

1|2015

# FORUM

FORUM ZA ETNIČKE ODNOSI | FORUM FOR ETHNIC RELATIONS

*Policy Paper*

## Normalization Challenges

PhD DUŠAN JANJIĆ



# FORUM

FORUM ZA ETNIČKE ODNOSI | FORUM FOR ETHNIC RELATIONS

1|2015

**Policy Paper**

PHD DUŠAN JANJIĆ

## Normalization Challenges

Analysis of the Negotiation Process and  
Implementation of the Brussels Agreement



FORUM ZA ETNIČKE ODNOSI  
FORUM FOR ETHNIC RELATIONS

Belgrade, 2015.

---

**NORMALIZATION CHALLENGES**  
ANALYSIS OF THE NEGOTIATION PROCESS AND  
IMPLEMENTATION OF THE BRUSSELS AGREEMENT

Belgrade, November 2015



FORUM ZA ETNIČKE ODNOSI  
FORUM FOR ETHNIC RELATIONS

Kraljice Natalije 45/VII  
11000 Beograd, Srbija  
+381 11 36 20 804

forumbgd@gmail.com • [www.fer.org.rs](http://www.fer.org.rs)

This publication is the result of the activities carried out on the project "Consultations on Normalization of Kosovo-Serbian-Relations", which was realized from 2013 until 2015.

The project was supported by KONRAD ADENAUER STIFTUNG, office in Belgrade, [www.kas.de/serbien](http://www.kas.de/serbien).

The views expressed in this publication are those of the authors and do not necessarily reflect the views of the KONRAD ADENAUER STIFTUNG, office in Belgrade.

---

## CONTENTS

Introduction.....	5
I) Normalization – the Path from Conflict to a “European Future” .....	6
a) <i>The Historical and Political Circumstances which Preceded the Brussels dialogue</i> ..	6
b) <i>Normalization – the Way toward a Possible Solution</i> .....	11
II) Brussels Agreement .....	20
a) <i>Technical Agreements</i> .....	21
1. Freedom of Movement .....	22
2. Integrated Border Management (IBM) .....	26
3. Customs Revenue Collection and Customs Stamps .....	28
4. Interim Fund for Economic and Infrastructural Development of Northern Kosovo	30
5. Civil Registry Books .....	31
6. Cadastral Records .....	32
7. University Diplomas .....	32
8. Regional Representation and Cooperation .....	34
b) <i>First Agreement of Principles Governing the Normalization of Relations</i> .....	34
1. Law on Amnesty .....	38
2. Municipal Elections and Inauguration of Local Authorities .....	39
3. Community/Association of Serb Majority Municipalities (CSM) .....	41
4. Justice .....	46
5. Security Structures .....	47
5.1. Police Structures .....	47
5.2. Civil Protection .....	48
6. Liaison Officers .....	50
7. Energy .....	50
8. Telecommunications .....	53
9. EU Integration .....	54
III) Influence and Persuasion .....	54

IV) Challenges of Developing the Institutional Framework for Normalization . . . . .	56
a) <i>Constitutionality, Legality and Legitimacy of the Brussels Agreements</i> . . . . .	56
b) <i>Improvement of Economic Conditions toward Normalization</i> . . . . .	60
1. Macroeconomic Environment . . . . .	60
2. Infrastructural Environment . . . . .	62
2.1. Transportation . . . . .	62
2.2. Water and Wastewater Management, Land and Environment Management . . . . .	63
3. Telecommunications and Media . . . . .	65
4. Industry . . . . .	65
4.1. Energy . . . . .	65
4.2. Mining and Metal Processing Industry . . . . .	67
4.3. Engineering and Construction Industry . . . . .	67
4.4. Wood, Paper and Furniture Industry . . . . .	67
4.5. Textile Industry . . . . .	68
5. Agriculture and Animal Husbandry . . . . .	68
6. Tourism . . . . .	69
7. Foreign Trade and Exchange . . . . .	69
8. Labor Market . . . . .	70
9. Privatization . . . . .	70
10. Regional Cooperation . . . . .	73
V) Recommendations for the Normalization of Relations between Serbia and Kosovo . . . . .	74
VI) Annexes . . . . .	85
VII) Reference List . . . . .	126

---

PhD Dušan Janjić

# THE FRAMEWORK FOR THE NORMALIZATION OF SERBIA-KOSOVO RELATIONS

Belgrade, September 2015

## INTRODUCTION

This Policy Paper points out:

- The complexity of political and historical circumstances in which the Brussels Dialogue and normalization of Serbia-Kosovo relations are taking place;
- The most decisive factors influencing the normalization of Serbia-Kosovo relations;
- Interconnection between the processes of normalization and integration of Serbia and Kosovo into the European Union;
- Achievements in the Brussels dialogue until August 2015;
- Actions to be taken for the implementation of the agreements reached between Serbia and Kosovo, and
- Policies, actions and measures to be taken for improving circumstances for normalization of relations.

After examining different types of sources (analyses; articles in academic journals, newspapers and other publications; reports issued by relevant institutions, etc) about the Brussels dialogue and the normalization process, it appears that they give only partial insights, often neglecting the political, social and, in particular, security circumstances in which the dialogue and the normalization process are taking place.

A multidisciplinary approach was used in developing a methodological and thematic framework that enabled systematic and comprehensive analysis of the theme. Understanding the complexity of the dialogue and normalization process also required consideration of all important themes.

The Brussels dialogue is marked by a lack of transparency. Therefore, different sources had to be considered in order to reconstruct all agreements reached and the process of their implementation. Readers of this Policy Paper can access the full text of all publically available agreements reached within the “Brussels Agreement”, in the Annexes.

The author of this Policy Paper relied heavily on the findings of the project “*Consultative Discussions about the Institutional Solutions to the Issue of Relations Between Serbia and Kosovo*” (hereinafter the KAS project), implemented through a series of consultative events organized by the *Rule of Law Program South East Europe*, Konrad-

Adenauer-Stiftung (KAS), Forum for Ethnic Relations (FER) and Kosovo Institute for Policy Research and Development (KIPRED) in: 1) Miločer-Montenegro (November 25-28, 2012); 2) Priština-Kosovo (April 18, 2013); 3) Niš-Serbia (25-26 June 2013), entitled: “Normalization of relations between Belgrade and Priština: the first anniversary of the Brussels Agreement” and Belgrade-Serbia (25 April 2014). This Policy Paper thus can be viewed as one of the KAS project outputs.

One of the most important outputs of the KAS project is the “Basic/Framework Agreement between Serbia and Kosovo” (hereinafter: *Framework Agreement*). The *Framework Agreement* has been cited and used in this Policy Paper. Given the interest stirred within the Serbian public, the *Framework Agreement* is provided in its integral format (See: *Annex 1*).

## I) NORMALIZATION - THE PATH FROM CONFLICT TO A “EUROPEAN FUTURE”

### a) The Historical and Political Circumstances which Preceded the Brussels Dialogue

Kosovo’s area is 10,908 km<sup>2</sup> and it is populated by over two million people, of whom 82 percent are Albanians. It is an area where people and communities of different ethnic backgrounds, cultures and religions live, work and clash with one another. Kosovo is marked by a distinctive process of ethnic homogenization, reflected on a territory level by the concentration of ethnic minorities living in territorial enclaves<sup>1</sup>.

Milošević’s regime tried to establish direct jurisdiction over Kosovo by restricting the rights of Albanians through a methodically pursued campaign for their marginalization, as well as discrimination and provision of social, economic and political “motives” for moving Albanians out of Kosovo. On the other hand, the Albanian leader Ibrahim Rugova and the *Democratic League of Kosovo (LDK)* made an effort to achieve independence for the Republic of Kosovo by building institutions of the Albanian “parallel state”.

The war in Kosovo, which began on 28 February 1998, was yet another in the long line of armed conflicts waged on the soil of the former Yugoslavia. These wars were part of the process of disintegration of the former Yugoslavia and the inception of new states.

The war of 1998–1999 aggravated the unresolved problems from the past, and added the status of Kosovo as a new problem, including killings, dislodging and war devastation; further weakening of economy; the public sector in Kosovo is worse off after the war than it was before (*Maliqi, 2000: 26,27*); opening up of the Albanian issue

<sup>1</sup> There are around 130,000 Serbs in Kosovo today. They populate over 250 enclaves with Serbian-majority, distributed across the northern, central and southeastern part of Kosovo. The largest concentration of Serb population is in northern Kosovo, where 59,000 Serbs comprise 45 percent of total Serb population in Kosovo. The Serbs who make numerical majority live south of the Ibar river in villages, in scattered rural settlements. (*Mameli, 2007: 40*).



as both a regional issue and in terms of the possible unification of Albanian territories, and the changing of internationally recognized borders of states.

Milošević's control over Kosovo came to the end in June 1999 with the arrival of UNMIK, under the control of the Special Representative of the UN Secretary-General (hereinafter: UNSG), thereby creating a "new reality" in Kosovo, while the UN Security Council Resolution 1244 created a new legal framework for managing the Kosovo crisis.

The status issue is key to the Kosovo crisis settlement and is an important element of peace stabilization and related state-building processes, as one of possible responses to the status issue.

The State-Building Process is a part of peace stabilization, but it does not need necessarily to be so.

In the case of Kosovo, the presence of the international peace keeping mission *de facto* separated Kosovo from Serbia and oriented towards building Kosovo as an independent and autonomous country (Janjić, 2005:4; Steiner, 2003). But, the international community's proclaimed goal of having stable, democratic and multiethnic Kosovo has not yet been achieved.

In recent years, Kosovo has experienced a fast-growing modernization of economy and society, but it has still remained the least developed area in the Balkans. Social-economic structures and micro-economic trends do not give reasons to be optimistic about Kosovo's future, while the social-economic uncertainty has a special place in a general feeling of uncertainty (See: *Chapter IV – Improvements of Economic Conditions toward Normalization*, for more detailed information about economy).

Kosovo does not have significant production. Economic life relies on trade and import activities. Kosovo faces lack of direct foreign investment and direct investment in the public sector, and a weak financial sector with expensive loans, low savings rate, etc. Kosovo's economy is dependant on international assistance. The inflows of cash remittances coming from the Kosovo diaspora are also significant. The International Monetary Fund estimated a level of annual remittance inflows to range between 370 and 187 million euro (Del Re, 2007: 100, 101).

Kosovo is poor and unstable. More than 50 percent of the population is poor, out of which 12 percent are barely subsisting. (Cani, 2004; Farnam, 2003).

There has been an exodus of the population from villages into towns; from agriculture into industry. The towns, with their growth, have not been able to absorb the increase in population and have been especially unable to influence the change of ingrained habits and life styles (Janjić, 2003).

Kosovo has been extremely prone to emigration. People emigrate from Kosovo primarily for economic reasons and the search for a better life. Thus, the main target destinations of immigrants from Kosovo are: EU member countries within the Schengen area, Switzerland and the United States.

The efforts of Serbia and ethnic Serbs to organize a "parallel life" of Serbs in Kosovo, by enforcing the legal system and institutions of the Republic of Serbia in the part of Kosovo inhabited by the Serb majority, have not resulted in a sustainable solution.

As time went by, the reality started to change in favor of strengthening Kosovo's state institutions supported by the international organizations present on-site, resulting

in the weakening of economic, financial, human and other capacities of Kosovo Serbs and Serbia's capacity to support "parallel structures" and to ensure sustainable economic and social development for Kosovo Serbs. The commitment of Serbia to seek a future in the EU had a decisive influence on setting relations between Serbia and Kosovo towards normalization. This commitment directs the Serb community towards integration into the Kosovo structures. Serbia's strategic objective to join the EU had necessary implications on the Serbs in Kosovo, and in particular it had a direct and dramatic impact on the status of northern Kosovo.

Although a relatively small area that includes three predominantly Serb-inhabited Municipalities north of the Ibar River – Zubin Potok, Leposavić and Zvečan – and northern Mitrovica, northern Kosovo has become one of the most complicated issues for integration of Serbs in the Kosovo system.<sup>2</sup> Finding a solution for northern Kosovo has become a paramount issue for the state-building process in Kosovo and for the survival and development of the Serb community therein.

Despite the widespread belief that northern Kosovo has no economy, it is remarkable that nearly 60 percent of businesses reported long-term growth rates. Although the majority of businesses were founded after 1999, still most of the companies are older than 5 years and thus can be considered *long-term* and being stable market players.

The economic structure of northern Kosovo is made up almost entirely of Micro Small Medium Enterprises (MSME). Still there are considerable differences in size, sectors and turnover. Their focus is principally on commerce, agriculture and food processing, but also in construction, metal processing, tourism, IT services, textile manufacture, wood processing and other industries.

With regard to municipalities, their economic structures are different. While Zubin Potok is an agricultural municipality, Leposavić's economy is both agriculture and production based. Zvečan has a significant focus on production and technical the service while northern Mitrovica is dominated by services and retail sectors.

Regarding registration, until the end of 2014, 26 percent of businesses were not registered with any business registry, including the Serbian, Kosovo and UNMIK registry. The largest number of businesses were listed with the Serbian registry, while a much smaller number were registered with the UNMIK and only one fifth with the Kosovo business registry. A significant number of businesses were listed in two or three registries. Businesses that are not listed with the registry of Kosovo cannot operate south of the Ibar River, which significantly restricts their market and growth potential.

Despite the economic need to address the issue of registration and status of companies, resistance to this is still strong. Political refusal or extension of the period for the

---

<sup>2</sup> Northern Kosovo is a status question. For Albanians, it is about the completion of independence and establishment of effective sovereignty over the entire territory, and for Serbs living in northern Kosovo, it is about citizenship and their national status. A vast majority of Serbs in northern Kosovo regard themselves as citizens of Serbia and an integral part of the Serbian nation, whereas Kosovo offers them the status of "national community" or ethnic minority and acceptance of Kosovo citizenship. This leads them to fear that they will lose identity and present rights and freedoms. According to such radically opposed political aims, a significant influence of the extreme streams from both sides and high level of armed population, northern Kosovo and Mitrovica presents a serious security challenge. Therefore, it is no longer desirable to keep things the way they are. (*Perspektiva*, 2013).

registration of companies is explained by the refusal to accept the “abolition of the state of Serbia” and rejection of the “self-proclaimed state of Kosovo.” Behind this political position lay significant economic reasons, from defending the monopoly on business dealings with Kosovo, established in the era of Milošević by “tycoon” companies from Serbia and related political, business and criminal groups from Kosovo and Serbia. There is also the interest to maintain a high income collected from corruption. And, of course, people being “used to” isolation and lack of the rule of law. Because of all this, all sides (Belgrade, Priština and the EU) deal with the phenomena of violations of the laws of Kosovo on company registration and reporting by Kosovo authorities with a high dose of caution, believing that this will, in the long run, produce desired results, which is the establishment of the rule of law and a favorable economic environment in northern Kosovo.

The main target markets outside the local market are Serbia, Serbian enclaves in southern Kosovo and southern Kosovo (only 18 percent of companies trade with these markets and approximately 30 percent are preparing for market entry into these markets or are interested to trade with these).<sup>3</sup> There are a few companies that do business with EU countries.

All in all, the lesson is clear: Sustainable growth of entrepreneurship and economy in northern Kosovo requires massive investment in infrastructure and economy, and this requires new investments and a favorable business environment.

The system of educational institutions from the four municipalities of northern Kosovo is under the jurisdiction of the Ministry of Education in Belgrade, and in addition to primary and secondary schools in the north, the University of Kosovska Mitrovica (or “University of Priština” with temporary seat in Mitrovica) is also operational. The quality of education of Serbs in Kosovo is not satisfactory and needs to be reformed. However, the Serbian government and the leadership of the University and other educational institutions do not show initiative in this direction. For now, everyone is waiting to see whether this issue will form part of the Brussels dialogue. This behavior is a defense of the acquired old habits but it does not guarantee development. Namely, if one takes into account that education is the foundation for the survival and development of identity, that its significance for Serb and other communities are immeasurable, the initiatives for its improvement should come from the community itself.

A particular problem is the university. Many from outside of Kosovo now, work and study there. This, in turn, represents an incentive for the local economy and an important preservation factor. It is not realistic to expect that the Brussels Agreement, will allow more than what exists in similar cases and what is the standard of minority protection: an integrated university in Serbian language with no more than 1,200 students. Meanwhile, Belgrade and local communities have no restrictions to develop a

---

<sup>3</sup> In total 50 percent of companies agree that doing business with southern Kosovo will bring benefits in terms of market enlargement, turnover and profits. In contrast to Zubin Potok and Leposavić, few businesses from Zvečan and northern Mitrovica trade with southern Kosovo, i.e. with companies under the control of Kosovo authorities. Businesses with the substantial outward orientation are mainly found in agriculture, food processing, and machinery and construction material production. Only 20 percent of businesses associated trading with southern Kosovo with loss of reputation. It is interesting that as much as 75 percent of these opinions came from Zvečan and northern Mitrovica, where only few businesses trade with southern Kosovo.

strategy to reform the system of education in Serbian language and to explore the possibilities to maintain and increase the number of students through public - private partnerships.

As already indicated, one of the most important elements of the crises in relations between Serbs and Albanians – Serbia and Kosovo is related to deep and bitter division about the Kosovo status issue – including the status of the Albanian and Serb communities in Kosovo: the Serbs and Serbia claim that Kosovo is a part of their territory and ask for the full observance of the UN SC Resolution 1244, by virtue of which the UN Security Council has a decisive say in determining the status. On the other side, the Albanian leaders are not withdrawing from their request for Kosovo independence. After many years, the UN, US and EU took the view that Kosovo should become an independent state.<sup>4</sup>

The Decision adopted by the United Nations Security Council (UN SC) on 24 October 2005 to initiate the “Kosovo status process” has marked the beginning of a new phase in the Balkans. In addition to the talks, this stage of the Kosovo status process is also made up of a series of diplomatic, political and propagating and other activities of the key participants in the process<sup>5</sup>.

Following the negotiations on the future Kosovo status in Vienna on 10 March 2007, and Ahtisaari’s decision to send “the best proposal so far”, as he himself described it, to the UN, the activities aimed at finding the solution to Kosovo’s status and addressing the problems caused by the Vienna negotiations were intensified. At the beginning of the talks on the future status, Ahtisaari announced that when they come to the end, both sides will be able to see themselves as winners.

However, his *Comprehensive Proposal* is as such, that both sides rather see it as their loss, although the Albanians accept it with less trouble than Belgrade and Serbs. All in all, instead of facilitating the agreement, Ahtisaari created a problem by becoming actively involved, together with his deputy Rohan, in the fight against “Serbian – Ru-

---

<sup>4</sup> There is no uniform opinion in the EU. The main reasons for differences are: fear of EU member countries that “Kosovo virus” might spread; doubt that Kosovo institutions are able to contribute to stability of Kosovo and the region. At the same time, the international community, especially the EU, cannot escape this tangled situation, which it (for the most part) created. Kosovo is a unique case in the history of international interventions or “peace missions” in that the situation and its status are the result of a process which took place under international leadership, and approved and confirmed by the UN Security Council (Čeku, 2007:113).

<sup>5</sup> Talks about the future status which were lead in Vienna, conducted by Martti Ahtisaari in concerted efforts with UNOSCE and his deputy Albert Rohan and assistant Frank Wisner. In November 2005, the Special Envoy visited Priština, Belgrade, Tirana, Podgorica and Skopje. 15 rounds of direct talks were held between the negotiating teams of Belgrade and Priština during 2006. The talks dealt with decentralization, protection of cultural and religious heritage in Kosovo, economic issues and protection of community rights. From 26 January 2006, representatives of the expert mission from the United Nations Office of the Special Envoy for Kosovo (UNOSCE) visited Belgrade and Priština in order to hold talks with the sides on various issues separately. Also from November 2005, Ahtisaari and his deputy Albert Rohan had a number of meetings with other key players in the process: reporting to the Security Council (on 4 March, 13 July and 22 September 2006); meetings with the Contact Group (CG), EU diplomats and other international stakeholders, including NATO and the Organization for Security and Co-operation in Europe (OSCE). Apart from that, Ahtisaari presided over direct talks with the leaders of Serbia and Kosovo in Vienna on 24 July 2006. After a meeting with the UN Secretary General on 25 January 2007 in Paris, at which he informed him about the latest development of events in the process of solving Kosovo’s status and submitted a proposal to him, Ahtisaari met with members of the Contact Group on 26 January 2007 in Vienna and presented the content of his proposal.

ssian obstruction". This is in line with his decision to (in addition to his obvious dissatisfaction expressed in public speeches after the completion of Vienna talks in February 2007) to leave the mission "with a Big Bang". This is why he changed his 2001 proposal of "conditional independence" into the proposal of "independence for Kosovo under international supervision in initial stage" (Item 1 of the *Report to Secretary General on Progress of Talks*; Janjić, 2007).

