

BIG DEAL

Lost in Stagnation

Civic Oversight of the Kosovo-Serbia Agreement Implementation

BigDeal!

“What was the point of signing a telecom agreement in September 2013, when today, in April 2015, someone like me who is a journalist can’t even transmit information to my newspaper if I cross the border into Serbia, as many Kosovar phones cannot use roaming in Serbia. In twenty-first century Europe, two European countries cannot talk on each-others mobile? I thought this dialogue would help us communicate better but I feel it has done the opposite.”

—LAVDIM HAMIDI, JOURNALIST IN KOSOVO DAILY NEWSPAPER ZERI

“There are no Albanian police in Medvedja, where I am from. I have a degree in Criminology in Prishtina, but I cannot join until my diploma is recognized. I’ve been trying for two years, and now I am not sure if this process to recognize diplomas was something serious or if it was just intended to take away the attention from this problem.”

—BESA ISMAJILI

“Since 2010, I have been trying to get my diploma from the medical faculty in Belgrade recognized in Kosovo. Without it, I don’t have a right to work in the public clinics, and this has caused me professional and personal harm. I am just a victim of the political games between Kosovo and Serbia.”

—EDIS JONUZI, PHYSICAL THERAPIST, PRIZREN

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Four years since negotiations began, Kosovo and Serbia are making progress on some key agreements while others are stuck in neutral.

April 2015
REPORT #2

Big Deal!

“We have way more problems since the advent of the dialogue. Kosovo institutions say that from May it will be impossible to import drugs from manufacturers from Serbia who don’t register in Kosovo. If we don’t fix this, we will go into total collapse.”

—MILAN IVANOVIC, DIRECTOR, CLINICAL CENTRE NORTH MITROVICA

“If the energy agreement were to be implemented, citizens of Kosovo would be able to use energy produced by the Gazivoda hydro power plant in the north and use Serbia’s energy transmission lines to get energy to Kosovo – both of these would make energy cheaper for the average Kosovar.”

—DREN DOLI, GROUP FOR LEGAL AND POLITICAL STUDIES

Foreword


It has been four years since Kosovo and Serbia began the delicate process of technical negotiations and two years since the landmark deal to “normalise” relations was signed. However, the situation on the ground regarding relations between Kosovo and Serbia, and especially in Kosovo’s four northern municipalities, remains far from normal. Though there are reasons to hope, there are also reasons for genuine frustration.

Six months ago BIG DEAL published our first report, titled “Civilised Monotony?” The title alludes to a short story by the British humourist Saki, who was a journalist during the Balkan Wars of the early 1900s. He wrote of the tumultuous, internecine wars of the Balkans and of the Western diplomats who shaped events for better or worse.

Saki, whose real name was H.H. Munro, expressed his belief that within some time there would no longer be any disputed territory in Southeastern Europe and this small corner of the Balkans would finally be as banal as anywhere else in Europe ... in a phrase, “civilised monotony.”

One hundred years since Saki’s story, Kosovo and Serbia, dragooned by the European Union, have undertaken the process of normalisation with this goal in mind.

These days, if there is any monotony, it is in the fact that little of the change promised by the agreements has come to fruition.



“Where there is political goodwill, there is a creative solution. Serbia has done things that are in contradiction with its own constitution, and now Prishtina is complaining that Serbs are breaking its law on local self-governance?”

—MUNICIPAL OFFICIAL, NORTHERN KOSOVO

Acknowledgments

BIRN Kosovo and Internews Kosova have partnered with the Center for Research, Transparency and Accountability – CRTA, in Belgrade to monitor the implementation of the agreements between these two countries, brokered by the European Union since 2011.

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The report was researched by Vukosava Crnjanski, Rasa Nedeljkov and Vesna Radojevic of CRTA, and Jeta Xharra, Faik Ispahiu and Paulina Nushi, of BIRN Kosovo and Internews Kosova as well as Una Hajdari and Zana Cimili. It was written by Valerie Hopkins and edited by Nate Tabak.

This is the second in a series of “progress reports” focused on the implementation of the Kosovo-Serbia deals. The research relies on interviews with more than 100 sources. Interlocutors range from top government decision-makers to ordinary citizens grappling with the changes to their lives. Sources include officials from the Kosovo and Serbian governments, representatives of the European Union, as well as primary and secondary sources.

CRTA has established its reputation and credibility among the Serbian public as a government watchdog and advocate for transparent and accountable decision-making. CRTA empowers citizens with information and mobilises the public to react when public officials and institutions do not honor their obligation of transparency. While promoting accountability as a fundamental value in democracies, CRTA influences public officials for improved accountability to citizens, opening up the work of the Serbian Parliament and other institutions, and higher transparency of local budgets.

BIRN Kosovo and Internews Kosova cooperate to produce the most-watched and award-winning televised debates and investigative programmes in Kosovo. In September 2012, Internews Kosova and BIRN Kosovo launched a new televised platform, “Tema.” Its first episode brought together stakeholders from both countries in an unprecedented debate to discuss citizens’ concerns about standards of living and the progress, relevance and interpretation of a handful of agreements reached up until then. Ten debates covering issues ranging from freedom of movement to cultural cooperation have been broadcast both in Kosovo and Serbia on major television channels.

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Executive Summary

In early 2015 several things happened which would have seemed inconceivable even months before: Serbian Foreign Minister Ivica Dacic visited Prishtina and had coffee with his Kosovo counterpart Hashim Thaci.¹

In March, Kosovo Prime Minister Isa Mustafa announced that he and his Serbian counterpart, Aleksandar Vucic, have a direct hotline to reach each other.²

This announcement was lauded in Brussels.

“Just the fact that there is contact, without the facilitation of Brussels, is a huge result,” said European Union High Representative for Common and Security Policy (HRVP), Federica Mogherini. Especially “compared to the situation a few years ago.”

“My personal objective would be that the Brussels facilitation is not needed at all,” she added.

For four years now Brussels has been facilitating dialogue between Kosovo and Serbia. First, overseen by Mogherini’s predecessor Baroness Catherine Ashton, it took the form of a technical dialogue. Two years later, dialogue at the prime ministerial level began, and on 19 April 2013, Kosovo and Serbia, with the facilitation of the European Union, signed a “first agreement on principles governing the normalization of relations. The agreements, forged after years of resentment and estrangement, promised to finally solve the question of Kosovo’s four northern municipalities, and enable Belgrade to largely withdraw its financial and political influence from Kosovo.

Exactly two years later, much of the progress foreseen remains unrealized, and a future without intensive EU engagement remains a distant dream.

Much of the promise of the 19 April 2013 agreement remains unrealized, and no new topics have been initiated. In the six months since BIG DEAL’s first report, there has been little significant progress on implementation of the agreements, and a chain of events culminating several massive protests and the sacking of a Kosovo Serb politician show how tenuous it is.

After six months of stalemate, Kosovo formed a government in December 2014, but the coalition with the two primary Kosovo Albanian parties, the Democratic League of Kosovo (LDK) and the Democratic Party of Kosovo (PDK), and the Kosovo Serb party Srpska Lista, frayed almost immediately. After the dismissal of its leader Aleksandar Jablanovic, who was serving as the Minister for Communities and Return, Srpska Lista withdrew from government in early February 2015. Party leaders sought consultation with Belgrade³ and have remained firm in its position not to participate in Kosovo’s public life until several demands are met. Chief among the conditions is the creation of the Association/Community of Serbian-majority municipalities, within the time foreseen in

1 “Ne Mogu o Miru Da Govore Oni Koji Ne Znaju Sta Je Rat,” Ivica Dacic, *Nedeljnik*, 2 April 2015.

2 “Kosovo PM Says He Has Hotline to Belgrade,” Una Hajdari, *BalkanInsight*, 26 March 2015. <http://www.balkaninsight.com/en/article/kosovo-pm-we-have-established-a-direct-line-to-belgrade>

3 “Ostaje li Srpska lista u Vladi? Saveti stižu i iz Beograda,” *N1*, 2 February 2015.

<http://rs.n1info.com/a32747/Vesti/Srpska-lista-odlucuje-o-ostanku-u-Vladi-Kosova.html>

the coalition agreement, with a five-month deadline expiring May 12.⁴

EU HRVP Federica Mogherini assumed her position in November 2014. Given the conflict in Ukraine and the crisis in Greece, among other priorities of the common foreign and security policy, HRVP Mogherini did not summon the prime ministers for high level dialogue until February 2015, and she did not make her first visits to Kosovo and Serbia until the end of March 2015.

However, both events resulted in progress: on 10 February, after hours of negotiations, both sides signed an agreement that promises to bring all of Kosovo under one judicial system after 16 years. The agreement fleshed out both parties' commitment in the so-called "Brussels Agreement" to a unified judiciary and created a roadmap for its realization. New jobs for the future courts were advertised in March and applications are being accepted.

On her visit to Kosovo in March, Mogherini announced that both parties had reached an agreement on the dismantling of the Civilna Zastita, or Civil Protection Corps, which has long been seen by Prishtina as a security threat, but as a vital citizen service and an employer by the Serbs of northern Kosovo. The government of Serbia should encourage these units to disband immediately and encourage their members to take up relevant positions in the Kosovo system.

Of 16 agreements, only four have been totally implemented. Customs stamps, civil registry exchange, municipal elections in northern Kosovo, and the establishment of an implementation committee. This is no change from six months ago.

There is still no draft statute for the Association/Community of Serb-majority municipalities, which will be the key to unlocking full Serb integration into Kosovo institutions. As such, Kosovo Serbs remain reliant on healthcare and education provided directly by Serbia, systems which they prefer and should continue to have access to. Thousands of Serbs also still rely on Serbia for their employment. Carefully but expediently, provisions should be made for their employment under the Kosovo system, which will ease integration and stem concerns over the prospects for future livelihoods.⁵

The statute for the Association/Community has come to represent a sustainable future for Serbs in Kosovo. Kosovo's existing legal framework provides room for substantial rights and self-government, but should not be seen as an instrument for more power. It should not be seen as a way to stymie integration, or as a substitute for ties to Prishtina.

Other issues, like Telecom and Energy, are far behind their foreseen implementation date. Although officials from both governments and from the Euro-

4 "Uslov Srpske liste za povratak jeste poštovanje sporazuma," N1, 3 April 2015. <http://rs.n1info.com/a48706/Vesti/Uslov-Srpske-liste-za-povratak-jeste-postovanje-sporazuma.html>

5 It should be noted that the number of people employed in Serbian institutions exceeds the proportional levels of employment in Kosovo institutions compared to their inhabitants. That means that 'integration' of Serbian workers into Kosovo institutions will result in bloated institutions for some time. This process should be conducted in tandem with the recommended audit of employees in Serbian structures.

pean Union,⁶ say they are getting there, this has not yet resulted in beneficial changes for citizens. For instance, although the telecom agreement was signed in September 2013, parties have not even agreed on a joint implementation plan.⁷ With regard to energy, even though the implementation plan⁸ has been signed – our analysis shows that 7 out of 10 steps agreed in the plan have not been met according to the timeline agreed by both delegations.

Still, other issues that had seemed resolved, like the incorporation of Serbian employees of the Ministry of Internal Affairs (MUP) into the Kosovo Police, have resurfaced, as unincorporated administrative staff have been protesting at the time of publication because no provisions were made for the incorporation of MUP employees living south of the Ibar River, or of administrative staff in the north, leaving an estimated 800 people without employment prospects.⁹

Kosovo remains adamant that the formation of the Association will come only once agreements on justice and security are implemented, and after the barricade on the Ibar/Iber River bridge, as well as all of Serbia's so-called "parallel" institutions are dismantled.

Transparency continues to remain concerning. The agreement on justice was not discussed by Kosovo's parliament, or even received by parliamentarians, until a month after it was reached. In Serbia, parliamentarians have not even received copies of the agreements.

Few objective barometers for progress remain. German Ambassador to Kosovo, Angelika Viets, recently called for a monitoring document akin to the annual Progress Reports issued by the European Commission for aspirant countries.¹⁰

However, there are reasons for optimism: the news that Prime Ministers Isa Mustafa and Aleksandar Vucic now speak directly on the phone provides some hope. The summit of Western Balkan leaders in Prishtina in late May showed positive collaboration. It is also good that both occasions that Mogherini has been directly engaged have resulted in agreements, though sources familiar with the dialogue process say these agreements had been more or less reached before the departure of Mogherini's predecessor Baroness Catherine Ashton.

The prospect of a unified justice system for Kosovo after 16 years is very good, though Kosovo's hybrid system, with a large presence of the EU Rule of Law Mission (EULEX) and a soon-to-be-formed Special Chambers to investigate the allegations of a 2010 report to the council of Europe show gives an impression of a patchy, improvising and un-integrated judiciary system. Moreover, the agreement on justice for northern Kosovo is based on ethnic discrimination:

⁶ Interviews with Kosovo and Serbian government officials, as well as representatives of EU embassies throughout the reporting period.

⁷ Interview with Telecom Regulator ARKEP Director, Ekrem Hoxha, April 2015.

⁸ http://www.kryeministri-ks.net/repository/docs/141111_Road_Map_for_implementation_of_action_Plan_Energy_ZRrE_KEDS_KOSTT.pdf

⁹ "Neintegrisani radnici MUP-a iz Kosovske Mitrovice: Na zahteve nismo dobili odgovor, sutra konferencija za štampu ispred naših zatvorenih kancelarija," KosSev, 2 March 2015. http://kossev.info/strana/arhiva/neintegrisani_radnici_mup_a_iz_kosovske_mitrovice__na_zahteve_nismo_dobili_odgovor_sutra_konferencija_za_medije/4013

¹⁰ Statement on 21 Jan 2015.

jobs are only foreseen for Kosovo Serbs and Albanians, but not for other minorities such as Bosniaks and the Roma, Ashkali and Egyptian community.

