

Key findings in progress report 2008 Kosovo¹

Political criteria

Kosovo's politics have been largely determined by issues related to Kosovo's declaration of independence. Following the declaration the security situation remained relatively calm, with the exception of two serious incidents in Northern Kosovo. Overall stability has been maintained. Kosovo continued to cooperate with the international community. The constitution adopted by Kosovo is in line with European standards. A considerable amount of key legislation was adopted.

However, the government needs to ensure administrative capacity, sufficient means and determination to enable effective and efficient implementation and enforcement. Strengthening the rule of law, anti-corruption policy, the fight against organised crime and enhancing dialogue and reconciliation between the communities are major political challenges.

Economic criteria

The economy of Kosovo has grown at a somewhat higher rate than in previous years, but Kosovo has made very limited and uneven progress towards establishing a functioning market economy.

Macroeconomic performance was marked by weak budget implementation growing inflation, very high unemployment and external imbalances. On the positive side, economic activity is increasingly driven by private-sector dynamism.

Unreliable energy supply, a mismatch of skills and poor physical infrastructure are major constraints to development. Unemployment remains very high. Continued reform and sizable investment are necessary to enable Kosovo to cope over the long term with competitive pressure and market forces within the EU.

European standards

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

¹ Under UN Security Resolution 1244/99