Ahtisaari's *Comprehensive Proposal* created a "minor war" of resolutions between the US and EU on one side and Russia and China on the other. Faced with the risk of Russian-Chinese veto of the *Comprehensive Proposal*, EU and the US accepted Russia's proposal to establish a UN SC mission that would provide the basis for approximation of positions.<sup>6</sup>

In an effort to overcome the deadlocked situation regarding the Kosovo status settlement in the UN Security Council, the US and EU have decided to recognize the unilaterally declared independence of Kosovo<sup>7</sup> and thus create a "new reality", with the ultimate goal of achieving complete independence of Kosovo. For achieving this goal, a *Council Joint Action 2008/124/CFSP* on launching the *European Union Rule of Law Mission in Kosovo* – "EULEX Kosovo" was adopted on February 4, 2008. From then on, the EU became a leading player in Kosovo and would seek the solution for Kosovo status and relations between Kosovo and Serbia in the "common EU future". Over time, the idea that the normalization process will bring the solution has been shaped through dialogue and diplomatic, political, economic and security actions carried out by the EU and US.

## b) Normalization - the Way toward a Possible Solution

The EU facilitated dialogue between Serbia and Kosovo (the Brussels dialogue) moves along the path determined in the UN General Assembly Resolution of October 2013. This path can be described as "normalization with the aim of achieving peace, security and stability in the Western Balkans, and promoting cooperation and European integration to improve living conditions for all people. In reality, it is a long journey made of many steps that need to be taken by both sides" (*Is There A Way Forward*, 2013: 32).

<sup>6</sup> At the proposal of Russia, the UN Security Council reached a decision on establishing UN SC mission to "inspect the application of standards in Kosovo", on its session of April 3, 2007.

Between May 25 and 28, 2007, UN SC mission conducted talks with all important participants in the Kosovo's future status process (Belgrade, Priština, UNOSK, NATO and European Commission). This has actually initiated "technical consultations" and gave the UN SC extra time to decide on supporting or rejecting Ahtisaari's Report on Status Talks and attached Comprehensive Proposal. It seemed that there was a consensus that the UN Mission in Kosovo (UNMIK) should close its mandate and the EU should takeover. Thus, the solution should be to adopt new UNSC Resolution on Kosovo, since any unilateral action could destabilize Kosovo and the entire region. But, it turned out that there was no consensus in the UN SC and in the region for amending the UN SC Resolution 1244.

<sup>7</sup> In coordination with Washington and Brussels, the *Kosovo Declaration of Independence* was adopted on February 17, 2008 by the Assembly of Kosovo.

The declaration reflects the will of Kosovo people and is in full accordance with the recommendations of UN Special Envoy Martti Ahtisaari and his *Comprehensive Proposal for the Kosovo Status Settlement*. Kosovo is declared to be a "democratic, secular and multiethnic republic". The international presence established in Kosovo, and leading role of the EU and NATO, is also welcomed in the declaration.

Although there have been many interpretations of the dialogue in literature, most of them agree that it should be “achieving significant progress toward normal relations” or normalization of relations between Belgrade and Priština. Normalization of relations itself is seen as an objective. The ultimate goal is “full normalization” of mutual relations that is achieved through negotiations on EU association - through negotiations on a Stabilization and Association Agreement in the case of Serbia, and later through negotiations on EU membership in the case of Kosovo. Both Serbia and Kosovo share the ultimate goal of accession to EU, or “common European future”.

The aim of the first stage of the dialogue is to achieve significant progress toward normal relations in 2012 and 2013, based on the following elements: overcoming the separation between northern part and the rest of Kosovo through arrangements for regional autonomy for northern part; providing international guarantees for Serb Orthodox monasteries; establishing a comprehensive framework for cooperation, including contractual agreements and diplomatic representation, that preserves the parties’ differing legal positions on status and is modeled on the German-German agreement of 1972; ending Serbia’s opposition to Kosovo’s membership in international organizations and to further recognitions, etc. (*Lehne, 2012:1*).

After the signing of the “*First Agreement of Principles Governing the Normalization of Relations*” (hereinafter referred to as: *First Agreement of Principles*), in April 2013, it became clear that the *First Agreement of Principles* encompassed most of these elements/themes, and went beyond them.

This only confirms that normalization is a complex process in which a solution must be found for a multitude of interrelated issues, including those inherited from the past and those arising from the Brussels dialogue and normalization process itself.

From this point of view, the *Framework Agreement*, produced within the “*KAS Project*”, suggests a complete definition of all elements of normalization.<sup>8</sup> This brings the *Framework Agreement* closer to reality and to the true nature of the problem, as well as highlighting the need for development of Serbia, Kosovo and the Western Balkans in general.

However, the Brussels dialogue has been accompanied by a series of other activities instigated and supported by the EU, already resulting in positive outcomes. These activities are part of the initiative launched with the goal to achieve closer cooperation among the countries in the region, “Western Balkans Six”, known as the Berlin Process, or the framework for cooperation of business organizations, SMEs and entrepreneurs with the support of Eurochambres, which will be discussed later.

It is especially important to observe that the *First Agreement of Principles* and *Framework Agreement* comply with the Germany’s experience with reconciliation, as a useful one for the normalization of relations between Serbia and Kosovo. This is reflected in establishing liaison officers; advocating the decentralization and integration

---

<sup>8</sup> *The Framework Agreement* establishes the following principles/starting points: responsibility for peace and security on the bases of democracy, freedom, the rule of law, justice and the respect for human and minority rights; respecting the historical specifics and regardless of the different understandings of both sides of the agreement when it comes to the status issues; desire to act for the benefit of the people and for regional cooperation and stability, and development of good-neighboring relations.

model for the issue of northern Kosovo; facilitating cooperation of Serbia and Kosovo through international organizations, (with the exception that the *First Agreement of Principles* deals with regional cooperation only), leaving the issue of cooperation through the UN and other international governmental and non-governmental organizations for future talks, while the *Framework Agreement* provides a solution to this issue.

As indicated before, despite numerous differences and disagreements, the thing in which both sides agree is that the vast majority of citizens of Kosovo and Serbia want their countries to be part of European integration and are committed to a “European future”. Rightfully relying on this commitment, the European Union has temporarily set aside the rule by which the countries have to resolve all open issues including border disputes before their accession to the EU. Serbia’s<sup>9</sup> journey towards EU membership will be longer and more demanding than it was for other countries in previous enlargement.<sup>10</sup> Despite all the difficulties on their path to EU membership, including numerous objections and doubts, Serbia and Kosovo, just like other countries in the region, have not up until now demonstrated that there is a shorter, simpler and more efficient way to overcome problems set before each country, and to resolve their mutual problems and establish cooperation.<sup>11</sup> For that reason, it is important that Serbia and Kosovo agree on all issues concerning the normalization process (See: [www.mfa.gov.rs](http://www.mfa.gov.rs)).

Irreconcilable conflict between Serbia and Kosovo and different approaches emerging from Belgrade and Priština, as well as differences among Member States regarding Kosovo’s status is the main challenge for the dialogue.

The experience with the dialogue so far shows that whenever the issue of Kosovo’s status is raised, a political climate against the new agreements is created and the implementation of agreements reached in the dialogue is hindered. Progress towards the EU membership proved to be an effective means of creating favorable conditions for the dialogue and normalization of relations between Serbia and Kosovo. As it turned out,

<sup>9</sup> For example, according to the European Commission Enlargement Strategy, before Kosovo can be granted full candidate status, it will have to comply with the conditions set by the EU, including the Copenhagen criteria. Kosovo is required to continue positive relations with Serbia and to implement all the agreements that were made in the dialogue. Other key priorities Kosovo needs to face include the rule of law, the priorities set out in the visa road map, organized crime and corruption, judicial and public administration reforms, rights of minorities, trade issues, unemployment, weaknesses in the labor market and promotion of democratic rights.

(See: [http://ec.europa.eu/enlargement/pdf/key\\_documents/2013/package/strategy\\_paper\\_2013\\_en.pdf](http://ec.europa.eu/enlargement/pdf/key_documents/2013/package/strategy_paper_2013_en.pdf), pg. 7).

<sup>10</sup> Serbia’s EU accession negotiations started almost ten years before the process of normalizing relations with Kosovo was initiated by the UN General Assembly Resolution 64/298, on 13 October 2010, shortly after the International Court of Justice issued its opinion. This makes Serbia an exception or “special case” compared to the countries that have completed the EU accession process, including other Western Balkan countries with the status of candidate country and those that have already started accession negotiations. This is because none of these countries has a problem of secession and division of its territory.

Kosovo could be viewed as a “case for itself” in many aspects, including that its progress towards the “European future” will depend on its willingness to cooperate with Serbia, a country it has separated from.

<sup>11</sup> This EU policy in Kosovo is firmly opposed above all by *Levizja Vetevendosje*, or the *Movement for Self-Determination* and some CSOs among Albanians in Kosovo, who believe that the EU and EULEX obstruct the completion of Kosovo’s independence and sovereignty; and in Serbia by some political parties (*Democratic Party of Serbia, Serbian People’s Party, Third Serbia and Dveri*), including members of the ruling coalition (SPS, Socialist Movement.), numerous CSOs in Serbia and among the Kosovo Serbs, claiming that “the recognition of Kosovo’s statehood by Serbia” is the EU requirement, while “there is no guarantee that Serbia will ever be a member of the EU”.

progress has not been linear so far, and periods of progress are followed by eruptions of political and security challenges, resulting in stagnation or even deterioration of the process. The eruptions of challenges provide further fuel to opponents of the “European future” and at the same time a call for those who are committed to “European future” to strengthen their efforts. All in all, the approximation of joining the EU is not a “magic formula” that will resolve the issue of Kosovo’s status by fixing Serbia’s non-recognition of Kosovo’s statehood.<sup>12</sup> Up until now, the opponents of the “European future” have not been able to demonstrate that there is alternative for Kosovo and Serbia but to join the EU.

A historical perspective of Serbia’s path to the “European future” involves the following events:

As already indicated, the process of Serbia’s EU accession was launched before the beginning of the normalization process, but these two processes are intertwined. The issue of normalization of relations under *Chapter 35* will open and close the negotiations on Serbia’s membership in the EU. *Chapter 35* dealing with normalization of relations between Serbia and Kosovo will, together with *Chapters 23* and *24*, be opened at the start of the negotiations on Serbia’s membership in the EU and be closed at the very end. *The European External Affairs Service (EEAS)* will be tasked to monitor and report on the fulfilment of the conditions under *Chapter 35*.

*Chapter 35* is particularly important in the negotiations because it deals with the political, institutional, economic and security conditions that need to be fulfilled on the path towards the “European future”. In the case of Serbia, *Chapter 35* further complicates and aggravates the already complex process other countries went through in the process of becoming members of the EU. *Chapter 35*, on ‘other issues’, is a tool for the long-term regulation of coexistence for Serbia and Kosovo and their equal participation in the EU. It means that Serbia should not block Kosovo’s future membership into the EU by refusing to recognize its independence, and that Kosovo should not hinder Serbia on its path towards the EU by conditioning and obstructing the process of normalizing relations with Serbia. This suggests the need to have a legally binding document that keeps both countries obliged from acting against each other on the international scene, including in international organizations, in a way that would seriously harm the other’s interests and internal policies. (*Lekvall, 2014: 1 - 3*). This document is the *First Agreement of Principles* (which will be discussed later). It can be concluded that the level of importance of *Chapter 35* is higher than other chapters. This chapter even has the power to temporarily suspend negotiations on the association agreement and slow the pace of Serbia’s entry into the EU (*Milivojević, 2015*).

Serbia’s first step in the process of approaching EU membership was taken in April 2005, when the State Union of Serbia and Montenegro was positively assessed for its *Feasibility Study on the Commencement of Negotiations with the EU Concerning the Conclusion of the Stabilization and Association Agreement (SAA)*.

---

<sup>12</sup> An example of Cyprus shows that the problem of the Turkish Republic of Northern persists, while Cyprus has joined the EU (*Simić, 2015; Perspektiva Severnog Kosova, 2013: 9, 10*).



The SAA negotiations were officially opened on 10 October 2005. In May 2006 the European Commission suspended SAA talks with Serbia-Montenegro<sup>13</sup> over its failure to arrest Ratko Mladić, stating that Serbia failed to fulfill its commitment to fully cooperate with the *International Criminal Tribunal for the Former Yugoslavia*. On 31 May 2007, the ICTY's chief prosecutor Carla Del Ponte gave a positive assessment of Serbia's co-operation and on 13 June, the SAA negotiations were resumed. In November 2007 the EU initiated the SAA in Brussels. Serbia signed its SAA in Luxembourg on 29 April 2008.

In November 2009, the Council of the European Union published a document on visa liberalisation for Serbia, Montenegro and Macedonia, on the basis of which visa-free regime with the European Union entered into force on 19 December 2009, resulting in abolishing visas for travel to EU member states that are part of the Schengen area. On 7 December 2009, the European Union decided, at its meeting in Brussels, to start the implementation of the *Interim Trade Agreement with Serbia*, which envisages gradual trade liberalization. The *Interim Trade Agreement* entered into force on 1 February 2010, and Serbia started to unilaterally implement it on 1 January 2009.

On 14 June 2010, EU foreign ministers decided at the meeting in Luxembourg to propose to their countries' parliaments to ratify the SAA with Serbia. The European Parliament ratified the SAA on 19 January 2011. The ratification process in the EU Member States was completed on 18 June 2013, when the SAA was ratified by Lithuania. The SAA between the Republic of Serbia and the EU entered into force on 1 September 2013. Following the entry into force of the SAA, Serbia became an associate member to the EU.

On 25 October 2010, the Council of the European Union (Foreign Affairs Council) requested the European Commission's opinion on Serbia's EU membership application. In November 2010, the Commissioner for Enlargement and Neighborhood Policy Stefan Füle delivered to Prime Minister Mirko Cvetković the *Questionnaire of the European Commission* sent in order to prepare an opinion on the request of Serbia for membership in the EU. On 31 January 2011, Mirko Cvetković handed over to Stefan Füle answers to the *Questionnaire on reforms implemented by Serbia in order to meet its obligations to be given the status of candidate for membership in the EU*. On 12 October 2011, the European Commission recommended that Serbia be granted the status of a candidate country for EU membership, "on the understanding that Serbia re-engages in the dialogue with Kosovo and is moving swiftly to the implementation in good faith of agreements reached to date". Furthermore, the European Commission recommended that accession negotiations be opened as soon as Serbia achieves "further progress in meeting the one key priority: further steps to normalize relations with Kosovo".<sup>14</sup> In

---

<sup>13</sup> Following its independence in June 2006, Montenegro sought close relations with the European Union, actively participating in the Stabilization and Association Process. The candidate status was officially granted to Montenegro on 17 December 2010 and the accession negotiations started on 29 June 2012.

<sup>14</sup> Because of the unstable situation in northern Kosovo, in 2011, mainly due to roadblocks and opposition to the agreement on freedom of movement and customs, Serbia was not given the candidate status for EU membership in December 2011, as planned. On 9 December, 2011, the EU leaders decided in Brussels to partially change the draft conclusions on Serbia and requested from the Council of EU Ministers to make an assessment in February 2012, to enable the EU leaders to definitely approve Serbia's candidate status for membership in the EU.

March 2012, the European Council decided to grant Serbia candidate status for EU membership, insisting on improved relations between Serbia and Kosovo before taking the final step. In December 2012, the foreign ministers of EU countries agreed to determine in the spring 2013 whether Serbia meets all the conditions for the start of negotiations on the EU membership. If the assessment is favorable, they will set the date for the start of negotiations by June 2013.<sup>15</sup>

On 21 June 2013, the High Representative Catherine Ashton and European Commissioner for Enlargements Stefan Füle sent a joint letter to the Foreign Ministers of the EU Member States, in which they made a positive recommendation to open accession negotiations with Serbia on its EU membership and to launch talks with Kosovo on the SAA, based on Serbia and Kosovo's progress achieved regarding the normalization of relations;<sup>16</sup> The European Commission in its annual progress report on Serbia published in mid-October, the European Commission has concluded that as a result of intensifying reforms, Serbia "sufficiently meets the political criteria" and partially the economic criteria for the EU membership. In this report the EC found that the decision to launch talks on SAA opened a "new phase in the EU-Kosovo relations". The decision of the EU Council of Ministers of 17 December 2013 to open accession negotiations with Serbia was confirmed at the meeting of EU heads of state and government in Brussels on 20 December 2013. EU leaders also concluded, after verifying the *EU Negotiating Framework – a mechanism and rules for membership negotiations with Serbia*, that both Serbia and Kosovo must reach a "legally binding agreement on the comprehensive normalization of relations before Serbia becomes a member of the EU". (See: <http://ec.europa.eu>). Such a position determines the nature of agreements reached during the Brussels dialogue. Agreements reached in Brussels are political documents which have binding legal consequences. At the end of the negotiation process, a legally binding agreement shall be adopted under *Chapter 35*, to legally verify all agreements reached in the process.

Accession negotiations will be held based on the *Negotiating Framework*, focusing on the conditions under which the candidate country will adopt, implement and apply the *acquis communautaire*, divided into 35 thematic chapters. On the other hand, Serbia has developed its own negotiating platform in the coming period, which includes its commitment to EU objectives, its readiness to comply with the EU *acquis*, and an

<sup>15</sup> In a key paragraph of the conclusion reached by the EU leaders (European Council) on 14 December, it is stated that "With a view to a possible decision of the European Council to open accession negotiations with Serbia, the Council will examine on the basis of a report to be presented by the Commission and the High Representative in Spring 2013 the progress in the implementation of reforms and improvement of relations with Kosovo".

It is also emphasized in the conclusion that: "A visible and sustainable improvement in relations between Serbia and Kosovo is needed so that both can continue on their respective European paths, while avoiding that either can block the other in these efforts".

<sup>16</sup> On 25 June 2013, the Council of the European Union unanimously recommended to the European Council to start negotiations with Serbia by January 2014, at the latest, and that the European Commission should draft the *Negotiating Framework* and begin with an analytical review of the Serbian legislation harmonization with the EU legislation.

Three days later, heads of state or the government decided to open accession negotiations with Serbia, no later than January 2014. The decision to open accession negotiations sixteen months after receiving the candidate status for EU membership was a milestone for Serbia's EU integration process.

explanation of the manner and timescale for alignment with the EU *aquis* in a given sector.

The *Negotiating Framework with Serbia* is directed towards internal reforms (Serbia needs to continue improving the business environment, develop a competitive private sector and tackle high unemployment rates) (<http://ec.europa.eu>). However, it is explicitly demanded that “full normalization of relations” is a *conditio sine qua non* for Serbia’s EU membership. The following paragraphs of the *Negotiating Framework* confirm this condition.<sup>17</sup>

With the aim of involving Serbia in the Brussels dialogue, the National Assembly of Serbia in the “*Declaration of the National Assembly of the Republic of Serbia on the Current Situation in Kosovo and Metohija Following the Unilateral and Violent Actions of the Provisional Institutions of Self-Government in Priština*” (31 July 2011), established key stands (paragraph 6) that should be used as “the framework of the state authorities’ and other public actors’ activities in defense of sovereignty, territorial integrity and the constitutional order of the Republic of Serbia”.<sup>18</sup>

The Serbian authorities set the goals, designated as the Serbia’s “national interests” to be achieved through the Brussels dialogue, as follows: improved international standing and the acceleration of Serbia’s EU integration; the creation of an environment for

<sup>17</sup> Paragraph 23 of the *Negotiating Framework* states: “The issue of normalization of relations between Serbia and Kosovo will be addressed under *Chapter 35: “Other issues”* as a specific item”. Also, “Serbia’s continued engagement, in line with the Stabilization and Association process conditionality, towards a visible and sustainable improvement in relations with Kosovo”.

Paragraph 24 of the *Negotiating Framework* sets out a special procedure for *Chapters 23 (Judiciary and fundamental rights)* and *24 (Justice, freedom and security)*, should progress under these chapters significantly lag behind progress in the negotiations overall, given their importance for the implementation of the *acquis* across the board. The EC can on its own initiative or on the request of one third of the Member States propose to withhold the entire process based on relevant assessment and the report on progress stalls, until this imbalance is addressed.

