasive in customs, public procurement, the energy sector (i.e., KEK), telecommunications (i.e., PTK), healthcare, education, municipal services, the justice system, and NGOs. Participants had differing opinions though regarding the police. Some reporters who conducted investigations offered examples from their experience that implied explicit police involvement in illegal operations, while others insisted that these might be incidental cases that should not be extrapolated to the institution at large.

Rebuilt from the ground up after the war with extensive financial and technical support from foreign and international organizations, Kosovo's media currently represents a wide range of viewpoints. With about 100 licensed radio stations, 24 TV stations and dozens of newspapers, most of Kosovo's media outlets are not well-managed businesses and remain donor-dependent. Since 2001, outside financial help has been declining and media outlets have begun to look to the commercial market to sustain themselves; to date, the economy has not been strong enough to support all of the existing media. Only Bota Sot and Koha Ditore are considered self-sustaining and some radio stations manage to cover 50-75 percent of their operating costs through advertising.

Opportunities for systematic professional training locally are slim due to the lack of a journalism school in Kosovo. Alternatively, some journalists have been trained abroad or through technical assistance provided by international and foreign organizations. The lack of adequate training opportunities explains the average-to-poor level of professionalism in the electronic, and most of the print, media. This fact, in combination with the media's close political party or interest group affiliations, often results in unfair or subjective and unsubstantiated reporting. On the other hand, outlets such as Koha Ditore and Zeri are considered to be credible and professional.

The value of the mass media as a public watchdog depends on its objectivity and professionalism, its skills at investigative reporting, its access to information, the extent of free press laws, protection of the press, and the degree of public trust in the media, among other factors. According to the Temporary Media Commissioner's (TMC) Annual Report-2002, "the press violates the public trust... Kosovo press is extremely politicized, and does not hesitate to target individuals with violent campaigns, oblivious of their rights to privacy and safety;...[S]elf-regulation of the press does not exist, despite the recent formation of a Professional Association of Journalists: the Association has not adopted its own Code of Ethics yet." The Temporary Media Commission (pending the creation of a Kosovar-based Independent Media Commission) was established in 2000 under UNMIK regulations as an independent agency responsible for the development and promotion of an independent and professional media. It is responsible for implementing a temporary regulatory regime for all media in Kosovo and became a clearinghouse and safeguard for responsible journalists by establishing standards and monitoring compliance of the media with the law and codes of conducts. The Temporary Code of Conduct for the Print Media and Code of Conduct for the Broadcast Media in Kosovo, enacted by the TMC, created fundamental journalist rights and responsibilities that include, among others, the freedom of opinion and expression, the right to liberty and security of the person, the right to freedom of expression subject to restrictions necessary in the interests of society, and several other rights that form a framework for responsible journalism. Analysis of the types of complaints most frequently filed with the TMC against media outlets between 2000-2002 shows that several newspapers (such as Bota Sot, Orë, Epoka e Re, and less, Koha Ditore, Gazeta e Re, Zeri and some others) violated provisions of the Temporary Code of Conduct for the Print Media in Kosovo and Code of Conduct for the Broadcast Media, including vigilante journalism, provocative statements, privacy, and false and deceptive materials; they have been sanctioned by the Commissioner. Though in the majority of cases media outlets have complied with the TMC sanctions, the enforcement of TMC fines is difficult because it lacks a clear legal basis that is damaging its credibility and the legal system as a whole.

Journalists in Kosovo have organized themselves into professional associations over the past few years with the support and encouragement of international organizations. These associations can provide a firm base of legal and professional support for investigative journalists and effective lobbying units to pressure for freedom of information and free press issues with government. Among the most active associations are the Association of Independent Electronic Media of Kosova (AMPEK), Federation of Journalists of Kosovo (FJK), Association of Economic Journalists (AEJ), and Association for the Professional Journalists of Kosovo (APGK). APGK currently has about 100 members and was established recently with the support of IREX, which provides office space and equipment.

These associations are becoming more active and organized in promoting and lobbying for their interests. One of the most demonstrative examples of this was an active public discussion concerning the Draft Freedom of Information Law in late 2002 –2003, facilitated by IREX and OSCE. When adopted, the new law will be an important tool for media and NGOs to do a better job as public watchdogs and will improve media's ability to conduct investigative journalism. (As currently written, the draft FOI law does not pertain to UNMIK.) Upon promulgation the law, further workshops are envisioned to train journalists on its implementation.

