THE WHITE HOUSE

WASHINGTON

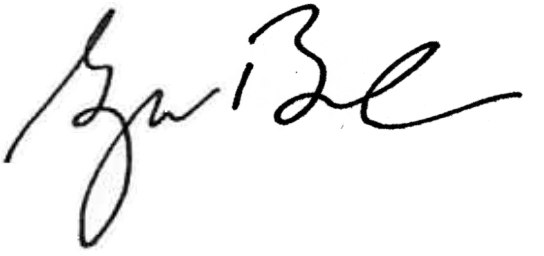
November 2, 2001

Dear Mr. Chairman:

As required by section 1213 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001, Public Law 106-398, I transmit herewith a semiannual report on the contributions of European nations and organizations to the peacekeeping operations in Kosovo.

This report, prepared by the Department of State, concludes that the Europeans have carried a significant portion of the aid-sharing burden in the region and that their commitment to reconstruction, humanitarian relief, and institution and peace-building has been a strong one. Continued attention and commitments of assistance from all donors remains crucial for medium- and long-term development in Kosovo.

Sincerely,



The Honorable Bob Stump
Chairman
Committee on Armed Services
House of Representatives
Washington, D.C. 20515

Second Semiannual Report on Kosovo Peacekeeping
September, 2001

Introduction

The following report describes the contributions of European nations and organizations to the peacekeeping operations in Kosovo as required in Section 1213 of P.L. 106-398, the Floyd D. Spence National Defense Authorization Act of FY2001. This is the second report of a semiannual requirement to six specified congressional committees. The first report was submitted in December 2000. This report updates information on donor contributions reported to the U.S. between October 2000 and June 2001. All contributions are shown in U.S. dollars.

As with the First Kosovo Peacekeeping Report, this report reviews the commitments and contractual obligations of foreign assistance made by the European Commission, the 15 individual member states of the European Union and the European member nations of the North Atlantic Treaty Organization.[1] Switzerland, Slovenia, Lithuania, and San Marino's contributions are also included in the sums of total European assistance. Foreign assistance contributions are subdivided into the following categories: Reconstruction assistance; Humanitarian assistance; Assistance to the Kosovo Consolidated Budget; Contributions and deployments to the United Nations international police force for Kosovo; and Contributions and deployment of military personnel for peacekeeping operations in Kosovo. United States assistance to Kosovo is presented as a point of comparison and reference is made to the contributions of other non-European bilateral donors and multilateral agencies. The final section of the report assesses the commitments and responsibilities undertaken by the European Union, the United Nations, and the Organization for Security and Cooperation in Europe (OSCE). A schedule of future tasks is also discussed.

The figures described in this report reflect progress made by donors in contracting their commitments from the July and November 1999 donors' conferences and new pledges announced at a donors' meeting held in February 2001. Fifteen bilateral donors and five institutions/organizations, including the European Commission, pledged assistance for reconstruction and recovery, and budget support at the February meeting. The Joint Office for South East Europe of the World Bank/European Commission (hereafter referred to as the Joint Office) calculated total new pledges made at this meeting at $492 million. Following this meeting, the State Department approached donors to inquire about further assistance plans. Ten donors indicated their intentions to make an additional $62 million available, bringing the total for FY 2001 pledges up to approximately $554 million. The U.S. pledged $94.27 million after certifying that U.S. assistance was not more than fifteen percent of total donor resources pledged for 2001.

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[1] EU Member States include Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, The Netherlands, Portugal, Spain, Sweden, and the United Kingdom.
European NATO member nations include The Czech Republic, Hungary, Iceland, Norway, Poland, and Turkey.

The Joint Office issued comprehensive updates on 1999 and 2001 conference pledges in March and April 2001. Some donors revised their 1999 commitments figures downward as part of this exercise. These recalculations account for differences between the figures in this report and those provided in the first Kosovo Peacekeeping Report. The World Bank did not collect new pledges of humanitarian assistance at the February donors meeting nor does it continue to report progress on committing this assistance. Humanitarian figures included in this report were gathered directly from donor governments. Whenever possible updates on humanitarian and other aid commitments and contractual obligations reported to the U.S. government are included so as to convey the latest information available.