The same power is given to EC in paragraph 25 of the *Negotiating Framework* in case progress in the normalization of relations with Kosovo, dealt with under chapter 35, “significantly lags behind progress in the negotiations overall, due to Serbia failing to act in good faith, in particular in the implementation of agreements reached between Serbia and Kosovo”

Article 38 contains the provision: “In all areas of the *acquis*, Serbia must ensure that its position on the status of Kosovo does not create any obstacle nor interfere with Serbia’s implementation of the *acquis*... As part of its efforts to align with the EU *acquis*, Serbia shall in particular ensure that adopted legislation, including its geographical scope, does not run counter to the comprehensive normalization of relations with Kosovo” (*Milivojević, 2015*).

<sup>18</sup> This framework of activities includes the following:

Defense of legitimate interests of Serbia and the people living in Kosovo, until the compromise solution of the issue is adopted in line with UNSC Resolution 1244;

The National Assembly supports the Government to continue dialogue with Priština with the aim of finding solutions for actual problems the citizens of Kosovo are facing, and achieving a lasting compromise solution;

The National Assembly commits the Government to request international missions, to allow no unilateral activities carried out by the provisional institutions threatening peace, stability, possibility of reaching compromise solution and changing of the existing situation on the ground;

The National Assembly commits the Government to adopt concrete measures aimed at maintenance of all state activities of Serbia in Kosovo;

The National Assembly specially obliges the Government to make its utmost efforts in all circumstances that may arise, to protect the lives and property, rights and liberties of the citizens in the province, and especially the Serbian and other violence-threatened populations;

The National Assembly obliges the Government to adopt concrete and comprehensive measures plan to be taken in case of deterioration of the situation in Kosovo, etc. (*Declaration of the National Assembly of the Republic of Serbia on the Current Situation in Kosovo and Metohija Following the Unilateral and Violent Actions of the Provisional Institutions of Self-Government in Priština* “*Official Gazette of the Republic of Serbia, No. 44, Belgrade, 31 July 2011*).

better protection of Kosovo Serbs, and implementation of the Brussels Agreement without the explicit recognition of Kosovo (*Ejodus*, 2014:1).

The new government formed after the elections held in May 2012 was composed of former parties that were most influential during the reign of Slobodan Milošević when Kosovo escalated from conflict into the crisis.<sup>19</sup> These parties were, under changed circumstances in 2012, faced with the role of “peace builders”. As a starting point for the Brussels dialogue the new government used the *Constitution of the Republic of Serbia* (Preamble and Articles 114 - 182), which treat Kosovo as one of the two autonomous provinces within the Republic of Serbia and the *2009 National Security Strategy*, which as the main security risk identifies “the attempts to sever the territory of the Autonomous Province of Kosovo and Metohija” (*National Strategy*, 2009: 6; *Ejodus*, 2014: 2).

The original plan was for the negotiations with Serbia to be led by the Serbian President Tomislav Nikolić, but in February 2013 he turned over this duty to the then Prime Minister Iвица Dačić.

Nikolić and his cabinet prepared the text of the *Platform* (See: *Annex 2*). The main objective of the *Platform* is to set the political framework for the Serbian government for the *Brussels Dialogue*, committing the Serbian government to use the Platform as the starting point in drafting a resolution, to be approved by the National Assembly. This concerns the division of responsibilities within the ruling coalition and institutions in Serbia. This “duality” of politics in Serbia is not new compared to the previous practice, dating back to the Milošević era. In Serbia there is a practice by politicians in power to “shift the responsibility to others”. Behind this policy is the inability or unwillingness or lack of courage to make decisions. This leads to missed opportunities, loss of time and resources.

In some cases the *missing-out* and delays are used as an excuse that nothing can be done because “everything has already been decided.” Essentially it is about a lack of a clear vision in leading the society and the state, weakness of political leadership and institutions that direct them to “improvise”, producing reactive policy as the final result. However, the practice has also confirmed that only a “proactive policy” that recognizes reality and that draws from a clear vision and elaborate strategy can resolve extremely complex and important issues such as the issue of Kosovo. This kind of behavior by Serbia often made it easier for Kosovo to achieve its goals, and sometimes it forced the international community to side with Kosovo.

The *Kosovo Platform* insists that “every solution in the Serbia/Kosovo dialogue needs to be in accordance with the *Constitution* and the *Resolution 1244*, and with the fact that Serbia is not recognizing the independence of Kosovo”. Moreover, Serbia’s policy should aim to “overcome institutional parallelism” in Kosovo and “establish autho-

---

<sup>19</sup> The main party in the new government was the *Serbian Progressive Party*, SNS, which had split off from the *Serbian Radical Party* led by Vojislav Šešelj with the coalition partners: Movement of Socialists led by Aleksandar Vulin, one of the founders of the *Yugoslav Left*, JUL, once led by Mirjana Marković; the *Strength of Serbia Movement* led by Bogoljub Karić, and some of DOS members (such as, the *New Serbia* led by Velimir Ilić) and the *SPS – United Serbia – PUPS*, led by successor and spokesman of Milošević’s SPS. Iвица Dačić formed a coalition government and became prime-minister, whereas Aleksandar Vučić, first vice president, had the most influence in the government.

rities in the Province recognized by all stakeholders”. Finally, the *Platform* calls for the establishment of a Community of Serbian Municipalities (CSM) (*Ejduš, 2014:4*). The vision of CSM, from the *Platform*, does not correspond to the Serbian Constitution<sup>20</sup> nor Kosovo’s Constitution. It represents a political desire to establish a territorial – administrative autonomy of Serbs, which would serve to “institutionalize” Belgrade’s influence in Kosovo.

This solution, viewed from the side of Kosovo, is reminiscent of the Brezhnev’s doctrine of “limited sovereignty” or the concept of “divided sovereignty”. Because of all this, the CSM, as envisaged by the *Platform*, seems unfeasible. This risk was partially mitigated by the Government of Serbia, which in its resolution alleviated certain positions and completely omitted the idea of a bicameral arrangement of the Kosovo Assembly<sup>21</sup> from the *Platform*.

Based on the *Kosovo Platform*, the Government of the Republic of Serbia proposed the text of the resolution to the National Assembly, which brought the “*Resolution of the National Assembly of the Republic of Serbia on the basic principles for political talks with the Provisional Institutions of Self-Government in Kosovo and Metohija*”, on 13 January 2013. (*Official Gazette of the Republic of Serbia, No. 1, Belgrade, 13 January 2013*) (See: *Annex 3*). The basic principles for political talks determined by the Resolution are: “Serbia does not recognize and will never recognize Kosovo’s unilateral declaration of independence; the aim of negotiations is to discuss the creation of conditions for the Serbian community and all other ethnic communities in Kosovo and Metohija, which guarantees safety and full protection of human rights ... the protection of the rights guaranteed for Serbs... investigating the fate of missing persons and to follow court processes for those accused of committing ethnic violence against Serbs ... All the powers entrusted to the PIS in Priština, as a result of the negotiations, will be confirmed in by constitutional law and transferred to the authorities of the Autonomous Province of Kosovo and Metohija, in accordance with the Constitution, laws and other regulations of the Republic of Serbia”.

On the other side, the Assembly of Kosovo adopted a *Resolution for the commencement of a dialogue with Serbia*, which limited the Government to negotiate on “technical” issues only. A second resolution was necessary to enable the continuation of political dialogue, which was approved by the Assembly of Kosovo on 18 October 2012: “*Resolution on the normalization of relations between the Republic of Kosovo and Republic of Serbia*” and gave the green light for the signing of the *First Agreement on the Principles Governing the Normalization of Relations between Kosovo and Serbia* (*Monitoring, 2013: 43*).

<sup>20</sup> Through the interpretation of the existing *Constitution of the Republic of Serbia* and the part of the *Platform* dealing with the CSM, a conclusion can be drawn that the Constitution was not respected. The Constitution itself, at the time of enactment, did not reflect the reality but the political desires on the status of Kosovo. This is called a “dead norm”, which acts on the entire constitutional and legislative system like a metastatic cancer acts on the health of a patient.

<sup>21</sup> Compared with the *Platform*, it is evident that the *Resolution* goes into details of a possible result of the dialogue and does not go into describing the CSM or other requests such as guaranteed autonomy of certain settlements inhabited by Serbs. It is certain that the solution from the *Resolution* is more in tune with the reality in Kosovo and the Government of the Republic of Serbia has tried to leave as much maneuvering space as possible, unlike the President of Serbia who drafted the *Platform* with the assistance of his cabinet.

The results achieved so far in the normalization process are positive, especially with signing the *First Agreement of Principles*, but it does not guarantee success of the final outcome of the dialogue. The following two challenges deserve special attention:

Firstly, Serbian authorities do not have a coherent strategy which takes into account the changed reality in Kosovo, the EU, as well as in Serbia itself, including the changes that have occurred through the initiation of the process of normalization. What is particularly worrying is that there is no correlation between the policy towards Kosovo and preparations for negotiations on EU membership, and *Chapter 35*, and

Secondly, even though in 2014 Serbia began preparations for negotiations on EU membership, that did not have much effect on many people in Serbia who still believe that Russian annexation of Crimea created “new geopolitical opportunities” that justify the idea of northern Kosovo remaining in Serbia, and see this as a chance to “play the card” of annexation of the Republic of Srpska to Serbia.<sup>22</sup>

In reality, dialogue and normalization are not short-term operations. However, “the Kosovo issue” should not be allowed to follow certain European examples (such as Cyprus or Ireland), where conflicts lasted for decades or even centuries.

## II) BRUSSELS AGREEMENT

The EU facilitated dialogue between Serbia and Kosovo was initiated by the *UN General Assembly Resolution 64/ 298*. The first round of dialogue took place on 8-9 March 2011, and until 8 July 2012, it was referred to as “technical dialogue”. After that the “political dialogue” of Kosovo and Serbia started at the level of the Prime-Ministers.

Numerous meetings have produced a number of “agreed conclusions”, action plans, technical protocols, etc. In the public, the media, politicians’ rhetoric, civil society activists, and among experts there is a widespread habit of referring to all these documents as the “Brussels Agreement” or “Brussels Agreements”.

In this Policy Paper analysis the term “agreement” will be used for certain “agreed conclusions” and certain acts related to the issue. The reason for this, essentially, technical term, is the appreciation of the created “standard” but also an attempt to minimize the possibility of confusion and unproductive disputes, misunderstandings and ambiguities that may arise when proper names of the given documents are used (for example, *agreed conclusions*). However, when particular documents are cited in their entirety then the original names of these documents are used.

In this Policy Paper analysis, the term Brussels Agreement is used as a generic term for all documents that came out of the dialogue. For the purpose of clarity of presentation and respect for the nature of these talks and documents they have produced, these were divided into two groups: “*technical agreements*” for documents resulting from

<sup>22</sup> In reality, the Russian annexation of Crimea brings Kosovo into an active position because it may lead Russia to allow Kosovo to join UN in return for the “legalization” of annexation of Crimea (*Janjić, 2014*).

the “technical dialogue” and the “*First Agreement of Principles*” for documents resulting from the “political dialogue”.<sup>23</sup>

In the Policy Paper, the categories of the agreements made for the purpose of solving and overcoming the problems that have occurred in the implementation of what has been agreed or in relation to certain issues will not be shown and analyzed in a separate chapter, as was the case in the report of the Government of Serbia. Instead, they will follow the topics and agreements which resulted from their implementation or non-implementation.

In the four years since Kosovo and Serbia began the complex and delicate process of technical dialogue, the situation on the ground relating to relations between Kosovo and Serbia has changed to some extent, but it is still far from normal. Until July 2015, a total of 27 agreements were concluded. Of all agreements, only four have been totally implemented. (*Lost in Stagnation, 2015:5,9*). The result achieved is rather modest.

As for the nature of the agreements reached during the Brussels dialogue this issue will be discussed in more detail later, in the chapter on the constitutionality, legality and legitimacy. However, based on the given analysis of the process of the establishment of a political and legal basis for conducting the dialogue (various declarations, resolutions and such) it can already be said that the dialogue and the achieved agreements by their nature first and foremost political, are producing not only political but also legal consequences.

## a) Technical Agreements

Great efforts by negotiators and representatives of the EU and US during 2011 – 2013 led to a significant progress of the “technical dialogue”.<sup>24</sup> Due to early parliamentary elections held both in Serbia and Kosovo, and drama about the formation of a new government of Kosovo which lasted until January 2015, further dialogue was placed on hold and therefore 2014 was a lost year.

The implementation of technical agreements allows the establishment of European standards that support the process of normalization of relations between Kosovo and

<sup>23</sup> This classification was also applied by the Government of Serbia. Nevertheless, the Government introduced a third cluster. According to the classification of the Government of Serbia: “The first cluster consists of the issues and processes stemming from the political segment of the dialogue, pursuant to the *First Agreement of Principles governing the Normalization of Relations*, and related documents. The second cluster encompasses issues stemming from the so-called Technical Agreements reached under the EU facilitation. The third cluster involves issues stemming from arrangements aimed at resolving and overcoming less important, daily problems, whose persistence decelerates the process of normalization” (*Izveštaj, 2015:2*).

<sup>24</sup> From the beginning in 2011 until April 2013, a total of seven Technical Agreements were concluded on issues including cadastral records, civil registry books, freedom of movement, customs stamps, acceptance of university diplomas, integrated border management and arrangements for regional representation and cooperation. Among these, most important agreement reached in the framework of the technical dialogue is the freedom of movement of people and goods, supported by agreements on integrated border management, customs revenue collection and VAT and customs stamps. A *Development Fund for Northern Kosovo* (hereinafter referred to as the Fund) was established as a side result to promote the socio-economic development of northern Kosovo.

Serbia. For this reason these agreements play an important role in the context of resolving the issue of the Kosovo status. In addition, they create the prerequisites for the elimination of obstacles for a faster economic development of Kosovo, including northern Kosovo. (A 'Peace Treaty', 2012: 6, 8, 10).

Serbia fulfilled the prerequisites for candidate country status at the end of February 2012, reaching the agreements on integrated border management/boundary management of the administrative crossing points and on Kosovo's regional representation. Serbia was granted the status of candidate country on 1 March 2012.

### 1. Freedom of Movement

The issue of freedom of movement was resolved by the "agreed conclusions" (See: Annex 4) in the fifth round of the dialogue on 2 July 2011, and on 2 December 2011 the *Operational Conclusions* related to the implementation of this agreement were harmonized.

The aim of the agreement is to enable free travel within and through the territories of Kosovo and Serbia. The implementation of the agreement which began on 26 December 2011 is going well.

The main points of the agreement are: the use of ID cards issued in Kosovo, driving licenses, vehicle registration plates, car insurance and new procedures for travelling in the two territories.

In the process of implementation of the Agreement, the Government of Serbia passed a series of acts<sup>25</sup> and has taken a number of actions in an effort to regulate the issue of insurance.<sup>26</sup>

Serbia's vehicles pay up to 40 euro for entrance into Kosovo, 368 euro for 6 months, and 603 euro for one year's car insurance.<sup>27</sup> Vehicles from Kosovo with KS and RKS vehicle plates have to pay 100 euro for a 30 day period, including 40 euro for temporary vehicle plates for Kosovo vehicles with RKS plates, including a 1 euro daily fee; and a border tax of 13 euro.

Such high fees make the travel between the two countries very expensive. This has also hampered the freedom of movement, extended the time necessary to cross the border, and caused additional costs for people and businesses, especially to those citizens and goods crossing from Kosovo to Serbia.

<sup>25</sup> Conclusion 05 no. 021-6653/2011 of 1 September 2011, Conclusion 05 no. 423-9394/2011 of 8 December 2011 on the insurance of motor vehicles with license plates issued by the Provisional institutions of Self-governance in Priština, Regulation on the Control of the Crossing of the Administrative Line Towards Kosovo and Metohija, brought on the meeting held on 22 December 2011, 05 no. 110 -9604/2011-3.

<sup>26</sup> At the meeting in Vienna held on 20 December 2011, it was agreed to sign a *Memorandum of understanding* in order to prevent frauds in the area of insurance. There is no visible progress on this issue for now, and for the authorities in Kosovo it is particularly disputable the issue of deposit and providing stronger payment guarantees. Two meetings were held, one on 19 April 2012 in Brussels and one on 26 June 2012 in Belgrade, mediated by the EU, between representatives of the Serbian Association of Insurers and Kosovo Association of Insurers, dedicated to the reduction in price of car insurance (*Report, 2012*). No agreement has been reached so far, and the issue of "green card" also remains open.

<sup>27</sup> After being pressured by the public and Kosovo government, Kosovo insurance companies lowered the initial insurance fees, mostly due to complaints from ethnic Albanian from Preševo valley.



Despite the efforts to address this issue, the so called interim solution, by which the vehicle insurance was issued at the border during crossing, was in force for a long time.<sup>28</sup> After many meetings and mutual conditioning between insurance companies, agreement was reached on July 2015, and vehicle insurance was suspended in August 2015 (See: *Annex 5*).

The KS vehicle plates and ID cards are still not introduced in northern Kosovo for the ethnic Serbs. They use Serbia's vehicle plates and do not pay vehicle insurance fees. This situation is a violation of the agreement of freedom of movement, which explicitly stated that vehicle plate arrangements would be applied from 11 November 2011. In the implementation of this agreement, the Government of Kosovo has decided to apply the so-called soft approach – neither persons were penalized nor were private vehicles or shops searched for documents whose validity was terminated by the agreement (*Kosovo 2014*).

Regarding passports, it should be noted that the state of Serbia during the period between 1999 and 2007 issued 260,000 Serbian passports to Albanians from Kosovo, followed by 26,000 passports during the period from 2009 to 2011. Including the current application of the Kosovo “asylum seekers” for 60,000 Serbian passports, it can be concluded that the number of Kosovo Albanians who have Serbian passports, has exceeded more than 300,000.

Given that a large number of Kosovo citizens have and use personal and travel documents of Serbia, which are subject to the regime of visa liberalization, it is necessary to regulate the issue of recording of the change of residence, to establish data exchange between the authorities of Serbia and Kosovo, and to respond to the particularly delicate issue of “dual citizenship”.

On 11 September 2014 in Brussels, the working group of Serbia and Kosovo agreed to allow persons who have identity cards issued by Kosovo to use additional border crossings when in transit, such as the Belgrade airport “Nikola Tesla”, and crossing to Bulgaria and Macedonia. At the end of 2014, the agreement was extended to Kosovo passports, so that the Serbian Ministry of Internal Affairs issued provisional documents to owners of these passports for passing through Serbia. Crossings to Croatia and particularly important crossings to Hungary or the Schengen area were also included. After this the freedom of movement of people was improved.<sup>29</sup>

---

<sup>28</sup> On 8 December 2011, the Government of Serbia adopted the “*Conclusion on the insurance of motor vehicles with license plates issued by the Provisional institutions of Self-governance in Priština*” by which it designated the Association of Serbian Insurers (UOS) to be in charge of organizing the issuing of insurance policies at border crossings with Kosovo. UOS designated “*Dunavosiguranje*” a.d. as the administrator, which together with UOS invested 60 million RSD towards creating technical conditions for establishing the system for issuing insurance policies on crossings with Kosovo. Starting from 26 December 2011, both sides enabled persons to buy insurance on border crossings to Kosovo (*Monitoring, 2013:60,61*). Vehicle insurance fees are high: when entering Kosovo vehicles registered in towns in central Serbia pay 20 euro per week. Vehicles with German or Swiss license plates pay the same amount. When going from Kosovo to central Serbia, car owners with “KS” license plates (these are mostly owned by Serbs) pay 100 euro for the insurance plus 11 euro tax and 500 RSD per day for the use of “provisional plates” (*Brussels Agreement Implementation, 2015: 20*).

<sup>29</sup> According to Kosovo Police, from December 2011 to January 2013 in total there were 292,889 persons travelling from Kosovo and vice versa – 148,284 persons entered Kosovo from Serbia. There were 122,742 passenger vehicles, 7,706 buses and 39,649 trucks, entering Serbia from Kosovo with RKS vehicle plates; while, there were 15,230 passenger vehicles, 2,514 buses and 8,205 trucks with KS vehicle plates.

