

Speech of Mr. Richard Zink, Director of the European Agency for Reconstruction at the conference on The role of EU regional and local authorities in the process of democratic consolidation in the Western Balkan region, held on 22 June 2005 in Pristina. The conference was organised by the Committee of the Regions, in partnership with the European Commission, the Council of Europe and the Stability Pact for South-Eastern Europe

Ladies and Gentlemen, most of you here today will know about this Agency's work in Kosovo. Since 2000, it has, amongst other things, rehabilitated the power plants and coal mines, supported small businesses, reconstructed 18000 houses and repaired 400km of roads and 16 bridges. In total, the Agency has managed close to €1 billion in projects to develop the economy, governance and the judiciary.

Fewer of you will perhaps be aware of the work we have been doing to develop local government, the subject of this conference. Today, I would like to explain not only what we are doing, but also why.

First, I will take you back to the situation in Kosovo as we found it in late 1999, the year that a whole new leadership re-emerged in Kosovo.

Then I will explain how we have spent EU money to develop local government and improve living standards.

I will conclude by looking a little towards the role we plan to play in 2005 and next year.

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Back in late 1999, Kosovo looked very different. Some 900,000 people had returned from camps on the border to their homes in just a few days. Many found their homes damaged or destroyed. The water and electricity supply was weak in places, non-existent in others. There was considerable tension in those parts of Kosovo that were still home to Serbs, Roma and other minorities.

What happened next is well known to many of you. The EU, first under its special task force, then through this Agency, delivered assistance quickly and to the people who needed it most.

For instance, the Agency replaced 35km of pipes and modernised over a dozen pumping stations to improve the water supply in Pristina and Mitrovica. We also managed the importation of electricity and heating fuel, and delivered urgently needed fertilizer and seeds to farmers. We also concentrated €10 million on waste collection to avoid any risk of disease: we purchased 3400 bins and 38 collection trucks; upgrading 20 old dumpsites and gradually replacement with new 7 regional modern sanitary landfills.

Such tangible things as these are vital in a post-conflict environment. Stability is practically impossible if people have no access to basic services.

Therefore, democracy had to be strengthened through effective local government.

I am not here today to preach to anyone the best system of local government. That is a decision that must be left to the people in Kosovo. It has always been our role to assist municipal authorities to deliver better and cost effective public services to citizens and businesses.

The role of the Agency is to help improve conditions in Kosovo. We are also helping Kosovo to develop a "European Perspective" by assisting its government to introduce the same rules and standards we have in the European Union. Nonetheless, when you consider local government in the EU, there are three basic notions that can be applied in Kosovo:

- For ordinary people, democracy is often local because the real test of the rule of law and good governance is in the way they are treated at their town hall.

- What matters most to people is whether they can rely on competent, friendly and efficient officials and whether one's village or town has proper roads, schools, health service or access to utilities.
- It is important, under any system of government, that local officials be able to plan their budgets and procure services in an efficient and transparent way.

Now before I continue, let me remind you again of an earlier point I made: after 1999 Kosovo needed **to develop local government almost from scratch.**

The EU, through the European Agency, has played a significant role in helping Kosovo develop its local government.

We arranged for 50 local government experts from EU member states to be seconded to municipal government offices across Kosovo, aiming to improve public management. The impact of this project was significant when the preparation process for more competencies to local government was underway.: In 1999/2000 in Vushtrri/Vucitrn, international staff managed finances and procurement. Thanks to EU support, soon thereafter local administrative staff could authorise and commit expenditure, maintain financial records, and procure goods and services for all departments.

The EU also financed the €15 million municipal local infrastructure fund, or MLIF. This fund helped municipalities learn to manage and implement infrastructure projects. It combined capital investment with technical advice. In total, the fund financed 136 projects in all 30 municipalities. These included water and sewerage projects, and the construction of important local roads.

And work continues to help minority communities, especially Serbian people, reintegrate into the economy. For instance, we have financed a scheme that offers credit to families to help them start up small businesses that can earn them a living.

I would be happy to take questions on these, or other schemes the EU financed, later.

Following the general election in November 2001 and the establishment of the Provisional Institutions of Self Government, the Agency started introducing programmes at the central level.

For instance, the Agency managed a training project within the office of the Prime Minister to develop its ability to determine new legislation, and we have since run similar projects in all of Kosovo's ministries. We also helped establish the Kosovo Institute for Public Administration to train future civil servants.

The aim of our projects with the provisional government in Pristina was not merely to develop central legislation, but also to support local implementation through municipal government.

Again, if you would like more information about our support to public administration reform, I would be happy to say more during the questions.

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Whether it is setting up an audit office, or helping a ministry or municipal government office, a great deal of our work in public administration involves quite similar initiatives. They boil down to three things:

- We finance **training** for civil servants and we help government develop sustainable training schemes for their staff.
- We **deliver equipment**, such as computers and software, to enhance management.
- We **contract experts** from across the EU to help governments draft laws and ministries introduce and consider how to enforce new legislation.

We will continue to support all three initiatives in Kosovo. In 2005, the EU will assist the Ministry of Local Government. The EU has also helped the Association of Municipalities develop the important role it plays representing the rights of local government. Finally, we are looking at the feasibility of expanding our support in 2006 to include "twinning", a scheme where EU experts are seconded to local public organisations.

And this neatly brings me to a final area of our work to develop local government...

Broadly speaking, local and national government function in Kosovo. Nonetheless, it needs money – especially municipal government. The EU has been generous in its support of local schemes and building projects. This generosity can, in our opinion, be used to encourage a more widespread acceptance in Kosovo of the types of values we hold important in the EU, such as minority and human rights, and good public governance.

In Kosovo, these values are of course enshrined in the "standards for Kosovo". Let me give you an example of how we are using our assistance to municipalities to encourage the local authorities to meet these eight requirements.

Over the next 12 months, we plan to spend €17 million project to improve the social and economic infrastructure of municipalities across Kosovo.

Eight of them have already been selected. They have been chosen because they are working hard to meet the standards.

The projects include a water supply system for the towns of Klina and Novo Berdo, a sewage system in Istog, as well as construction of schools in Fushe Kosove/Kosovo Polje, Kamenica, and Podujeva/o. A separate road project will benefit a significant minority population in Skenderaj/Serbica and Obilic.

We have chosen these towns jointly with the Kosovo government, the Association of Kosovo Municipalities and the United Nations Mission. The work on the projects is expected to start this year.

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Before I finish, let me take this opportunity to thank our partners from the Kosovo government, UNMIK, the Council of Europe and the NGO community. Today, as negotiations on Kosovo's final status draw nearer we can say that significant changes have taken place over the past few years. I believe our effort together has made a considerable difference in the day-to-day lives of the people.