Definitions
For the purposes of this report, a pledge is defined as an indication of donor support including those that may not have been approved yet by a legislative or other appropriated body. Commitments of foreign assistance are pledges that have been approved by a national legislative body or multilateral board and allocated to a specific sectoral program or project. Contracted aid is defined differently by individual donors. For the purpose of this report, contracted aid refers to assistance, which has been obligated to an implementing partner to be used for a specific purpose. Disbursed aid refers to funds that have been spent by the contracted organization, which manages the aid project.

Section I - Donor Commitments and Disbursements

A) Reconstruction Assistance

Progress on Contracting 1999-2000 Pledges (See Table I)

European states and organizations, the primary donors of reconstruction assistance to Kosovo, committed over $859 million in 1999 and 2000. The European Commission plays a key role as the largest single donor and the leader of Pillar Four, the economic reconstruction arm of the United Nations Interim Administration in Kosovo (UNMIK).

Comparisons of reconstruction assistance are complicated in that bilateral and multilateral donors consider a variety of different activities to fall within this heading. While the United States interprets "reconstruction" as large-scale infrastructure activities such as rebuilding war-damaged facilities, European donors tend to also include smaller scale repairs and economic reform activities. The Joint Office groups rebuilding, economic revitalization, and peace implementation activities under the reconstruction heading in its tracking system.

Assistance by Donor:
European Commission Assistance
The European Commission, the Europeans multilateral conduit of assistance, is the largest single donor of reconstruction aid. As of June 2001 the Commission had contracted $346 million, 86% of its $402.78 million 1999 commitment. This is an improvement in both commitment and contracting of assistance from the figures reported in the First Kosovo Report. The European Agency for Reconstruction (EAR) implements the Commission's non-humanitarian assistance programs. EAR has concentrated largely on mine clearance, housing and public infrastructure

restoration and repair. Specifically, it has delivered construction materials to rehabilitate 3,500 houses. It has begun bridge repair and road patching projects and has rehabilitated Kosovo's rail network.

European Bilateral Assistance (EU Member States/European-NATO Member Nations/Other)
As of June 2001, European member states had committed $331.40 million and contracted $284.10 million, over 85% . This contracted figure also represents an improvement from the First Kosovo Report. Each member state of the European Union committed reconstruction assistance as a bilateral donor with the exception of Belgium. The United Kingdom remains Europe's largest bilateral donor to Kosovo. It is also one of the quickest donors to implement its program, having contracted over 91% of its $92 million commitment. Switzerland and Germany offered the next highest commitments, respectively, and each has made considerable progress in contractual obligations. Since the first Kosovo Peacekeeping Report, Switzerland has contracted over 30% more of its initial commitment and Germany has contracted 59% more of its commitment.

Eleven European Union member states have contracted over 80% of their committed funds, and a twelfth has contracted over 60%. This is a significant improvement in contracting rates from those reported in December. At that time only six countries had contracted over 50% of their commitments. Two of the smallest economies in the EU, Greece and Portugal, have not yet contracted their pledge. If these countries do not provide information on their contractual obligations by the next reporting period they will not be included in future updates.

NATO members the Czech Republic, Poland and Norway also committed reconstruction assistance to the sum of $39.4 million. Norway is the only one of these governments to contract funds. As above, the other NATO states will not be included in future reporting if they do not indicate progress in contracting commitments.

U.S. and other Bilateral and Multilateral Assistance
As mandated by U.S. law, the U.S. has not contributed assistance to large-scale physical infrastructure rebuilding. Rather, the U.S., through the U.S. Agency for International Development (USAID), focuses on programs to boost economic growth, including macro-economic reform, privatization and enterprise development activities. In addition, USAID supports small-scale, community-level provision of basic services, such as water, electricity, health and other social services. U.S. commitments to economic reform, peace implementation, and community services totaled $172.60 million for 1999 and 2000.

Other bilateral donors, Canada, Japan, the Kingdom of Saudi Arabia, and the Republic of Korea, and multilateral institutions including the United Nations Development Program, and the World Bank also provide reconstruction assistance. Collectively these donors have committed nearly $166 million.