Investigative reporting is a relatively new form of journalism in Kosovo, but many investigations already have been conducted by journalists into particular cases, including those that relate to corruption. One such investigation dealt with illegal smuggling of fuel through a pipeline on the border with Montenegro and involved a high-ranking officer from KFOR, the police and customs officers that were overlooking the smuggling operation for about six months. According to the journalist, while conducting the investigation she had been intimidated by several governmental offices, including UNMIK. Another investigation was conducted with relation to KEK. While conducting this investigation, the journalist faced strong resistance from UNMIK when seeking to obtain documents regarding the finances and operation of this publicly-owned enterprise. Secondary sources used for investigation alleged large-scale malpractice and fraud. Rarely is action taken by law enforcement or other officials following exposure by investigative journalists of corruption.

Investigative reporting requires appropriate training, adequate financial resources, media outlet independence, and a certain level of security for journalists conducting the investigations. Most media outlets cannot afford to support investigative reporting or do not have any interest in it. In addition, journalists often do not have adequate professional knowledge and skills and/or are afraid to conduct investigations. Journalists who conduct investigations often experience obstacles created by UNMIK in terms of information access and transparency.

According to the Kosovo-wide threat assessment report conducted by OSCE in December 2001, 38% of the responding journalists have been threatened in some way while conducting investigations (see details in Box 1). Currently, there is no institution in Kosovo to protect journalists. The Association of Professional Journalists of Kosova announced that it will make every effort to stimulate professional and investigative journalism among its members and will work to create appropriate conditions for professional journalism unimpeded by political factors or a populist mentality. It is not in their agenda though to establish legal services for its members.

In 2002, IREX conducted a training workshop for about 30 journalists in investigative reporting, awarded five grants and conducted technical assistance to pursue investigations of particular cases including those related to corruption. Investigative journalism training has also been provided by OSCE, though it attracted fewer participants and had no follow-up technical assistance or financial help.

The journalists we interviewed suggested the following activities that they believe can facilitate active contributions of the media to an anti-corruption effort:

- Develop a law to protect journalists
- Establish an institution to protect journalist safety and provide legal services
- Promote independent media
- Improve access to information, freedom of expression, and ensure freedom of movement (especially for Kosovar Serb journalists)
- Develop a website dedicated to investigative reporting that can serve as an outlet for reports
- Provide additional hands-on training including training abroad
- Increase the salaries for journalists.

BOX 1. Extracts from the Kosovo-wide threat assessment survey (OSCE, December 2001)

Of 22 journalists in Pristina and 53 in the regions who responded to the survey, 23 were Kosovar Serbs and 52 were Kosovar Albanians. 35% of the Kosovar Serb respondents said they were threatened while investigating sensitive stories, while the threat level was even higher within the Kosovar Albanian journalist community - 40% of the respondents have received threats.

The survey concluded that Pristina-based journalists feel more threatened than those in the regions. While 68% of those in the capital have been threatened, only 26% of those working in the regions received threats.

Throughout Kosovo, 19% of those who have been threatened experienced an “explicit threat to their safety,” 10% said they experienced an “implied threat to their safety,” 9% said the threat entailed pressure by local authorities, and 9% experienced “interference” while doing their job. 7% were victims of direct physical attacks.

A large proportion of the respondents - 46% - said they were threatened by a public figure, a politician or their representative. 33% of the threats were carried out by anonymous persons. In 12% of the cases, the respondents knew that the person threatening them belonged to an organized criminal group.

However, 75% of the respondents said the threats did not affect the journalism they pursued and just as many continued with their investigative stories. 53% of the journalists informed their editors, 22% did not report the threat to authorities, and only 14% informed the police. 11% informed a member of the international community.

The journalists of Kosovo continue to be seriously concerned about the general media environment. 78% of them said they do not feel able to undertake investigative projects without fear of threat or reprisal, and almost as many think that the general climate for investigative journalism is unsafe.

When asked what areas would benefit from investigation, the following were mentioned most frequently (in rank order): corruption, political life, economic crime, drug trafficking and organized crime. When asked what would help journalists to investigate more safely, the following issues were considered as most crucial: introduce laws to protect journalists, ensure freedom of movement (marked by Kosovar Serb journalists only), improve the general security situation, provide freedom of expression, create a better functioning police and provide higher salaries.

3.5.3 Private Sector

The private sector is usually not the most active player in anti-corruption campaigns. Burdened with administrative barriers, unfair competition and insecurity they often choose to be willing partners in corruption for mere survival. Small and medium-sized enterprises (SMEs) are typically more impacted by corruption than large businesses are. Interviews in Kosovo with business community representatives revealed that even though they understand and experience the negative impacts of corruption, they are not only highly skeptical about anti-corruption programs but also frightened to undertake actions. In a bad economy, businesses often do not view corruption as a priority problem. However, businesses do organize themselves into associations that can include anti-corruption agendas. Business associations and the Kosova Chamber of Commerce (OEK) tend to be receptive to ideas of mobilizing the business community around anti-corruption issues, as well as promoting ethical standards among their members.