BIG DEAL does not necessarily endorse every agreement reached between Serbia and Kosovo. However, the process must be monitored and reported on a regular basis to ensure transparency and accountability of the dialogue process and Kosovo and Serbian institutions, as well as the European Union as facilitator and guarantor of implementation.

Recommendations

For Kosovo, Serbia and the international community, especially the EU:

- Information and transparency are an overwhelming concern for the public. Leaving the role of communicating information regarding the April 2013 'normalisation' agreement to the Kosovo and Serbian governments was a decision with negative consequences from the very outset. The governments of Kosovo and Serbia often discuss the agreements in a populist rather than statesmanlike manner. This has severely damaged the process and a new communication strategy should be adopted. Both sides have their narrative and interpretation of agreements and public is misled to believe that each side has been victorious against the other. This is the case especially about the Association/ community of Serbian-majority municipalities, diploma recognition and car plates. Misinformation and ambiguity about what is being decided creates or widens gaps between communities and increases mistrust between people and institutions on both sides. The EU should consider establishing its own dialogue-related information portal, as should both governments.
- Find an urgent resolution to the problem of mutual diploma recognition that will enable all citizens to have equal access to job opportunities. Kosovo institutions must address the issue of quality education for Serbs and Belgrade must muster the political will to allow Kosovo Serbs to be fully integrated into the Kosovo education system.
- Encourage transparency in the process of the establishment of the Association/Community of Serb-majority municipalities and ensure that local communities are included therein. A draft statute for wide consultation should be issued urgently. The adoption of a statute should take place only after wide consultation with civil society groups.
- Do not allow negotiations on the statute of the Association/Community to delay integration of Kosovo Serbs into all levels of the Kosovo government. Develop and publish a timetable with deadlines.
- Create a body of civil society stakeholders to engage in the implementation process and to explain the agreements to the public.
- Make dealing with the past part of the dialogue by getting commitments

from both parties to disclose their archives and to support the mandate of REKOM. Establishing a neutral Kosovo expert group to review history textbooks

For the Governments of Kosovo and Serbia:

- As proposed by a recent policy paper on Serb integration into Kosovo, both governments' relevant agencies should conduct a comprehensive "field-based audit of employment in Serbia-funded institutions and Kosovo Serb-majority municipalities."¹¹ This should be used as a basis to hire employees in the Kosovo system, and to gradually send redundant persons into early retirement.
- Both governments should do everything in their power to encourage insurance brokers to remove the high insurance fees for vehicles that make travel from Kosovo into Serbia and vice versa extremely expensive.¹²
- Serbia should encourage Kosovo Serbs to seek employment in Kosovo institutions, especially outside of the ministries they traditionally work in (Ministry for Communities and Return, Ministry of Local Self-Government), and participate across the spectrum of agencies.

For Kosovo:

- The Kosovo government should be encouraged to draft and implement a new outreach strategy for the northern municipalities. This would give credence to its declarations of support for inclusiveness of all Kosovo citizens.
- Undertake the necessary efforts to determine how many Serbs live in Kosovo and where, and use this as a basis for future budgets, projects and activities.
- Reinvigorate the Office of Community Affairs within the PM's cabinet. The office should engage in detailed tracking of the employment levels of Serbs and non-Serb minorities in Kosovo institutions.

¹¹ Balkans Policy Research Group, "Serb Integration in Kosovo After the Brussels Agreement." March 2015.

¹² Research for this paper has shown that both the Kosovo and Serbian governments can influence insurance companies that they claim are "independent" in determining insurance fees. Dunav Osiguranje, one of the key insurance companies in Serbia is publicly owned and believed to be run by political cronies. (See <http://www.kurir.rs/vesti/politika/sut-karta-dacicevu-bahatu-direktorku-oterali-iz-dunav-osiguranja-clanak-1536805>) According to the Fiscal Council of the Government of Serbia it has operated at a loss in recent years (http://www.fiskalniasavef.rs/doc/eng/analysis_of_state-owned_enterprises-fiscal_aspect.pdf) and is covering for these losses and over 3000 employees through, among others, these high insurance fees collected at the border. On the Kosovo side, Gani Thaci, the brother of former Prime minister Thaci, is vice-president of the Kosovo Insurance Bureau that oversees and regulates all insurance companies. Rrahim Pacolli, the brother of another Kosovo politician, Behgjet Pacolli, who runs a private insurance company as appointed head of the technical delegation of Kosovo to negotiate with Serbian delegation regarding the green card and insurance fees (see: <http://www.kryeministri-ks.net/?page=2,9,4280>). These sorts of relationships that the political class has with insurance companies has come under criticism that people who reap financial benefits from keeping car insurance fees high can not be the ones to be expected to negotiate a "free" freedom of movement.

- Offer Albanian and Serbian language classes to all government employees and create incentives for studying whichever language is non-native.
- The Assembly should also adopt the law on the creation of the Kosovo Property Comparison and Verification Agency (KPCVA).
- Kosovo law enforcement bodies should seek formal relationships with Interpol and Europol submit a complete and detailed application for membership in Interpol, while requesting that the EU Council of Ministers include Kosovo to the list of third states and outside organizations with which Europol should seek strategic and operational agreements, for the sake of international police cooperation, for the security of Europe, and to put Kosovo on equal footing with other candidate and potential candidate countries.

For Serbia:

- Publish regular reports about the level of implementation of the agreements.
- Expediently harmonize legislation to be in accord with the 19 April agreement and technical agreements. The Serbian Assembly should ratify the Brussels agreement.
- Discuss the “Anketni Odbor”¹³ report in Parliament and make all funding provided to Kosovo transparent.
- Encourage a organic, locally led political culture of representation in the Kosovo Serb community. Encourage Kosovo Serb leaders to participate in institutions that are not only related to communities or minorities, but relevant to all citizens.
- Slowly remove privremeno vece, or temporary councils, while ensuring livelihoods for the people employed by them. Encourage those who remain employed in the Serbian system to transfer to the Kosovo system, while ensuring that they will retain their right to receive their pensions from Serbia, including the years they worked in the Kosovo system.
- Shut down the Parallel court system and parallel security organizations, including the Civil Protection Corps units.

International Community, especially the European Union

- The EU should consider establishing its own dialogue-related information portal, as should both governments.
- The EU should consider publishing regular “progress reports” on the state of implementation of the agreements and put time limits to their

¹³ The Anketni Odbor was an investigation of a survey committee established by the Serbian Parliament to determine how much the government of Serbia was spending in Kosovo. It found that costs were up to 860,000 euros per day but much of this money could not be accounted for. The report was made available more than one year ago, but has yet to be discussed publicly by the parliament.

implementation thus using these limits as pressure on both sides not to infinitely drag the process.

- The EU should mandate greater transparency regarding the people negotiating on both teams, and demand greater inclusivity in the composition of those teams.
- The EU should continue to support and encourage further economic development, and implement its commitments for funding.
- In light of the potential closure of the EULEX mission in June 2016, and Kosovo's status as a potential candidate country for EU accession, the Council of the European Union should propose Kosovo as a candidate for membership in Europol.
- On several occasions the assistance of non-EU actors was instrumental in breaking impasses. These actors should remain engaged, or in some cases, re-engage in the process of implementing the agreements.

Introduction

Relations between Kosovo and Serbia were hostile in the years after the 1998-1999 war, and further frayed by Kosovo's 2008 declaration of independence. High-level political meetings were effectively nonexistent until 2011, when, marshalled by the European Union, negotiators from both sides met to hammer out some politically unpopular agreements that promised to improve their constituencies lives for good.

Four years into the Kosovo-Serbia dialogue, both parties are now at the cusp of creating the conditions for real Serb integration into Kosovo. In the hopes of bringing the four northern municipalities under Kosovo's control for the first time, Belgrade and Prishtina, with the advice of the international community, created a new political elite, one more tied to Belgrade than Prishtina. In many ways, Prishtina must depend on Belgrade to encourage their participation in the government. The danger that the Kosovo Serb minority will be instrumentalised for gains benefiting both Prishtina and Belgrade, but not necessarily their local communities, remains real.

Implementation of the agreements reached since 2011 has been uneven and has slackened in the last year, since elections in Serbia, the European Parliament, and Kosovo prolonged a changing of the guard.

Technical teams worked through six months of political stalemate in Kosovo, but no high-level political agreements could be reached.

In December 2014, Kosovo formed a government consisting of its two most popular political parties, LDK and PDK, as well as the Srpska Lista, a Kosovo party that had been created in advance of the November 2013 elections in Kosovo, the first in which Kosovo's four predominantly Serb northern municipalities participated. The party received financial and political backing from Belgrade. By January, the coalition was in turmoil, an emotional reminder of the persisting need for sustained dialogue and rigorous EU engagement.

Controversial statements by Srpska Lista leader Aleksandar Jablanovic,

who referred to members of a Kosovo war victims organization as “savages” for blocking Serb Orthodox pilgrims near Gjakova, sparked a number of protests, including two in Prishtina, which drew tens of thousands of protesters.¹⁴ One of the primary causes was anger at Minister Jablanovic, who became a metonymy for what was perceived as the increased level of Belgrade’s involvement in Kosovo politics, a direct result of the EU-mediated dialogue. Jablanovic’s botched apology, during which he said he “didn’t know” if the Serbian security forces committed war crimes in Kosovo, further raised tensions.

Concurrently, PM Mustafa announced that the Trepca mine, for many Kosovars a symbol of the country’s economic promise, would be nationalised in the face of a looming deadline from the Kosovo Privatisation Agency. Belgrade complained that it was never consulted and Mustafa’s cabinet found a way to prolong the process by 36 months.

Kosovo Serb leaders, complaining that Prishtina was not informing them of key decisions including axing Jablanovic and nationalizing Trepca, cleaved to Belgrade.¹⁵

Frustration soared with the perception that Mustafa was backing down in the face of pressure from Belgrade, and the fact that for two weeks he refused the protesters’ demand to fire Jablanovic.

Simultaneously, Kosovars were leaving in droves, streaming through Serbia’s border with Hungary in the hopes of asylum in Western Europe. After the protests the volume of asylum seekers crescendoed in what became a national trauma. It was a missed opportunity for police cooperation between Serbia and Kosovo, and it was manipulated in Serbian mass media to show Kosovo in a negative light. BIRN however found evidence that Albanian and Serb criminal gangs were cooperating in providing a breeding ground for a people smuggling business that managed to get roughly 70,000 people from Kosovo through Serbia to Hungary and Western Europe in matter of three to four months.¹⁶

Kosovo’s Minister for Diaspora Valon Murati further raised tensions with a comment that the exodus was a result of the “privileged position of minorities.”¹⁷

Almost all of the Serbs serving in the Kosovo government as part of the “Srpska Lista” pulled out of parliament and the ministries they received, making public appeals to Belgrade for advice on whether or not to remain in government, which garnered resentment from Prishtina.

Meanwhile, Serbia continues to pay for more than 5,100 personnel serving in posts in Kosovo through bodies called privremeno vijece, or temporary councils.

Most of the Serbian structures remain in place, especially in northern

¹⁴ See “Wave of Fury Pushes Protesters to the Edge,” Balkan Insight, 30 Jan 2015. <http://www.balkaninsight.com/en/article/wave-of-fury-pushes-kosovo-to-the-edge>

¹⁵ Interview with Western diplomat in Belgrade, March 2015.

¹⁶ For more, please see “Kosovar Migrants Trade Misery for Uncertainty,” Balkan Insight, 17 Feb 2015. <http://www.balkaninsight.com/en/article/kosovar-migrants-trade-misery-for-uncertainty>

¹⁷ For more information, see “Minister Murati’s Controversial Statement and the Reactions that Followed,” ECMI Kosovo, 5 March 2015. <http://www.ecmikosovo.org/?p=6169>

Kosovo. Many of those who were elected in the Kosovo elections in November 2013 now hold positions in the Kosovo system and in the Serbian system. From October to December 2014, the Serbian government appointed additional personnel to the medical center in Peja/Pec and Dragash, the National Theater in Prishtina with a temporary seat in Gracanica, and to numerous municipal structures.

Hospitals and schools continue to be funded through the Serbian system, as there are no Kosovo institutional equivalents in the four northern municipalities. Most Serbs living there want to see these institutions continue as they have more trust in them than in Kosovo institutions. The institutions also by and large have more employees than their Kosovo counterparts, which will make their integration into the already stretched Kosovo budget costly.

The first months of 2015 have been marked with frustration from all sides. For most of the period, only two Kosovo Serb parliamentarians were present in parliament, Nenad Rasic and Slobodan Petrovic. The rest of the members of Srpska Lista were boycotting following Minister Jablanovic's sacking on 3 February 2015.