2001 Pledges (Table II)

At the February 2001 donors' conference, European states and organizations continued to provide generous funds pledging over $410 million for Kosovo's reconstruction and recovery.

Data on commitments and contractual obligations of these pledges is not yet available as most other donors only begin their fiscal year between January and April. The rate of expenditure for these new pledges may be slower than in the past, given that assistance is increasingly devoted to longer-term rather than emergency needs. U.S. development aid, for example, typically expends at a rate of approximately 5-9% during the first year funds are appropriated.

Assistance by Donor:

European Commission Assistance

As of June 2001, the European Commission had pledged $141.69 million for reconstruction activities. It remains the largest donor of reconstruction assistance. The EAR will program these funds to continue village employment and rehabilitation programs, to rehabilitate water and sanitation systems and to refurbish power stations and other public infrastructure.

European Bilateral Assistance (EU Member States/European-NATO Member Nations/Other)

As of June 2001, European member states had pledged an additional $196.21 to reconstruction efforts in Kosovo. All but four EU member states (Belgium, Greece, Portugal and Spain) made new pledges at the February donors' conference. As in the past, Germany and Switzerland offered the highest pledges of $92.74 million and $54.44 million, respectively. NATO member Norway pledged further reconstruction assistance in the amount of $18.02 million.

U.S. and other Bilateral and Multilateral Assistance

As above the U.S. does not pledge funds for large-scale reconstruction. However, it committed $84.27 million in funds for economic reform and peace implementation programs not including contributions to United Nations International Police Force. Canada, the European Bank for Reconstruction and Development (EBRD), the Islamic Development Bank, and the World Bank also pledged approximately $58 million at the February meeting.

Analysis

The Europeans continue to take primary responsibility for financing reconstruction activities in Kosovo. This can be seen both in the scale of their bilateral and Union-level commitments and obligations and in the scope of activities they have spearheaded throughout the region.

The extent of burdensharing among the European states also continues to be noteworthy. The European Commission will continue to be the single largest donor to Kosovo in 2001. Along with the member states it will continue to shoulder the reconstruction and recovery efforts. The contributions of the smaller states in the European Union are particularly noteworthy indications of a greater European commitment to the aid burden in Kosovo. Switzerland and the Scandinavian countries, historically generous with foreign assistance, also remain actively engaged in assistance programs in Kosovo.

B) Humanitarian Assistance

Progress Contracting 1999-2000 Pledges (See Table III)

Twenty-eight bilateral donors and five international organizations reported contributions of humanitarian assistance to Kosovo at the 1999 pledging conferences. The Joint Office considers its June, 2000 report on these pledges of emergency assistance to be its final update. Now that the humanitarian situation in Kosovo has improved, donors have shifted new funds to UNMIK for social services. As indicated in the first Kosovo peacekeeping report, European nations and organizations committed a total of $1123.79 million for relief activities which included direct feeding, shelter, health and hygiene and water sanitation. They had contracted over 92% of their combined commitment as of June, 2000.

Assistance by Donor:

European Commission Assistance

The European Commission was the second largest contributor of humanitarian assistance having committed $403 million in 1999-2000. The Commission channels humanitarian assistance through the European Community Humanitarian Office (ECHO). ECHO financed refugee camps in the countries surrounding Kosovo and supported internally displaced populations. The Humanitarian Office lists the provision of emergency shelter to over 22,500 families, and emergency rehabilitation to 159 schools among its specific achievements. ECHO also distributed drugs, and provided public health care and vaccinations throughout the refugee crisis.

European Bilateral Assistance (EU Member States/European-NATO Member Nations/Other)

Each of the EU member states also offered bilateral humanitarian assistance with the exception of Portugal which did not report its program. Eight of the European bilateral donors contracted 100% of their commitments. Germany, the United Kingdom and Denmark were the largest providers in comparison with the other EU member states. European-NATO members the Czech Republic, Iceland, Norway, Poland, and Turkey collectively committed $107.28 million and contracted over 80% of that figure.

U.S. and other Bilateral and Multilateral Assistance

The United States was the leading donor of humanitarian assistance in 1999-2000. As of December, 2000, the U.S. had disbursed $409 million. The State Department and USAID in partnership with U.S., international, and local non-governmental organizations provided some of this funding. These agencies established emergency programs to provide temporary shelter, mobile health clinics, potable water and agricultural inputs, such as seeds and tools.