Business sector opinion and experience with corruption. Corruption is not the biggest concern among local Kosovo businesses. The lack of adequate laws, high taxes, administrative burdens, and high competitiveness are viewed as the major problems for businesses. Corruption ranks only in seventh place in the list of the principal obstacles of doing business, according to the Riinvest survey of SMEs. At the same time, businesses established in Kosovo by foreign companies placed corruption as the major barrier in conducting business in Kosovo, followed by the lack of guarantees for investments and high taxes.

Among the areas where businesses interact with the government, the most corrupted according to the Riinvest survey are customs, the tax system, judicial and court system, procurement, controlling and inspecting agencies, and public services. Interviewed businesspeople admitted that they personally have been extorted by business registration agencies, tax authorities, and inspecting agencies. The survey conducted by Riinvest among SMEs shows that 42% of respondents believe that their competitors frequently or very frequently use different forms of corruption in their transactions with government. Complicated and time consuming business registration procedures (it takes about 2 months to register businesses in Ferizaj) become vulnerable to corruption and some companies admitted that they experienced extortions in exchange for speeding up a registration process.

Box 2. Business Sector Overview

- 47,918 enterprises registered in June 2002: about 43,000 with 4 employees or less; approx. 51 % in trade, 10 % in manufacturing
- Approximately 55 public utility service providers (energy, water, waste, railways, airport, post & telecom)
- Approximately 510 socially owned enterprises (SOEs) (350 according to KTA)
- Average capacity utilization 30 %
- 13 successful leasing contracts for SOEs (mainly in food processing and construction)
- SOEs employ about 30,000 workers with an additional 30,000 on unpaid leave
- Total Number Employed - 341,000 employed, of which 145,000 are in agriculture and 85,000 in private enterprises

Source: Fact Sheet Kosovo, UNMIK, May 2003

Inspections are often regulated by outdated laws and procedures, inspection procedures and inspector authority is not clear, and the level of inspector professionalism is often very low. Many businesses experience very frequent inspections from different controlling agencies (one interviewed entrepreneur that has several business operations admitted that he was visited weekly by different inspectors).

Customs procedures for export from Kosovo are very time consuming, complicated, and “mysterious” for businesses. While some companies said that they personally had never been extorted, they suspected strongly that other businesses were involved in corruption. One of the biggest concerns of the business community is the trade policy that gives exporters from FYROM significant advantage via the free trade agreement with Serbia. According to this agreement, FYROM exporters do not pay any taxes apart from an administrative tax of 1%, while Kosovo exporters have to pay 14% in customs tax. In addition, according to the World Bank assessment, different treatment of customs taxes is currently being applied at all four border crossings around Kosovo, creating possibilities for corruption, abuse and evasion.

Businesspeople believe that public procurements are not transparent and fair and, in most cases, in the opinion of most businesses, are fixed ahead of time, discouraging them from placing a bid. These concerns were expressed by businesspeople during focus group discussions and the same sentiments were reflected in surveys conducted among small and medium enterprises (Riinvest, 2000 and 2001) where “unfair competition” placed second among the major barriers in doing business in Kosovo.

Businesses feel insecure in interacting with the government. In some cases, businesses have experienced physical threats or threats that their businesses will be destroyed. When they believe that their rights have been abused, they are likely to seek recourse by going to court or to the Ministry of Finance and Economy. Some go to business associations that they belong to or to the Chamber of Commerce.

Business associations usually do not provide legal support to their members, but can advocate on their behalf. The Chamber of Commerce provides legal consultations and support in interacting with governmental agencies when requested.

Most businesses think that it is not possible for the private sector to operate in an ethical manner given current conditions. With their high level of insecurity, it is unlikely that they will become actively involved in anti-corruption campaigns in the foreseeable future unless they are mobilized through business associations and other forms of joint entities.

According to Riinvest's *SME Development in Kosovo Report 2001*, less than 30.5% of the SMEs belong to any business association or the Kosova Chamber of Commerce and most enterprises (77%) are not satisfied with the way the business community is organized.