Kosovo Serb municipalities in the north have their accounts blocked because they refused to include education and healthcare in their municipal budget proposals as required by the Kosovo law on local government. This has been the subject of numerous rounds of negotiations, with involvement from the European Union and the U.S. Embassy as well, and it has, as one Western diplomat, "polluted the already stagnant waters."¹⁸

These municipalities expect that the to-be-created Association/Community of Serbian-majority municipalities will oversee education and health care and that these don't need municipal budget lines. But Minister Edita Tahiri, the chief negotiator for Kosovo, is adamant that "overview" is very different from "oversee" and that the Association will not have executive capacities.¹⁹ Together, the four municipalities asked for almost 60 million euros more than the Kosovo budget had planned to allocate, citing promises from Tahiri for infrastructure funds.

The announcement in February of an agreement on judiciary and the visit of the new HRVP Mogherini to the region may help to inject new momentum into the dialogue.

An agreement on the dismantling of the Civil Protection Corps, announced during HRVP Mogherini's visit is also heartening. Kosovo will incorporate a little over half of the current employees into its own emergency management agencies. This will help assuage Serb fears that they will lose their jobs and Kosovo Albanians' fears of organized men in uniforms with weapons.

However, the two-year anniversary of the 19 April agreement also means that it has been two years without any truly new agreements. Parties have

¹⁸ Interview, April 2015, Prishtina.

¹⁹ Interview, Edita Tahiri, Prishtina, April 2015.

reached sub-agreements pursuant to the clauses of the “Brussels agreement” but have not embarked on any new negotiations. Some officials have quietly begun to question whether new agreements are truly on the horizon. With the level of EU engagement before HRVP Mogherini’s visit to the region, new agreements are out of the question, one official said, on the condition of anonymity, complaining about the perception that the Kosovo-Serbia dialogue is no longer an EU priority.

Moreover, other long-time pending issues that parties say are close to agreement remain unresolved. For months representatives of the governments of Kosovo and Serbia have said they are on the cusp of an agreement on mutual acceptance of insurance. Yet as months pass there is still no resolution and Kosovars and Serbs are paying hefty fees for insurance-or not traveling at all because of the cost.

Similarly, the Kosovo government promised a resolution to the pending telecommunications code by 1 January 2015. However, Kosovo remains without a country code and people who use the Monaco country code +377 cannot even use their phones in Serbia for roaming.

There has been some progress on copying cadastre documents, but it is tenuous, as Serbian officials have said that it may become undone depending on the agency that the Kosovo government creates to verify the copies Serbia will send to Kosovo through the EUSR.

The agreements

When Belgrade's negotiator, Borko Stefanovic, who was then serving as the political director for Serbia's Ministry of Foreign Affairs, and Kosovo Deputy Prime Minister Edita Tahiri, began meeting in March 2011, it was the first time Serbia and Kosovo had entered into negotiations since Kosovo's 2008 declaration of independence. The meetings were regularly front-page news, and they were wildly unpopular among the public at home. The negotiators signed their first agreements that July. That same month, violence flared along the border as Kosovo Police tried to take control of the border posts and impose Kosovo customs on the goods coming through. NATO peacekeepers had to intervene to stabilise the situation. A Kosovo Police officer, Enver Zymberi, was killed trying to take control of the northern border post. Six others were injured.

During the technical round of the so-called 'dialogue,' parties from Kosovo and Serbia agreed to the following, summarised and presented in chronological order²⁰:

Freedom of Movement²¹

On 2 July 2011, both parties agreed that residents of each should be able to travel freely "within or through the territory of the other." This would be facilitated by an ID card system for 'cross border/boundary' travel of residents from the other party, with the use of entry/exit documents. Each agreed to enable residents of the other party to travel freely within or through the territory of the other. The parties also agreed to interim solutions for purchasing temporary insurance, while working for a commercial arrangement on mutual vehicle insurance.



partially completed

Civil Registry²²

Also on 2 July 2011, both parties agreed that a tripartite committee consisting of civil registry experts from both sides and chaired by the EU's rule of law mission, EULEX, would identify gaps in pre-1999 civil registry books. Serbia agreed to make copies of the original registries, which, upon certification by EULEX, would be returned to Kosovo.



completed

²⁰ The official language for each of the agreements is English. Full text of the agreements can be found on the Kosovo website here: <http://www.kryeministri-ks.net/?page=2,191> and on the Serbian government website: <http://www.srbija.gov.rs/kosovo-metohija/index.php?id=82315>.

²¹ http://www.kryeministri-ks.net/repository/docs/agreement_0210_freedom.pdf

²² http://www.kryeministri-ks.net/repository/docs/agreement_0210_civil_books.pdf

some progress

Cadastral²³

On 2 September 2011, parties agreed to ensure a full cadastral record for Kosovo by a similar process as delineated in the civil registry agreement: Tripartite teams, chaired by the EU, scan and verify the pre-1999 documents. Each would be compared by a technical agency within Kosovo, and in cases of disparity, handled by an adjudication mechanism, with the Kosovo Supreme Court hearing appeals.

completed

Customs Stamps²⁴

On 2 September 2011, parties also agreed to accept Kosovo Customs stamps and promised to ensure the freedom of movement of goods in accordance with CEFTA, the Central European Free Trade Agreement.²⁵

no progress

Mutual Acceptance of Diplomas²⁶

On 21 November 2011, both sides agreed to ask the European University Association to certify university diplomas for use by the other, either for higher education or employment in the public sector. The EU said it would make every effort to begin implementation by January 2012.

some progress

IBM²⁷

In the EU context, IBM stands for Integrated Border Management, and is a key component of membership. Because Serbia does not recognise Kosovo, it prefers the term 'Integrated Boundary Management'.²⁸ In the negotiations, only 'IBM', which is status-neutral, was used. On 2 December 2011, parties agreed to apply the EU concept of IBM, agreeing to gradually set up joint border points "as soon as practically possible". They agreed to have a balanced presence of each side's personnel, and not to show any state symbols. Parties also agreed that EULEX officials would be present at six border crossings.

Regional Representation and Cooperation²⁹

On 24 February 2012, parties agreed, on an interim basis, that Kosovo's name could appear with an asterisk in regional bodies, with a footnote referencing UN Security Council Resolution 1244 and the International Court of Justice,

²³ http://www.kryeministri-ks.net/repository/docs/agreement_0210_cadastral_records.pdf

²⁴ Full text: http://www.kryeministri-ks.net/repository/docs/agreement_0210_customs.pdf

²⁵ In 2006, Serbia, under the framework of CEFTA, accepted Kosovo as an independent customs area.

²⁶ Full text: http://www.kryeministri-ks.net/repository/docs/agreement_0210_university_diplomas.pdf

²⁷ Full text: http://www.kryeministri-ks.net/repository/docs/agreement_0210_ibm.pdf

²⁸ While Kosovo calls the line between itself and Serbia a border, Serbia refers to it as an 'administrative line.'

²⁹ Full text: http://www.kryeministri-ks.net/repository/docs/agreement_0210_representation.pdf

ICJ, opinion on the Kosovo declaration of independence. They further agreed that any new agreements would feature Kosovo with the asterisk.



some progress

Telecom³⁰

On 8 September 2013, the parties agreed that the EU and International Telecommunications Union would allocate Kosovo its own three-digit dialling code, and migrate the three Kosovo use (Serbia's and Slovenia's for land-lines, and Slovenia's and Monaco's for mobile) by January 2015. Parties also agreed to harmonise the spectrum for Global System for Mobile Communications (GSM) and television signals, with both parties agreeing not to intentionally infringe the "border/boundary" of the other.



no progress

Energy³¹

Parties agreed that their energy transmission bodies, KOSTT, of Kosovo, and EMS, of Serbia, would sign a bilateral agreement within three months, establishing and regulating relations. Both regulators were to issue licenses for trade (import, export, transit) and supply to their respective distribution companies. Parties also agreed to establish a new company under Kosovo law that would provide distribution services to the northern, Serb-majority municipalities. Kosovo and Serbia also agreed to, at a future time, find a common method for settling the claims both hold against one another for the use of transmission lines, agreeing to seek international arbitration if no solution came within six months.



partially completed

Each of the agreements called for an implementation plan³² and an implementation committee to oversee its progress.

Baroness Catherine Ashton, the previous HRVP, brought the prime ministers of Kosovo and Serbia together to agree on the "First Agreement on Principles Governing the Normalization of Relations," signed 19 April 2013.³³ It contained the following agreements:

Establishment of four municipalities

Parties agreed that municipal elections would be organised in the four

³⁰ http://www.kryeministri-ks.net/repository/docs/Arrangements_regarding_Telecommunications_September_8_2013.pdf

³¹ http://www.kryeministri-ks.net/repository/docs/Arrangements_regarding_Energy_September_8_2013.pdf

³² Implementation plan for 19 April 2013 agreement is here: <https://s3.eu-central-1.amazonaws.com/euobs-media/0807580ad8281aefa2a89e38c49689f9.pdf>

³³ The official version of each of the agreements is in the English language. This document is available on the Kosovo government website: http://www.kryeministri-ks.net/repository/docs/FIRST_AGREEMENT_OF_PRINCIPLES_GOVERNING_THE_NORMALIZATION_OF_RELATIONS,_APRIL_19,_2013_BRUSSELS_en.pdf

completed

northern municipalities in 2013 with the facilitation of the OSCE, pursuant to Kosovo law and in compliance with international standards.

no
progress

Association/Community of Serb municipalities

Parties agreed that once elections were completed, an Association/Community of the 10 Serb-majority municipalities in Kosovo would be established, which will have “full overview of the areas of economic development, education, health, urban and rural planning,” and other competencies as delegated by central authorities. Its membership is open to any other municipality as long as all members agree. It will be created by statute, on the same basis as the existing statute of the Association of Kosovo municipalities. Participating municipalities “shall be entitled to cooperate in exercising their powers through the Community/Association collectively,” in accordance with the European Charter of Local Self Government and Kosovo law. The body will have representative role to the central authorities and will have a seat in the communities’ consultative council for this purpose.

partially
completed

Police and Security

The Kosovo Police, KP, will be the only police operating in the territory of Kosovo. All police working in northern Kosovo will be integrated into KP and all salaries will be paid by that body. Members of other Serbian security structures will be offered a place in equivalent Kosovo structures.

One regional commander will oversee the four northern Serb majority municipalities (Northern Mitrovica, Zvecan, Zubin Potok and Leposavic). The commander will be a Serb, nominated by Kosovo’s Ministry of Internal Affairs “from a list provided by the four mayors on behalf of the Community/Association”. The composition of the regional unit will reflect the ethnic composition of the four municipalities. A separate regional commander for Mitrovica South, Skenderaj, and Vushtrri will be created, but the regional commander of the unit covering the fourth northern municipalities will cooperate with other regional commanders.

some
progress

Judiciary

The parties agreed that existing judicial authorities will be integrated into the Kosovo system. The Appellate Court in Prishtina will establish a panel composed of a majority of Kosovo Serb judges to deal with all Kosovo Serb majority municipalities.

A division of this Appellate Court, composed of administrative staff and judges, will sit permanently in northern Mitrovica. Kosovo Serb judges will comprise a majority of each panel.

On 10 February 2015 both parties met in Brussels and agreed exactly how the structure of the judiciary would look. Parties agreed that the president of the court will be a Kosovo Serb from northern Kosovo. The court in North Mitrovica will have an appeals division with five Kosovo Serb judges and two Kosovo Albanian judges, while a Kosovo Serb will be appointed the vice president of the court of appeals in Prishtina. It will also house the serious crimes division for the entire region, which will be composed of four Kosovo Serb judges and four Kosovo Albanian judges. There are also specific numbers of Serbs and Albanians designated for each court and its branches.³⁴

Other

Both sides also agreed that discussions on energy and telecoms would be intensified and completed by 15 June 2013.

partially completed

Both parties agreed that neither would block, nor encourage others to block, the other side's progress in their respective EU paths.

some progress

Finally, the parties agreed to establish an implementation committee, with the facilitation of the EU. The chief negotiator for each country heads the respective implementation committees. These oversee the work of the implementation committees dealing with each specific issue.

completed

Since the April 2013 agreement, there has been progress on implementation, but no new topics have been opened. In order for normalization to continue, parties will need to begin discussions about dismantling Serbia's tax administration in the north. Additionally, process of normalisation will continue to happen in tandem with a string of privatisations of businesses sought by both Prishtina and Belgrade. While not necessarily related to normalisation, both sides see privatisation of Mitrovica's Trepca mine, Gazivoda power plant, and Brezovica ski resort as key employment providers for the future, and the fight for jobs will significantly affect the normalisation process.

Freedom of Movement:

Freedom of movement between Kosovo and Serbia has been limited since the war. The situation improved greatly once the agreement, signed in 2011, became operational in May 2013, allowing Kosovars to go through Serbia with national ID cards. Kosovars are given a white paper, which they must return upon re-entry into Kosovo, and for cars registered in Kosovo and Serbia to buy insurance upon crossing the border.

In September 2014, Kosovo citizens were given the ability to fly from Bel-

³⁴ This agreement has been leaked. The Kosovo Ministry of Justice has made it available to BIG DEAL, but it has not published the full text of the agreement online.

grade's Nikola Tesla airport, as well as Nis airport, and opened transit through Serbia additional border crossings with Hungary and Croatia, and transit points for Bulgaria and Macedonia.

From 1999, the United Nations Mission in Kosovo, UNMIK, assumed control over issuing personal ID cards, travel documents, license plates³⁵ and Kosovo's representation in international trade. After Kosovo declared independence from Serbia in 2008, UNMIK ended these practices. Serbia continued and newly independent Kosovo began issuing documents. Customs stamps, which had once been "UNMIK Customs," became "Kosovo Customs," and that resulted in an embargo on all Kosovo goods. Kosovo passports, a symbol of nascent statehood, were also rejected. Residents of Kosovo needed to enter Serbia with documents issued by UNMIK, Serbia, or Yugoslavia. Traveling with personal vehicles was also problematic: Serbia did not recognize driving licenses from UNMIK or Kosovo.