A collateral result of the implementation of the agreement on freedom of movement was an increased number of illegal migrants from Kosovo, i.e. the number of “false asylum seekers” from Kosovo trying to get asylum in the EU.<sup>30</sup>

On 11 February 2015, the EC indicated that the number of illegal migrants from Kosovo who are seeking asylum without any grounds in the EU had increased by 40 percent in 2015, which exceeded the number of immigrants from Syria and Afghanistan. The increasing number of citizens of Kosovo who are heading towards the EU is a consequence of the lack of economic development, lack of development policies and jobs, but also the result of the overall crisis (*Grđžaliju*, 2014). There’s room for an investigation on the involvement of organized crime and corrupt police officers and other officials, who influenced the mass number of Albanians who were illegally transferred through Serbia to EU,<sup>31</sup> primarily to Germany and Hungary.<sup>32</sup>

In order to manage migrations more successfully, the Government of Kosovo has adopted a *Migration Strategy 2103 - 2018*. The aim of the *Strategy* is to prevent illegal migration and strengthen regular migration, so as to promote and facilitate legal migration and, at the same time, turn migrations into a positive force for economic development.

The policy of promoting legal migration to the EU whatsoever is the result of the adoption of the *Hague Program* by the Council of Europe, and implementation of the *Lisbon Strategy*<sup>33</sup>

The Government of Kosovo is promoting regular migration in order to facilitate travel to the EU and uses “circular migration” of citizens between Kosovo and EU countries, including migrations for purposes of study, seasonal employment, exchange of experience and training.

The Government of Kosovo established rules and procedures for the readmission of persons who are citizens of Kosovo or foreigners who do not fulfill the conditions for entering or residing on the territory of the requesting State. So far, Kosovo has signed 19 bilateral readmission agreements with nineteen countries of the EU and the countries of the Schengen area and with two countries in the region: Albania and Montenegro.

<sup>30</sup> In only two months at the beginning of 2015, more than 50.000 Albanians left Kosovo, among which 6.000 high school students. Media in Priština cite that since the middle of 2014, between 60.000 and 100.000 people have left Kosovo. This means that in the period October 2014 – February 2015 approx. 150.000 Albanian immigrants entered the EU zone, of which more than 120.000 have passed without any control (*Jovanović*, 2015; *Zečević*, 2015).

<sup>31</sup> Serbian foreign minister Dačić reminded that a wave of refugees is riding a wave called the agreement on the freedom of movement, which was insisted upon by the Brussels and called Europe to resolve this problem (*Dačić*, 2015).

<sup>32</sup> Statistics says that, since the beginning of January to 12 February 2015, approx. 18.000 people from Kosovo entered Germany (especially the regions of Lower Saxony, North Rhine, Westphalia, and Baden-Wuerttemberg, wanting to become asylum seekers. According to the Hungarian Chief Commissioner Karoly Papp, by March 2015, 23.200 persons crossed the border illegally, which is a great financial and security problem for Hungary. In addition to that, 40 persons have been arrested on charges of human smuggling.

<sup>33</sup> This migration policy aims to set up a framework for legal migrations, completely taking into account the importance of integration into the host society. EU measures for legal migrations also include conditions for entering and residing for certain categories of migrants, such as highly qualified workers who are subject to EU “Blue Card” directives, students and researchers.

Despite everything that has been done, there was a real “boom” of migrations of Albanians from Kosovo in the first half of 2015. This shows that in Kosovo and Serbia there is still no efficient migration management system, and that Serbia and the EU have not yet established effective cooperation in this matter; even though Serbia borders with four EU countries and is on the Schengen border through which (border with Hungary) a large number of illegal immigrants have passed and are passing. This, in turn, indicates that, in addition to a long-term goal of raising the level of development of Kosovo in order to reduce the motivation for immigration, it is necessary to implement certain short-term measures: starting from visa liberalization for Kosovo, through EU assistance to Kosovo and Serbia for capacity building for immigration, planning and management, to raising the technical and overall equipment capacity of services for monitoring borders and cooperation in combating organized crime in human trafficking.

### 1.1. Removal of barricade – Peace Park on the bridge in Kosovska Mitrovica

Belgrade version: In the night between 17-18 June 2014, heavy machinery was used to remove the previously existing barricade of piled soil, positioned on the northern approach to the main bridge over the Ibar River in Kosovska Mitrovica. This allowed for unobstructed and full usage of the bridge, which quickly led to a gathering of a large number of people on both sides of the bridge, and later to the crossing of vehicles and groups of pedestrians from the south to the north part of the city. Promptly reacting to this situation, a decision was taken to install the “Peace Park” on the bridge itself, followed by a quick and efficient placing of jardinières, benches and other park items, and the laying of a thin layer of soil and turf on the approach driveway thus again preventing the traffic of motor vehicles, given that it proved problematic in terms of security, according to Belgrade (*Izveštaj, 2015:22*).

On the EU’s initiative, on 11 July 2014, a meeting of a working group consisting of representatives of the Republic of Serbia, PISG, local authorities (mayors of the northern and southern parts of Kosovska Mitrovica) and EEAS officials was convened in Brussels, to discuss the future of the bridge, with the aim of deflating political and ethnic tensions. A proposal by Mr. Samuel Žbogar, Head of the EU Office in Priština, was adopted, by which a team of French construction experts was to be deployed to the bridge, the same one that performed restoration of the bridge a decade earlier, now tasked with examining technical capacities for a possible permanent installment of the park, after which they would inform the working group on their findings, and the working group would decide on the future of the bridge. In the meantime, concrete blockades in the form of jardinières were firstly placed and soon afterwards removed at the northern end of the bridge, followed by the cutting through the asphalt and creating a half a meter deep ditch, thus blocking access to motor vehicles in order to prevent potential unilateral removal of the Park and restoration of traffic before the political agreement is reached (*Izveštaj, 2015:22,23*).

Priština was complaining that the implementation of “Žbogar’s plan” for the removal of the barricade on Mitrovica Bridge and the revitalization of the bridge is behind the timeline set in the agreement reached in Brussels on 22 July 2014, and blamed Belgrade for that (*Brussels Agreement Implementation, 2015:15*).

A solution was found on 25 August 2015. It was agreed to revitalize the Mitrovica bridge and a pedestrian zone on both sides of the bridge. It was also agreed that by 10 October 2015 the maps of administrative boundaries of cadastral areas in Suvi Do and Brđani area would be solved through the Memorandum of Understanding on Municipal Development Plans, the Municipal Zoning Map and Detailed Regulatory Plan between relevant ministries and the two municipalities. (See: Annex 6).

## 2. Integrated Border Management (IBM)

An agreement on the Integrated Border Management (IBM) /boundary management (See: Annex 5) was reached during the 8<sup>th</sup> round of negotiations (30 November-2 December 2011). Its implementation started as of 10 December 2012. This was a major breakthrough concerning a highly delicate and controversial issue - borders.

The issue of the borders was of special importance for Kosovo's territorial integrity and sovereignty, increased collection of customs duty revenues and establishing control over smuggling and trafficking in human beings and goods (*Kosovo 2014*).

For Serbia it was a "bitter pill" to swallow as reality prevailed over the political desire. Serbia also needed to establish control over the movement of people and goods, to address smuggling and large-scale illegal trade in goods, and to increase VAT and customs duty revenues.

As regards the implementation of the IBM agreement, on 22 December 2011, the Government of Serbia adopted a series of regulations<sup>34</sup> and established a working group tasked with drafting a *Technical Protocol on the implementation of the conclusions reached in the IBM dialogue*, dated 2 December 2011. The *Technical Protocol* was concluded by Serbia and Kosovo's representatives at the meeting held in Brussels with the facilitation of the EU, on 23 February 2012.

The IBM agreement was met with sharp political opposition from Kosovo Serbs, which was expressed through political statements, gatherings and blocking of roads and border crossings. These protests took place throughout 2011 and 2012. The basic idea of political leaders from northern Kosovo who led the protests (and one part of the authorities in Belgrade) was to postpone the acceptance of the agreement as long as possible. This was justified by non-recognition of the territorial integrity of Kosovo and postponement of institutional and territorial separation of northern Kosovo from Serbia. This shows that the conflict over customs and IBM agreement was just one manifestation of dissention between Serbia and Kosovo over sovereignty (*Kosovo and Serbia, 2012*). Of course, there were also lucrative motives involved (making extra profits

<sup>34</sup> Regulation on the Control of the Crossing of the Administrative Line towards Kosovo and Metohija, 05, no: 110-9604/2011-3 ("Official Gazette of the RS", no. 98/11) and the Conclusions regarding the Report on dialogue with interim institutions of self-government in Priština in the field of university diplomas and integrated control of the administrative line 05, no: 021-9607/2011-1. Decision to Establish a Working Group on the Implementation of Agreements Reached in the Field of Integrated Control of the Administrative Line Towards the Autonomous Province of Kosovo and Methija, adopted by the Government on December 29, 2011; The Government of the Republic of Serbia adopted a Decision to Abrogate the Decision 05, no: 02-10076/2011 of 29 December 2011, disbanding the Working Group on the Implementation of Agreements Reached in the Field of Integrated Control of the Administrative Line Towards the Autonomous Province of Kosovo and Methija (05, no. 02-509/2012 of 26 January 2012, "Official Gazette of the RS", no. 6/12, of 27 January 2012").

by evasion of payment of customs and excise, and smuggled products) which united many business people, political leaders and “people from the world of organized crime.”

Although the Serbian government, which was established after the elections in May 2012 elections, had promised to implement all previously reached agreements, it hampered the implementation of the agreement, just like the previous government. The most likely aim of this policy was to extend the Serbia’s influence in Kosovo and narrow the maneuvering space for the integration of northern of Kosovo as envisaged by the *Ahtisaari Plan*. This allowed Serbia to renegotiate IBM and include the issue of collection of customs duties at the crossings in northern Kosovo into negotiations.<sup>35</sup>

In accordance with item 10 of the *Technical Protocol for Implementation of the IBM Agreed Conclusions of 2 December 2011*, it is anticipated, following the conclusion of the *Technical Protocol*, that a tripartite Technical Protocol Implementation Group (hereinafter: Implementation Group)<sup>36</sup> will be formed.

IBM was originally a Serbian proposal made to deflect pressure to accept Kosovo customs officials at the northern gates by bundling them into an “integrated” presence including EULEX and Serbian officials. In reality, Serbia did not believe in this “presence”, and neither did Kosovo, which accepted the model with US encouragement as a way to get its officers on the border. When Serbs and Serbia realized that the model must be accepted, they delayed its implementation (*Serbia and Kosovo, 2013: 15*).

For Serbia, this agreement was one of the most difficult to apply. In contrast to Kosovo’s claims that the agreement represents recognition of the border between Kosovo and Serbia, Serbia, among other things, had to convince its public that the agree-

<sup>35</sup> Obstruction of the agreement by Serbia was tolerated by the guarantors of the Brussels dialogue (EU and US), while neglecting that in the resulting vacuum the presence of Russia in the north was growing stronger. Political support for the strengthening of Russian influence was first offered by the DSS political party, certain Serbian business groups and non-governmental organizations

<sup>36</sup> The Implementation Group consists of representatives of Serbia, Kosovo and EU as the mediator and chair, and its task is to propose concrete solutions and measures regarding the implementation of the *Technical Protocol*.

A meeting of the Technical Protocol Implementation Group took place on 31 October 2012, and during the 5 and 6 November 2012 the Rules of procedure and Action plan were adopted, which define further concrete steps in terms of implementation. Serbia and Kosovo have agreed to form interim common crossing points with a joint presence at all six crossing points, using existing facilities (the “concept 3 + 3” according to which it is defined that joint crossing points / joint zones of crossing points Merdare, Brnjak and Mutivode are on the side of Kosovo and Me-tohija while joint crossing point Jarinje, Končulj and Depce on the side of central Serbia), starting with four joint crossing points at this stage (Brnjak, Merdare, Jarinje and Končulj). Also, a joint visit of the Implementation Group of the above crossings was agreed, which was realized in the period from 14 to 15 November 2012.

The signing of the *Final Action Plan* with the EU, as of 10 December 2012, stipulates that the temporary joint zones of crossing points Rudnica and Merdare will become fully operational on 10 December 2012 at 08:00 hours, while Brnjak and Končulj will become operational on 31 December 2012 at 08:00 hours. Upon completion of the first four joint crossing points / joint zones of crossing points, operations will begin on establishing the two remaining joint crossing points / joint zones of crossing points, as defined by the *Technical Protocol*.

An integral part of the *Final Action Plan* are also the *Procedures for the Exchange of Information Regarding the Functioning of the Joint Zones of Crossing Points*. It is anticipated that Serbia and Kosovo exchange relevant information for the prevention, detection and investigation of criminal activities, as well as protection of lives and health of people, animals and plants.

An integral part of the *Final Action Plan* is also an *Agreement on the Electronic Exchange of Information related to Customs* through S.E.E.D in accordance with the established S.E.E.D. practice. It was anticipated for this exchange to begin no later than 31 December 2012 at 07:59.

The *Technical Protocol for Implementation of the IBM Agreed Conclusions of the Dialogue of 2 December 2011*, adopted on 23 February 2012, is an integral part of the *Action Plan (Izveštaj, 2012)*.

ment does not mean recognition of the border between Kosovo and Serbia. In implementing the “status - neutral approach”, Serbia was referring to the fact that the agreement uses the word “Boundary” (“administrative line”), and not the word “Border”. The fact that words “Border” / “Boundary” and the acronym IBM are used in the agreement, allows different interpretations by each party.

A more visible progress in the implementation of the agreement on integrated border management took place at the end of April 2013. The first passengers with Kosovo identity cards began to travel through Serbia on 1 May 2013. Two border crossings, Mutivode and Mučibaba, linking Kosovo - Kosovo Pomoravlje with “Preševo Valley”, were put into operation. In April 2015, it was agreed to open two more border crossings (between Kosovska Kamenica and Medveđa and Leposavić and Raška).

Trade growth was supported by the implementation of the Central European Free Trade Agreement (CEFTA). In fact, in 2006 Serbia effectively recognized Kosovo as a separate customs territory by signing of the Central European Free Trade Agreement - CEFTA 2006 (*Law on Ratification of the Agreement on Amendment of and Accession to the Central European Free Trade Agreement - CEFTA 2006, Official Gazette - International Treaties, No 88/2007*). UNMIK was then a signatory party, because the foreign trade policy was under UNMIK’s jurisdiction and the EU as a Pillar IV.

### 3. Customs Revenue Collection and Customs Stamps

After Kosovo’s declaration of independence in 2008, the role of UNMIK was marginalized and authorities in Kosovo took over the authority for foreign trade policies and introduced customs documents featuring the “Republic of Kosovo” insignia. In response to this, the Customs Administration of the Republic of Serbia refused to allow entrance of any type of goods with such accompanying documents into the territory of Serbia. Since then, the goods continued to enter Serbia through re-export via Montenegro and Macedonia with those countries’ customs documents and an indication of Kosovo origin (*Monitoring, 2013:11, 12*).

The Mission of the European Union in Kosovo (EULEX) was established and in keeping with the United Nations Plan issued on 26 November 2008 UNMIK’s authorities were partly transferred to EULEX, including issues relating to customs and border crossings in northern Kosovo. A customs post was established in southern Mitrovica. This was an indication that Kosovo was not functioning as a unified customs territory, because the customs territory of Kosovo was divided on the territory south and north of Ibar River. This is what made northern Kosovo *de facto* a free trade zone with big problems in the field of monitoring of the flow of goods (*Monitoring, 2013:11, 12*). It became a “haven” for trade with no record-keeping, or customs duty and VAT fraud, and smuggling and revenue collection without contributions to the state budget. Such an environment allowed smuggling, organized crime and corruption to flourish. Well-established Albanian-Serb networks, smuggled goods, free of duty and tax and developed services and trade which supported a criminal elite that, while small in the regional context, was still large enough to dominate northern Kosovo (*North Kosovo, 2011*).

The agreement on Customs Stamps was reached on 2 September, 2011 (See: *Annex 7*). The conclusions stated that the parties agreed to “ensure free movement of goods in accordance with CEFTA”. The implementation of the agreement on Customs Stamps began in September 2011, initially by the Kosovo side. Later on, Serbia adopted Kosovo stamps.

In the area of the customs regime, Kosovo adopted new legislation, improved procedures and raised the level of administrative and organization capacity of the customs service.<sup>37</sup>

The exchange of customs data between Serbia and Kosovo is carried out within the “Systematic Electronic Exchange of pre-arrival Data” (SEED) program.

Serbia has invested considerable effort to establish alongside institutions in Priština, a licensing regime for companies trading with so-called controlled goods, and hence, according to the Government of Serbia, the Agreement is fully implemented.

Regulations of the Government of Serbia annulled some of the barriers to trade. For example, establishment of the integrated system of border management at the administrative checkpoints Brnjak and Jarinje, since February 2013, lessened the time and manipulative expenses of the trade of goods to Free on Board (FOB) buyer in southern Kosovo, to about 3-5 hours; Regulation of the Government of Serbia from 16 September 2011 reintroduced suspended VAT for gas, crude oil, automobiles and mobile telecommunications in northern Kosovo, which radically lessen the grey flow of gas and crude oil by up to 90 percent, while the trade flow of automobiles and services of mobile telecommunication of providers like *Telenor* and *MTS* ceased to exist as “the privilege for the citizens of northern Kosovo”; These regulations have also terminated the monopoly status of large producers from Serbia, such as *Knjaz Miloš* mineral water, *Guarana* energy drink and Rubin alcoholic beverages, which through their damping of practices and prices, (lower on average by 30–40 percent), directly exported their products in the northern Kosovo without excises and VAT (*Monitoring, 2013, 15*).

There are still restrictions on the free movement of goods. For example, there are still unequal conditions regarding trading with the northern and southern parts of Kosovo. Some goods are exempt from VAT, while the insufficiency of administrative and supervisory institutions in the Republic of Serbia (over the movement of goods of all kinds) means that goods without VAT and customs, are merely being recorded at the administrative checkpoints Jarinje and Brnjak and transported to the north part of Kosovo: favoring the existence of the gray market channels with Kosovo and impairs the budget of Serbia. Above all, payment operations with the south part of Kosovo are extremely expensive and are being treated as foreign trade; requiring the conversion of the euro into the dinars by unfavorable exchange rate; and lacking Bank guarantees or secured liabilities towards buyers in southern Kosovo, etc (*Monitoring, 2013, 26 - 32*). However, payment operations between Serbia and Kosovo are the biggest problem. The system of payment operations between the two countries practically does not exist, while banks in northern Kosovo are incorporated into the Serbian payment

---

<sup>37</sup> A new organizational structure and improvements of internal controls were important for prevention of corruption and trade facilitation. This resulted in an increase in revenue from trade.

system. Payments cannot be operated through foreign banks which have opened branches in Serbia and Kosovo either. Some commercial banks in Serbia are trying to overcome this problem by registering their branch offices in Kosovo.

Implementation of the IBM agreement, as well as the Agreement on Customs Revenue (See: *Annex 8*) and VAT has increased the legal flow of goods between Serbia and Kosovo. Serbia's total turnover with Kosovo in 2013 amounted to 550.7 million and was higher than the previous year by 40.7 percent, where shipments from Serbia amounted to 536.9 million, while purchases from Kosovo 13.8 million US dollars. Products from Serbia mostly sold in Kosovo are food and beverages, chemicals and chemical products, agricultural products, petroleum products, etc., while Serbia mostly buys from Kosovo base metals, recycling, food and beverages etc.

Regarding trade in agricultural and livestock products, producers from Serbia object to the EULEX requirement according to which all imported and exported products must meet EU standards. In Serbia, however, only six of the country's 30 slaughterhouses meet these requirements.

A visible result is the increased revenue from direct fees, in 2013, to 279 million euro, which makes 54 percent of total revenue collected (*Report, 2015: 19; Kosovo, 2014*).

A general assessment of implementation of the regime of free movement can be characterized as positive, because undoubtedly an increasing number of people are practicing their rights. There are a lot of open issues related to the trading goods between Serbia and Kosovo that need to be addressed (such as, the so-called "border insurance", as well as payment operations, printing instructions and documents in all languages). The existing system of trade flows with Kosovo is unsustainable, and efforts should be focused on the creation of a normal business environment. (*Monitoring, 2013, 33*).

#### 4. Interim Fund for Economic and Infrastructural Development of Northern Kosovo

The fourth round of political dialogue - 17 January 2013, in Brussels, resulted in the agreement on the Interim Fund for Economic and Infrastructural Development of Northern Kosovo (hereinafter: the Development Fund) which will collect revenues from custom duties for goods intended for northern Kosovo. This was made based on the agreement of the IBM.

The Development Fund is managed by the Office and the Board of Directors consisting of a representative of each of the Government of Kosovo, the Serbian municipalities and the EU. Decisions on capital investments and infrastructure will be adopted by consensus, but if that is not possible, the vote of the EU representatives is decisive.