Twelve business associations currently operate in Kosovo. One of the biggest associations – ASNAF- includes about 300 members. Associations are supported through membership fees and other sources, among which, for example, is support from the Center for International Private Enterprise (CIPE) and Kosovo Business Support (KBS) projects in Kosovo. Most of the associations and some individual businesses are united in the Alliance of Kosovar Businesses. The total Alliance membership is 31. The mission of the Alliance is to represent business interests and promote a favorable business environment. Associations provide information and business-related services, some of them provide training and work with the executive branches of government on a number of issues to improve the environment for commerce, such as, customs tariff duties, employment, etc. It appears that business associations in Kosovo, as a comparatively new phenomenon, are learning their role quickly, developing methods of operation and enthusiastically pursuing their goals. Even though they do not see themselves as a powerful tool in fighting corruption and providing legal support to their members (they view the government and Ombudsperson as been more appropriate for that), they are contributing already by promoting transparency in government and by providing training and assistance to their members.

The Kosovo Chamber of Commerce, as a semi-governmental organization, is perceived to be a well-respected organization operating at the central level in Kosovo with branches in each of the regions. With its mission to represent the business community to the government, support and protect legal interests and encourage the development of trade and industry, the Chamber of Commerce offers a variety of services including assistance with international relations, information networks, consultancy, executive services, and training, as well as establishing relations with international institutions and Chambers of Commerce in other countries. Even though the membership at the Chamber of Commerce is open to any business or enterprise with a symbolic annual fee, the Chamber tends to represent primarily interests of large businesses. Currently, the Chamber of Commerce is in a transitional stage, waiting for a new regulation regarding its mission and operations. The Chamber of Commerce appears to be very open to ideas on promoting business ethics and strengthening its services to businesses, including the provision of legal services and representation in relation to the government.

Other entities that can potentially become a part of the private sector's anti-corruption initiative are governmental structures, such as the Private Sector Development (PSD) and Trade and Investment sections within the Ministry of Trade and Industry (MTI). According to the MTI, "the PSD policy within the MTI is designed to: create a supportive environment for SME development; create forums to enhance the understanding of the needs of small businesses; provide an SME support structure for Kosovo; and facilitate human resource development in the business sector. The trade and investment section's mission is to support foreign investors in doing business in Kosovo, to support SMEs and SOEs in their internationalization process, to help negotiate trade agreements and to assist in promotional activities. It is a one-stop shop for foreign business partners in their dealings with the related administrative departments in Kosovo. Help is given to Kosovo businesses to re-establish links with trade partners abroad and access

foreign markets. Assistance is also given to local businesses to locate sources of funding and Foreign Direct Investment (FDI), acting as a link between offers and demands for partners to create joint ventures and other forms of entrepreneurial cooperation.” With these missions implemented properly, the Private Sector Development (PSD) and Trade and Investment sections could play important roles in setting up business ethics standards and improving transparency in business related to governmental operations.

As mentioned earlier, while the business community admits the importance of addressing corruption, it is rather pessimistic about their involvement in anti-corruption campaigns. Most of their suggestions about what should be done to effectively curb corruption in Kosovo involve activities to be implemented by the government or other stakeholder groups. The following activities were suggested by the business community to curb corruption:

- Introduce policies and reforms to strengthen the economy
- Create more favorable environments for business operations in Kosovo
- Simplify procedures for business-government interactions
- Update and clarify regulations and procedures for inspections by controlling agencies, as well as public procurements and other functions carried out by government
- Improve the professionalism of public officials and civil servants who interact with businesses
- Educate businesses on their legal rights
- Provide legal support for businesses
- Improve law enforcement
- Introduce more severe sanctions for corrupt acts.

3.6. Municipalities

With budgetary authority now in the hands of municipalities, opportunities for significant corruption at the local level abound – from speed money for permits and licenses to tax assessment and collection to public procurements to land registration. This is the time that detailed governance procedures and strong internal and external controls need to be put in place across all municipalities to avert corruption. Our observations are based on two day-long trips to Ferizaj and Gjilan where we met with the mayor, the chief executive officer, municipal administration heads, district court president, prosecutor, police chief, and NGO, business and media representatives.

Some cases of corruption have been investigated and prosecuted in Gjilan – involving petty extortion by mid-level bureaucrats, unauthorized use of facilities at socially-owned enterprises, and bribery in the courts and in hospitals. In Ferizaj, a local road repair contractor was reprimanded and removed from future bidding opportunities for below-standard work. Municipal department heads acknowledge frequent complaints by citizens about delays in the delivery of public services, but attribute such delays to the strict following of procedures, not to corruption (although perceived corruption is what many citizens conclude is the problem). In fact, the department heads claim that procedures dictate multiple levels of control, approval and authorization for most decisions where corruption might occur.