Australia, Canada, Japan, the Kingdom of Saudi Arabia, the Republic of Korea, and Thailand also committed humanitarian assistance in the 1999 donors' conferences. The United Nations Children's Fund (UNICEF), the World Food Program (WFP), The United Nations High Commissioner for Refugees (UNHCR), and the International Organization for Migration (IOM) have also provided substantial multilateral support.

2001 Pledges (Table IV)

Although the Joint Office did not collect pledges of humanitarian assistance at the February 2001 donors meeting, the State Department approached donors individually to gather information concerning their intended programs. At that time, the European donors, including the Commission, and five bilateral donors indicated they would provide a total of $18.68 million in

humanitarian assistance in 2001. The EU member states also provide assistance through voluntary contributions to UN and other multilateral agencies.

Assistance by Donor

European Commission and European Bilateral Assistance

Specifically, the European Commission pledged $11.625 million to be programmed via ECHO. In 2001, ECHO has focused on providing assistance to internally displaced populations and other vulnerable groups in Kosovo. It is continuing school rehabilitation projects and seed and fertilizer distribution. Austria, Finland, Germany, Sweden and the United Kingdom also pledged small sums for humanitarian activities, which include demining, minority returns, and health care.

U.S. and other Bilateral and Multilateral Assistance

Like the Europeans, the United States has decreased humanitarian spending in favor of longer-term development priorities. USAID closed its Pristina-based Office of Foreign Disaster Assistance (OFDA) in March 2001, following the provision of emergency shelter assistance during the 2000/1 winter. The State Department's Bureau of Population, Refugees, and Migration (PRM) continued its presence in Kosovo in order to concentrate on minority stabilization and returns activities. The U.S. plans to commit approximately $18.2 million for humanitarian activities in FY2001. Of that total, approximately $6 million will be channeled via the World Food Program for agriculture and emergency feeding programs. Remaining funds will support refugee and IDP programs.

Analysis

The international donor community has been credited for its quick and well-coordinated response to emergency conditions during and after the Kosovo crisis. The contributions of European nations and organizations were crucial to the humanitarian relief effort. It is important to note that as donors have phased out of humanitarian assistance, they have moved into funding a variety of social service activities. For example, UNMIK reported that donors had contributed up to $105 million by the end of December and an additional $27.6 million by April 2001 for human rights, maternal and child health, health administration training, sexual and domestic violence programs and other social service activities. While these activities are humanitarian in nature, donors have tended to report this assistance to the Joint Office either as support to UNMIKs operating budget or under the broad reconstruction/ peace implementation heading.

Donors are monitoring closely the situation in Macedonia and its impact on Kosovo. UNHCR estimates that 28,000 refugees from Macedonia remain in Kosovo as of September. At the height of the crisis, some 80,000 refugees from Macedonia had entered Kosovo. The UN and implementing NGOs have increased staff for emergency preparedness planning should the flow of refugees across the border increase in the coming months. For the most part, refugees have been registered at transit camps and then placed with host families. The U.S. government has contributed $10 million in humanitarian assistance to Macedonia to support refugee and IDP returns. Additional humanitarian relief may be sought in the context of a pledging conference for emergency relief for Macedonia tentatively scheduled later in the Fall of 2001.

C) Assistance to Kosovo Consolidated Budget

Progress Contracting 1999-2000 Pledges (Table V)

Twenty-one bilateral donors and three multilateral agencies have committed funds to the Kosovo Consolidated Budget (KCB). As of December 2000 the European nations and organizations had pledged $217.46 million to the KCB. This total represents contributions made via the UN Trust Fund and subsequently through general and designated grants to UNMIK.

UNMIK's Central Fiscal Authority (CFA) develops and executes Kosovo's consolidated budget. In setting Kosovo's fiscal policy the CFA has identified macroeconomic priorities and budget constraints. It has focused on policies that promote private-sector-led economic growth, expand the tax base, and reduce subsidies to utilities and infrastructure. Specifically, it has developed instructions for the procurement of goods and services, set regulations for domestic tax revenue collection and introduced a VAT tax. It plans to introduce profits and wage taxes in 2002 and has begun to regulate the insurance and fuel distribution industries in order to standardize business in those sectors.