The Kosovo government has proposed an amendment to the law on the Kosovo budget for 2013 in order to carry out the agreement.<sup>38</sup>

---

<sup>38</sup> According to the amendment: "All public money collected from goods imported by businesses registered in northern Mitrovica, Zubin Potok, Leposavić or Zvečan, and are destined for consumption in these municipalities, upon entering into Kosovo through customs points Jarinje (gate 1) or Brnjak (gate 31) are required to be sent to the Development Fund and separately identified and accounted for in the KFMIS, are hereby appropriated to the Development Fund that is to be established by the EUSR in Kosovo in a commercial bank.



It is estimated that the inflow from the Kosovo budget to the Development Fund will bring about 6 million and another 10 million euro from the EU and Serbia,<sup>39</sup> a total of 16 million euro. It is planned that these funds provide a balanced development of the region that has historically been a unique economic space dependent on the work of the *Trepča* mine. This should also help reduce the deep ethnic divisions in northern Kosovo.

The Development Fund enables the establishment of European standards that support the process of normalization of relations between Kosovo and Serbia. Therefore it has an important role in the context of resolving the Kosovo status issue. By way of this agreement, the EU continues to view Kosovo as a single customs zone, while Kosovo Serbs from the north will start paying customs duties, tariffs and VAT.

It is estimated that the total amount of collected customs duties on the Jarinje and Brnjak administrative crossings (from 14 December 2013 to date) is over 5 million euro and this amount was transferred to the Development Fund but it is still not financing projects (July 2015). This behavior is seriously damaging the planned projects that are significant for the Serbian people in northern Kosovo and brings the usefulness and appropriateness of the Development Fund's operations into question. (*Brussels Agreement Implementation, 2015: 22, 25; Izveštaj, 2015:19,20*). The attitude towards the Development Fund and development of northern Kosovo can be measured by the quality of realized projects or whether they serve to give "impetus" to intensified development, and it is therefore necessary that the Development Fund becomes operational and to establish public monitoring, especially of the business community and NGOs, over the legality and effectiveness of financing from the Development Fund. Particular attention should be paid to preventing corruption.

## 5. Civil Registry Books

The issue of Civil Registry Books was resolved by conclusions reached on 2 July 2011, on the fifth round of the technical dialogue (See: *Annex 9*).

The implementation started with slight delays in October 2012, due to the three months preparatory phase in October, for staff training. The EU is financing the project with 1 million euro, while the Government of Kosovo provided the software, previously developed for a similar project carried out in Kosovo. The Serbian Government co-finances the project by covering the salary of 50 staff working on data processing (1 IT expert and 49 data processing assistants). Additionally, both delegations assigned coordinators, and scanning software respectively, worth 400,000 euro.

According to Kosovo, the implementation of this agreement is completed successfully. The Kosovo Civil Registry Agency in cooperation with Danish Refugee Council (DRC) has started the implementation of the EU-funded project of digitalization of certified copies of civil registry books. (*Brussels Agreement Implementation, 2015:26*).

Further, in October 2012, the Kosovo Ministry of Internal Affairs (MIA) issued a sub-legal act to implement the agreement. Specifically, the *Administrative Instruction*

---

<sup>39</sup> Serbia has the right to pay the money into the Development Fund, but Belgrade is obligated to publish the purpose of payments.

(AI) on the use of certified copies of original records of civil status of Kosovo was issued defining the procedures on how certified copies in particular cases should be considered as original based on the agreements reached.

Serbia reports that the agreement on Civil Registry Books is successfully implemented in its entirety.<sup>40</sup>

While the authorities claim that they are satisfied with the implementation of the agreement, only a slight improvement is noticeable in the field,<sup>41</sup> and the report from Brussels on the state of implementation speaks about the Serbian side lagging behind.

## 6. Cadastral Records

This agreement on Cadastral Records was reached on 2 September 2011 (See: *Annex 10*).

On 8 December 2011, the Government of Serbia adopted a *Regulation on the special manner of processing data contained in the land cadastre for the Autonomous Province of Kosovo and Metohija*, 05, No: 110-9390/2011 (“*Official Gazette of the RS*”, No. 94/11”). On the same day the initial meeting of the Implementation Group was held in Belgrade (consisting of representatives of the EU, Kosovo, the Serbian Geodetic Institute and the Office of the Government of Serbia for Professional and Operational tasks in the negotiating process).

The project of registers is financed from IPA funds. Although it was planned that the full implementation of the agreement be carried out during 2014, this has still not happened (July 2015) (*Izveštaj*, 2012). Until now some 40 percent of documents or 548,000 pages are scanned, using the existing installations (*Brussels Agreement Implementation*, 2015: 25, 26).

Serbia objects that Kosovo approved the *Draft Law on Kosovo Agency for Comparison and Verification of Property* on February 5, 2015, and submitted it to the Assembly for adoption. The subject law directly violates the *Technical Agreement on Cadastre*, by creating conditions for legalization of unlawfully seized property of the Serbs. (*Izveštaj*, 2015:13)

## 7. University Diplomas

The conclusions on acceptance of university diplomas were agreed on 21 November 2011 (*Izveštaj*, 2012; (See: *Annex 11*).

<sup>40</sup> The Government of Serbia adopted the *Conclusion 05, no: 021-6653/2011* on 1 September 2011 - *Regulation on Special Manner of Processing Data Contained in Registers for the Autonomous Province of Kosovo and Metohija* 05, no. 110-8578/2011, of 14 November 2011; *Conclusion on Special Manner of Processing Data Contained in Registers for the Autonomous Province of Kosovo and Metohija* 05, no. 20-9272 / 2011, of 5 December 2011, and the *Conclusion on Special Manner of Processing Data Contained in Registers for the Autonomous Province of Kosovo and Metohija* 05, no. 200-2875/2013-1, of 12 April 2013.

<sup>41</sup> According to EULEX in January 2013, 972 certified copies of Civil Registry Books were handed over to the Civil Registration Agency of Kosovo. In total by July 2013, EULEX has handed over 3875 certified copies of Civil Registry books, covering the municipalities of Priština (1013), Lipjan (848), Obilić (264), Kosovo Polje (219) and Glogovac (425) and Podujevo (1066). This is only around 30 percent of the total of what it needs to be handed over to Kosovo, as it is estimated that Serbia is withholding approximately 12,036 registry books from Kosovo. (*Deda*, 2013:5, 6).

For the purpose of implementation of the *Agreement on Recognition of University Diplomas*, the government of Serbia adopted the *Conclusions regarding the Report on dialogue with interim institutions of self-government in Priština in the field of university diplomas and integrated control of the administrative line* 05, No: 021-9607/2011-1, on 22 December 2011 and the *Regulation on special manner of recognition of higher education certificates and valuation of curricula of universities from the territory of the Autonomous Province of Kosovo and Metohija which operate contrary to regulations of the Republic of Serbia* 05, No.110-969/2012, on 09 February 2012.<sup>42</sup>

The implementation of this Agreement began on 1 March 2012, by Kosovo authorities, with the opening of an implementation office in the Ministry of Education, Science and Technology (MEST) and in cooperation with SPARK and the Association of European Universities (AEU). By April 2015, the total number of the diplomas certified is 186. It is not certain whether the diplomas certified will be accepted in Serbia, as Serbian universities and employers are not obliged to accept them as valid. In cases when the Serbian side accepts the diplomas, officials of GoK have stated that in few cases, the denomination “Kosovo and Metohija” is added to the diploma (*Deda, 2013:9*).

According to a representative of Priština University seated in Kosovska Mitrovica, accreditation of diplomas issued by this University remains the main unresolved question. The Management of the Priština University seated in Kosovska Mitrovica wants to resolve it by means of accreditation at the international level, which would avoid accreditation a competent Kosovo institution. At the same time, Kosovo officials claim that there are no problems with acceptance of diplomas issued by the Priština University seated in Kosovska Mitrovica, claiming that in spite the fact that there around 300 applications were filed, Serbia did not recognize any of them to date. (*Brussels Agreement Implementation, 2015:26*).

The Government of the Republic of Serbia fully implements the Agreement on University Diplomas within Serbia, whereby diplomas issued by the universities in Kosovo and Metohija and subsequently certified by the European University Association from Brussels (EAU), are treated in the same manner as any other document issued by institutions of higher education that are not accredited in the Republic of Serbia. Diplomas issued by the universities from Kosovo and Metohija and certified by EAU, undergo the same procedure in the Republic of Serbia as diplomas issued by e.g. the University of Vienna, Oxford University, Cambridge University, etc. This approach to the issue of diplomas is full in keeping with the Agreement on University Diplomas and the European practice in this field. (*Izveštaj, 2015:5*). Nonetheless, it is true that the

---

<sup>42</sup> Although the Government of the Republic of Serbia's *Regulation on Recognition of Diplomas Issued by the Kosovo Institutions* was declared unconstitutional by the Constitutional Court, only two weeks later the Government of the Republic of Serbia adopted a new *Regulation on the Recognition of Diplomas by Kosovo Universities*, relating to Kosovo universities which operate in accordance with United Nations Security Council Resolution 1244. Under the new Regulation, university diplomas by Kosovo universities will be first recognized by the Committee of European Academic Experts, founded by the European University Association, and then considered by independent expert organs of higher education institutions of Serbia. The new Regulation by the Serbian Government has introduced a new procedure for recognition of diplomas issued by Kosovo universities, thus overcoming the problem of diploma recognition due to the previous regulation's unconstitutionality (*portal KoSsev 14.11.2014*).

practice in Serbia is customized to protect the monopoly of local universities and the excessive requirements for accreditation of foreign diplomas slows down the development of higher education in Serbia.

## 8. Regional Representation and Cooperation

The agreement on regional representation and cooperation was made in Brussels during 2011, and signed by means of the Technical protocol which was signed with the EU by each party (See: *Annex 12*), and which establishes the technical details relevant for the implementation of the agreement.

There are tensions in the implementation of the agreement: Kosovo is trying to expand the number of organizations in which to become a member, while Serbia insists on the so-called Cooper's list of regional organizations, which has been explicitly agreed upon in Brussels and which is shorter than the list desired by Kosovo. Sometimes Serbia is trying to make it difficult for Kosovo joining regional organizations. This was the case when Kosovo was joining the Regional Initiative for Migration, Asylum, and Refugees (MARRI), as well as the International Organization for the promotion of regional cooperation in the field of public administration in the Western Balkans (RESPA).

There are many examples of successful applications of this agreement, and there have also been individual instances of prevention of Kosovo's participation in regional cooperation (*Brussels Agreement Implementation 2015: 20, 21*).

According to the Government of the Republic of Serbia, the agreement is fully implemented (*Izveštaj, 2015:16*).

In reality, the agreement is respected in more ways than many others. This is confirmed by the frequently joint appearance of Serbia and Kosovo in these meetings, whether they are held in Kosovo or in Serbia.<sup>43</sup>

### b) First Agreement of Principles Governing the Normalization of Relations

A major step forward in the Brussels dialogue was an agreement to continue talks between Serbia and Kosovo with the involvement of the EU and the US. The dialogue was raised to the highest level with the participation of Serbia's Prime Minister Ivica Dačić, Kosovo's Prime Minister Hashim Thaci, former US Secretary of State Hillary Clinton, and EU High Representative for Foreign Affairs and Security Policy Catherine Ashton. The participation of Tomislav Nikolić and Atifete Jahjage, presidents of Serbia and Kosovo, was also encouraged.

---

<sup>43</sup> A concrete demonstration is the constructive participation of the Republic of Serbia in the meeting held on August 28, 2014 in the framework of the "Berlin-Process" initiated by German Chancellor Angela Merkel, which involved topics such as the European path of the Western Balkans, consolidation of regional, and promotion of prosperity of the Western Balkans through sustainable economic growth. Another example is the "Western Balkans 6" meeting held in Priština on March 25, also attended by Serbia's representatives (*Izveštaj, 2015:16, 17*).

The dialogue was continued on October 19, with the convening of the meeting in Brussels between Prime Ministers Dačić and Thaci, under the auspices of Catherine Ashton, High Representative of the European Union for Foreign Affairs and Security Policy. The initial meeting of 19 October was followed by expanded discussions held on November 7 and December 5, 2012, and continued on January 17, throughout 2013, with breaks due to early parliamentary elections in both Serbia and Kosovo, and in the EU, which took place in 2014. The political dialogue continued on 8-9 February, through meetings held in May, June and July 2015, with participation of Serbian and Kosovo Prime Ministers Aleksandar Vučić and Iso Mustafa, respectively.

This dialogue is merely an 'elite pact-making' rather than a peace-building process. (*Serwer; 2013; Mehmeti, 2014:2*). The purpose of such political dialogue is the normalization of relations between two countries and the resolution of the disputes in northern Kosovo. (*A 'Peace Treaty' 2012: 6,8, 10*). Serbs and Albanians still lead "parallel lives", have bad thoughts about each other and each side regard themselves as victims. They live in "parallel societies," next to each other, rather than together. With Slobodan Milošević's rise to power in the late 1980s and later in 1990s, the circumstances for the establishment of two "parallel societies" in Kosovo were created.<sup>44</sup>

The building and the existence of "parallel structures" (Albanian and Serb) are facilitated by the ethnic structure of the population of Kosovo and the large ethnic distance between Albanians and Serbs. Although a relatively small, in terms of area and population, northern Kosovo has become one of the most complicated issues in the Western Balkans at the beginning of 21<sup>st</sup> century, in addition to relations between Serbia and Kosovo (*Janjić, 2014*).

In the period from 1999 to 2010, this was considered a "frozen conflict" (*Morina, 2014: 3*). However, during 2010–2012 the issue of integration of northern Kosovo into the legislation and institutions of Kosovo was opened. This has led to a "heated political atmosphere" and northern Kosovo threatened to become a "hot conflict". During that period there were even human casualties, including two members of the German contingent of KFOR and one member of EULEX.

The issue of northern Kosovo is about the status and gaining control over territory. The positions of Serbia and Kosovo are different regarding the content of the "proper solution" of this issue. As for the Republic of Serbia, the proper solution for northern Kosovo means the determination of its borders and territory. For Kosovo, the proper solution means the implementation of Kosovo's full control over the territory in the north, and placing Serbia in the position to face the inevitable recognition of the Kosovo's independence (*Janjić, 2014:224*).

Kosovo and the international community determined that the survival of Serbian institutions or "parallel institutions" is the major challenge. Serbs from northern Kosovo and Serbia on their part have insisted that these institutions have been established

---

<sup>44</sup> First were the Albanians who built their "parallel structures", followed by the Serbs who did the same at the end of the war in 1999 (*Janjić 2014:222*). Since 1999, the Serbs from northern Kosovo were not under Priština's authority nor have they had intensive contacts with Kosovo authorities. They are formally under patronage of Special Representative of the Secretary-General and the UNMIK Administration in Mitrovica, but they are actually governed by the Belgrade (*Morina, 2014: 3*).

due to obvious ethnic divisions in Kosovo and the collapse of the “multi-ethnic” society as proclaimed by the United Nations; that these are the only institutions in which Serbs can participate to meet their political, social and other needs, and that they are of “vital importance” for the Serbs in Kosovo. (*Derand, 2009*).

The northern Kosovo Serbs perceive that Serbia offers more support on practical and emotional levels. From their point of view, the Albanians intend to separate northern Kosovo from Serbia and detach it to Kosovo. This opinion is supported by many Albanians who do not hide their desire to enter northern Mitrovica and expel the Serbs by force.

It is clear that in order to reach an agreement both sides have to give up something: Serbs have to accept that they live in the territorial framework of Kosovo, and Albanians that Serbs have adequate autonomy (*Lene, 2012a*).

The positive trend in the dialogue was reported in January and February 2013. During this period, compared to the previous course of talks, in addition to clarifying a number of issues that are important for the application of the agreements achieved (primarily related to the integrated management of crossings in northern Kosovo), two significant breakthroughs have occurred.<sup>45</sup> But the decisive step was made on 19 April 2013, when *the First Agreement of Principles* was initialed (See: *Annex 13*) and 22 May, when the plan for its implementation was agreed.

*The First Agreement of Principles* looks to arrange a power sharing mechanism in northern Kosovo that would be acceptable to both Kosovo and Serbia authorities. It would grant the Serb-majority municipalities’ autonomy over health care, education, culture, as well as their police and judiciary under the formal authority of Kosovo (*Mehmeti, 2014:1*).

For Kosovo’s and Serbia’s officials, as well as for the EU, the *First Agreement of Principles* represents the cornerstone of the stability in the Western Balkans and a decisive step toward EU integration of both countries. The importance of the agreement lies in the fact that these are the first positive signs that both parties agree to look forward to easing the enmities. (*Mehmeti, 2014:9*).

And while there is a relatively high degree of agreement about the nature of the *First Agreement of Principles*, this does not apply to the assessment of its implementation and contribution of the “other side” to the implementation of what has been agreed. According to the Kosovo’s Government, poor progress has been made in implementation of the *First Agreement of Principles*<sup>46</sup> in general. Among the factors that

<sup>45</sup> At the meeting on January 17, 2013, the Prime ministers of Serbia and Kosovo agreed on establishment of liaison offices in Belgrade and Priština, exchange of liaison officers and clarified their status. This step has resulted in creating an important institution and channel of communication that will facilitate implementation of agreements and be an important instrument in further normalization of relations between Serbia and Kosovo.

The next breakthrough was the meeting between Serbia’s President Tomislav Nikolić and his Kosovo counterpart, Atifete Jahjaga, which took place in Brussels on February 6, 2013, under the auspices of EU High Representative. This meeting raised the dialogue to the level that was at the very beginning formulated as a “high political level”. During this meeting, they also agreed to continue dialogue with the main objective of normalizing relations between the sides and address outstanding issues, such as northern Kosovo at the next meeting of the two Prime ministers to be held on February 19, 2013.

<sup>46</sup> According to the Kosovo’s Government, the state of play is as follows: “... good progress has been made in: Justice Agreement on implementation – reached on 9-10 February 2015; Licensing of companies from northern Kosovo on controlled goods - as part of Custom revenue collection agreement of January 2013, started the implementation

have most likely influenced the outcome, most relevant is the decline in dynamics of dialogue due to elections during 2014, and Serbia's strengthening and even establishing new parallel structures in Kosovo (*Brussels Agreement Implementation, 2015:6*).<sup>47</sup>

Serbian officials, on their part, point out that Serbia has done everything that was asked of it, and that Kosovo is constantly failing in its duties whenever possible and that EU keeps on setting "new conditions" for Serbia.<sup>48</sup>

An objective assessment of the implementation of the *First Agreement of Principles* is that during the 16-month period, April-December 2013 and February-25 August 2015 (twelve months of 2014 and January 2015 were lost due to political confrontations and election), is that a lot has been achieved so far, and by signing the last four agreements (Telecommunications, Energy, "Peace Park" and CSM), the main

---

on 1 January 2015; Liaison Offices – has expanded their responsibilities in administering requests for official visits between two states, implementation stated on 1 December 2015.

**No progress has been made** in dismantlement of Serbia's parallel structures in Kosovo; "Civil protection" – not yet dismantled, even though talks on this issue have been ongoing since December 2013; Telecom – international dialing code for Kosovo still unresolved since September; 2013 when agreement is reached; Energy – Kosovo authorities are yet not given control over the Valač power substations; Barricade/ so-called "Peace Park" placed on the bridge in Mitrovica – not yet removed, though the agreement is reached in Brussels in July 2014; Vehicle Insurance Agreement – still pending dispute; the issue of Community/Association (CSM) remains to be discussed, while the Statute of CSM will be in line with the existing Kosovo law. It means that CSM cannot have any executive and overseeing competences. Kosovo maintains that this issue can be addressed only after implementation of agreements in justice, "civil protection", dismantlement of all Serbia's parallel structures in Kosovo and removal of barricade in the Mitrovica Bridge and others around. **Some progress has been made in**, drafting the implementation plan on the issue of "civil protection" – work in progress since this February 2015; IBM Permanent Border Crossing – EU has made some progress in efforts of contracting the implementing partner (*Brussels Agreement Implementation, 2015:7*)".