The municipal administrations claim that there are adequate procedures in place, budget planning and expenditures are transparent, and internal control mechanisms exist to reduce opportunities for corruption. Further discussion pointed to the need for further elaboration and tightening of all of these accountability and transparency mechanisms. Regulations and procedures for municipalities have been developed at the central level, but more detailed implementation instructions are still required. Training has been provided for municipal administrations, but more detailed training conducted at the local level is still needed. Most administrative departments are woefully understaffed, resulting in delays in providing public services.

With respect to the establishment of local/municipal judicial and law enforcement institutions, the discussion of the judiciary and law enforcement set forth above (Section 3.4) is applicable. Because the Police and Justice Pillar (Pillar 1) is the sector that remains most controlled by UNMIK, virtually all aspects of development of an indigenous and independent judiciary in the municipalities is in the early stages of transition. That having been said, there are functioning court systems in all of the municipalities (326 local judges and 47 prosecutors as of early 2003). The most acute across the board needs at the municipality level are inadequate court administration resources and systems, case backlogs, and salary issues outlined above.

There are several kinds of non-governmental organizations in municipalities: (1) municipal branches of nationwide organizations (such as, for example, Council for the Defense of Human Rights and Freedoms, Handikos); (2) members of networks or coalitions (for example, the NDI network, environmental groups); and (3) individual local NGOs. The first two kinds of NGOs are usually better trained and have better capabilities. Individual NGOs seem to be less trained on average and have weaker capacity unless they are directly supported by donor organizations or foundations. In any case, NGOs on the municipal level appear to be more involved in practical activities that have direct impact on their communities and on generating greater government accountability and transparency. Examples of such activities are monitoring of the local government (by the local branches of the Council for the Defense of Human Rights and Freedoms, for example), and collecting grievances from citizens on corruption, discussing these complaints with the appropriate governmental agencies and lobbying for reforms.

In many municipalities there is a goodly number of local media outlets, especially in radio. Local media produce news programs, but very little hard-hitting or investigative reporting, probably because of their close links to local political officials or businesspeople. The media in Gjilan and Ferizaj is represented by several local radio and TV stations. The print media is primarily represented by correspondents from the Pristina-based national newspapers. The media representatives who participated in our focus groups and were interviewed appear to be very concerned with the issue of corruption but also expressed their frustration with the lack of follow-up by government and interest groups when they publish reports. They also cite a lack of cooperation from law enforcement agencies. The local media may be more reluctant to conduct investigations on corruption and publish or broadcast reports than their national counterparts, though it could be instrumental in increasing public awareness on general issues related to corruption and on citizen rights and government responsibilities.

During our focus group meetings, representatives of the SMEs expressed their deep frustration with excessive bureaucracy, unfair public procurement, and harassment by inspection and control agencies. With an increasing number of SMEs (about 2,500 in Gjilan and 3,600 in Ferizaj) and growing awareness on their part of problems and benefits of organizing into business associations, it can be expected that the business community will participate actively in future anti-corruption campaigns.

4. Conclusions: Implications for Corruption, Anti-Corruption Programs and USAID

4.1 Trends, Needs and Opportunities

Despite public perceptions and reports in the media, corruption in Kosovo does not appear to be as pervasive and detrimental to the delivery of public services as is alleged. Hard evidence of systemic corruption has not been collected and investigated by Kosovar or UNMIK law enforcement agencies nor has the alleged connection between organized crime, trafficking, smuggling and corruption been clearly documented. Moreover, as indicated by comparative survey results, Kosovo's corruption problem is not as well developed or as pervasive as in neighboring countries.

As more powers are transferred to the PISG from UNMIK, corruption problems may intensify. It is incumbent upon the current international administration in Kosovo as well as upon donors to provide as much help as possible now to establish and implement a significant framework of laws, practices, and governance procedures and controls, side-by-side with a mobilized civil society, private sector and mass media, to prevent and manage the growth of corruption.

Much work has been accomplished in establishing an operational governing authority across the wide range of public services. This has involved the development of laws, procedures, systems and institutions. Most are still in their incipient stages. It is critical that attention be paid now to how governance procedures and systems, which may be state-of-the-art, are implemented, bureaucrats and supervisors trained in them, and their performance tracked and monitored. While they may appear tamper-proof on paper, ways to subvert these systems have already been found and it is critical that these gaps and loopholes be plugged quickly to avert further abuse. As well, many existing governance procedures still leave excessive discretion to bureaucrats and need to be brought to the next level of detail.