As part of its functions, the CFA tracks donor support provided to UNMIK in a monthly fiscal monitoring report. Donors also report pledges and commitments of budget support to the Joint Office at pledging conferences. Data from these two sources varies since donors may only identify general support to the Joint Office or may decide to fund special projects later in the course of the year. This report presents the data compiled by the CFA and published in June 2001.

Assistance by Donor:

European Commission Assistance

The European Commission is the largest contributor to UNMIK having committed $79.7 million and disbursed $65.3 million, 82% of its commitment. EC funds were earmarked for such purposes as water sanitation, building refurbishment, electricity and fuel purchases, and heating.

European Bilateral Assistance (EU Member States/European-NATO Member Nations/Other)

Eleven of the fifteen member states of the European Union provide bilateral support to the Kosovo budget. The United Kingdom, the Netherlands, and Germany were the top three bilateral European donors with commitments of $53.4, $34.5 and $14.2 million respectively. The majority of bilateral donors have disbursed 100% of their commitment. Of the remainder, the UK and Switzerland have disbursed over 90%; France and Italy have disbursed over 60%, and Spain has disbursed nearly half of its commitment.

European-NATO members the Czech Republic, Norway, and Poland and Turkey pledged $7.90 million to the KCB. All countries, except Turkey, have disbursed 100% of their funds.

The European nations' bilateral support has addressed a wide variety of developmental needs. For example, donors have devoted funds for health and education, public utilities, correctional facilities and social welfare activities.

U.S. and other Bilateral and Multilateral Assistance
The U.S. has committed $31.6 million and disbursed $29.6 million of that amount. This figure includes general undesignated budget support and designated grants for civil registration, the Kosovo Protection Corps and a financial viability assessment and environmental remediation of the Trepca mine complex. Other UN members, notably Canada, and Japan, have made significant contributions to Kosovo's consolidated budget as has the World Bank and the International Committee for Missing Persons.

2001 Pledges (Table VI, V11)

Most donors did not discern between reconstruction and budgetary purposes when reporting new pledges of 2001 assistance. The majority of the $648.5 million pledged at for 2001 will be used for reconstruction and peace implementation activities. However, at the February donors meeting European donors announced pledges of general budget support totaling $47.59 million.

European Commission and European Bilateral Assistance
The European Commission pledged $27.59 million for the Kosovo Consolidated Budget at the February meeting. Since the meeting the CFA reports that the EC has committed approximately $14 million and disbursed approximately $11 million. The United Kingdom and the Netherlands also pledged $10 million each in budget support at the meeting. The UK has not yet committed its 2001 funds. This is not unusual as the UK fiscal year, unlike the other EU member states, begins in April. The Netherlands has committed and disbursed over $7 million. Other Member States did not report pledges at the time of the conference but committed funds between March and June 2001. Denmark, France, Germany, and Italy committed funds for a Member State total of $13.89 million. Switzerland and Lithuania also contributed funds for victim recovery activities and road maintenance.

U.S. and other Bilateral and Multilateral Assistance
The U.S. pledged $10 million in budget support and committed $10.8 in the spring of 2001. Other donors, Canada, and the World Bank have contributed approximately $7 million in general support.

Analysis
The Europeans continue to support the Kosovo Consolidated Budget and to address a variety of public sector needs. The Central Fiscal Authority has made impressive progress in self-financing since 1999. Revenue for the operating budget changed from a 50% local/50% donor ratio to a 68% local/32% donor ratio. However, because of the constraints associated with a limited tax base, international foreign assistance is needed to fill the critical gap between public expenditure and revenue. The CFA projects a smaller deficit that must be covered by external assistance in 2002, and believes that a balanced budget can be achieved in the next two years.