<sup>47</sup> According to the Government of Kosovo, the **regressive trends** have been faced in:

- Serbia's support for illegal parallel structures (*Brussels Agreement Implementation, 2015:8*);
- Four northern municipalities failed to adopt legal municipal budgets (*Brussels Agreement Implementation, 2015:9, 10*);
- The parallel municipal structures and appointed people: for the municipality of northern Mitrovica, Aleksandar Spirić was appointed as the president of the so-called "interim body of the Kosovska Mitrovica municipal assembly" (he is also a legal Deputy Mayor of Northern Mitrovica). Other members of this body were also appointed: for the municipality of Zvečan, as the president of that illegal body was appointed Vučina Janković (he is also legally elected Mayor of the Zvečan Municipality); for municipality of Leposavić, as the president of that illegal body was appointed Dragan Jablanović (he was elected as Mayor of Leposavić); for Municipality of Zubin Potok, as president of that illegal body was appointed Stevan Vulović (he was elected as Mayor of Zubin Potok). The members of that body are: Nemanja Jakšić, Dragiša Jovanović, Bojan Perović and Latinka Utvić. Serbia has made these appointments to parallel municipal structures prior to the 3 November 2013 local elections in the Republic of Kosovo, and still continues to support them politically and financially.

On 31 December 2015, the Government of Serbia named Bratislav Nikolić, the legally elected mayor of the municipality of Štrpce, in the position of president of the so-called "municipal temporary body" of Štrpce.

- A decision on the "National Theatre in Priština", adopted on 19 February 2015;
- On 5 February 2014, the Government of Serbia appointed Acting Director of Health Centre in Peć and Acting Director of Health House in Dragaš. (*Brussels Agreement Implementation, 2015:11*).

<sup>48</sup> According to the Republic of Serbia's Report: "Despite the evident progress, the impression is that several vital circumstances are still significantly and adversely affecting the process of the dialogue: firstly, a deviation from the dynamics of implementing the First Agreement which is clearly set forth by the Implementation Plan; secondly, evident absence, on the ground, of the leading role by facilitators in the dialogue and other international missions in Kosovo-Metohija, in terms of the full implementation of the agreed; thirdly, Priština's incessant attempts to include the issue of status in each topic initiated in Brussels, thereby directly violating the status neutral format of the dialogue, as agreed at the very beginning of the process; fourthly, lack of clear incentives for the negotiating sides, primarily concerning the uncertainty of the dynamics in the process of European integrations" (*Izveštaj, 2015:2*).

prerequisites for successful implementation of the *Framework Agreement* have been fulfilled.

*The First Agreement of Principles* sets the framework for resolving the issue of northern Kosovo and accepts that Serbia – which does not recognize Kosovo's independence – has a continued role in protecting the interests of Serbs in northern Kosovo (Phillips, 2013).

This is the first step towards resolving the problem of northern Kosovo (Morina: 204:3). It is likely that next step will be full integration of northern part into Kosovo's institutional system. Present institutional system will be significantly changed with the first step: the establishment of CSM, but also due to the fact that the north of Kosovo will lose its currently dominant "ethnicized" meaning, which includes four municipalities predominantly inhabited by Serbs (Zubin Potok, Leposavic with the possibility to form another municipality - Lesak, Zvečan and Severna (North) Mitrovica), because in administrative and geographical sense it will include three municipalities predominantly inhabited by Albanians (Juzna (South) Mitrovica, Srbica and Vucitran). To achieve this second step it is essential to supplement the concept of CSM, which is basically a concept of decentralization, by "improving the rights and status of Serbs from Kosovo" (*Decentralization of Kosovo, 2002; Deda, 2012: 15*).

Northern Kosovo could become a generator of active regional cooperation of local communities in Serbia (Raška, Novi Pazar, Tutin and Sjenica) and Montenegro (Rožaje, Berane and Bjelo Polje), by applying a concept of "mini- European region".<sup>49</sup> It could have a strong influence on economic development and security (Šta misle Srbi sa severa Kosova, 2014: 5, 31, 41, 73), and open the European perspective to this least developed area not only in the Western Balkans, but also in Kosovo, Serbia and Montenegro (Janjić, 2014).

For the purpose of implementation of the *First Agreement of Principles* it is necessary to change dozens of laws, and constitutions of Kosovo and Serbia. In reality, there is a lot to be done and clarify. Additionally, one important rule, which has been defined on the basis of experience in managing ethnic and other conflicts should be observed, which reads: Basically, everyone is right but the devil is in the detail! By all accounts, 2015 will be a decisive year for giving a clear definition of the most delicate of issues from the *First Agreement of Principles* and that is the establishment of CSM and abolition of parallel institutions.

The state of implementation of the *First Agreement of Principles* to date:

### 1. The Amnesty Law

One of the requirements set down in the *First Agreement of Principles* was an amnesty for those who had broken Kosovo's laws in the north. It was the norm not to pay utility bills, for example, or not to comply with laws governing traffic and business activity. The logic of removing this impediment to the integration of the north with the rest of Kosovo was clear. But the stipulation was exploited by the Kosovo government

<sup>49</sup> The Ibar-Lim initiative which includes about 50 municipalities in Serbia, Kosovo and Montenegro could be of importance in defining a "mini-European region".



for its own purposes and was initially drafted to be far more inclusive than was required by the *First Agreement of Principles*. The effect would have been to amnesty serious crimes throughout Kosovo. The ruling party, the *Party for a Democratic Kosovo* (PDK), was catering to members and backers who would benefit from this amnesty, including nine serving mayors. Much of Kosovo's opposition would benefit, too (*Bassuener, Weber, 2013: 7*).

On 17 September 2013, the Assembly of the Republic of Kosovo adopted *the Law on Amnesty* for those who had violated Kosovo law.

The Law was voted by the majority in the assembly. Nonetheless, civil society organizations and the *Self-determination/Vetevendosje* movement expressed dissatisfaction regarding the substance of the law, and the President of Kosovo and the Constitutional Court required the law take different form. (*Morina, 2014:4*). The law is being implemented consistently by Kosovo's institutions (*Brussels Agreement Implementation, 2015: 25*).

The so-called soft approach is used in the application of the law, with occasional shift in deadlines in order to avoid the application of sanctions. For now there is no data that any person or legal entity was subject to sanctions, although there were references to additional fulfilment of conditions under the laws of Kosovo and people being brought in for questioning (mayor of the Zubin Potok municipality).

## 2. Municipal Elections and Constitution of Local authorities in Accordance with Kosovo Law

The municipal elections in Kosovo of 3 November 2013 were the first elections held in northern Kosovo in accordance with Kosovo law. For the first time Serbs from northern Kosovo participated in local elections. It was a litmus test for the *First Agreement of Principles* (*Ejdus, 2013:1*).

The social and political environment was not in favor of holding the local election in northern Kosovo's four Serb-dominated municipalities (*Sever Kosova, 2013*). On Election Day, the opponents of the *Brussels Agreement* created a climate of pressure and intimidation in northern Kosovo.<sup>50</sup>

Such a climate affected the election campaign, both in terms of the low turnout and election results.<sup>51</sup> Despite obvious irregularities, there was no strong reaction from Kosovo and Serbia and the international community to the behavior of OSCE during elections. It can be concluded from the above (along with the fact that the whole election process in the north was far from the criteria for fair and democratic elections), that "effectiveness" and "security" prevailed over the values of fair and democratic elections.

<sup>50</sup> Voting was disrupted at around 5 pm when a group of 30 masked individuals attacked and destroyed three polling stations in northern Mitrovica. Following the incident in Zvečan, where a crowd stoned some OSCE and EULEX vehicles, OSCE decided to close all polling stations in northern Mitrovica, Zvečan, Leposavić and Zubin Potok (in latter two the stations were closed earlier even though there were not reported similar incidents as in other two municipalities). OSCE took custody of election materials that were subsequently counted, without following the legal procedure.

<sup>51</sup> On 20 November and 1 December 2013, the local elections were re-run in the three polling stations in northern Mitrovica in which irregularities were established. The Central Electoral Committee of Kosovo announced the final result and convincing victory of *CI Srpska* and their mayoral candidates (*Progres on Mitrovica, 2014:12*).

The major winner of the municipal elections was *GI Srpska* which became a central organization in the Kosovo Serb political scene.<sup>52</sup> It was also a success for the Government of Serbia, which gained a legal and legitimate instrument for restoring the already-shaken influence of Serbia on Kosovo Serbs and overall political life in Kosovo. Priština showed no interest and was rather busy weighing its internal political situation, and was encouraged by international representatives to swallow this “bitter pill” for the sake of faster integration of Serbs into the Kosovo system.

The post-election period was marked by numerous difficulties related to the constitution of new municipal authorities in northern Kosovo. The first disagreement was over the symbols to be used in constitutive document. It was settled by placing the stickers on the document bearing the coat of arms and inscription of the Republic of Kosovo. After that, the mayors of northern municipalities agreed to sign the document.<sup>53</sup>

Following constitutional sessions, new problems emerged when it came to adoption of new statutes,<sup>54</sup> causing significant delays in meeting the agreed deadline (end of 2013).

According to the Government of Kosovo, Serbia's support for illegal parallel structures has dramatically undermined a remarkable progress in legal functioning and integration of four northern municipalities in the Kosovo system.<sup>55</sup>

<sup>52</sup> In fact, local election results changed the political landscape across Kosovo. *Civic Initiative Srpska (Građanska Inicijativa Srpska – GIS*, known colloquially as *CI Srpska*) clearly became the third strongest player in Kosovo multi-party political scene, after the *PDK* and *LDK*. It won in 9 out of 10 Serb majority municipalities. The *CI Srpska* List was created, coordinated, and sponsored financially, logistically and media-wise by Belgrade. The first “victims” of *CI Srpska* emergence were the weaker and smaller Serb parties that represented Serbs before the local elections only in the Kosovo Assembly. These parties were portrayed by Serbian authorities, media propaganda and *CI Srpska* activists as “Thaqi’s Serbs”.

Only *SLS (Samostalna Liberalna stranka -Independent Liberal Party)* and new *Progressive Democratic Party* formed by Nenad Rašić managed to keep the governing position in one municipality and opposition in other municipalities (Morina, 2014: 4,5)

<sup>53</sup> The mayor of northern Mitrovica Krstimir Pantić who was elected at second round on 23 February 2014, refused to sign the document and was therefore revoked at expense of other candidate Goran Rakić. Otherwise, the victory of Krstimir Pantić, candidate of *GI Srpska*, was facilitated by the arrest of Oliver Ivanović, the *SDP* candidate for mayor of northern Mitrovica, who was arrested one month earlier in January 2014 (*Progress on Mitrovica*, 2014: 15, 16).

<sup>54</sup> The main controversy was the question of status neutrality of the statutes. Namely, northern municipalities adopted the statutes for which they claimed to be status neutral over Kosovo final status and in accordance with *UN SC Council Resolution 1244*, while flags used during assemblies, were the ones of the Republic of Serbia. Albanians refused to vote because it was not in accordance with Kosovo law, as stipulated by the *UN SC Council Resolution 1244* and *Brussels Agreement*. This was the position of the Kosovo government which had other objections related to municipal boundaries, competencies, relations to *Community/Association of municipalities (CSM)* and the proposal of municipal authorities according to which they can delegate certain competencies to future *CSM*. In the coming period that was longer than two months, series of marathon municipal assembly sessions in the north and consultations between major stakeholders, the American Embassy in Priština having the most decisive role, were taking place in order to reconcile the differences. Municipal authorities accepted certain suggestions by the Kosovo's Ministry of Local Self Government (MLSG), whereas the MLSG interpreted flexibly some provisions of the statute. Amendments were made mostly in accordance to formal requirements made by MLSG, except in the part of formal procedures of adoption of statutes and insignia used. The compromise was that Kosovo Law on Local Self-Government was not mentioned in the statute in that form, but through its number in Kosovo Official Gazette, nor was Republic of Kosovo mentioned as such. The Kosovo flag and insignia were not used during official ceremonies. Finally, statutes were verified by Ministry for Local-Self Government on 16 May, preventing dissolution of municipalities and new local elections in northern Kosovo. (*Progress on Mitrovica*, 2014:17, 18; *KosSev portal*, “*Negodovanjezbogneusvajanja statute*”, *KosSev*, May 14th, 2014, <http://www.kosSev.info>).

<sup>55</sup> According to Kosovo Government's opinion, since October last year, there has been a trend of dramatically undermined work of legal mayors and municipal assemblies in the four northern municipalities in Kosovo, which since 2013 local elections embarked in a legal governance of local affairs. Apart from that, Serbia interfered to

In reality, the municipalities in northern Kosovo still are not fully functional. There is overlapping of offices in the newly-established local self-governments in municipalities in the north with those in interim councils appointed by the Government of Serbia. In such conditions, it is almost impossible to determine jurisdictions and work/disposal of funds by both categories of officials, embodied by the same persons.<sup>56</sup>

Delegates of 26 municipal assemblies, who were elected and legally working in accordance with Serbian laws, established the *Assembly of the Community of Municipalities of the Autonomous Province of Kosovo and Metohija* (hereinafter: the *Community Assembly*), on 11 May 2008. They proclaimed a *Declaration on Establishing the Assembly of the Community of Municipalities*, stating that the *Community Assembly* is a representative body “of the citizens of the Republic of Serbia in the Autonomous Province of Kosovo and Metohija”, which directs and coordinates the activities of Member-Municipalities of the Community and National Assembly of the Republic of Serbia the legislation of importance to the citizens.

The creation of the *Community Assembly* was silently consented to by Belgrade. To date, no significant activities have been conducted by the *Community Assembly*. Nonetheless, in March 2015, a joint meeting of representatives of Serb-majority municipal assemblies elected under Kosovo law was convened in Gračanica. This meeting created the possibility of annulling the *Community Assembly* of 2008. In any case, in the constitution of the Community of Serb Municipalities, a clear way must be found to annul the *Community Assembly* and the *Declaration*.

### 3. Association /Community of Serb Majority Municipalities in Kosovo' (CSM)

The full name: the Association/Community of Serb Majority Municipalities in Kosovo is often used in the short form: the Community of Serb Municipalities or CSM.

This abbreviation “ethicized” the meaning of the concept in question. The very concept of the CSM has emerged as a response to the challenge of the existing ethnic divisions of Kosovo society. This is a response that represents a combination of decentralization and minority cultural autonomy, but advantage given to decentralization. The realization of this concept remains, primarily in the area of decentralization, that is, a specific form of autonomy or a new level of administration, supervision and coordination is being created. This is a sort of “factory fault” given the task of organizing a functioning society in spite of strong ethnic divisions and conflict. The weakness is that it is insufficient attention has been paid to the instruments of minority protection and preservation of national development and protection of identity through cultural autonomy. This will be highly evident in areas with Albanian majority. Actually, accepting the *First Agreement of Principles* primarily implied the integration of the four

---

prevent adoption of legal budgets by those municipalities due to political reasons (by trying to prevent education and health sectors being integrated into the Kosovo system). As a result of non-adoption of legal budgets those municipalities were facing budget cuts from the beginning of March to end of April, 2015 (*Brussels Agreement Implementation, 2015:3; Priština, 2015*).

<sup>56</sup> The situation is the same with ministers and high government officials in Kosovo. The example of Aleksandar Jablanović, deputy in the Assembly of Serbia<sup>12</sup> and Minister for Communities and Return in the Government of Kosovo (*Realizacija, 2015*).

municipalities in northern Kosovo. An additional problem is that the Agreement was subsequently interpreted to allow the inclusion of the other six municipalities with Serb majority.

As the debate concerns the implementation of this part of the *First Agreement of Principles* and that there is a deep division in positions between the parties, the abbreviation “CSM” has the meaning of “intensification of the position” or “prejudgment of solutions” in favor of Serbia. If only the first word “Community” is used as an abbreviation that could also mean “intensification of the position” or “prejudgment of solutions” in favor of the current attitude of Kosovo. Also, the “community” is a general term, and the insufficient to express the specificity of the solution from the *First Agreement of Principles*.

Six articles of the *First Agreement of Principles* refer to the CSM (See: *Annex 14*). The *Implementation Plan* foresees the establishment of the management team by May 2013. The team was established by the decision of the Government of Serbia on 14 June 2013.<sup>57</sup> Its work was planned to be completed by the end of October 2013, and for the management team to assume responsibilities and the representative role of future CSM up to the moment of election for CSM bodies (Articles 4 and 6).

According to the interpretation of the Serbian officials, the political coalition agreement of the list “*Srpska*” and DPK (*Democratic Party of Kosovo*) – DSK (*Democratic Alliance of Kosovo*) on the composition of the Government of Kosovo, “the establishment of the CSM should come in 3 to 5 months from the date of signature of this Agreement” (*Gavrilović, 2015: 9*). In July 2015, it is evident that this plan was not realized, and that it was unrealistic. Impracticable deadlines are characteristic for almost all implementation plans and demonstrate excessive “optimism” and superficiality the EU bureaucracy, as well “plodding” by politicians and bureaucrats in Belgrade and Priština. In political terms, “bureaucratic mind” is not “the main culprit” for unrealistic planning, there are also frequent electoral circles in Serbia and in Kosovo during 2013 and 2014 and political instability in Kosovo. But it is extremely important to know the reason for the complexity of the issues being tackled. This also concerns different positions of Kosovo and Serbia on the competences and structure of the CSM.<sup>58</sup> Lack of communication also concerns the public, which was completely uninformed about the anticipated competences and structure of the CSM.

In the view of Belgrade, the fact that the first six points of the *Brussels Agreement* are dedicated to the establishment of the CSM, clearly indicates the importance of this

<sup>57</sup> Members of the management team are representatives from the municipal administration in four municipalities. The management team for the founding of the Association includes: Igor Kalamar, Ljubomir Marić, Dragan Jablanović, and Dejan Radjković. The work of the management team is on voluntary basis, that is, it is just one of the functions of officials from the Serbian community in Kosovo. The management team does not have technical, financial and human resources, but uses the offices and resources of the Office for Kosovo and Metohija. It does not have its own internal normative structure (*Gavrilović, 2015: 9*).

The management team relies on the government of Serbia, while its relations and communication with the Kosovo authorities were strained, to say the least.

<sup>58</sup> The fact that the management team included only representatives of four municipalities predominantly inhabited by Serbs and that it is in the north of Kosovo, suggests that the CSM under the *Agreement of Principles* is designed with the aim to integrate this part of Kosovo into Kosovo institutions. As for the other six municipalities predominantly inhabited by Serbs (Gračanica, Štrpce, Novo Brdo, Klokot, Raniug and Partes) may, but do not have to be a part of the CSM.

matter (See: Annex 15).<sup>59</sup> According to Serbian officials, establishing the CSM is “an absolute priority for us, it is the central point of the *Brussels Agreement*” and Serbia “will not be satisfied until the community of Serb municipalities is established to the extent and in the manner that will enable the Serbs to survive here in the long term by having collective political, cultural, economic and all other rights” (Đurić, 2015). On their part, Kosovo representatives are reluctant to accept the CSM.

One of the main points of contention is the issue of competence of the CSM. According to the *First Agreement of Principles*, the CSM has a “full overview” – the meaning of this term is unclear and can be interpreted as “insight”, but also “jurisdiction” since this term is followed by the term “competencies”. Serbia is clinging to the term “competences” and interprets “full overview” as possible jurisdictions (executive, administrative, etc.).

Kosovo claims that the CSM does not mean nor can be any political or territorial autonomy with executive powers. According to Kosovo, it is a voluntary and consultative mechanism of cooperation between municipalities, as provided by Kosovo law (*Maljazogu*, 2015). Kosovo insists that the CSM is the same as the *Association of Kosovo Municipalities* which already exists as an association of local governments.<sup>60</sup> This

<sup>59</sup> “It should be noted that the CSM is a warranty to the remaining Serbian people in Kosovo and Metohija that fundamental human rights and freedoms would be observed, and also a prerequisite for establishing an elementary degree of trust that what was agreed in Brussels would be observed. ... The establishment of CSM is both a necessary prerequisite and a toll to resolve the array of issues which are still pending, such as those concerning the structuring and operation of the local self-government system in the north of Kosovo (“parallel institutions”), education, health, social protection, economic development, etc” (*Izveštaj*, 2015:5).

The importance of the CSM for Serbian officials was emphasized by Aleksandar Vučić, Serbian Prime Minister, in his speech at the session of the UN Security Council of 4 December 2014. He expressed Serbia’s firm commitment to continuing its active and constructive participation in negotiations with Kosovo, stressing out the importance of preparations of the legal framework for effective implementation of the competencies of the future CSM. For its part, the CSM management team has made a CSM Draft Statute and is ready to send it to the Committee on the Implementation of the Brussels Agreement. According to him, the CSM will guarantee the Kosovo Serb community continued and transparent financial and structural support from the Republic of Serbia in domains that are central to the community’s wellbeing and assure safety, stability and autonomy to decide on matters of concern, without too much interference from Priština ([www.tanjug.rs](http://www.tanjug.rs)).