The July 2011 agreement has made freedom of movement legally possible. However, for Kosovars and Serbians it remains at best, cumbersome, and at worst, prohibitively expensive.

Kosovo citizens can travel to Serbia using their identity cards. Upon entry they receive travel documents allowing a stay of up to 90 days. This document must be presented in order to exit Serbia.

There remains no solution for people from countries that do not issue national ID or whose IDs are not accepted by Serbia.³⁶ If they did not enter Kosovo via Serbia, they cannot enter Serbia through Kosovo. These foreign nationals must enter Serbia via another country, like Macedonia or Montenegro, or fly through a third country, making travel more time-consuming and often more expensive. BIG DEAL has learned of cases when persons from countries not issuing identification using Kosovo issued ID cards to travel into Serbia, and being rejected at the border, before high level intervention.³⁷

Similarly, BIG DEAL has received reports that on certain occasions, Kosovar children who do not have passports have been rejected entry due to the fact that their birth certificate, which is the document required to cross to Serbia for those under 18, is older than 6 months. Serbia requires that the birth certificate document is updated every six months and the stamp of the Kosovo authorities should stamp the child's photo as well as the birth certificate. This makes the process of crossing the border for families rather bureaucratic.

On 26 March 2015, Serbia's Constitutional Court declared the Serbian government's December 2011 regulation on border checkpoints between Kosovo and Serbia³⁸ unconstitutional. The court said that the December 2011 government decree was a violation of Serbia's territorial integrity. However, the court

³⁵ These license plates have "KS" at the front.

³⁶ These countries do not issue national identity cards: Australia, Canada, Denmark, Ireland, India, Japan New Zealand, Norway, the United Kingdom, and the United States.

³⁷ Incident in March 2015 at Merdare border crossing.

³⁸ Official Gazette of the Republic of Serbia, No. 98/11. Available here: <http://www.ustavni.sud.rs/page/view/sr-Latn-CS/80-102128/saopstenje-sa-8-sednice-ustavnog-suda-odrzane-26-mar-ta-2015-godine-kojom-je-predsedavala-vesna-ilic-prelic-predsednica-ustavnog-suda>

rejected a call to halt all activities that were being undertaken in line with the decree.

At the same time, the Constitutional Court deemed inadmissible a petition to review the decision to accept the report on the EU-facilitated political and technical dialogue with Prishtina.³⁹

The Court also declined to assess the constitutionality of the government's conclusions, delivered on 22 April 2013, adopting the 19 April 2013 "first agreement of principles governing the normalization of relations between Belgrade and Prishtina."

Insurance

Though both Kosovo and Serbia have told BIG DEAL that an agreement is almost reached, there is still no mutual acceptance of car insurance, the norm in most of Europe, which uses the Green Card System. Insurance prices remain high for both sides: those entering Kosovo with Serbian plates must pay 20 euros for one week, 40 euros for 15 days, 80 euros for one month, and over 600 euros per year.⁴⁰ In Serbia, the average monthly salary is between 350 and 420 euros, which means this is a considerable expense. Those entering from other countries pay 30 euros for 15 days and 41 euros for one month.

Since October 2013, the Kosovo government has paid the fees incurred by ethnic Albanians living in Presevo, Medvedja and Bujanovac and travelling to Kosovo. The government has spent almost 2 million euros to this end, according to the Ministry of Finance.⁴¹

Drivers with Kosovo license plates entering Serbia pay 105 euros for one month of insurance, the only available option. This is a substantial fee given the average monthly salary in Kosovo: 416 euros.⁴² The Kosovars must buy temporary, or "PROBA" license plates, which cost an additional 5 euros for each day of travel. This means all trips must be planned in advance to foresee the number of days spent in Serbia.

This process is highly complicated at the northern border point of Jarinje, where insurance for Serbia is not sold at the crossing point. Those with "RKS" — Republic of Kosovo — license plates must leave their cars at the checkpoint, walk or hitch-hike 1.5 kilometres to purchase the insurance, and then return before being able to enter Serbia.

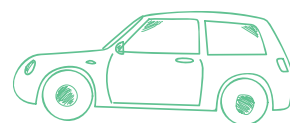
The Council of Bureaux, the managing organization of the multilateral Green Card used across Europe, is serving as an intermediary in the discussions between Kosovo and Serbia. Sources close to the discussions have been for months saying that an agreement is almost ready. However, it seems it is a case of "so close, yet so far."

³⁹ The Serbian Parliament has never adopted the Kosovo-Serbia agreements as laws, but rather adopted the report of the Serbian government, made on 22 April 2013 about the agreement. The Democratic Party of Serbia (DSS) petitioned to have this legal acceptance of the report overturned but the Constitutional Court rejected this initiative.

⁴⁰ Prices are available at: <http://www.bks-ks.org/static/uploads/publications/tarifafat/tarifa0.png>

⁴¹ As of 31 March 2015, total payments made amount to 1,813,903.00 euros.

⁴² <http://wiiw.ac.at/kosovo-overview-ce-23.html>



In an interview in Autumn 2014, Minister Edita Tahiri said she expected that by January 2015, lower insurance prices would be in effect.

Transit and Air Travel:

On 16 September 2014, both sides agreed to allow Kosovars to travel through Serbia to new transit points to Bulgaria and Macedonia, in addition to existing points in Croatia and Hungary. This went into effect on 16 November 2014. As of September 22, pursuant to the same agreement, Kosovo citizens have been able to legally fly into and out of Belgrade international airport.

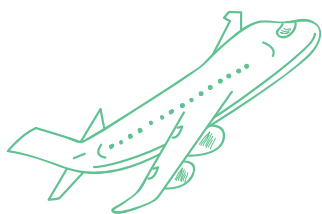
Train Travel:

Train travel has yet to be raised in Brussels. After UNMIK stopped running the railway system in 2008, Serbia took control over 50 kilometres of railway in northern Kosovo, from Zvecan to Lesak. Since October 2013, Serbia's Railways has operated a train from North Mitrovica to Kraljevo, with connections to Belgrade and beyond. This train is not controlled by Prishtina and Kosovo government officials have expressed frustration that Serbia has not provided payment from Serbia railways for use of railway tracks which they consider Kosovo property.

Iber/Ibar River Bridge

The government of Kosovo remains concerned about the barricade over the Iber/Ibar River bridge, which obstructs the free movement of people from north to south, though there are other bridges facilitating movement. Protests erupted in June 2014, after the barricades on the north side were temporarily removed. The so-called "Peace Park" was installed on the bridge, and in place of the previously existing barricades, the roads were dredged, making the damage much harder to undo.

The EUSR has been rigorously engaged and has pledged to present a report on the feasibility of dismantling the barricade in the coming months.



Customs and free trade

Serbia and Kosovo reached an agreement on customs stamps and free trade on 2 September 2011. Implementation began by the end of the same month, though was not implemented at northern crossing points Jarinje and Brnjak until December 2013. The agreement is grounded in the Central European Free Trade Agreement, CEFTA, to which non-EU countries in southeast Europe are party. The agreement removed a three-year trade embargo on Kosovo goods and trade has increased, though it remains heavily lopsided.

The Chambers of Commerce of Kosovo and Serbia have been key players in this segment of dialogue, meeting regularly to hammer out the details of technical agreements to enable the free flow of goods, especially tackling tough topics like phyto-sanitary concerns. This shows that when two parties have equal interests in the outcome they are open to exchange which brings about

Association/Community of Serb-majority Municipalities

In late March 2015, key Serb representatives from across Kosovo met for a sort of unofficial constitutive meeting in Gračanica. Meeting participants came up with ten conclusions about the future of Serb political representation in Kosovo



A census in Serbian areas because Serbs boycotted the most recent Kosovo census. This would enable budget allocations to be done along real, not projected terms.



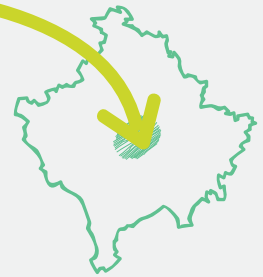
The Serbian community should be politically represented in all municipalities, including those where they are not the majority.



Full protection for the property of the Serbian Orthodox Church.



The immediate release of people termed "political prisoners".



The return to Kosovo of all displaced Serbs.



Legal decisions affecting the Serbian community must enjoy the full prior consent of the elected Serbian political representatives in Kosovo, another point said.



Demand for the recognition of the licences of Serbian Lawyers Chamber



A halt to further privatisations, and an investigation of the wrongdoings in the privatisation process so far



Full backing to a "strong Association of Serbian Municipalities".

no
progress

Mutual Acceptance of Diplomas



Telecom



Association/Community of Serb municipalities

some
progress

Cadastre



IBM

Regional Representation and Cooperation

Judiciary



partially
completed

Freedom of Movement

Energy

Police and Security



completed

Customs Stamps

Establishment of four municipalities

Establish implementation committee

Handover of civil registry

positive results.

The volume of trade has risen dramatically: From 2013 to 2014 Kosovo's exports to Serbia grew by 185 per cent from 7.7 million euros to 22.5 million euros. However, a significant trade imbalance persists. In 2014, Serbia exported 368.24 million euros worth of goods to Kosovo, according to the Kosovo Statistics Agency.

On 14 December 2013, collection of customs duties from Jarinje and Brnjak began without incident. Per the agreement, the money from these points goes into a "Development Fund for the North." The fund currently has 5 million euros in it, though no projects have been initiated yet. An EUSR spokesman told BIG DEAL that the managing board, comprising of the Minister of Finance, a Serb representative and the EU Special Representative who is also chairing the board, had a constructive meeting during March and the fund is expected to be functional "quite soon."

The process continues for the import of controlled goods, or goods which need to be licensed. Originally, a three-month transition period effective from December 2013 applied to these goods, which include pharmaceuticals and other supplies. There was a deadline to solve this problem by 31 December 2014, but now licensing has been extended again until 1 June 2015. Licensing medicines, in particular those produced in Serbia by state-owned companies, will continue to be a problem, as the Serbian health system will be functioning after 1 June 2015 and beyond, and those doctors will likely prescribe Serbian medications to patients. If the end of May 2015 deadline is not met, some drugs will only be available if patients travel to Serbia.

North Mitrovica Clinical Center Director Milan Ivanovic told BIG DEAL that this could create a public health catastrophe.⁴³

"We have way more problems since the advent of the dialogue," he said. "Kosovo institutions say that from May it will be impossible to import drugs from manufacturers from Serbia who don't register in Kosovo. If we don't fix this, we will go into total collapse."

The transition is affecting businesses, too.

"The government in Prishtina wants to integrate the health system in the north, as it did the police and judiciary but in the short term that cannot happen without serious and unforeseeable circumstances for patients and for the wider public," Blagoje Savic, a pharmacy owner in Mitrovica told BIG DEAL.

"Hospitals and health centres in Serbian-majority areas will function as part of Serbia's health system until 2018 and as long as it does, doctors will write prescriptions for medicines listed in Serbia's Agency for medicines, to do otherwise would be a violation of the law. Meanwhile as pharmacists we need products, from Serbian pharmaceutical companies, but we won't be able to cover even 10 percent of our needs regarding medications."

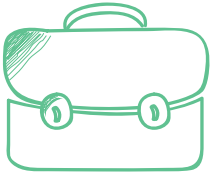
Savic is concerned because another thing he needs to do to bring his phar-



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— MILAN IVANOVIC,
DIRECTOR OF
CLINICAL CENTRE
NORTH MITROVICA

⁴³ Interview, Clinical Centre North Mitrovica, April 2015.



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— **BLAGOJE SAVIC,**
PHARMACY OWNER

macies in line with Kosovo directives is to have the diplomas of his pharmacists, who studied in Serbia, recognized. However, this process has completely stalled.⁴⁴

Another businessman in northern Kosovo complained that if he imports goods into northern Kosovo, he is unable to sell these products south of the Ibar/Ibar River, while merchants living south of the river can sell in the north.

“Prishtina is trying to make a dead zone out of the north”, he told BIG DEAL. “With these customs, our cost of living has risen, but my profit has fallen drastically and I don’t know how long it will be sustainable.”

Changes affecting Kosovo Serbs, especially in the northern municipalities

In November 2013, Kosovo’s fourth northern municipalities (North Mitrovica, Zvecan, Zubin Potok and Leposavic) participated in Prishtina-based municipal elections for the first time, as foreseen by the 19 April Agreement. Their functioning is a direct result of Brussels’ engagement.

All four municipalities had their assemblies in place by January 2014 and their municipal statutes prepared by May of the same year. However, the functioning continues to be fragile and Prishtina may have de jure control over the north but its reach in practice is limited and now de-railed.

Disputes between municipalities and Prishtina over who has authority over funding for education and health, as well as inflated municipal budgets mean that the four municipalities’ accounts have been blocked since early March 2015.⁴⁵

The four northern municipalities in Kosovo were set to receive municipal budgets this year from the government in Prishtina, several million Euros each, which according to government sources was triple the amount they received last year.

According to representatives in Prishtina, these municipalities would also be able to access 17 million to 20 million euros in state level funds for infrastructure projects. But according to Kosovo’s ministries of finance and local governance, they requested funds for the four municipalities that were 59 million euros higher than foreseen.