Section II - International Police and Military

A) United Nations International Police Force

Progress Contracting 1999-2000 Assistance (Table VIII, IX)

In June 1999, UN Security Council Resolution 1244 established the United Nations Interim Administration Mission in Kosovo (UNMIK) Police. UNMIK police officers are armed and have executive authority. They are authorized to enforce laws and make arrests. The two main priorities of the UNMIK Police mandate are providing interim public security and law enforcement in Kosovo, and developing the new Kosovo Police Service (KPS) to assume permanent responsibility for these functions. The authorized strength of the UNMIK Police is 4,718, which includes 1,125 special police. Special Police units have additional capabilities to deal with unusual problems such as civil disorder, and are strategically deployed to assist regular UNMIK police if needed. Current total force strength is 4,434 officers, including 1,090 special police.

Assistance by Donor

European Commission and European Bilateral Assistance

Unlike in other categories of assistance, the European Commission does not contribute to the International Police Force in Kosovo. However, officers from EU member states, other European members of NATO, and Switzerland collectively constitute nearly 30% of the total international force. The Europeans have pledged 1,112 regular police and 230 special police to the force, for a total pledge of 1,342. They have deployed 1209. Germany has made the highest European pledge and deployed more officers than any other European country. Currently, there are approximately 318 German police in Kosovo. The United Kingdom, Turkey, Spain, Poland, Russia, and Ukraine have contingents of over 100 regular and/or special police officers. With few exceptions, the Europeans have deployed the full amount of their pledged officers. Luxembourg and Ireland are the only EU member states that did not pledge officers to the force.

Other Bilateral Assistance

In comparison, the U.S. has pledged 605 officers and deployed 591 officers, 97% of its pledge (Generally all 605 officers are deployed, however, the U.S. officers are currently in the middle of a rotation). All of the U.S. contingents act as part of the regular police force. Twenty-nine other UN member nations from Argentina to Zimbabwe have deployed both regular and special police officers to Kosovo's international police force with India and Jordan serving as the largest donors.

Analysis

As in other categories the European states have shouldered a substantial share of the contribution to civil security in Kosovo. They have deployed nearly one-third of total regular officers and over 20% of total special police officers to the UN international police force.

B) Military Commitments

KFOR Troop Levels (Table X, XI)

Since its inception immediately following the end of Operation ALLIED FORCE, KFOR composition has included a blend of troops from numerous countries. Initially, approximately 45,000 troops from seventeen NATO countries and four non-NATO nations provided troops.

Force levels reached a peak of nearly 50,000 troops in October 1999. Today in Kosovo, 39 different countries contribute personnel to twenty-nine Battalion-sized equivalent units. The overall force level has remained relatively stable for the last six months, fluctuating between 42, 000 and 42,700 depending on troop/unit rotation and replacement schedules. It should be noted that approximately 15% of KFOR is stationed in the Former Yugoslav Republic of Macedonia (FYROM), Greece and Albania, as well as KFOR headquarters in Pristina.

A more detailed breakout of KFOR make-up reveals that NATO nations, including the United States, contributed 94% of the forces immediately following the conclusion of Operation ALLIED FORCE. As more nations began participating in Operation JOINT GUARDIAN, NATO contributions were gradually reduced to their current state of 82% of the forces. A similar breakout for European Union nations shows a 70% contribution at the end of the bombing campaign. This also has gradually reduced to its current state of 65%.

By comparison, the United States' contribution of troops was 7,100 initially, with spikes as high as 10,100 in December 1999, and 8,500 in June 2000, which were troop rotation periods. However, troop rotations notwithstanding, for the period of June - November 2000, United States contributions ranged between 6,000 and 6,400 troops or approximately 13-14% of KFOR troop levels. In 2001, the U.S. contribution has held at 6000 troops (excluding a spike of 8,600 in May) again approximately 14% of total KFOR troop levels.

Analysis
The European Union member states and NATO member nations continue to provide well over half of the military personnel throughout Kosovo peacekeeping operations. As noted EU and NATO contributions remain relatively high and have been reduced only to the extent that the other nations listed in the tables have contributed personnel.

Section III -
Commitments and Responsibilities by Organization: The European Union, OSCE, and UN
(Table XII)

European Union
As has been described in previous sections, the European Union has committed Community level assistance to support reconstruction, humanitarian activities, and Kosovo's consolidated budget. The EU has sought to form closer ties with Kosovo and emphasize regional cooperation and European integration. The Commission, the EU's executive body continues to be the largest single donor of reconstruction and budget assistance to Kosovo and ECHO, the EU's humanitarian office continues to provide relief for vulnerable groups.