<sup>60</sup> For the Serbian side, this is unacceptable interpretation of the provisions of the *Brussels Agreement*, for the following reasons:

a) Had the CSM been envisioned as a counterpart of the already existing Association of Kosovo Municipalities, there would have been no need to bring it up in the *Agreement of Principles* because the right to its establishment would have already existed, irrespective of the negotiation process taking place in Brussels. Quite the contrary, the arrangement on the establishment of the CSM came as a result of a written political agreement, reached under the EU mediation and guarantees. Also, the irrefutable fact is that Points 4, 5, 6, as well as Point 9 of the *First Agreement of Principles governing the Normalization of Relations*, provide for and clearly define the role of the CSM as significantly different from the role of any existing forms of associating recognized by the current Kosovo legal framework. That primarily pertains to the role of the CSM in the areas of economic development, education, health, urban and rural planning, participation in the police personnel matters, as well as the foreseen option of Priština transferring additional competences to it;

b) Should the CSM remain without a clearly defined role in terms of the collective exercise of competences of mutual significance for member municipalities, or the oversight option in the areas specified by the *Agreement of Principles* the existence of the CSM would be rendered utterly pointless for the Serb people in Kosovo and Metohija, and it could not be expected to safeguard their rights and assume the obligations set forth by the *Agreement of Principles*;

The primary objective for the establishment of the CSM is to provide the highest possible level of the quality of life, human rights and equality of all citizens, in the spirit of the fundamental purpose of the *Agreement of Principles* – to recognize the need to institutionalize the uniqueness of the position of the Serb people in Kosovo and Metohija, and to ensure conditions for their sustainable survival. This cannot be achieved if we are to accept

way, Kosovo's government aims to minimize concerns that the CSM might turn into an institution under direct control of the Serbian government that will govern an autonomous region within Kosovo which could block central-level Kosovo decision-making in order to prove that Kosovo cannot function as an independent state, in a style similar to Republika Srpska in Bosnia-Herzegovina (*Bajrami, 2013*).

Under the *First Agreement of Principles*, competences will be determined by the statute of the CSM, which will be based on the *European Charter on Local Government* and Kosovo law. Kosovo is against the possibility of having the competences of the CSM interfere with the legislative, judicial and executive authorities. Kosovo has the support for this in a part of the international community and the EU countries that have recognized Kosovo as well as from the United States (*Milivojević, 2015*).

In 2015, Serbia has expressed its dissatisfaction with the progress on this issue, pointing out at least three problems that make the establishment of the CSM uncertain: "The first problem is the discord among two sides about the nature of the CSM. The second one is conditioning the establishment of the CSM with resolving of other issues in the dialogue. The third problem is the need to adjust the Kosovo legal framework, in line with the *First Agreement of Principles* and *Implementation Plan*" (*Izveštaj, 2015:6*).

The Kosovo government wants to ensure the EU's support for the removal of "parallel structures". Serbia, on its part, is trying to keep these structures in order to strengthen its position. This way Serbia is showing a lack of trust in the government of Kosovo, with the aim to extend the international presence as well as to persuade the international community that the existence of the so-called "parallel institutions" is necessary.

Given that the existing Kosovo legislation does not recognize the possibility of creating association between municipalities neither on functional nor ethnic grounds, and especially the existence of joint bodies with executive powers, amendments to the laws and the Constitution of Kosovo is necessary for the establishment of the CSM (*Maljazogu, 2015*). Apparently the solution must be a "hybrid" (*Lost in Stagnation, 2015: 31*), and hiding behind the existing laws and lack of readiness to reform and improve the constitutional, legislative and institutional system in accordance with the needs of society, in fact, renders any dialogue pointless (*Janjić, 2015*).

The Government of Kosovo, on its part, has set the following conditions for the discussion on the CSM: Removal of all "parallel structures" of Serbia in Kosovo; implementation of the agreement on the judiciary; disbanding the Civil Defense and removal of barricades from the bridge in Mitrovica and other barricades (*Brussels Agreement Implemetaion, 2015: 15, 16*). Serbia, on its part, should accept the implementation plan that would introduce the gradual removal of "parallel institutions" and to link their removal with the progress of establishing the CSM.

The following issues have spawned great controversy:

- The issue of competences: Serbia is trying to grab as many competences as possible, primarily executive competences in order to create a sort of political – territorial entity in Kosovo and thus strengthen the protection and the position of Serbs in Kosovo.

---

Priština's interpretation, which denies the CSM any possibility of protecting the minimum of legitimate interests of the Serb people in Kosovo (*Izveštaj, 2015:6*).

vo and through it the influence of Serbia on Kosovo's policy. Kosovo, on its part, has sought to give as little as possible, assuming that the CSM is non-governmental organization of special importance, knowing that they will compromise. This compromise is a *sui generis* functional autonomy, with competences over representation, supervision and coordination;

– The issue of organizational structure: Serbia sought to see the CSM with more institutions that resemble state institutions (assembly, president, executive council, civil servants etc.). This was in line with the Serbia's view of the previous issue related to the status and competences. Kosovo has sought to minimize any resemblance between the CSM and state entity. An example of this is the refusal of the institution "executive council" and insisting on the institution "committee";

– The issue of the basis for establishing the CSM: Serbia was seeking to make this happen by having Serbia adopt the constitutional law, creating a political show that it did not abandon its authority in Kosovo but only delegated it to the Serbs. Kosovo sought to make this happen within the framework of the existing constitution and laws of Kosovo by means of regulations. This approach was intended to confirm that the CSM is a form of organizing of the state of Kosovo. At the same time, Kosovo authorities tried to minimize the risks of not having the law passed by the Assembly as well as the risk of opposition gaining strength on this delicate issue. A compromise is possible on political level by having Serbia adopt a constitutional law and having Kosovo adopt a regulation. Each side would have its success and its own version of the grounds on which the CSM is established. This, however, does not change anything because the establishment of the CSM is important either way.

– The issue of financing the CSM: Serbia seeks to have the CSM financed from its own resources, as well as from those of Kosovo and the EU. Kosovo, on its part, seeks to put the financing under its control. The truth is that the CSM could represent a kind of trap for the Kosovo's central administration because it will probably have access to significant financial resources and be the main recipient of funds from Serbia and the EU.

A compromise was reached on August 25, 2015 with signing an agreement on Association / Community of Serb majority municipalities in Kosovo – General principles / main elements (*See: Annex 16*), stipulating its main objectives in delivering public functions and services to: Strengthen local democracy; Exercise full overview to develop local economy; Exercise full overview in the area of education; Exercise full overview to improve local primary and secondary health and social care; Exercise full overview to coordinate urban and rural planning; Adopt measures to improve local living conditions for returnees to Kosovo; Conduct, coordinate and facilitate research and development activities; Promote, disseminate and advocate issues of common interest of its members and represent them, including to the central authorities; Provide services to its members in accordance with Kosovo law; Assess the delivery of public services to its members and their residents as to support the CSA in forming positions of common interests for the participation to the work of the central authorities; Conduct monitoring as required for the implementation of its objectives; Establish relations and enter into cooperation arrangements with other associations of municipalities, domestic and international; and the Community/Association will exercise other

additional competences as may be delegated by the central authorities. According to its organizational structure the CSM will have the following organs: assembly, president, vice-president, council, board, administration and a complaints office. In the part governing the relations with the central authorities it is stipulated that the CSM will: work with the central authorities on the basis of mutual cooperation and information sharing; promote the interests of the Kosovo Serb community in its relations with the central authorities; the CSM will be entitled to propose, in accordance with Kosovo law, amendments to the legislation and other regulations relevant for the performance of its objectives; the CSM will have the right to initiate or participate in proceedings before the competent Courts, including to the Constitutional Court, against any acts or decisions from any institution acting the exercise by the CSM of its powers in accordance with its Statute; the CSM will have the right to nominate representatives in the competent organs/bodies of the central government, including the Consultative Community Council. In the pursuit of the monitoring function envisaged by the *First Agreement of Principles*, the representative of the CSM will have right to have access and information from central authorities in accordance with Kosovo law; acting on behalf of the CSM, the four mayors of the northern municipalities will provide the Ministry of Interior a list of candidates for nomination as regional Police Commander as specified in Article 9 of the *First Agreement of Principles*.

Based on the above, it might be concluded that the CSM is a *sui generis* institution for self-administration of Serb-majority municipalities. This form of autonomy can be an important instrument for guaranteeing the rights of the Serb community. However, this will be possible only if qualified people participate in the work of CSM, and in particular if members of its management, committees and administration.

Finally, it can be concluded that the agreement of 25 August 2015 is a good compromise for both sides. It is good for Kosovo, because the CSM is not a “state within a state” and it will provide the full integration of Serb institutions into the system in Kosovo. Belgrade can also be satisfied because the goal set by the *Resolution of the National Assembly of the Republic of Serbia* – to ensure additional protection of Serbs in Kosovo, has been accomplished. However, there is still a lot of work for Serbia and Kosovo. Firstly, it has been established that the CSM statute will be drafted within four months. If the normalization process continues without political obstructions and unforeseen interferences, the CSM could become functional in the next year’s budget of Kosovo (*March 2016*).

#### 4. Justice

In the first phase of implementing the *Agreement on Judiciary* (May-September 2013), an agreement on the termination of Serb “parallel structures” of justice was reached. The agreement was verified by EULEX in September 2013; In the second phase (December 2013 - February 2015), an agreement was reached on the establishment of Kosovo’s single legal structures in the northern part as well as integration of Serb individuals (judges and prosecutors) into the Kosovo justice institutions (*Brussels Agreement Implementation, 2015:14, 15*).

The implementation plan foresees the final integration of the Serbian judiciary by the end of 2013. Nevertheless, the integration was prolonged until 2015. The *Agree-*



*ment on the Judiciary* was reached and initialed at the first trilateral meeting of the EU High Representative for Foreign and Security Policy Federica Mogherini with prime ministers Aleksandar Vučić and Isa Mustafa in Brussels on 9-10 February 2015 (See: *Annex 17*). The agreement foresees vacancy notices for judges and prosecutors would be published on 25 March 2015, and the procedure for selecting judges and prosecutors of basic level court and prosecutor's office to be implemented as of 1 October 2015 by the Kosovo Judicial Council. The number of judges to be appointed is 48. This number equals the number of judges employed in Serbian judiciary bodies – 24 in the north and 24 south of the Ibar River. As for prosecutors, Serbian judiciary bodies employ 15 prosecutors – 9 in the north and 6 south of the Ibar River. The agreement envisages the appointment of 16 prosecutors – one more than the number employed in Serbian judiciary bodies. By 1 October 2015, one Basic Court and one Basic Prosecution Office will start to operate for Mitrovica region (*Do 1 oktobra sud, 2015; Tanjug, 10 februar 2015*).

## 5. Security Structures

Implementation of the *First Agreement of Principles* is a long and complex process, both at the technical and political levels. It essentially concerns efforts in gaining and strengthening *de facto* sovereignty of Kosovo over its full territory. Such a process cannot successfully be managed unless a certain degree of security and political stability is secured in Kosovo and Serbia. Currently, a number of security challenges are being encountered, in particular those concerning economic and political discontent; weak institutions and the public in general; political extremism; activity and the presence of paramilitary groups, such as “UCK”; Islamic extremism, high ethnic distance and distrust with ethnically motivated attacks (*Izveštaj, 2015:4*).

So far, more emphasis has been given to the issues discussed in Brussels, rather than to developing a wider “security package” in order to facilitate the process of normalization. This “security package” should provide means for regulating the status of war veterans in Kosovo, regardless of ethnicity, followed by developing a joint response to challenges associated with terrorism that will involve Albanians and Serbs, as well as Kosovo and Serbia. It is of the utmost importance that Kosovo establishes a special court for war crimes that will at a later stage adjudicate cases involving organized crime. It is also necessary to establish cooperation and data exchange between the special courts.

There has been significant progress on implementation of the agreement on dismantling Serbian security structures in Kosovo.<sup>61</sup>

### 5.1. Police Structures

Implementation of the agreement started with closure of the Serbian Ministry of Internal Affairs (hereinafter: MoI) offices. This was done in early summer 2013, followed

---

<sup>61</sup> Given that a number of individuals suspected war criminals are military, police and government officials on both sides, every prolongation of the uncertainty about the future of their prosecution, give them an opportunity to obstruct and even stop the Brussels dialogue, or to undermine the influence of governments that are committed to dialogue and normalization.

by establishment of a Regional Police Directorate of northern Mitrovica and appointment of a regional Police Commander.

Up to now, out of 337 former MoI employees who took part in the process of integration, 287 are successfully integrated, having previously retired, 27 withdrew from the process or resolved their status in a different way, whereas the remaining 23 candidates have not yet been integrated, with their applications refused on the grounds of insufficiently explained “security reasons”.

Integration of 74 former MoI administrative and technical staff has not yet been executed.<sup>62</sup> Similarly, 15 former employees of the MoI Directorate for Food and Accommodation are not involved in the process of integration at all. Despite the fact that this group of staff has not been discussed in the negotiations, a proper solution for their status must also be found.

Out of 64 employees in the Firefighting unit, the status of 30 in northern Mitrovica has been temporarily resolved, whereas integration solutions are still pending for the remaining 34. As agreed, the Republic of Serbia secured the funds and has been disbursing pension payments for 1,200 former MoI employees from Kosovo and Metohija. (*Izveštaj, 2015:7; Marinković 2014:10 – 12*).

The agreement and its implementation initiated regular communication between Kosovo and Serbia. Serbian Police director, Milorad Veljović met Kosovo’s Police director, Shpend Maxhuni, accompanied by EULEX officials in Belgrade on 10 March 2015. The main topic of the meeting were the issues following the increased number of immigrants from Kosovo to EU member states, travelling through Serbia. The police directors also discussed joint actions in combating all forms of organized crime and border security between Kosovo and Serbia (Source: *Beta, Tuesday, 10.03.2015, 17:00*). An example of progress is the participation of ministers of police in the regional security meeting held Tirana on 21 May 2015.

Aside from the fact that, formally speaking, the police and security staff have been integrated into the Kosovo security structures, three questions/problems still remain open: the issue of management of the Kosovo Intelligence Agency (KIA) (<http://www.rtv.rs>); the issue of police officers’ level of training for implementing procedures and law enforcement, and (non) bias in cases in which the parties are of different nationalities; the issue of the hitherto results of police work, considering the fact that no case of threat to personal safety, and especially felonies (murders, armed assaults, throwing bombs at natural persons’ property, etc.) has resulted in the prosecution of suspects (*Gavrilović, 2015:14,15*).

## 5.2. Civil Protection

The Civil Protection forces in northern Kosovo were formed and supported financially by the Government of Serbia,<sup>63</sup> after signing the *First Agreement of Principles*. According to Belgrade and northern municipalities, the main role of this force is swift

<sup>62</sup> There is an offer for 34 persons to be integrated in the KP, whereas remaining 40 will be on the Kosovo payroll until the municipal budgets in the north are adopted.

<sup>63</sup> The Government of Serbia, however, claims that the Civil Protection in northern Kosovo was established by local self-governments (*Izveštaj, 2015:23*).

and strong reaction in protection of civilians and infrastructure from natural disasters (*Izveštaj, 2015:23*).

For Kosovo, the CP forces have been from the very beginning a “strong, equipped and trained paramilitary force” (*Progres on Mitrovica, 2014:6*). The truth is somewhere in between. Namely, the CP forces are responsible for civil protection, but also perform some police tasks (traffic control), while its members are trained for other tasks, in particular related to “anti-terrorist” police and military operations. As such, once mobilized, they can form a small military formation.

The negotiation process on the issue of Civil Protection, raised by the *First Agreement of Principles*, was long and tiring (nearly two years in length). At the beginning of 2015, negotiations were continued “bilaterally between the EU and two countries” (*Tasić, 2015a*). On 26 March 2015, the Government of Kosovo announced that the agreement on Civil Protection had been reached between the three parties, Kosovo, Serbia and the EU.<sup>64</sup> The agreement envisages the integration process of CP personnel in line with the Brussels Agreement and the Kosovo *Law on Civil Service*, and handling of premises and equipment of the CP. (See: *Annex 18*). It also envisages the disbandment of the CP in northern Kosovo and integration of CP personnel in Kosovo’s institutions. Serbia will by 24 April 2015 inform the EU facilitator<sup>65</sup> in writing that CP in Kosovo will no longer exist within the Serbian system from 1 September 2015 on; CP will be disbanded and its premises, offices and warehouses in northern Kosovo will be closed (*Tahiri, 2015*).<sup>66</sup>

The issue of CP is also link to the transformation of the Kosovo Security Forces (KSF) into Kosovo Armed Forces (KAF). However, it has not yet been resolved and there are no visible results on the ground (*Brussels Agreement Implementation, 2015:12; Progress on Mitrovica, 2014:7, 13*).

*The Draft Law on Kosovo Armed Forces* is waiting for agreement to be reached with Belgrade. In order to pass, this draft law must be supported by two-thirds of all members of the assembly, and by 50 + 1 of all Serb deputies (*Tasić, 2015*).

The talks on security and transformation of KSF into KAF are in progress since the beginning of 2013, and almost all of the issues of substance have been agreed. For example, in the initial period, there will be no KAF units or military barracks presence

<sup>64</sup> The Serbian public learned for the first time that such agreement was reached from the *Progress Report on the Dialogue between Belgrade and Priština*, in early May 2015 (*Izveštaj, 2015:24*). The text of the agreement was not announced on the official website of the Serbian government’s Office for KiM, until July 2015.

<sup>65</sup> The author was not aware at the time of writing this policy paper whether Belgrade has done this.

<sup>66</sup> Intensive negotiations with the EU delegation who came to Priština regarding these issues were held on 26 November 2014 and continued this year on 3, 4 and 6 February and 18 March 2013 (*Brussels Agreement Implementation, 2015:12*). The matter of CP integration has been a topic of discussion for a prolonged period of time, and a more substantial arrangement was reached between the representatives of EEAS and the Office for Kosovo and Metohija in the town of Kuršumljaja on February 4-5, 2015. The discussion was resumed on March 25-26, 2015, when the final agreement was reached and signed by two sides on the same day (*Izveštaj, 2015:23*).

The agreed text of the arrangement elaborates integration of 483 members of the Civil Protection (in the institutions in the north), out of a total of 751 persons, as follows: 80 persons in the Kosovo Agency for Emergency Management, 25 persons in the Kosovo Correctional Service; 50 persons receiving salaries from the PISG contingency funds until job positions have been determined for them in the public sector in the municipalities in northern Kosovo; 328 persons in the branches of the Kosovo institutions to be established in northern Kosovo (*Izveštaj, 2015:24*).

in four northern municipalities.<sup>67</sup> As for the organization and operation of KAF in northern Kosovo, similar arrangements as those applied for integration of police and justice system will be followed. The structure and command of the armed forces will be based on ethnic parity, with the appointment of a regional commander.

This is a very delicate issue primarily because KAF is a successor of KLA, which established itself through armed conflict with the FRY Army and Serbia. Aside from this, Kosovo's commitment to join NATO is demonstrated in its constitution and real behavior, whereas in Serbia, political leaders and the public face an uphill battle regarding NATO, in which the opponents to NATO accession take the lead, in particular those who have influence and who support the concept of "military neutrality", seen by most of them as another name for "full military cooperation" with Russia.

## 6. Liaison Offices

The established system of Liaison Officers in Belgrade and Priština operates in the agreed and satisfactory manner.

Making use of this system has resolved several issues, and starting from 1 December 2014, organization of so-called "official visits" was fully transferred under the competence of Liaison Officers (*Izveštaj, 2015:18, 19*). The implementation of the agreement on Liaison Offices still has pending issues such as official stamps of the respective Liaison Offices, which are still operating without stamps (*Brussels Agreement Implementation, 2015: 21, 22*).

## 7. Energy

The *Energy Arrangement (Agreement)*, governing future relations between the Transmission System Operator of Serbia (EMS) and the Electricity Transmission System and Market Operator of Kosovo (KOSTT) was initialed in Brussels on 08 September 2013, within the framework of the political dialogue (See: *Annex 18*).

The *Agreement* provides that the EMS should support the efforts of KOSTT in becoming a member of the ENTSO-E Association and in becoming a separate control area, Priština, in turn, would facilitate registration of two new companies to deal with the wholesale electricity trade and the supply and the distribution services.