North Mitrovica, population 12,139, budgeted around 20 million euros, although only 2.7 million euros was approved by the government. Leposavic, population 13,485, approved 11.5 million euros while only 2.3 million were allocated. Zvecan, population 7,300 approved around 14 million euro, as against an allocated 1.6 million; Zubin Potok, population 6,500, approved 21.5 million while only 1.8 million was allocated, and.⁴⁶

⁴⁴ For full information, see the diploma section below.

⁴⁵ Interview with Ksenija Bozovic, head of North Mitrovica Municipal Assembly. For more see: <http://www.balkaninsight.com/en/article/prishtina-blocks-the-accounts-of-serb-municipalities>

⁴⁶ Most Serbs boycotted the 2011 census and as such official statistics, likely the basis for the budgets, do not represent the reality on the ground. In a recent policy paper, the Balkans Policy Research Group estimated the Serb population based on a combination of sources including OSCE estimations, election results, enrolment for Serb schools, and more. According to the 2011 census,

The amount of money Serbia gives to these municipalities is hard to discern: Serbian funding for Kosovo is not wholly transparent. However the money promised to each northern municipality seems on par, if not a bit higher, than municipalities of similar size in Kosovo—when using the Kosovo census as a guide. Obiliq/Obilic, which has a population of 21,500 received 4.6 million euros in 2014. Hani Elezit, population 9,500, received 1.8 million euros. Junik, population 6,100, was allocated 1.2 million.⁴⁷

Dragan Jablanovic, the mayor of Leposavic, said that larger budgets were promised to the municipalities by the Minister for Dialogue, Edita Tahiri, who heads the Kosovo team in the EU-facilitated dialogue between Kosovo and Serbia.

“Due to the fact that the respective ministries, such as the Ministry for Infrastructure and other ministries, have not invested in the northern municipalities before, Tahiri said that we could request higher budgets for capital investments for our municipalities,” Jablanovic said.

“The Prishtina government and the municipal assemblies have different opinions about the way this budget should be managed. Prishtina should understand that North Mitrovica is not just a municipality, that it serves as the administrative center for almost all the Serbs in Kosovo,” said Adrijana Hodzic, the Head of the the Kosovo’s government’s Administrative Office for North Mitrovica.⁴⁸

Moreover, she said, the local assemblies believe that these competences should fall under the Association of Serbian-majority municipalities.

Another municipal official complains that when there is a will to find a compromise, there is a way, but said in this case there is no will from Prishtina’s side.

“Where there is political goodwill, there is a creative solution,” the local official told BIG DEAL. “Serbia has done things that are in contradiction with its own constitution, and now Prishtina is complaining that Serbs are breaking its law on local self-governance?”⁴⁹

Aside from this issue, one of the most pressing issues is that the governance of the municipalities until late 2013 was only under the Serbian system. Now there is a hybrid model whereby both systems function because the Serbian systems have not closed down. For example, in north Mitrovica, the deputy mayor is simply the mayor under the Serbian system.

Parallel Structures

It is precisely this tenuous doubling and tripling up of positions that has become known in Prishtina as “parallel structures.” Until November 2013, the

the Serb population numbers 12,000 as opposed to an estimated 19,700 in North Mitrovica, 13,485 as opposed to an estimated 16,175 in Leposavic, 7,318 as opposed to an estimated 14,575 in Zvecan, and 6,508 as opposed to an estimated 12,780 in Zubin Potok. See “Serb Integration in Kosovo after Brussels Agreement,” BPRG, March 2015.

⁴⁷ Kosovo 2014 Budget

⁴⁸ Interview, March 2015.

⁴⁹ Interview with Serb municipal official in North Kosovo, March 2015.



“Where there is political goodwill, there is a creative solution.”...

“Serbia has done things that are in contradiction with its own constitution, and now Prishtina is complaining that Serbs are breaking its law on local self-governance?”

—KOSOVO OFFICIAL
SERVING IN LOCAL
GOVERNMENT



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— DRAGAN
JABLANOVIC,
MAYOR OF
LEPOSAVIC

primary structures overseeing governance, health, education, and culture were Serbian institutions. Now, these continue receiving money from Serbia, and those that do receive money from the Kosovo budget still receive more money from Serbia.

Serbia still pays employees throughout the full territory of Kosovo through bodies called *privremeno veće*, or ‘temporary councils’. According to research by Serbian journalists, there are a total of more than 5,100 elected or appointed people on the Serbian payroll working in local government or public enterprises, including schools and hospitals on the territory of Kosovo in 29 municipalities. Prishtina has the most people, with 840, while north Mitrovica has 614, Leposavic has 510, Zubin Potok has 399, and Zvečan 242.⁵⁰ Some of these people officially work in Kosovo institutions and receive two salaries. Others do not have a workplace to go to or a job to do, but continue receiving their salaries.

Prishtina contends that they are the “main obstacle in the process of normalization”⁵¹ of the northern municipalities, but many Kosovo Serbs see them as enabling them to live a normal life.⁵²

These remnants of the Serbian system will eventually be shifted to the Kosovo system once there is a plan for their incorporation and they can either receive a job, or a pension. Some of this has happened with integration of the police and eventual integration of the judiciary. Those remaining, with the exception of the Civil Protection Corps, might continue to function under the Serbian system for some time, because they are the only existing institutions: provisionally, the health and education systems of Serbia will continue to function in northern Kosovo until 2018.

Association/Community of Serb-majority Municipalities

The Association of Municipalities is one of the key components of the 19 April 2013 agreement: six of the 15 agreed points concern its creation. It is seen as the key for the future of a secure future for Kosovo’s Serb community, while also enabling Serbian institutions to finally remove themselves from the governance of Kosovo.

The original implementation plan foresaw that the association would be created by October 2013. Two years since the agreement establishing the future Association/Community, there has not been a draft statute of the body released to the public. There is also no agreement on its name: some documents refer to it as the “Association of Serb municipalities,” while others use the term “Community,” while still others prefer the term “Serb-majority municipalities”.

The Association/Community is to include the ten municipalities in Kosovo with Serb majorities, the four in northern Kosovo as well as Gracanica, Shtirpce, Novo Brdo, Klokot, Ranilug and Partes, with the regional center for southern

⁵⁰ Data provided by Ivan Angelovski, of Serbian broadcaster B92’s show *Insajder*. The salaries for these 5,106 people cost the Serbian government almost 2.18 million euros per month.

⁵¹ Tahiri, “Brussels Agreements Implementation State of Play,” 2015, p. 10.

⁵² Interview, North Mitrovica, February 2015.

municipalities in Gracanica.

Per the agreement, once the Association/Community is established, it should have “full overview of the areas of economic development, education, health, urban and rural planning,” and other competencies as delegated by central authorities. Its membership is open to any other municipality as long as all members agree.



It is to be created by statute, on the same basis as the existing statute of the Association of Kosovo municipalities, a loose body of the municipalities of Kosovo south of the Ibar/Iber River. Participating municipalities “shall be entitled to cooperate in exercising their powers through the Community/Association collectively,” in accordance with the European Charter of Local Self Government⁵³ and Kosovo law, particularly chapter five of the Law on Local Self-Government and the Law on Inter-Municipal Cooperation. The body is to have representative role to the central authorities and will have a seat in the communities’ consultative council for this purpose.

According to these laws, municipalities retain the final authority and responsibility for decision-making, with central authorities not able to review the work of a future association/community, but of the municipalities directly.⁵⁴ In the existing legal framework, municipalities are allowed to cooperate with one another and with other countries, though all cooperation is regulated by the Ministry of Local Government Administration (MLGA).

The form of cooperate is still unclear. The 19 April 2013 agreement uses both the terms “Association” and “Community.” Prishtina prefers the term “Association,” linking the structure to the already existing Association of Kosovo Municipalities (AKM), while Serbs use only the term “Community” when discussing the body.⁵⁵ Even the use of these terms carries loaded expectations for both communities, with Serbs expecting more autonomy and Albanians expecting a loose organization similar to the already existing AKM. Meanwhile confusion persists over whether the body will take the legal form of a “municipal partnership” or an “association of municipalities.”⁵⁶ Likely a hybrid model will emerge, based on the organization of the AKM, with several layers of representation (an executive board, council of mayors, and an assembly), but with the broader capacity afforded to municipal partnerships. This will not exclude financing from Serbia, which is legal in Kosovo law, provided that the MLGA is notified in advance of any cross-border co-operation, including transparent budgets, work plans and objectives.⁵⁷ However, according to the Law on Local Self-Government, if the ministry finds any evidence that the law has been broken, it wields the power to amend the statute or put a stop to the relationship.

These are among the reasons why the statute remains highly contentious,

⁵³ Full text here: <http://conventions.coe.int/Treaty/en/Treaties/Html/122.htm>

⁵⁴ See “The Association/Community of Serb Majority Municipalities: What is (Im)possible within the legal framework?” Adrian Zeqiri and Pieter Troch, 16 April 2015. <http://www.ecmikosovo.org/?p=6242>

⁵⁵ In Albanian, “*asociacioni*.” Serbs do not use the term “*asocijacija*,” preferring “*zajednica*.”

⁵⁶ For more see the ECMI report mentioned above.

⁵⁷ Kosovo Law on Local Self-Government.

with Kosovo Albanians concerned that it will emulate Bosnia and Herzegovina's Republika Srpska, which has been a de-centralizing and de-stabilizing force in BiH. Kosovo Serbs worried that it could become a toothless body. Indeed, the Kosovo government has sold it to its constituents as resembling an NGO, while the November 2013 election campaign in encouraging Serbs in northern municipalities to take part in Prishtina-backed elections said a vote for the party was a vote to create "Srpska," referring to Republika Srpska.⁵⁸

The creation of the association within three to five months was one of the components of the coalition agreement between Srpska Lista, PDK and LDK, meaning at the latest by 12 May 2015. However, Serb leaders spent much of the time out of government. Following Minister for Communities and Returns Aleksandar Jablanovic's dismissal on 3 February, members of Srpska Lista were not participating in Assembly sessions or in government. Representatives said they did not want to do so until all conditions of the coalition agreements were met.⁵⁹

Meanwhile, before the Association is created, Prishtina leaders want to see other components of the agreement implemented first, and to have the "Peace Park" on the Iber/Ibar River removed, and the smooth functioning of relations with municipalities. Belgrade and Kosovo Serbs, however, see this as an immediate priority.

In late March 2015, key Serb representatives from across Kosovo met for a sort of unofficial constitutive meeting in Gračanica. Meeting participants came up with ten conclusions about the future of Serb political representation in Kosovo⁶⁰:

Leaders also demanded a census in Serbian areas because Serbs boycotted the most recent Kosovo census. This would enable budget allocations to be done along real, not projected terms.

- The representatives agreed that the Serbian community should be politically represented in all municipalities, including those where they are not the majority.
- Full protection for the property of the Serbian Orthodox Church.
- The return to Kosovo of all displaced Serbs.
- Legal decisions affecting the Serbian community must enjoy the full prior consent of the elected Serbian political representatives in Kosovo, another point said.
- A halt to further privatisations, and an investigation of the wrongdoings in the privatisation process so far.
- Demand for the recognition of the licences of Serbian Lawyers Chamber
- The immediate release of people termed "political prisoners".
- Full backing to a "strong Association of Serbian Municipalities".



⁵⁸ Campaign ad: "November 3, voting for Srpska, November 4, building Srpska."

⁵⁹ The text of the coalition agreement, in Serbian language, is available here: <http://www.zeri.info/aktuale/10331/ekskluzive-marveshja-pdk-ldk-lista-srpska-dokument/>

⁶⁰<http://www.balkaninsight.com/en/article/kosovo-serb-leaders-unify-for-community-s-future>

The demands for a census are sound: anybody cannot truly serve a population whose existence it does not have concrete information on. A census would help allocate both resources and jobs properly. New census data would facilitate the integration of Kosovo's Serbs through the newly formed municipal structures and result in more exact budgeting. So are the demands that Kosovo Serbs be given positions in the government as regulated by the law. However, in order for this to happen Kosovo and Serbia will need to resolve the impasse in recognizing one another's diplomas and resolve the issue of the University of Prishtina relocated in Mitrovica.

As it stands, the Association/Community has not been allocated any more autonomy than foreseen in the Ahtisaari Plan. However, that still gives broad capacity to oversee education and health care, as well as welfare, local economic development, urban planning and cultural institutions. Discussions about the body should focus on what it can and cannot do, from Serb politicians not raising expectations of total autonomy. Expressions by politicians that it will be a toothless NGO are also unhelpful.

Draft statutes are circulating between the capitals and Brussels, but none has been made available to the wider public. This should also happen sooner rather than later.

