

**Forum:** GA5

**Issue:** Financing of the United Nations Interim

Administration Mission in Kosovo

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## Introduction

**The United Nations Interim Administration Mission in Kosovo (UNMIK)** remains to be an outstanding organization which shows exemplary international cooperation, financial assistance and peacekeeping in the Kosovar region which is still affected by the post-conflicts. With the support of UNMIK the social and financial stability is provided and the Kosovar government functions much more effectively.

UNMIK was established in 1999 by the United Nations Security Council in response to the Kosovo War, a conflict that happened in the late 1990s in the Balkans. The war, marked by ethnic conflict and violence between Kosovo Albanians and Serbs, led to widespread human rights abuses and prompted international intervention to restore peace and stability in the region in order to help the administration in the region. The organization is most usually funded by the member states and it is part of the United Nations regular budget. The foundations are highly critical for the country's economic sustainability. The funds also assures a shared responsibility and interest of an international community.

UNMIK aims several objectives in order to achieve a peaceful government such as but not limited to providing a secure state and overseeing civil organizations to help the further functioning of provisional institutions for self-governance. These types of initiatives not just includes the need of diplomatic finesse but also requires substantial financial resources to ensure the effective implementation of the mission

Organizations financing has faced challenges and revisions over the years, reflecting the changing reality on the ground. The mission budget has been evaluated and adjusted to meet changing needs. and interests in Kosovo, demonstrating a commitment to flexibility and response. Furthermore, voluntary donations from some Member States have been critical in meeting specific needs or supporting projects within the mission, emphasizing the collaborative nature of international efforts in conflict resolution and peace-building.

## Definition of Key Terms

### Foundation

In a general sense, a "foundation" refers to the base or underlying structure upon which something is built. It can also refer to an organization established to fund charitable, educational, or research activities. Such as the international organization which helps UNMIK and the Kosovar government to function better by funding a budget for the state.

### Post-war Region

This notion of "Post-war region" describes an area which faced conflict or war in the present period following the cessation of hostilities. The war might cause difficulties by damaging the population, life quality and stability. That's why the focus is often on recovery, reconstruction, and stability in the aftermath of war.

### Self-Governance

Self-governance refers to the ability of a nation to govern itself independently, making decisions about its own political, social, and economic affairs without external interference. The Kosovar government who has newly declared their independence tries to transform into a self-governing nation.

### Flexibility in Budgeting

A flexible budget is one that adjusts to changes in activity or production levels. Unlike a static budget, which is based on a fixed level of activity or production, a flexible budget is designed to adapt to changes in sales volume, production volume or other measures of business activity. It is typically created by identifying different costs and expenses that vary based on changes in activity levels and calculating the expected cost or expense for each activity level.

### Assessed Contributions

Assessed contributions are the annual amounts that each of the 196 Members and Associate Members must pay to the UN. The United Nations calculates the assessment scale, which is based mostly on the country's GDP and is adjusted for WHO membership. The UN approves it every two years. Assessed contributions are an important source of funding for the Organization, providing consistent funding, reducing reliance on a small donor base, and allowing resources to be aligned with the Program Budget.

### Voluntary Contributions

Voluntary contributions are voluntary and are left to the discretion of individual Member States. These donations are critical to the operation of the UN's humanitarian and development agencies, which do not have evaluated budgets, such as the UN Children's Fund (UNICEF), World Food Programme (WFP), UN Development Programme (UNDP), UN Refugee Agency (UNHCR), and UN Population Fund (UNFPA). And also UNMIK.

## The Balkans

The Balkans, Eurasia's most important transit corridor, has historically been a strategic region of great importance for numerous empires and governments. In this environment, the Balkans emerge as an area characterized by multiple conflicts and insecurity. Since the downfall of the Yugoslavian government caused a significant power vacuum in the region. Kosovo is a self-proclaimed autonomous country in Europe's Balkans. Although the United States and the majority of European Union members recognized Kosovo's declaration of independence from Serbia in 2008, Serbia, Russia, and a handful of other nations, including many EU members, did not.

### Economic Stability (of a state)

A term used to characterize a country's financial system that demonstrates only minimal swings in economic growth and a persistently low inflation rate. Economic stability is typically regarded as a desirable state for a developed economy, which is frequently supported by the central bank's policies and activities.

## Background Information

### Kosovo War and International Intervention:

The Kosovo War (1998–99) was the culmination of a nearly decade-long conflict between ethnic Albanians and ethnic Serbs, supported by the government of the Federal Republic of Yugoslavia (FRY), which controlled Kosovo at that time. Under this Yugoslav government, Albanians felt treated as second-class citizens and faced repression in their own country. Initially, Albanians protested through nonviolent means, but after a lack of change and support from the international community, more violent and extreme reactions began to emerge.