Overall, the UNMIK administration has been a poor role model for the Kosovars when it comes to transparency and accountability. It has created a situation where the *appearance* of impropriety has become more potent than perhaps the actual occurrence of corruption within the UNMIK administration. This can be remedied, but it will take a major conscious effort by the SRSG to direct greater openness and responsiveness by the international administration. Meanwhile, the transfer of greater responsibilities and authority to Kosovar administrations at the central and municipal levels will put the onus on local leaders to develop situations where governing practices and the rule of law prevent and control effectively for misuse of public office. Civil society, business and the media will have to be further mobilized and their capacity developed to take on the active roles of educators, advocates and watchdogs. As this is proceeding, international donors will need to coordinate their activities more effectively in the broad area of anti-corruption and good governance programs.

With respect to the justice and law enforcement sector, there is much to be done if judicial, legal and law enforcement institutions are to avoid corrupt influence and fulfill legal responsibilities to address public corruption. Because authority in this sector (Pillar 1) remains reserved to UNMIK, it is difficult to determine the extent to which Kosovar institutions are capable of functioning on their own, particularly given the severe shortages of resources noted in the body of this report. Indigenous strength in the sector is derived from senior judges, lawyers, and prosecutors who seem to have the capacity and the willingness to provide the leadership necessary to transition to autonomy and from a police force being built from the ground up that seems to have gained public confidence. The most significant weaknesses are the relatively rudimentary nature of court administration, insufficient salaries for judicial and law enforcement personnel, and the continued perception that fundamental laws and procedures are being imposed without meaningful local consultation and input.

As indicated throughout, donors and Kosovars should realize the cross-cutting opportunities to reduce corruption without needing to make definition and quantification of corruption and crime a stand-alone objective. Focusing on development of fundamental judicial and legal institutions as a program priority will do far more to contribute to the capacity of Kosovar institutions to address internal corruption and meet responsibilities to fight external (extra-institutional) corruption than support of sophisticated initiatives built on shaky institutional foundations. Below are some suggested initiatives in the justice and law enforcement sector that meet these criteria.

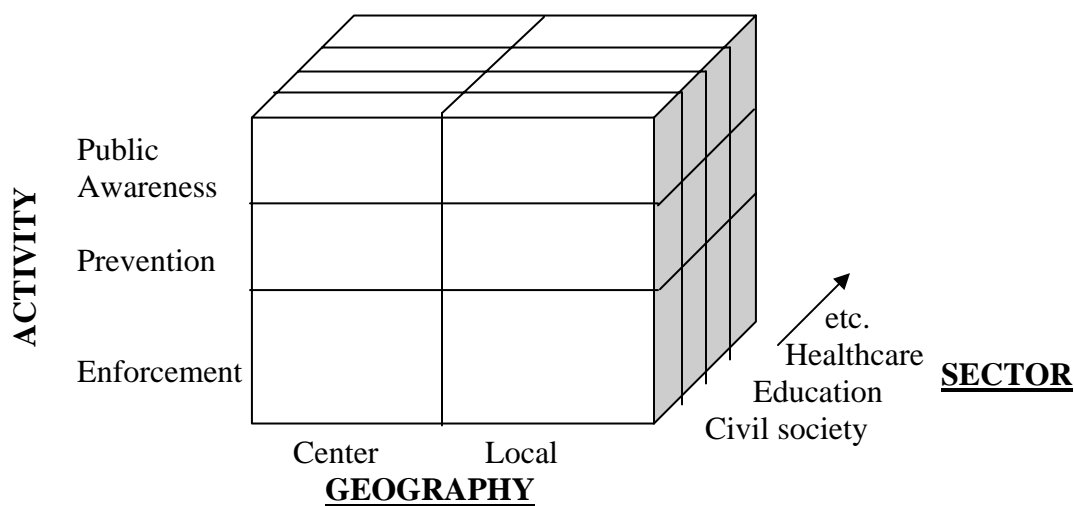
Years of suppression under Milosevic's totalitarian regime developed a tolerance among the majority of people to uncontrolled arbitrariness of the government and pessimism about the mission of government to serve in the public interest. The international administration that has been governing Kosovo for several years has not put a priority on citizen participation in decision-making processes or on transparency and

accountability in government. Now, with more governmental power and responsibilities transferred to Kosovars, there is a need to educate citizens on their rights and government responsibilities and to promote their active participation in keeping government accountable to prevent further abuses by government.