Security

Until last year, there were two policing systems in northern Kosovo, the Kosovo Police (KP) and employees of Serbia's Ministry for Internal Affairs (MUP). As of May 2014, integration of 285 MUP employees into the Kosovo Police was completed.⁶¹ This more than doubled the number of KP officers in northern Kosovo's four Serbian-majority municipalities to 530.⁶²

However, 1,200 former MUP employees were retired. Administrative staff were never incorporated, and another 800 employees who were not from northern Kosovo were not integrated, and not eligible to receive pensions. These administrative staff have been protesting, on the belief that the spirit of the agreement was that people would not lose jobs, or be financially unsupported as a result of the agreement.⁶³

Moreover, there are some concerns about the vetting process for the integration of MUP employees into KP. Miodrag Lekic, KP operations officer for north Kosovo region, the third in the regional command, and his brother were arrested on 25 February 2015 for questioning regarding the killing of Enver Zymberi, a member of KP's Special Intervention Unit. Zymberi was killed on 26 July 2011 during a KP operation to wrest control of Kosovo's northern border. The arrest was part of a EULEX investigation into Zymberi's murder. Lekic was already in the Kosovo Police for a number of years, but his brother Milan joined in 2014,

61 This topic is covered more extensively in the first BIG DEAL report from November 2014. For even more detailed information, see http://pasos.org/wp-content/uploads/2014/04/police_integration_nk_web.pdf

62 <http://www.balkaninsight.com/en/article/serb-police-adapt-to-new-bosses-in-kosovo>

63 Interview with analyst, North Mitrovica, March 2015.

raising questions about the vetting process. They were both suspended from their positions.

The arrest raises questions about the level of vetting each officer underwent due to the short time period available for integration.

Civil Protection Corps

Civil Protection Corps (CPC), known as “Civilna Zastita,” was part of the military in Yugoslavia. Serbia adopted a law in 2009 making them regulated by Serbia’s law on Emergency Situations, and tasked with being the first responders to emergency situations like floods and earthquakes.⁶⁴ The units themselves are under municipal governments.

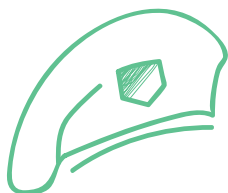
Prishtina has long viewed them as an illegal paramilitary body, while in northern Kosovo, members of the CPC maintain their role is humanitarian.⁶⁵

Interlocutors from Kosovo, Serbia and EU countries said that for months an agreement to dismantle the CPC was close. Negotiations have been on-going since December 2013, even though the original implementation plan for the 19 April 2013 agreement foresaw their incorporation into the relevant Kosovo institutions by that period. On High Representative Mogherini’s visit to Prishtina, she announced that the parties had reached an agreement on incorporating the members into Kosovo institutions.⁶⁶

There are 751 employees of the CPC in four municipalities. The recent agreement, available on the Kosovo government website, foresees that the Kosovo government will create 483 positions, all in the north. As with police integration, all applicants will need to get Kosovo identity documents if they do not already have them, and go through a security check with EULEX. It is unclear where all of these people will be placed. The Kosovo government will place 80 in the Agency for Emergency Management and 25 in the correctional service. Still others will receive salaries from a “contingency fund” while waiting up to three years for permanent job placement.

The agreement envisions that integration will be completed by 1 September 2015. Moreover, the accord stipulates that the three observation points on the road between Mitrovica and Jarinje will be removed by 20 April 2015, and that the observation point on the Iber River bridge separating north and south Mitrovica will be under the control of Kosovo Police by the same date.

The most successful integration will be one which spreads the former CPC members across agencies and institutions. This will foster a closer bond to Prishtina, rather than keeping employees tied to municipalities. Other than the Emergency Management Agency and the correctional services, agencies like the Ministry of Environment and Spatial Planning, and the Forestry Agency, Tax



64 2009 Law on Emergency Situations: http://www.paragraf.rs/propisi/zakon_o_vanrednim_situacijama.html

Unofficial English Translation: <http://www.seesac.org/res/files/failovi/547.pdf>

65 Interviews with members of the CPC in Leposavic, September 2014.

66 Full text of the agreement is here: http://www.kryeministri-ks.net/repository/docs/Agreement_on_CP_-_initialed_by_Kosovo_260315.pdf

Administration, and the Ministry of Culture, are good places to include former CPC employees.

According to research findings of the Belgrade Centre for Security Policy, Kosovo government representatives perceive the integration of the personnel of Serbia's parallel structures into central institutions as crucial for the integration of the whole Serbian community into Kosovo's society – by having representatives at the central level, Kosovo Serbs will more easily accept Kosovo's government institutions as their own. According to Kosovo officials, if CP units remain under the exclusive jurisdiction of municipalities, segregation would be deepened and the potential for future conflicts would increase.⁶⁷

Kosovo will likely use funds from the Development Fund for the north, which has 5 million euros currently from customs collection at northern border crossing points, and a "contingency fund," which has not been active to date.

Dejan Pavicevic, the Serbian government's liaison officer in Prishtina, said that the members of the Civilna Zastita would be guaranteed continued employment.

"I do not expect that the people who have so far worked for their government to cease doing so," Pavicevic said in an interview with Belgrade newspaper Vecernje Novosti.

"They have always been there to ensure that everyone feels safe and they will continue to do the same jobs within the sector for extraordinary situations and other institutions in Kosovo and Metohija."

The dissolution of the Civilna Zastita is supposed to be completed by 1 September, however, Kosovo's budget lacks a line for civil protection units for fiscal year 2015, and officials have been vague about potential sources of funding.

Serbia will need to amend the Law on Emergencies to state that there are no specialized units for emergencies in Kosovo. What must be done is to stop financing these bodies, preferably once there is a plan in place for employees' early retirement or transfer to a specific place.

Judiciary

In the wee hours of the morning of 10 February 2015, the prime ministers of Kosovo and Serbia came to agreement on a key issue that had been lagging almost two years after the 19 April 2013 agreement: the makeup of a unified judiciary for all of Kosovo's territory. The meeting was the first overseen by new EU High Representative Mogherini, and the first between PMs Vucic and Mustafa. It was the first high-level agreement reached after almost 10 months of stagnation.

For more than six months prior, there had been no functioning criminal courts in Kosovo's four northern municipalities, creating a justice vacuum which



"I do not expect that the people who have so far worked for their government to cease doing so."

— DEJAN
PAVICEVIC,
SERBIAN
GOVERNMENT'S
LIAISON OFFICER IN
PRISHTINA

⁶⁷ For more detailed information, see Bjelos, Maja and Stakic, Isidora, "Future of the Civil Protection in North Kosovo," Belgrade Center for Security Studies, April 2015.

has still not been filled. The status quo is not seen as a vacuum by many Kosovo Serbs, who believe that their community is self-regulating,⁶⁸ but in fact only EULEX is in place to deal with criminal activities, though its mandate is set to end in June 2016.

The agreement splits the duties of the one basic court into premises in the north and south and creates ethnic quota systems for judges and employees, without any provision for non-Serbs and non-Albanians, which is discriminatory and likely unconstitutional. As has become habit, the agreement was not disseminated officially but leaked, though the second page of it was missing. It was only distributed to parliamentarians almost one month later, on 6 March.

The basic tenets of the agreement are as follows:

- There will be one Basic court and one basic prosecution office for the Mitrovica region, which includes the four northern municipalities and the predominantly-Albanian and more populous Skenderaj and Vushtrri. The one basic court will have two premises (North and South Mitrovica) and four branches of the court: Zubin Potok, Leposavic, Skenderaj and Vushtrri.
- The court premises in South Mitrovica will have the department for minors for the entire region. It will adjudicate civil matters, uncontested claims, and minor offenses for Mitrovica north and south and Zvecan.
- The president of the court will be a Kosovo Serb from northern Kosovo. The chief prosecutor will be a Kosovo Albanian, with offices in the Mitrovica North Administrative Office in the Bosniak Mahala.
- Allocation of cases to prosecutors is based on expertise, specialization, and personal background knowledge. (This seems set to assure both parties that that their cases will most likely be prosecuted by members of the same ethno-national group.)
- The basic court will have 14 Albanian and 10 Serb judges in the building located in Southern Mitrovica, and 14 Serb and 10 Albanian judges in the North Mitrovica premises.
- The prosecutor's office will have 9 Serbs and 9 Albanians with 24 support staff each.
- There will be 79 Serb and 79 Albanian support staff, though the branches in Zubin Potok and Leposavic will each have seven Serb staff.
- The court in North Mitrovica will have an appeals division with five Kosovo Serb judges and 2 Kosovo Albanian judges. It will also house the serious crimes division for the entire region, which will be composed of four Kosovo Serb judges and four Kosovo Albanian judges. It will also adjudicate over criminal offenses for Mitrovica north and south and Zvecan. A Kosovo Serb will be appointed the vice president of the court of appeals in Prishtina.

It will behoove Kosovo to hire experienced, trusted, and talented Kosovo



⁶⁸ Interview in North Mitrovica with court employee, March 2015.

Serb judges and prosecutors in order to build trust in the judiciary. The system is already under-staffed, with 18.3 active judges per 100,000 people, according to the Kosovo Judicial Council.⁶⁹ This is higher than years past but significantly lower than other countries in the region.⁷⁰

One employee of the Serbian judiciary in North Mitrovica expressed concern about the need for Albanians to attend court in North Mitrovica and Serbs to be processed in the South.

“In recent years relations between Serbs and Albanians in Mitrovica have worsened, not improved,” the employee said. “And now both sides have to put their faith in a justice system that will be run by judges and prosecutors who are not from their communities.”⁷¹

There has been no information about deadlines for implementation or an implementation plan, which usually flesh out in more detail benchmarks and key deadlines for realizing the tenets of the agreement. A representative from the Kosovo government told BIG DEALL that there is no “implementation plan; the only plan is to implement the agreement.”

At the end of March, Kosovo announced vacancies for non-Albanian employees in the judiciary, which would indicate that implementation is beginning.

The agreement, like the agreement on police (regional police commander must be a Serb) has aroused the ire of the non-Serbian minority communities in Kosovo because it does not foresee participation in the judiciary explicitly for them. Representatives from the Bosniak, Gorani, Turkish, Ashkali, Roma and Egyptian communities have vocally announced their frustration and intention to challenge the decision before Kosovo’s Constitutional Court.

This has sparked outrage among Kosovo’s non-Serb minorities.

“I am shocked and outraged that there is not even one seat foreseen for non-Serb minorities in the agreement,” Bosniak MP told Minister Tahiri when she addressed the Kosovo Assembly’s foreign affairs committee. He said he intends to bring the agreement before the Constitutional Court.

However, it is unlikely that the court would rule the case admissible. The 19 April agreement was challenged before Kosovo’s Constitutional Court by parliamentarians from Vetevendosje for, among other things, the system of providing jobs based on ethnicity for judicial and police officials. The court refused to hear the case, saying that international agreements are not subject to constitutional court review.

Article 53 of Kosovo’s constitution says, “Human rights and fundamental freedoms guaranteed by this Constitution shall be interpreted consistent with the court decisions of the European Court of Human Rights (ECHR).” In 2009,



“I am shocked and outraged that there is not even one seat foreseen for non-Serb minorities in the agreement.”

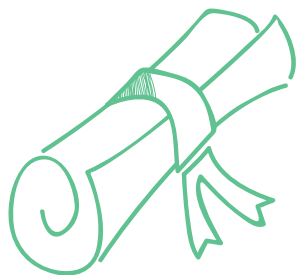
—CERIM BAJRAMI,
KOSOVO MP

69 Kosovo Judicial Council, “First Mid-Year 2014 Statistics of the Courts,” August 2014. http://www.kgjk-ks.org/repository/docs/STATISTICS_REPORT_ON_THE_WORK_OF_THE_COURTS_Mid-year-2011_638768.pdf

70 See International Crisis Group, “The Rule of Law in Independent Kosovo,” 19 May 2010. At the time the report was written, Bosnia and Herzegovina had 22.1 judges per 100,000 people while Croatia had 40.1 and Montenegro 51. <http://www.crisisgroup.org/~media/Files/europe/balkans/kosovo/204%20The%20rule%20of%20Law%20in%20Independent%20Kosovo.pdf>

71 Interview, Kosovo Serb employee in Serbian court in North Mitrovica.

in its “Sejdic-Finci” ruling, the ECHR ruled that the provision of Bosnia and Herzegovina’s constitution, which provides for a three-member presidency consisting of one Serb, one Croat, and one Bosniak violates European human rights standards. This creates a precedent in European Convention case law that may yet haunt the arrangements agreed between Belgrade and Prishtina.



Paperwork: Diplomas, Civil Registry, Cadastre

Diplomas

Mutual recognition of diplomas is an issue that touches the lives of many young people from both Kosovo and Serbia. Albanians in Serbia sometimes choose to study in Kosovo so that they can learn in their native tongue. Serbs in Kosovo need university degrees to get high-level jobs, especially in the government, where in most institutions Serbs are under-represented.⁷² While the lack of recognized diplomas may not be the only reason for this, it is certainly a key component.

Albanians living in Serbia who want to get jobs in the public sector also struggle with balancing their desire to study in their native language and to have the potential to be employed in the future.

On 21 November 2011, both sides agreed to “ask the European Union Association (EUA) to certify university diplomas issued by universities of each for use by the other in connection with further education and/or public employment.” The EUA is just what it sounds, a body representing more than 800 universities from 47 countries in Europe, committed to exchange and cooperation.⁷³

A Dutch NGO, SPARK, was tasked with overseeing the process as a third party, receiving applications from both Kosovo and Serbia and forwarding them to the EUA. However, the two-year contract with SPARK ended in July 2014 and has not been renewed. According to SPARK representatives, this is because both sides need to recommit to actually accepting diplomas.

Implementation began in February 2012 and as of the end of August 2014, 362 applications from Kosovo and 13 applications from Serbia were approved and certificates of recognition of the diplomas were issued. This is out of a total of 408 applicants from Kosovo and 25 from Serbia.

However, Serbia has recognized only five of more than three hundred diplomas from Kosovo which were accepted by the European University Association (EUA),⁷⁴ after an additional nostrification process.