The Kosovo Liberation Army (UCK), seeking freedom from the FRY invaders was formed in 1996 and launched a militia uprising in 1998, sparking the start of the war. The government responded by deploying its own armed forces, including the police and army. The government's use of excessive force and violence led to ethnic genocide against the Albanian people. Many people, especially ethnic Albanians, began fleeing Kosovo as refugees, prompting a response from the international community.

International groups such as the United Nations (UN), the North Atlantic Treaty Organization (NATO), the European Union (EU) and the Contact Group - an informal group consisting of the United States, Britain, Germany, France, Italy and Russia - joined into diplomatic responses to escalating violence. However, peace talks failed to resolve the crisis and NATO committed to deploying ground troops in Kosovo.

### UN Security Council Resolution 1244:

After recalling resolutions 1160 (1998), 1199 (1998), 1203 (1998), and 1239 (1999), the United Nations Security Council adopted resolution 1244 on June 10, 1999, which established the United Nations Interim Administration Mission in Kosovo (UNMIK) and permitted an international civil and military presence in the Federal Republic of Yugoslavia. The withdrawal of all Yugoslav state forces from Kosovo was one of the terms suggested by former Russian Prime Minister Viktor Chernomyrdin and President Martti Ahtisaari on June 8. This agreement was made by Yugoslav President Slobodan Milošević.

The vote to adopt Resolution 1244 was 14 in favor and 0 against. China was critical of the NATO offensive, especially the bombing of its embassy, but it refrained from voting. It contended that the Yugoslav government and its individuals were against outside interference. China did not veto the resolution, nevertheless, because the Federal Republic of Yugoslavia accepted the peace proposal.

2008 saw Kosovo declare its independence on its own; however, according to Serbia and a few other UN members, Resolution 1244 is still enforceable against all parties. The International Court of Justice held that the resolution was not broken by the declaration of independence.

Resolution wanted to guarantee that every refugee could return safely and was committed to finding a solution to the dire humanitarian situation. The speaker denounced acts of terrorism and violence directed towards civilians, while restarting the jurisdiction and mandate of the International Criminal Tribunal for the Former Yugoslavia (ICTY).

### **Multinational Support and Involvement for UNMIK:**

The United Nations Mission in Kosovo (UNMIK) receives support through a multifaceted frame involving transnational backing, donor assistance, and cooperative efforts with member countries and associations. Since its establishment in 1999 under the accreditation of United Nations Security Council Resolution 1244, UNMIK has played a pivotal part in administering Kosovo and furthering stability, security, and reference for mortal birthrights in the region. Financial benefactions from member countries constitute a primary column of brace, with these voluntary finances distributed to sustain UNMIK's functional structure, labor force, and charge-special conditioning.

In addition to assessed benefits, UNMIK benefits from donor assistance handled by nations and associations, which may extend fiscal aid or in-kind support for special systems aligned with the charge's accreditation. This cooperative path extends to logistical and specialized brace, with member countries contributing labor force, morale, and outfit to enhance the charge's functional capabilities. Likewise, UNMIK engages in hookups with transnational realities similar to the European Union, NATO, and other UN agencies, using collaboration to address the complicated expostulations in Kosovo. While these

brace mechanisms have been necessary in UNMIK's ongoing charge, it's essential to confer the rearmost crashes and sanctioned statements for the most over- to- assignment information on the charge's brace structure.

### Challenges and Criticisms in the Establishment Phase:

During the period of its establishment, the United Nations Mission in Kosovo (UNMIK) faced numerous challenges and criticisms that were indicative of the complexity of post-conflict. Following the Kosovo War and NATO intervention, security in this region has been deteriorating due to incidents of violence and inter-ethnic tensions that have hindered efforts to establish stability for UNMIK ,it has been confronted with significant challenges due to the humanitarian crisis caused by the conflict, including displaced populations, damaged infrastructure, and inadequate services. It is essential to establish a new political and administrative structure for the transition from conflict to peace, which includes the challenges of creating institutions, restoring governance structures, and facilitating repatriation of displaced people.

The complexity of Kosovo's ethnic diversity has been compounded by UNMIK'S efforts to manage inter-ethnic tensions, safeguard the rights of minorities, and foster an inclusive political atmosphere. The mission's primary focus is on addressing the challenges of coordinating international efforts with countries like NATO and the European Union, as well as Kosovo' economy in rebuilding infrastructure, creating jobs, and stimulating economic growth. In addition, it is imperative to establish a strong legal and judicial framework that meets international standards through careful implementation. Some critics have raised the issue of how to balance the need for swift action and community involvement, as well as doubt whether UNMIK's approach can effectively address the root causes. and promote lasting peace in the region This period has provided insights that have played a role in shaping UNMIK's strategies and molding global approaches to peacemaking after conflicts.