Civil society organizations, the media and the business community have to play an important role in these initiatives. There is a general understanding of the negative economic and social impact of corruption on Kosovar society and a sincere willingness to prevent corruption from getting rooted in a newly established Kosovar government and in society at large. Some civil society organizations and media, as well as business associations have made efforts in the right direction through their advocacy, public awareness and reform initiatives. These efforts, though, tend not to be fully thought through in terms of their application against corruption and are rather discrete and event driven. NGOs seem to be likely to become an active player in anti-corruption campaigns upon better education and awareness about corruption impacts and training in anti-corruption techniques. Media and the business sector may require more effort to direct them towards effective actions against corruption. Insecurity, lack of professionalism and limited resources in the media, and insecurity and self-interest among businesspeople create obstacles for these sectors to become proactive partners in anti-corruption campaigns unless they are organized through professional associations where they can express their position anonymously.

4.2 Implications for USAID

Programs against corruption need to do more than establish a legal framework that specifies punishments for corrupt behavior, along with police investigatory and prosecutorial functions. Experience has shown that the most effective and sustainable anti-corruption programs are multi-pronged initiatives that include law enforcement, preventive reforms, and public education activities woven together in a coherent and integrated fashion. Effective anti-corruption strategies also need to be embedded in particular sectoral activities, for example, in health care, education, rule of law, and civil society programs, as well as addressing the corruption problem directly and head on at the highest policymaking levels. In addition, anti-corruption programs are needed at both the central and local levels to have meaningful effect on the problem. A multi-dimensional framework for designing such an anti-corruption program is presented in Figure 1. A comprehensive program would include initiatives in each of the cells.



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CIDA/Kosovo at: [http://www.acdi-](http://www.acdi-cida.gc.ca/CIDAWEB/webcountry.nsf/vLUDocEn/FC3E66C0C0C82C3D85256BC900613847)

[cida.gc.ca/CIDAWEB/webcountry.nsf/vLUDocEn/FC3E66C0C0C82C3D85256BC900613847](http://www.acdi-cida.gc.ca/CIDAWEB/webcountry.nsf/vLUDocEn/FC3E66C0C0C82C3D85256BC900613847)

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Economic Reconstruction and Development in South East Europe at:

EU/Kosovo at: <http://www.euinkosovo.org/>

<http://www.seerecon.org/Kosovo/Kosovo.htm>

IREX/Kosovo at: <http://www.irex.org/media/kosovo/index.asp>

Kosovo Force (KFOR) at: <http://www.nato.int/kfor/welcome.html>

Kosovo Trust Agency (KTA) at: <http://www.kta-kosovo.org/>

OIM/Kosovo at: <http://www.iom.ipko.org/>

Ombudsperson/Kosovo at: <http://www.ombudspersonkosovo.org/>

OSCE Mission in Kosovo at <http://www.osce.org/kosovo/>

Power Corporation in Kosovo (KEK) at: <http://www.kek-energy.com/>

Riinvest at: http://www.riinvestinstitute.org/index_eng.htm

The European Agency for Reconstruction (EAR) at <http://www.euinkosovo.org/findex.cfm?page=ear.cfm>