The EU counts several achievements as a leading donor and the head of Pillar Four, the economic reconstruction pillar of the UN's Interim Administration in Kosovo. The EU has rehabilitated Kosovo's transport infrastructure, including the Kosovo Polje railhead, and has repaired Kosovo's telephone network. The EU has rehabilitated the infrastructure needed for economic recovery including transport systems such as the Kosovo Polje railhead, and the telephone network. In the winter of 2000 it provided emergency electricity supplies to counter

power shortages. In 2001, the EU has focused on housing, water and solid waste management, agriculture, local government and civil society and health.

In general the EU's assistance has mitigated the state of emergency in Kosovo following the crisis. This fundamental first step was handled quite effectively given the challenges of the post-conflict environment and the operating structure of the Union. Several medium range tasks remain, not the least of which includes planning and priority setting for longer-term development. Housing, energy support, and strengthening civil institutions will remain critical areas for the EU and other donors to address.

United Nations

UN resolution 1244 established the UN Interim Administration in Kosovo (UNMIK) as the provisional administration in Kosovo. The resolution confers UNMIK with legislative and executive authority as well as the role of administering the judiciary. UNMIK has four pillars of accountability. The UN leads Pillar 1, formerly the emergency relief effort, and now the Justice and Police Pillar. The UN also leads Pillar 2 covering issues of civil administration. The UN budgeted $450 million for Kosovo between July 2000 and June 2001 and $413.36 million between July 2001 and June 2002.

UNHCR completed its emergency relief efforts in Kosovo in the summer of 1999 but has remained in the field. It is the primary organization responsible for emergency planning to manage displaced persons from Macedonia and Southern Serbia into Kosovo. UNICEF, the World Food Program and other UN agencies remain engaged in Kosovo as well. Some of their on-going activities include child health and nutrition trainings for medical personnel, an expanded program on immunization, pyschotherapeutic activities for children with disabilities, and an adoption information campaign.

As the leader of Pillar 2, the UN has accomplished some important milestones in addition to those discussed in the first report on Kosovo peacekeeping submitted in December. This year, the UN has focused on preparations for the first Province-wide elections to be held this November. In May, UNMIK issued a Constitutional Framework that lays out the roles and institutions for self-government, including an Assembly, Prime Minister, and Presidency. UNMIK has launched an awareness campaign to explain the new arrangement and functions. In June, UNMIK signed a compact with Kosovo Serbs on additional measures to protect their freedom, security and fundamental rights and in July it helped a Serbian convoy to deliver humanitarian aid to several Serbian enclaves. It has appointed 377 new judges, and 52 prosecutors. It continues to oversee service delivery and monitor electricity and heating supplies. It is also drafting a regulation to implement a new privatization strategy and has licensed four commercial banks.

The UN has made performed a difficult task in Kosovo and made a great deal of progress in establishing budgetary, tax, and trade regimes and solidifying democratic institutions. Following the municipal elections held in October 2000, the 30 municipal assemblies were given greater responsibility for managing many administrative tasks including education, health care, water supply, and ultimately tax collection.

UNMIK must still complete several major tasks including advancing the self-governing institutions laid out in the new Constitutional framework, and increasingly transferring public sector authorities to local leaders, and bolstering law enforcement mechanisms in order to ensure the safety of all ethnic communities in Kosovo.

OSCE Mission in Kosovo

The Organization of Security and Cooperation for Europe (OSCE) was established in July 1999. The OSCE mission (OMIK) leads UNMIK Pillar, the "Institution Building Pillar". Its primary tasks are to help create rule of law and democratic institutions. Specifically, the OMIK organizes and supervises elections and works with political parties, and the media to promote democratic processes. It is the lead agency responsible for monitoring human rights and supporting human rights advocacy groups. It also contributes to rule of law through the establishment of several institutions including the Kosovo Law Center; the Ombudsperson's Institution, and the Kosovo Police Service School.