## Major Countries and Organizations Involved

### Serbia

Serbia is a country which has historical ties and precedents with Kosovo. Its role within UNMIK was significant in engagement and negotiations and issues regarding the status of Kosovo. Serbia has officially opposed Kosovo's declaration of Independence in 2008 , Serbia still participates in diplomatic meetings and engages with UNMIK.

### Albania

Unlike Serbia, Albania is one of the supporters for the independence of Kosovo government, the

country has advocated in favor of the rights of Kosovo and also the interests of the minority Albanian people in the region. Within the framework of UNMIK, Albania likely engaged in diplomatic efforts to address the complex situation in Kosovo. This involvement includes participating in negotiations, discussions, and initiatives aimed at finding a sustainable resolution to the status of Kosovo.

### **Russia**

Russia is one of the five permanent seats on the UN Security Council, a key member for UNMIK as a whole. Throughout the conflict between Kosovo and Serbia, Russia consistently supported Serbia's stance on Kosovo since Russia, a historical ally of Serbia, has supported Serbia's issues on Kosovo. Using its power of veto in the UN Security Council, Russia has opposed resolutions that would recognize Kosovo's independence.

### **United States**

During the establishment of UNMIK the United States had a significant influence and they were actively engaged in the development period. A supporter of the independent Kosovo Government, the United States sought resolutions which acknowledged Kosovo's sovereignty.

### **NATO (North Atlantic Treaty Organization)**

Starting from the Kosovo conflict, NATO was deeply involved in UNMIK. In order to provide the maintenance of the region via peacekeeping the organization helped the Kosovar government in 1999.

### **Montenegro**

As a country from the Balkan region and the State Union of Serbia, Montenegro has participated in discussions and negotiations concerning Kosovo and UNMIK. Right after the independence of Montenegro it became a separate country and supported the independence of Kosovo.

### **European Union Rule of Law Mission in Kosovo (EULEX)**

EULEX is a civilian mission of the European Union, and it contributed in activities such as supporting the legal institutions in Kosovo. The mission has always been parallel to UNMIK.

### **Organization for Security and Cooperation in Europe (OSCE)**

Under the UNMIK framework OSCE was deeply committed to ensure the economic stability, security and a well functioning democracy in Kosovo. The organization played a role of connecting different communities and countries.

## Timeline of Events

Date (start - end)	Name	Description
June 10th 1999	UN Security Council Resolution 1244 was adopted	UNMIK was established to administer Kosovo region to provide civil protection and administration
June 12th 1999	Kumanovo Agreement was signed	The Kosovo war was ended and Yugoslav forces withdrew from Kosovo
February 20th 2000	UN Secretary General's appointment	The UN Secretary General appointed Bernard Coucher as the head of UNMIK
March 17th 2003	Establishment of PISG	UNMIK announced the establishment of the Provisional Institutions in Kosovo , letting Kosovo to advance in self-governance
March 2004	Terror in Kosovo	An eruption of riots and violence has widespread in Kosovo causing damage in property and civilians.
October 24th 2005	First Elections in Kosovo	Kosovo held their first general elections choosing Fatmir Sejdiu as the president
February 17 2008	Declaration of Independence	Kosovo declared independence from Serbia however this declaration was not recognized by the whole world which also caused a complex situation
December	Establishment of EULEX	European Union Rule Law of Mission was established to help the Kosovar government in the rule of law area
September 9 2009	Statement of ICJ	The International Court of Justice declared an advisory opinion, affirming that the Declaration of Independence from Kosovo was not a violation of the law
April 19 2013	Agreement of Brussels	The agreement of Brussels was signed between Serbia and Kosovo in order to normalize their relationship and other important key issues
August 4 2016	Second President of Kosovo	The former commander of the Kosovor Army was elected as the President of Kosovo
September 4 2020	Agreement of Washington	Serbian and Kosovo government held an economic normalization meeting in Washington DC

## Relevant UN Treaties and Events

<u>S/RES/1160 (1998)</u>	On the letters from the United Kingdom (S/1998/223) and the United States (S/1998/272)
<u>/RES/1199 (1998)</u>	Kosovo (FRY)
<u>/RES/1203 (1998)</u>	Kosovo
<u>/RES/1244 (1999)</u>	Kosovo
<u>/RES/1329 (2000)</u>	International Criminal Tribunal for the former Yugoslavia (ICTY) and International Criminal Tribunal for Rwanda (ICTR)
<u>/RES/1345 (2001)</u>	Letter dated 4 March 2001 from the Permanent Representative of The former Yugoslav Republic of Macedonia to the United Nations addressed to the President of the Security Council
<u>/RES/1371 (2001)</u>	The former Yugoslav Republic of Macedonia

## Previous Attempts to solve the Issue

Financing UNMIK has always been a crucial problem since the organization was established in 1999. There are several previous attempts for solving this issue which affected a bunch of countries and regions:

**Donor Conferences:** The Donors' Conferences are a platform for furthering the exchange between



public and private funding programmes and project promoters and supporting a more strategic use of funding. Various donor conferences were held in order to facilitate the financial stability of UNMIK. Individual countries, institutions and organizations has contributed and supported UNMIK via these conferences

**International Financial Institutions:** The contribution of international financial institutions has a significant role in the development of Kosovo's economic state. These institutions such as the IMF(International Money Fund) provided financial assistance and technical expertise.