UNMIK at: <http://www.unmikonline.org/>

UNMIK Police at: <http://www.unmikonline.org/civpol/>

USAID/Kosovo at: <http://www.usaid.gov/missions/kosovo/>

World Bank Mission in Kosovo at <http://lnweb18.worldbank.org/eca/kosovo.nsf>

Appendix 1. Interviews conducted

Abdullahu, Rifat – Ferizaj Municipal Court, Chief Judge
Adams, Kirk – Kosovo Trust Agency, Privatization Transaction Manager
Agani, Ferid, Director, Department for Strategic Management, Ministry of Health
Amos, Jonathan – UNMIK Customs Service, Deputy Director General
Audyli, Lulzim – Kosovo Police Service, Ferizaj Station, Sergeant
Bearden, Robert – UNMIK Police, Ferizaj Station, Chief of Operations
Begolli, Ilir, GESH
Berani, Evliana, UNDP, Communication and Advocacy Team Leader
Berisha, Besnik, RTV Festina, Ferizaj
Berisha, Emine, IREX, Media Advisor
Berisha, Kreshnik, Kosovo NGO Advocacy Project, Advocacy Training and Resource Center, Director
Berisha, Luan, Kosovo Export Association, Executive Director
Bilalli, Isak, OIM-KTI, Project Assistant
Bislimi, Hafir, TV Liria, Ferizaj
Borg Olivier, Alexander – UNMIK Office of the Legal Adviser, Legal Advisor
Brafman, Wendy – ABA/CEELI, Rule of Law Liaison
Brandon, Scott A., U.S. Office Pristina, Political Officer
Buerstedde, David – OSCE, Political Officer, Head of Mission
Cerkini, Emine, IOM-KTI, Project Assistant
Corte-Real, Miguel – UNMIK Office of the Legal Advisor, Legal Officer
Daci, Zineta, Kosova Chamber of Commerce, Director
Davies, Craig, DFID Head of Office
Decani, Lumnije, Women’s Wellness Center
Disha, Bersant, Kosova Institute for Democratic Society, Portfolio Manager
Donahoe, Christopher, Barents Chief of Party
Dusli, Vyjlca, NDI, Ferizaj
Ejupi, Burim, The Forum
Elezi, Fatos, NGO Resource Center, Gjilan
Ferati, Ferat – Department of Economy, Gjilan
Fezli, Abdullahu, CDHRF-Gjilan
Fosa Delina, IREX
Gas, Nafiye, Member of Parliament
Gashi, Astrit, Koha Ditore
Gashi, Zijadin, Zari newspaper
Hajdari-Peci, Drita – UNMIK Dept. of Justice, Judicial Inspections Unit, Judicial Inspector
Hajredini, Habit, Government of Kosova, Prime Minster office, Office for Good Governance, Human
Haliti, Nazim, Forumi Initiative Qutetare and Koha Ditore, Ferizaj
Hasani, Hexhat, Kosovo Export Association, President
Haxhimusa, Rexhep – Supreme Court of Kosovo, President
Hayes, Keith, IREX, Chief of Party
Hayes, Odran, Coordinator, Operations Division, European Agency for Reconstruction
Haziri, Lutfi, Municipal Assembly, Gjilan, Mayor
Hoti, Visar, Radio Tema, Ferizaj
Hoxha, Durim, Riinvest, Reseacher
Hoxha, Hana, KTI
Hwang, Phyllis – UNMIK Office of the Legal Advisor, Legal Officer
Hyseni, Hydajet, Member of Parliament
Ibrahimi, Remziyc, Handikos, Gjilan
Isa, Hasani , CDHRF – Gjilan

Isufi, Ismet, Kosova Development Center, Executive Director
 Jakaj, Bajram – Kosovo Police Service, Ferizaj Station, Officer
 Jaliu, Jumrije, Youth Center, Gjilan
 Jerliu, Naim, Member of Parliament
 Johnson, John R. – Kosovo Trust Agency, Director
 Kallaba, Shpend, Alliance of Kosovar Businesses and Besholli Commerce
 Kapetanovic, Radmila, Kolo Srpskih
 Kashner, Heather, NDI, Country Director
 Kauffmann, Kris, Treasury Director, Ministry of Economy and Finance
 Kelmendi, Ardian, Alcon Fabrica e vajit dhe e ybdyrgrave bimore, Ferizaj
 Khan, Abdul Aziz, Principal International Officer, Ministry of Education, Science and Technology
 Klawonn, William, Senior Legal Advisor, Office of the Prime Minister
 Korsness, A. Scott, U.S. Office Pristina, Bureau for International Narcotics and Law Enforcement Affairs
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 Muligi, Isak, Shkolla fill. Emin Duroku Malisheve, Gjilan
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 Murseli, Xhemile, Handikos, Ferizaj
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 Osmani, Lirije – Chamber of Advocates, Chairman
 Osmani, Nazife, Women organization LIRIJA, Gjilan
 Parayre, Sonia, Council of Europe, Deputy Head of Office
 Pieper, Alan, American Bank of Kosovo, Chief of Party
 Ramadani, Jashar, Department of Health, Gjilan
 Retkocemi, Valbona, Handikos, Ferizaj
 Rexhepi, Shahadije, Women organization LIRIJA, Gjilan
 Rights, Equal Opportunities and Gender Issues, Director
 Rogova, Igballe, KWN
 Rulani, Lumrije, Handikos
 Sadiku, Muhamet, Riinvest, Vice President
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Schuetz, Michael – OSCE, Chief Rule of Law Liaison
 Schumann, Peter, Principal International Officer, Ministry of Public Services
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 Ursan, Birol, Koha Vision – KTV
 Velaj, Blerim, Regional Environmental Center
 Vertopi, Fitim, Procurement Advisor, Public Procurement Regulatory Body
 Voinovic, Vasiljka, Svet Andjela
 Wahkberg, Debra, Kosovo Business Support, Chief of Party
 Wiater, John, Exernal Assistance and Program Coordinator, Ministry of Public Services
 Wilson, Timothy – Kosovo Police Service School, OSCE Chief of Planning, Dept. of Police
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