Besa Ismajili, an Albanian from Medvedja, Serbia, studied at Fama Col-

⁷² According to a 2013 study commissioned by the Kosovo Government, few ministries or institutions had the 10 per cent minority representation required by law. Ministries of Finance, Justice, and European Integration each have less than 2 per cent minority representation. The situation is similar in the tax administration (3 per cent), treasury (1.5 per cent) and customs (1.4 per cent). The Kosovo Police has more than the required 10 per cent. For more information, see “Assessment on the Employment of Members of Non-Majority Communities with the Kosovo Civil Service and Publicly Owned Enterprises,” July 2013, by Novartis Consulting. http://www.novusconsult.net/pdf/FINAL_PRESENTATION_07_2013.pdf

⁷³ <http://www.eua.be/Home.aspx>

⁷⁴ Interview with SPARK employee, Belgrade, March 2015.

lege in Prishtina so that she could receive a B.A. in Criminology in her mother tongue. She says the Serbian Education Ministry told her to inquire about nostrification, but the ministry sent her to the University of Nis. However, that university does not have a criminology faculty so they returned her to the Ministry of Education.

Ismajili, 28, said she was in the first group of people to apply through SPARK, but that nothing happened.

“I am not sure if this process to recognize diplomas was something serious or if it was just intended to take away the attention from this problem,” she told BIG DEAL.⁷⁵

Kosovo, too, has created obstacles for the recognition of Serbian diplomas, not recognizing any. Edita Tahiri has said this is because Serbia should not have sought the extra process of nostrification, which is what any citizen from any country must do to have their diploma officially recognized.

“We had to have the agreement because Serbia refused to nostrify our diplomas the way it would any other country,” she told BIG DEAL. “For Serbia to request nostrification is a violation of our agreement.”

Bozidar Vasic, who graduated from the Novi Sad Law Faculty in Belgrade in 2008, returned to Kosovo in the hopes of finding a job. As soon as the agreement on mutual recognition was announced, he collected the necessary documents and took them to SPARK’s offices in Belgrade, but has not received any result. Because he has not been able to get his diploma recognized, he currently works as a school secretary in Gjilan/Gnjilane, in the Serbian administration.

“I live in Kosovo, it is only logical for me to want to participate in the legal system here,” he told BIG DEAL. “I am someone who finished faculty in Novi Sad and want to integrate, but now the way they have made the agreements, this is impossible. All of these agreements, yet nothing has come of it. So I have to ask, what have they achieved?”

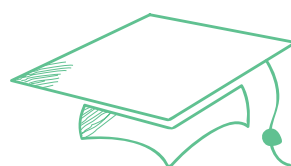
Edis Jonuzi, from Prizren, studied physiotherapy at the University of Belgrade’s medical faculty so that he could receive his education in his mother tongue, graduating in 2010. He was provisionally accepted to do his stagier at the hospital in Prizren, and alter in Prishtina. But when it came to getting a full-time job, his employers told him they would happily give it to him if he could get his diploma recognized. He told BIG DEAL that since 2010, he has held meetings with the Kosovo ministers of health and education, with then-Deputy Prime Minister Edita Tahiri. He completed the certification process through SPARK. He has had the Ombudsman, Sami Kurteshi, intercede on his behalf. And still he cannot get a job in any public institution.

“Since 2010, I have been trying to get my diploma from the medical faculty in Belgrade recognized in Kosovo,” he told BIG DEAL. “Without it, I don’t have a right to work in the public clinics, and this has caused me professional and personal harm. I am just a victim of the political games between Kosovo and



“I am not sure if this process to recognize diplomas was something serious or if it was just intended to take away the attention from this problem.”

—BESA ISMAJILI,
FORMER STUDENT



⁷⁵ Interview, March 2015.

Serbia.”

The Kosovo government does not want to discuss the problem of the University of Prishtina relocated in Mitrovica, the only Serbian-language faculty in Kosovo. It has approximately 12,000 students from Serb and other Slavic-speaking minority groups.

“That was not part of the dialogue and it is not in discussion right now,” a Kosovo government official told BIG DEAL.⁷⁶ There is a proposal with the Prime Minister’s office, the result of creative consultation and collaboration of Kosovo NGOs, but it has yet to be discussed or presented officially.

The acceptance of diplomas for the purpose of PhD studies has not been a topic, either, which has limited students’ abilities to study regionally.

Cadastre

Most of Kosovo’s cadastre documents were taken by Serbia during and immediately following the war. Kosovo has since then struggled with property disputes arising from the lack of a definitive cadastre. Kosovo and Serbia reached an agreement on 2 September 2011 and agreed in December of the same year that scans of all pre-1999 cadastre documents would be given to Kosovo through the EUSR. A technical agency, the Kosovo Property Comparison and Verification Agency (KPCVA) will then compare the scanned documents with the cadastre reconstructed by Kosovo’s Cadastre Agency.

On 5 February 2015, the government adopted the draft law on the KPCVA⁷⁷ and sent it to the Kosovo Assembly for the first reading. On 24 March 2015, the Legislative committee of the Kosovo Parliament adopted a decision to recommend the plenary to vote in favour of the draft law on KPCV Agency in the first reading.⁷⁸

The process began in January 2012 and was originally envisioned to be finished by the end of 2014. That has not happened but there has been substantial progress since the last report: one and a half million pages of documents were scanned in Belgrade by the end of February 2015. That means that out of 1,300 cadastre zones existing in Kosovo, the digitalization of one third of them is finished.

At the current pace and current estimates by the EUSR in Kosovo, all of the documents will be scanned by the end of 2015. They will then be indexed and handed over to the EUSR. By that time the new agency, the KPCVA, should be up and running, provided that the law is adopted by Parliament in the first half of 2015.

However, there could still be some complications regarding this process.

On 30 January 2014, Serbia’s Constitutional Court ruled that the “Decree

⁷⁶ Interview, Kosovo government official, March 2015.

⁷⁷ <http://www.kuvendikosoves.org/common/docs/ligjet/04-L-167.pdf>

⁷⁸ Two years ago, it did not pass in the parliament. Vetevendosje objected to the original draft law because the KPCVA is to have international members, and the party is opposed to that.

on special Modalities of Processing of Data Contained in the Land Cadastre Records for the Autonomous Province of Kosovo and Metohija” is not in accordance with the Constitution and laws.

The publication of the decision in the Official Gazette was postponed for six months, until 1 August, in order “to give the competent authority time to regulate the issues ... in a manner consistent with the Constitution and the law.”⁷⁹

The court concluded that “the Government, as an executive body by adoption of this regulation went beyond its constitutionally defined jurisdiction.”⁸⁰ Serbia’s Office for Kosovo and Metohija has prepared a draft of a new decree, which was adopted on 22 August 2014. However, the Constitutional Court’s decision makes it unlikely that a new governmental decree could solve the problem. Constitutional reform may be the only way to legally transfer the cadastral documents to Kosovo via the EUSR.

Additionally, a Serbian government official told BIG DEAL that the government is opposed to the establishment of the KPCVA because of its intention to compare the old cadastral documents with the new one, to create an up-to-date cadastre.

“They plan to legalize all the illegal property swaps and theft that went on in the days after the war,” the official told BIG DEAL. “If the law on the KPCVA passes we will stop copying the documents immediately.”⁸¹

But a Kosovo high official told the opposite to BIG DEAL teams:

“We need the original documents to make comparison with the current ones precisely because we know that there were illegal things going on with property after the war but because of the lack of documents we could not resolve and clarify until now the true owners,” the official said. “These documents will help the courts catch the courts determine what happened with that property – don’t forget. The lack of clarity in property owners is one of the key obstacles to the investment in Kosovo so we are looking to get these original documents and get the courts to use them and make decisions based on these original documents.”

Civil Registry

Before and during the war, Kosovo’s civil registries, which contained information about births, deaths, marriages for Kosovo citizens born between 1850 and 1999, were destroyed, burnt or relocated to Serbia. An agreement was reached on 2 July 2011. The return of 12,391 certified civil registry records was completed in March 2014. Now Kosovo is undertaking an EU-funded project to digitize these copies.

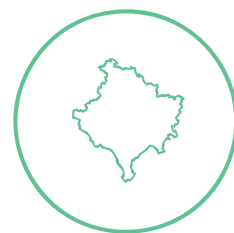
Kosovo and the world

“I spoke with Serbian Prime Minister Vucic about future cooperation between



“They plan to legalize all the illegal property swaps and theft that went on in the days after the war...if the law on the KPCVA passes we will stop copying the documents immediately.”

—SERBIAN
GOVERNMENT
OFFICIAL



⁷⁹ Serbian Constitutional Court decision in Case IUo-870/2012.

⁸⁰ Ibid.

⁸¹ Interview with Serbian government official in North Mitrovica, March 2015.

Kosovo and Serbia. We decided that specific situations or unexpected developments be solved through direct contact.” Kosovo Prime Minister Isa Mustafa.

The Kosovo-Serbia agreements have opened the doors for Kosovo’s wider interaction with the region and with the world. First and foremost, Kosovo and Serbia have “liaison officers,” in Belgrade and Prishtina, each with their headquarters in respective EU offices. They monitor and engage in all issues related to normalization. Since 1 December 2014 they also organize and manage all official visits, including coordination and safety, which was previously handled by the EU offices.⁸² Parties also agreed to hire an extra staff member in each office each. This is no small feat considering the seemingly small issues that the liaison offices have grappled over: what can and cannot be written on business cards, official letterhead, whose job it is to forward e-mail addresses, and, an unresolved issue of both offices operating without stamps, which remains unresolved.


As far as participation in regional bodies, the influx of migrants from Kosovo into Serbia in recent months has underscored the importance of intensified co-operation. On 26 March, Serbia Police Director Milorad Veljovic hosted his Kosovo counterpart Shpend Maxhuni in Belgrade for the first meeting, held under the aegis of EULEX. The meeting was the first of its kind. This meeting however happened after 5 months after local and international media’s extensive reporting of hundreds of Kosovar Albanians leaving every night from Prishtina bus station towards Belgrade, Subotica and then illegally to Hungary. A BIRN investigation discovered that Albanian and Serb gangs were involved in this people smuggling. Clearly, it is unfortunate that meeting between Maxhuni and Veljovic came after months of migrants passing from Kosovo through Serbia to Hungary and onwards to Western Europe. Although it was late, it should be commended.

This meeting came days before PM Vucic announced that he and PM Mustafa had a direct line of communication with one another.

“I spoke with Serbian Prime Minister Vucic about future cooperation between Kosovo and Serbia. We decided that specific situations or unexpected developments be solved through direct contact,” Mustafa said after the discussion. “We agreed that when we come across issues that need speedy action in the field, we can communicate directly – so as to find quick solutions and not have to wait for meetings in Brussels.”⁸³

Another regional meeting, the Western Balkans Six, was held in Prishtina on 25 March 2015. Serbian Foreign Minister Ivica Dacic attended and consulted with his Kosovo counterpart Hashim Thaci on the sidelines.

In regional bodies, Kosovo has also made progress. Kosovo became a full member of the Regional Cooperation Council (RCC), the South Eastern Europe Cooperation Process (SEEC), The Regional School of Public Administration



“I spoke with Serbian Prime Minister Vucic about future cooperation between Kosovo and Serbia. We decided that specific situations or unexpected developments be solved through direct contact.”
—ISA MUSTAFA
PRIME MINISTER
OF KOSOVO

⁸² This includes Serbian PM Vucic’s high profile visit to Kosovo in January 2015.

⁸³ <http://www.balkaninsight.com/en/article/kosovo-pm-we-have-established-a-direct-line-to-belgrade>

(RESPA) in 2013 or early 2014. In October 2014, Kosovo received full membership in the Centre for Security Cooperation (RACVIAC), though the government has complained that the Kosovo Assembly has not been invited to participate in any activities.⁸⁴

In her third “state of play” report, Minister Tahiri also complains that the “Assembly of the Republic of Kosovo has not been included or even invited to participate in the activities of Cetinje Parliamentary Forum, Parliamentary Dimension of the Adriatic-Ionian Initiative, Parliamentary Assembly of the Union for the Mediterranean, IPU – Inter-parliamentary Union, OSCE – Organization for Security and Co-operation in Europe,⁸⁵ Regional Meeting of Foreign Affairs Committees and in Westminster Foundation for Democracy.”⁸⁶

Finally, the events of the last six months highlight the need for Kosovo to accede to International Police Organizations, or IPCOs, most prominently, Interpol and Europol. Currently UNMIK manages relations with Interpol, and EULEX oversees contacts with Europol. As EULEX winds down, this need is more evident than ever.

Kosovo’s membership will benefit regional security, and Serbia should not block this accession. Furthermore, the European Council should propose that as Kosovo will sign an SAA soon, they become a member of Europol.⁸⁷



Telecom

On Telecom, there has been no progress since Big Deal’s first report in November 2014, though the original agreement foresaw that Kosovo’s new country code would be up and running by 1 January 2015.

On 8 September 2013, the parties agreed that the EU and International Telecommunications Union (ITU) would allocate Kosovo its own three-digit dialling code, and migrate the three Kosovo use (Serbia’s and Slovenia’s for land-lines, and Slovenia’s and Monaco’s for mobile) and facilitate agreements for inter-connection and roaming between operators of both sides.⁸⁸ This is important because currently, Kosovo mobile users who have the Vala service cannot use their phones in Serbia. Nor do some Serbian companies have roaming in Kosovo. The Serbian national operator Telekom Srbije works only in Serb-majority territories of Kosovo, otherwise there is no signal.