**Kosovo Trust Agency(KTA):** KTA is an agency which works cordially with UNMIK and is also aligned with Economic Cooperation and Development the agency also manages the socially owned assets in Kosovo

**Help of the member states and United Nations General Assembly Resolutions:**

The voluntary contributions of the member states to the UNMIK budget is one of the most important elements of source for this organization. The financial burden is shared by the member states and funds are allocated by countries to support UNMIK activities such as but not limited to governance, security, humanitarian efforts. On the other hand ,the last 15 years, starting from the establishment of UNMIK and how to finance this organization has been an important topic to debate in the United Nations General Assembly and almost every year another resolution passes regarding this issue.

**Adaptation into market economy system:** Transitioning from a centrally planned economy to a more market-based economy, Kosovo has been privatizing many of its state-owned assets. The nation has opened its borders to trade and investment, with services and manufacturing accounting for a large majority of economic activity.

## Possible Solutions

### Sub-topic 1: Ensuring the economic sustainability of the Kosovar government in the long term

**Providing financial diversity and flexibility:** Economic diversification is necessary to make Kosovo and its economy less vulnerable to external shocks. By expanding its previously established territory and encouraging the development of various industries, Kosovo can establish a stronger economic base. This expansion will not only improve countries' resilience and climate budget vulnerabilities, but also

foster development, job creation and wage growth. The change in the nature of money, and considering the ideas of creativity, the travel industry and agriculture, can add to the increase in distance.

**Institutional strengthening and good governance:** Encouraging entrepreneurship in order to build successful businesses or starting successful businesses as a government is a highly effective and desirable way to strengthen the economy and make it well functioning. Kosovo is a country which faces corruption, does not have a strong rule of law or a fiscal background. If the country gives more importance to their institutions such as National Banks or other financial regulators of the economy. If these factors are well cared for, it will foster long term stability and equality for the people.

**Regional Cooperation:** One of the most useful ways to develop Kosovo's economy is engaging with neighboring countries and broader regional cooperation via this way the country can achieve opportunities for investment, commerce and can boost their economic growth while also maintaining stability. Participation in regional cooperation can make Kosovo receive shared resources, easier cross-border trade and an interconnected economic system. These trades may also lead to joint projects and shared economic integration which provides economic benefits

### **Sub-topic 2: Raising reputable sources of financial aid to the project UNMIK(United Nations Interim Administration Mission in Kosovo)**

**Diplomatic engagement:** Diplomatic efforts and relations play a major role for funding the United Nations Administration Mission in Kosovo. By strengthening the international relationships with the other states and organizations involved in the United Nations may help to facilitate ways of finding reputable sources for self governance and a strong economy after all the conflicts and challenges. Through conferences, seminars, agreements, long story short political engagement, Kosovo could empower their political position and could be more likely to find sources.

**Engagement with financial institutions:** Another important way to find reputable sources is by contacting and cooperating with international financial firms, development banks and institutions. These institutions such as the World Bank, International Money Fund, European Bank for Reconstruction and Development (EBRD) ensures a strong partnership between the country and the organization. To sum up, these organizations are one of the best ways to find reputable sources for a country in their post-conflict era such as Kosovo In order to provide sustainable development.

### **Sub-topic 3: Transitioning the fiscal responsibilities of UNMIK to an independent Kosovar government by ensuring the fiscal stability:**

**Public Approach:** The implementation of a successful public administration reform is a must priority in order to achieve an independent and self governing Kosovar government. This circumstance contains an announcement of modern fiscal and financial policies and creation and expansion of the budget. Establishment of these programs and policies would require time but would structure the future government with a stable financial system.

**Private sector approach:** The transition of the fiscal responsibilities may also be provided by fostering a live and diverse private sector approach. This approach could reduce the dependency on external spendings and eventually provide a self-sustaining economy. Policies which promote private sector and entrepreneurial ideas and subsidies to small and medium sized enterprises (SME's) would contribute to the growth of the economy as a whole for the nation. Currently Kosovo is a region which contains a high population of jobless young people. That's why a promotion to the private sector not only will boost the economy but also will provide several job opportunities for those who are unemployed.

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