OMIKs budget for 2000 was $90,628,400. States are assessed OSCE dues based on the Copenhagen Scale of Assessments. OMIK's 2001 budget is $82,573,600. The European Union member states contribute 2/3rds of the OSCE-Kosovo budget.

OMIKs counts the municipal elections held in October 2000 as one of its crowning achievements. In cooperation with the UN, OMIK registered 1 million eligible voters and certified 39 political parties and candidates. It launched both candidate training courses and a Kosovo-wide voter education campaign. It has made progress in developing a professional media, having trained over 720 Kosovo journalists. In the area of human rights work, OMIK helped to create standard procedures in Kosovo to handle cases of human trafficking. In February 2000 it created the Kosovo Judicial Institute which sponsors trainings and workshops for judges and prosecutors. Finally, it has initiated specialist and supervisory training for Kosovo Police Service officers.

OMIK is now playing an important role in preparing for the central elections to be held in this November. The mission formulated strategies to ensure the participation of all ethnic communities, in particular Kosovo Serbs. Registration operations for both in-country and out-of-country voters began in July 2001.

The OSCE remains in the medium-term phase of solidifying fledgling institutions and ensuring a smooth hand over of strategies and management responsibilities to local hands. OMIK faces the continuing task of reintegrating Kosovar Serbs, Roma and other minority groups. It also endeavors to de-politicize the civil service and to emphasize transparency and popular participation in local governance.

CONCLUSION

As with the First Kosovo Peacekeeping report, this report concludes that the European donors have taken responsibility for burden-sharing of assistance in Kosovo and made continued progress in implementing pledges of reconstruction, humanitarian, budget, and security assistance. The donors have pursued an ambitious agenda in Kosovo and realized many

important developments. They remain committed to addressing the challenge to create a sustainable peace in the region. In the following year, as UNMIK gradually shifts responsibilities to a provisional self-government continued donor attention to Kosovo will be essential to guarantee security, and further democratization and economic growth.

Table X

Nations Contributing Personnel To Operation Joint Guardian

NATO	European Union	Other
Belgium	Austria	Argentina
Canada	Belgium	Azerbaijan
Czech Republic	Denmark	Bulgaria
Denmark	Finland	Estonia
France	France	Georgia
Germany	Germany	Jordan
Greece	Greece	Latvia
Hungary	Ireland	Lithuania
Iceland	Italy	Morocco
Italy	Luxembourg	Romania
Luxembourg	The Netherlands	Russia
The Netherlands	Portugal	Slovakia
Norway	Spain	Slovenia
Poland	Sweden	Switzerland
Portugal	United Kingdom	United Arab Emirates
Spain		Ukraine
Turkey		
United Kingdom		
United States		

Table XII

United Nations and OSCE in Kosovo		
In Millions of USD		
	Organization Budget 2000	Organization Budget 2001
OMIK	$90.62	$82.57
United Nations	$450.00*	$413.36*

** UN Funds budgeted between July 2000 and June 2001, and between July 2001 and June 2002.

TOTAL KFOR LEVELS FY 01

	FEBRUARY	MARCH	APRIL	MAY	JUNE
TOTAL	**42500**	**42000**	**42700**	**45100**	**42500**
NATO	34700	34300	34600	37100	34800
EU	25300	26800	26700	27100	27500
US	6000	6000	6200	8600	6000
Other	6300	5600	5600	5600	5300

FORCE LEVELS IN KOSOVO FY 01

	FEBRUARY	MARCH	APRIL	MAY	JUNE
TOTAL	**37300**	**37000**	**38000**	**40100**	**37700**
NATO	29600	29300	30000	32200	30000
EU	21300	22500	23500	23500	23500
US	5600	5600	5600	7600	5500
Other	5600	5600	5500	5600	5200

Table 11

Summary of European and US Pledges and Deployments of CIVPOL to the UN International Police Force in Kosovo

ata as of June 8, 2001

	Regular/ Border Pledged	Regular/ Border Deployed	Special Police Pledged	Special Police Deployed	Total Police Pledged	Total Police Deployed	Percent of Overall Police Pledged	Percent of Overall Police Deployed
U Member States	939	797	115	112	1054	909	22.40%	20.50%
)ther European Members of NATO	173	177	115	115	288			
uropean Total*								
Jnited States								