A subsidiary of a Serbian company, registered in Kosovo, is to receive the license for fixed telephone operation. The agreement foresees that this new company would get temporary authorisation to offer mobile telephone services as well until a new tender/auction leads to a full, unrestricted mobile license.⁸⁹

⁸⁴ Tahiri, 2015, page 21.

⁸⁵ Serbia assumed the rotating chairmanship of the OSCE on 1 January 2015

⁸⁶ Tahiri, 2015, p 21.

⁸⁷ For more on the need for Kosovo to join International Police Organizations, see the following report, produced by the Group for Legal and Political Studies and by BIRN, published in March 2015: <http://legalpoliticalstudies.org/wp-content/uploads/2015/03/raporti-anglisht-final-final.pdf>

⁸⁸ See the agreement here: http://www.kryeministri-ks.net/repository/docs/Arrangements_regarding_Telecommunications_September_8_2013.pdf

⁸⁹ See the full agreement here: http://www.kryeministri-ks.net/repository/docs/Arrangements_regarding_Telecommunications_September_8_2013.pdf

On 20 March 2015, Kosovo's Telecom and Post regulator, ARKEP, issued a public tender for this company. Board president Ekrem Hoxha said Serbian companies could participate in the process.

"We open the invitation for expression of interest to for specific frequencies for mobile operator," Hoxha told BIG DEAL.

Hoxha said that as of 8 April, only IPKO and VALA have applied. There are 42 days after the tender is open to express interest.

Hoxha said however that a number of details should be worked out in a plan, which is referenced in the September 2013 agreement. However, Hoxha told BIG DEAL, there is still no agreed upon action plan for the implementation of the agreement.

Austria still plans to apply for Kosovo to use +383 or +384. However, Kosovo wants to revise the content of the draft text of the International Telecommunication Union (ITU) decision for a code and the content of the application letter to make it "politically correct and not prejudicial."⁹⁰ A source in the Kosovo government told BIG DEAL that the current draft of the letter asks Serbia's permission to create a code, while Kosovo sees that Serbia has already given its assent in the September 2013 agreement. A potential solution could be referring to the 8 September 2013 agreement in the letter.


However, a Serbian official told BIG DEAL that in actuality, Austria is ineligible to apply and that the application must come from Serbia. The official said the tender that was opened on 12 March 2015 must be closed because it is open to companies from any country, when in reality a Serbian company should win the contract in order to grant the permission for another country code.⁹¹

In the meantime, Kosovo is losing money. Monaco, which is renting its international dialing code to two of the three telecom companies working in Kosovo, receives 7 million euros annually from Kosovo, according to Kosovo's Telecom and Post regulator, ARKEP.⁹² ARKEP analyst Ekrem Hoxha says once Kosovo has its own code, it will save between 5 million and 6 million euros annually.⁹³

This has cost a total of 48 million Euros, according to the former acting Chief Executive Officer at Post and Telecom of Kosovo, Mehdi Latifaj.⁹⁴

Meanwhile, ordinary consumers are paying astronomical roaming charges even for travel to neighbouring Macedonia or Albania, because of the country code.⁹⁵

"In the EU and in neighboring countries, roaming charges are under regulation," explains Bardha Ahmeti, who researched Kosovo's high roaming costs for the NGO LENS. "Since we are not in the EU and we have no country code, we have no control over roaming rates. We are paying an average of eight times



"In the EU and in neighbouring countries, roaming charges are under regulation. Since Kosovo is not in the EU and we have no country code, we have no control over roaming rates. We are paying an average of eight times more than our neighbors or EU countries for roaming calls and about 100 times more for internet over roaming."

— BARDHA AHMETI, NGO LENS.

⁹⁰ Tahiri, 2014, p 16.

⁹¹ Interview, north Mitrovica, April 2015.

⁹² 6 February 2015 <http://koha.net/?id=27&l=43790>

⁹³ Interview, April 2015.

⁹⁴ As of mid-March 2015, the current chief is Agron Mustafa.

⁹⁵ Research conducted by NGO LENS.

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For many Kosovar consumers, roaming in Serbia is not even an option, a basic problem that inhibits businessmen, journalists, those who go to Serbia for medical treatment or for any other reason.

“What was the point of signing a telecom agreement in September 2013, when today, in April 2015, someone like me who is a journalist can’t even transmit information to my newspaper if I cross the border into Serbia, as many Kosovar phones cannot use roaming in Serbia?” Lavdim Hamidi, a journalist for the Kosovo daily newspaper Zeri, told BIG DEAL. “In twenty-first century Europe, two European countries cannot talk on each-others mobile? I thought this dialogue would help us communicate better but I feel it has done the opposite.”

The September 2013 agreement also foresees that the parties will open discussions about postal services “at a later date.” These discussions have still not begun.

Since Kosovo declared independence from Serbia, there has been no formal cooperation between their postal systems.

Because of its disputed status, Kosovo faces problems receiving mail and packages from abroad. Mail intended for Kosovo frequently goes to Belgrade, which returns items instead of forwarding them. This makes it difficult for people in Kosovo to order things online. Some Kosovars get around this by adding a “via Albania” to their address, which routes the mail through Tirana, which in turn forwards it to Kosovo.

Meanwhile, it is almost impossible to send even a postcard to Serbia from a regular Kosovo post office.

Serbia’s mail system, Posta Srbije, still functions in Kosovo, with 28 post offices and 240 employees. According to Randjel Nojkic, the head of Posta Srbija in Kosovo, there is some unofficial co-operation.⁹⁶

“We get all the post that comes from Serbia, even stuff meant for officials and institutions in Pristina,” Nojkic told BIG DEAL. “I make sure my employees send through the important mail meant for Kosovo officials, especially if there’s a contact number on the package,” he added.⁹⁷

“The reality is that the two postal systems work here side by side ... it’s just that the cooperation needs to be ironed out.”

However, while this facilitates communication for government institutions, ordinary people are left behind.


Energy

Serbia has controlled much of Kosovo’s energy framework since the war, and some of the vital infrastructure remains in the northern municipalities, though the system is so interconnected that one cannot function without the

⁹⁶ Interview with Nojkic in Gracanica, December 2014

⁹⁷ See <http://www.balkaninsight.com/en/article/kosovars-go-far-to-send-letters-to-serbia>





“We get all the post that comes from Serbia, even stuff meant for officials and institutions in Pristina.”...

“I make sure my employees send through the important mail meant for Kosovo officials, especially if there’s a contact number on the package.”

— **RANDJEL NOJKIC,**
HEAD OF POSTA
SRBIJA IN KOSOVO

other.

The Gazivoda reservoir, located in Zubin Potok, supplies 60 percent of Kosovo’s water for drinking and for cooling the primary power station in Obilic/Obiliq, 10 kilometres from Prishtina, which produces at least two thirds of Kosovo’s energy. This would negatively affect not only Kosovo but the stability of the energy network in Serbia, as well as those in Romania and Bulgaria.

Parties agreed that their energy transmission bodies, KOSTT, of Kosovo, and EMS, of Serbia, would sign a bilateral agreement establishing and regulating relations between the two transmission system operators. Both regulators were to issue licenses for trade (import, export, transit) and supply to their respective distribution companies. Parties also agreed to establish a new company under Kosovo law that would provide services to the northern, Serb-majority municipalities. Kosovo and Serbia also agreed to, at a future time, find a common method for settling the claims both hold against one another for the use of transmission lines, agreeing to seek international arbitration if no solution came within six months.

Kosovo Transmission, System and Market Energy operator (KOSTT) maintains and operates the transmission network throughout the country, but Serbia’s state-run Elektromreze Srbije retains ultimate control (though rarely exercises this power).

The two operators signed an agreement in February 2014 governing operations and market relations, envisioning that KOSTT becomes an independent regulatory area under the European network of transmission operators (ENTSOE).

“[Serbia] is monthly allocating Kosovo’s interconnections line with Macedonia, Montenegro and Albania,” explains Naim Bejtullahu, the director of KOSTT. “We hope that starting from 1 June this allocation will be performed by KOSTT because we are expecting to be synchronized by ENTSOE.”

On 14 September 2014 KOSTT and EMS signed an agreement for network management and system operations, giving both a legal basis for the independent operation of electricity system.

“Kosovo is supplying whole territory of Kosovo with electricity,” Bejtullahu told BIG DEAL. “The problem is that still in north hasn’t been provided effective access to invoice and collect money for supplied power to the customers. The agreement signed with Serbia and endorsed Action Plan for Implementation in the near future may provide opportunity to collect money for electricity supply.”

Kosovo maintains that the implementation process has been blocked because Serbia wants a new company that is set up to also distribute the power, which is not in the competencies of the company.

Nermine Arapi, the trading director of KESCO, a privately owned business responsible for distributing electricity, told BIG DEAL that there is still no improvement regarding Kosovo’s reliance on EMS’ support.

“KESCO has conducted the import and export depending on the transmission capacity allowed by Serbia’s EMS,” she said. “In case of impossibility of provid-

ing cross-border capacity, KESCO has been forced to reduce production, so as not to cause deviations in the power system.”

Kosovo now wants to reach an agreement for compensation for past losses from Serbia’s profits over control of the transmission of energy. EMS has been auctioning off the use of Kosovo’s transmission lines since 2004. The government in Prishtina estimates that between 2004 and 2014 it has lost up to 150 million euros.

The lack of implementation also comes at a cost to ordinary consumers.

“If the energy agreement were to be implemented, citizens of Kosovo would be able to use energy produced by the Gazivoda hydro power plant in the north and use Serbia’s energy transmission lines to get energy to Kosovo – both of these would make energy cheaper for the average Kosovar,” Dren Doli, from the Group for Legal and Political Studies, told BIG DEAL.

Conclusion

On her recent visit to Belgrade, HRVP Mogherini stated that it is an EU priority to open the first chapters of Serbia’s accession negotiations before the end of 2015. According to sources familiar with the accession process, there are a number of chapters which could be opened now, but because of the importance it places on normalisation with Kosovo, the German Bundestag passed a resolution mandating that the first chapter Serbia opens is Chapter 35. The chapter is usually reserved for miscellaneous issues, but in this case it deals with “good neighbourly relations” between Serbia and Kosovo.

Before Chapter 35 can open Serbia and Kosovo will have to implement much of the 19 April agreement, according to diplomats in Belgrade and Prishtina. It would seem, then, that the goal should be implementation of the Association by the end of the year. The coming months will be full of haggling over a statute for the Association/Community of Serbian-majority municipalities, but as the recent telephone calls between PMs Mustafa and Vucic show, a bit of political will can go a long way.

However, the events of the early months of 2015 show that progress could easily be derailed and that citizens of both Kosovo and Serbia continue to carry deeply-felt resentments in conflicting narratives about the past. The protests in Prishtina may not have taken on the same level of ferocity had former minister Jablanovic not said on public television that he “didn’t know” if the Serbian army committed war crimes in Kosovo. The impression is that sustained progress will not come without difficult discussions about the recent conflict.

Two successful rounds of elections have been held in northern Kosovo, but relations between the Kosovo Serb politicians and their coalition partners in government have frayed almost since the very establishment of the coalition. The recent agreements on integrating the judiciary and the Civil Protection Corps should be lauded, but do not compensate for the fact that implementation has been sluggish since early 2014. It will improve when sustained communication and consultation must become the norm.



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— DREN DOLI,
GROUP FOR LEGAL
AND POLITICAL
STUDIES

The end of 2014 was a period of transition for the European Union. After the period of personnel changeover, which has seen a new High Representative and also new members of her key team, some of whom remain unknown at the time of publication, the EU should send a message to both parties that it will remain robustly engaged, especially in negotiations over the Association/Community of Serb-majority municipalities. Its successful establishment will make it possible for Serbia to carefully remove its governing institutions from Kosovo's territory, while ensuring that Kosovo Serbs have access to education and healthcare. This transition should be done carefully so that a minimum of people are affected by losing their livelihoods and salaries. As part of this process, civil society and local actors should be called upon to draw up a timeline for the eventual dissolution of Serbian institutions. An oversight board of citizens should monitor and guide this process.

Serbia, Kosovo and the EU should also be wary that current agreements, and potential future agreements, do not rely on ethnic quota systems, which are contrary to European standards and could be challenged before the European Court of Human Rights if and when Kosovo joins the Council of Europe.


Serbia will also need to make necessary changes to its constitution to avoid putting progress achieved during the dialogue process in jeopardy.

If implementation continues as it has in the past year, then both parties will be waiting for normal for a long time.

Moreover, there are a number of issues that have yet to be tackled. For instance, Serbia has yet to dismantle its tax administration in Kosovo. The issue of where and how those who receive Serbian pensions will continue to do so in a sustainable manner must also be discussed. So, too, does the issue of healthcare.

Privatisation remains the elephant in the room, and while Brussels maintains that the privatisations are not related to the process of normalisation,⁹⁸ the processes will continue in tandem and affect one another tremendously. Brussels should be prepared to be more engaged.

As one EU diplomat told BIG DEAL, "We are doing a good job averting small crises from day to day, but we must begin the tough work of addressing the root of the problems."



"We are doing a good job averting small crises from day to day, but we must begin the tough work of addressing the root of the problems."
— EU DIPLOMAT

⁹⁸ EU Diplomat in Prishtina, April 2015.

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