After years of a bitter dispute between Serbia and Kosovo over the electricity supplier to northern Kosovo, the two countries reached an agreement reached in 2013. In accordance with this agreement, the company "Elektrokosmet" will be transformed into a supplier and distributor of electricity for four municipalities in northern Kosovo, under Kosovo legal framework. The employees of "Elektrokosmet" will either be incorporated into this new company or might be offered employment with KEDS. EMS

<sup>67</sup> For example, in April 2013, Serbian officials, including the current Prime Minister Vučić, on several occasions stated that Serbian government was issued a "verbal" assurance from NATO that the KAF will not expand to northern Kosovo (*Tasić, 2015*).

In the spring of 2015, Serbian officials opposed the formation of KAF, stating it is not mentioned in the Brussels Agreement, on the contrary, the agreement clearly stipulated that no type of armed forces can enter the north of Kosovo without the consent of the Serb community (*Đurić, 2015a*).

bound itself to the agreement that KOSST will be recognized internationally as the only Transmission System Operator for the territory of Kosovo and that it will support KOSTT to become a member of the European Network of Transmission System Operators (ENTSO-E). KOSTT will be responsible for the transmission of electric power in the main electric networks, outside and through Kosovo (See: <http://www.balkaninsight.com>). KOSTT will reconnect the 110 kv lines to Valaç and take full control over the Valaç substation on the border between Serbia and Kosovo. With this, KOSST will gain full control over the transmission system of Kosovo. The regulatory authorities of both sides shall issue licenses covering trade (import, export, transit) and supply to Kosovo Energy Corporation (KEK), Kosovo Energy Distribution and Supply Company (KEDS) and Electric Power System of Serbia (EPS), respectively.

*The Framework Agreement Regulating Operation and Market Relations between KOSTT (Kosovo) and EMS (Serbia)* was signed on 12 February 2014. Based on its provisions, among other things, further arrangements will be made to ensure that KOSTT joins ENTSO-E as an independent control area and participates in the European-wide compensation mechanism among transmission system operators (ITC). This framework agreement signed between EMS and KOSTT was designed to resolve long-standing issues, including the issue concerning electricity distribution and supply in northern Kosovo (<http://www.balkaninsight.com>). Then, KOSTT (Kosovo) and EMS (Serbia) signed the so-called *Inter-TSO Agreement for network and system operation management* on 14 September 2014. Among the things, this agreement provides acceptance of KOSTT as a control area and KOSTT membership in ENTSO-E (European Network of Transmission System Operators) (*Brussels Agreement Implementation, 2015: 16, 17*).

On energy, progress has been good in some aspects in general, while on others it has been blocked (*Brussels Agreement Implementation, 2015:16*). According to Kosovo, the implementation process has been blocked due to Serbia's tendencies of retaining competencies of distribution of power, while Serbia claims that the aim of Kosovo is to take over property only and not to resolve problems.

The issue of electricity supply and transmission to northern Kosovo and the assets ownership issue have been the subjects of a long-standing negotiation. When Prime Minister Vučić joined the negotiation process on behalf of Serbia, the issue of property ownership emerged, after being neglected and hidden from public eye for decades.<sup>68</sup> At the same time, Serbia is facing a hearing with the regional energy regulator, the Energy Community, concerning what Kosovo claims is the theft of 5 million euro a year from Kosovo in tax revenues. Kosovo also maintains that Serbia's energy operator is leveling illegal fees, costing Kosovo energy consumers 10 million euro a year and raising the price of electricity by 20 percent. According to Kosovo officials only the KEK has licenses to supply electricity across Kosovo's territory, and users of electricity sho-

---

<sup>68</sup> This subsequent initiative is facing the fact that many companies have been sold under UNMIK administration and that many production facilities, formally managed by Serbia or its "parallel institutions", are in reality controlled by bureaucratic / private monopolies, which are producing losses and reducing the value of assets in order to gain wealth for themselves. Part of this money has been used for bribing politicians and officials among Kosovo Serbs, Serbia and Kosovo government and international representatives, to be cooperative and close their eyes.

uld not be making payments to “*Elektrokosmet*” or EPS. On its part, Serbia and EPS claim that EPS was not breaking the treaty and that it lost 100 million euro in unpaid bills in northern Kosovo, due to the fact that people had not been paying their electricity bills for 10 years.

The energy sector was one of the topics addressed in the Brussels dialogue, which opened the way to finding solutions for: regulating the relationship between the two operators - EMS and KOSTT, and creating conditions for: cooperation between two transmission systems,<sup>69</sup> management of the “*Valaç*” and the substation on Gazivode lake,<sup>70</sup> the control of energy flow in both electricity systems; a new electricity company to supply customers in northern Kosovo, consumption control and billing. Kosovo agreed to register the company “*EPS Trgovina Ltd Kosovska Mitrovica*”, and requested additional documentation. On the other hand, registration of the company “*Elektro-distribucija Sever Zubin Potok Ltd*” was rejected as illegal. Serbia has repeatedly insisted on registration of the company established by the Municipality of Zubin Potok.

On March 24, 2015, the Kosovo side informally announced its consent to have EMS as the founder of the electricity supply company and to grant this company the license for the supply of electricity. It was also suggested that said company should negotiate the distribution services with the KEDS. Serbia did not accept this proposal, repeatedly requesting from Kosovo and EU representatives that PISG should carry out their obligations assumed under the *Arrangement* and *Action Plan (Izveštaj, 2015:9, 10)*.

In order to perform their respective obligations under the “*Energy Arrangement (Agreement)*” of September 2013, the two parties agreed with the “*Conclusions of the EU Mediator on the Implementation of the 2013 Energy Arrangement/Agreement*.” (See: *Annex 20*). Kosovo will allow EPS to establish a power trade company in Kosovo, in line with its non-discriminatory obligations under the Energy Community and in accordance with the Kosovo legal and regulatory framework. This company will apply for, and be granted a license that covers import, export and transit. Regarding the Establishment of new supply and distribution services company, Kosovo will allow EPS to establish a supply company in Kosovo, in line with its non-discriminatory obligations under the Energy Community and in accordance with the Kosovo legal and regulatory framework. The name of the company will be “*ElektroSever*”.

It is of special importance that the two parties agreed on the issue of property<sup>71</sup> in a “*Disclaimer*”. By means of this, the preconditions have been created to meet Serbia’s

<sup>69</sup> In keeping with this *Arrangement*, the Contract on Interconnection and Contract on Service Provider was signed between the EMS and KOSTT on 15 September 2014. Closure of these contracts, in accordance with the *Arrangement*, facilitated the initialing of the *Action Plan* on 19 September 2014, and the latter was then handed over to the EU representatives

By providing active support, the EMS has fully performed the obligations stemming from both the *Agreement* and *Action Plan* and enabled for KOSTT to establish the control area<sup>1</sup> as of 1 June 2015, expecting that Kosovo would fulfill its part of obligations elaborated in detail in the *Action Plan*.

<sup>70</sup> A small portion of electricity is produced in “*Gazivode*” HPP (38 KW). It covers about 2 percent of total need. Experts suggest that, in the context of the diversification of supply sources, Kosovo should secure the supply from hydroelectric sources in two ways – through a system of small hydro power plants, in particular in northern Kosovo, and through the construction of a large HPP in the village Žur near Prizren. Its hydropower potential represents about 43 percent of Kosovo’s total capacity.

<sup>71</sup> Kosovo considers that, in accordance with Kosovo Constitution and Laws, and international law, namely UN-SCR 1244 and respective UNMIK Regulations, the property within the territory of Kosovo is ownership of Kosovo.

request to start discussions on property, and Kosovo's efforts to highlight its pretention on disputed property, and yet to reach the agreement.

The agreements reached between Serbia and Kosovo for settling the long-standing issues and progress made over the period from 2013 and 2015 in the field of energy will facilitate the achievement of common objectives:

- Creating transparent common/regional energy market;
- Jointly solve the problems of financing construction, including access to loans under favorable conditions from international financial institutions;
- Effective cooperation in the construction of a gas pipeline network in the region;
- Jointly examine the implementation of the Energy Community directives on environment and assess the causes of dramatic increase in electricity production cost in our impoverished region; construction of renewable energy sources, taking into account security of supply and influence on cost; cooperation between the energy regulators.

## 8. Telecommunications

Whereas, the *International Telecommunication Union* assigns country calling calls only to UN member states, Kosovo still does not have *its own country code*.<sup>72</sup>

The *Agreement on Telecommunications* (See: *Annex 21*) was reached between Serbia and Kosovo in 2013. As provided for by this agreement, Kosovo will have its own country code +383, but will apply through a mutually accepted EU member country. Within the scope of the Draft Action Plan, Belgrade requests guaranties for the “inter connection” between the existing dialing code +381 and the new one, +383, during and after the transitional period as foreseen by the *Action Plan*. This agreement has not been signed as of July 2015; but the two parties agreed that Telekom Serbia can legally operate in Kosovo and that price for calls from Kosovo to Serbia will be charged at local tariff.

In accordance with the *Action Plan* and the *Law on Business Organizations of Kosovo*, Serbia expects that the registration of the company in Priština by the Telecom Serbia JSC will be facilitated. Similarly, the Serbian side expects to receive clear written guaranties by Priština and the EU that this company will be granted licenses, as proposed in the *Action Plan*, on the same day of approval of the dialing code for the “Kosovo territory”, following Belgrade's consent (*Izveštaj, 2015; 11, 12*).

The two parties agreed on drafting a *Technical Agreement* to harmonize the use of spectrum for GSM and television signals, with the aim of ensuring mutually uninterrupted provision of services. Each party undertakes not to intentionally interfere with the border / administrative line.

Serbia and Kosovo agreed on three agreements in Brussels on 25 August 2005 (See: *Annex 22*). According to *Annex 1: The International Telecommunication Union (ITU)*

---

Serbia considers that, that in accordance with domestic and international law, namely UNSCR 1244, property within the territory of Kosovo is ownership of Serbia, under specific provincial regulation and in full accordance with the Constitution of Serbia”.

<sup>72</sup> The code used for fixed line services in Kosovo is +381, which is the code used by Serbia, whereas for mobile networks, it uses either the Monaco code +377 or the Slovenian code +389.

*Bulletin*, with the consent of the Administration of the Republic of Serbia, and based on the text of the Austria's letter to ITU (*Annex 2*), the Director of TSB has assigned the following international codes to Kosovo: "+383". The *Action Plan in the Field of Telecommunications* was also adopted. By means of this, the preconditions have been created for Kosovo to become part of the international telecommunication system directly, not through Serbia code for fixed line services, and Monaco and Slovenia codes for mobile networks. This will certainly encourage the development of the telecommunication market and enable cheaper services to citizens.

## 9. EU Integration

Point 14 of the *First Agreement of Principles* envisages that neither side will block, or encourage others to block, the other side's progress in their respective EU paths.

According to Serbia, since the key requirement for the opening of negotiating chapters is the implementation of the signed agreements, by not implementing the subject agreements Kosovo is directly blocking Serbia's European agenda and bringing it to a halt. Examples of such obstruction abound in the areas of energy and telecommunications. However, the biggest problem in terms of Kosovo's non-compliance with the *First Agreement of Principles* concerns the formation of the *Community of Serbian Municipalities* (CSM); this procrastination effectively renders it impossible to resolve problems in a number of areas that CSM is supposed to be administering, and on whose resolving, in turn, depends the pace of Serbia's progress in the process of its EU accessions (*Izveštaj, 2015:12,13*)

## III. INFLUENCE AND PERSUASION

The Brussels dialogue about the normalization of relations is challenging for Kosovo and Serbia, countries in the region, in particular for Macedonia, Albania and Montenegro, but also for EU, the US, Russia and the UN Security Council.

The EU acts as a facilitator for the dialogue in the process toward normalization of relations between Serbia and Kosovo, on the way toward a "common European future". At the same time, the EU (with the US and NATO) is directly involved in institution building and economic development in Kosovo.

The EU was responsible for reconstruction and economic development, through Pillar IV of UNMIK, from the very beginning of an international presence. When the responsibility for enforcement of other UNMIK pillars and competencies were transferred to the provisional Kosovo institutions, EULEX continued to function on the ground and the EU became a facilitator. The EU has the capacity to reward and punish, in the framework of the European future only, i.e. to slow down or speed up the processes, such as: visa liberalization, SAA, candidate status and accession negotiations. It has the status of *de facto* involved party, with an obligation to intervene. Nonetheless, the EU has a problem with its "status neutral" stance towards Kosovo because five of its members have not recognized Kosovo's independence. In fact, the EU's "status neutral" stance towards Kosovo makes its position and leverage even more questionable,



compared to Serbia, when it comes to the results it wants to achieve in the northern part of Kosovo (Deda, 2013:19).

The way the EU dealt with its problems, the growing economic and political crisis of 2008, EU losing its attraction for Serbia and Kosovo and the reluctance of some members states to welcome new countries and “new problems”, followed by Euroscepticism in the Western Balkans, including in Kosovo and Serbia, has led to excessive bureaucratization and has slowed down the EU intervention. The need to take responsibility and a leading role in the normalization process has emerged. This role has been taken over by Germany, since the second half of 2012, and above all by German Chancellor Angela Merkel and the ruling coalition CDU/ CSU. A series of economic initiatives and CSO activities implemented with the support of German foundations such as KAS, have contributed to progress on the ground in Serbia and Kosovo.<sup>73</sup> Clearly, it can be concluded that Germany is not just *another one* of the EU member states due to its strong role in backing the Brussels dialogue on normalization of relations.

The German awakening changed the dynamic. Despite being reactive, this policy was resolute, making the EU’s assumption of the undisputed Western leadership role in Kosovo possible. The United States curtailed its role as the dominant international player, shifting to a role centered on backing the EU agenda. Germany, with strong support from the United Kingdom, redefined the terms of the EU’s engagement (Bassuener, Weber, 2013:1).

In September 2012, German Ambassador to Belgrade Wilhelm Heinz said, Germany had negative expectations of the new Serbian government’s future Kosovo policy. The dialogue had changed German perceptions of Serbia. The Ambassador noted that the dialogue would proceed as a process parallel to the accession negotiations, and referred to the public debate in Serbia on the German-British “*non-paper*” on the accession framework, especially in relation to the discussion on whether Kosovo would be covered by *Chapter 35* only or should be covered by other chapters as well (Weber, 2013:3,4). The developments so far have confirmed the key role of Germany and Britain and their so called “*non-paper*” in the preparation of the EU’s *Negotiating Framework* for Serbia’s accession (as previously discussed in this Policy Paper).

The “*non-paper*”, lists a number of necessary endpoints for the Kosovo -Serbia dialogue and the EU’s approach to the two countries through the accession process. These include the following elements:

- “Full normalization” guaranteed by the end of the accession process;
- Conditionality on normalization must be hardwired through each chapter negotiation, including through relevant chapter opening/closing benchmarks;
- *Chapter 35* will lock in Serbia’s overall progress towards full normalization, across the board and throughout its negotiations;
- A watertight, binding mechanism to prevent either Kosovo or Serbia blocking the other’s EU path (likely taking legal form in Serbia’s accession treaty);
- A strong role in the process for EEAS/HR.

<sup>73</sup> One example is previously mentioned KAS project and one of its outputs, the *Framework Agreement*. Many ideas proposed in the *Framework Agreement* have been verified in German and EU policy.

Clearly, Berlin and London envision a detailed and robust set of criteria for both countries. Among these is a proposal, jointly agreed with Enlargement Commissioner, to add all Kosovo-related issues to *Chapter 35* of Serbia's EU accession negotiations.

The CDU/CSU fraction in the Bundestag was particularly active and effective in clarifying and monitoring the implementation of German and EU policies. This is demonstrated by the Resolution adopted by the German Bundestag on 25 June 2013 (See: *Annex 23*).

The *First Agreement of Principles* opened the door to the resolution of the status dispute between Serbia and Kosovo and unblocked both countries' path toward integration in the EU. This unprecedented development was made possible by a re-ignition of a previously frozen conflict, reactive but consistent German leadership – with strong British and US support – and political change in Serbia (*Bassuener, Weber, 2013:1*).

In the preparation of the *Negotiating Framework*, it has been agreed at a multilateral and bilateral level that negotiations with Serbia would be opened and closed with *Chapter 35*. During 2014, Germany made an overall assessment of progress in implementation of the agreements reached in the dialogue, in particular the implementation of the *First Agreements of Principles*, in order to establish conditions which should be fulfilled for the opening of the first chapter's in Serbia's pre-accession negotiations with the EU, based on the results of implementation. These conditions are drafted in a "*List of 11 points Serbia is required to meet prior to opening Chapter 35*", referred to by the public as "German conditions" or "11 points". Nonetheless, the way of assessment if the conditions from "11 points" are fulfilled remains unclear. One possibility is the adoption of a *Second Agreement of Principles*, or "*Brussels 2*", as referred to in the public. The *Second Agreement of Principles* is a good solution because it can serve two purposes – to ascertain whether the conditions are fulfilled, and to determine future obligations concerning the implementation of agreements. It can also directly contribute to defining the content of *Chapter 35* and the *Action Plan* for this chapter.

## IV. CHALLENGES OF DEVELOPING THE INSTITUTIONAL FRAMEWORK FOR NORMALIZATION

### a. Constitutionality, Legality and Legitimacy of the Brussels Agreements

In order to legalize Kosovo's government political decision to enter into dialogue with Serbia, Kosovo Assembly voted on two different resolutions.<sup>74</sup> Kosovo has not ratified any of the agreements. The Government of Kosovo is bound by the Constitution

<sup>74</sup> On 10 March, 2011 the Assembly adopted the first *Resolution on the dialogue between Republic of Kosovo and Republic of Serbia*, supporting the dialogue on "practical" issues and confining the dialogue only to "technical" issues, although the first round of talks was held on 8 and 9 March, 2011. The second *Resolution on normalization of relations between Republic of Kosovo and Republic of Serbia* was adopted on 18 October, 2012, supported by all political parties, except *Vetevendosje*, effectively giving the green light for the meeting between Prime Minister Thaci with his Serbian counterpart in Brussels the next day.

to put such agreements before the Assembly of Kosovo and ratify them. However, the legal nature of the agreements with Kosovo will have to be determined at the end of the negotiations process and by analyzing accordingly the legal context of Kosovo, based on the *Negotiating Framework* - a “legally binding document” will be signed by Serbia and Kosovo. This solution is in line with the EU’s status neutral stance towards Kosovo. (*The Kosovo-Serbia dialogue, 2012*). Until then, the Kosovo Assembly legalized the agreement by ratifying the resolution in supporting the *First Agreement of Principles*, in late May 2013. (*Deda, 2013:14-16*).

In the case of Kosovo, limiting factors of the legal and political nature are the five non-recognizers of its sovereignty and the fact that Kosovo is not a member of the UN. Other significant limitations are caused by strong political resistance to the normalization process in Kosovo. This resistance has only slowed down the process for the time being, but if it continues to grow the normalization of relations could be jeopardized. To judge by the institutional structure and legislature, Kosovo could be categorized as a “weak state” with an extremely underdeveloped economy.

As for Serbia, current constitutional, legislative and institutional arrangements impose partial limitations for the dialogue and links between the institutions of Serbia and Kosovo.<sup>75</sup>

An example of the limitations imposed by the Constitution are contained in its *Preamble* which characterizes Kosovo as integral part of Serbia; determines its status of a substantial autonomy within the sovereign state of Serbia, and imposes obligation for all state bodies (it is not specified which bodies) to uphold and protect the state interests of Serbia in Kosovo in all internal and foreign political relations.

Given that the Serbian Constitution does not specify the legal nature and effect of the *Preamble*, the question remains whether it should be considered to be legally binding. Provided that the provisions of the *Preamble* are binding, the question on penalties for violating these provisions is open.

Article 8 of the *Constitution Principles* states that the territory of Serbia is inseparable and indivisible. From the perspective of the dialogue in Brussels, such provisions have the limiting effects.

The Constitution contains two different rules concerning the authority to change the borders of the Republic of Serbia. In fact, there is a conceptual incoherence between the *Constitution Principles* and normative provisions governing territorial organization, as stated by the Venice Commission in its opinion about constitutional provisions on territorial organization which do not guarantee the right to provincial autonomy and local self-government, but rather leaves it to a special law to be adopted. (*Pajvančić, 2012*).

Articles 176 – 182 of the Constitution of Serbia governing territorial autonomy and local self-government are of particular importance for this Policy Paper. For example, according to Article 182, there are two autonomous provinces in Serbia: Vojvodi-

<sup>75</sup> Euroscepticism and resistance to EU integration that have continued to grow over the past two years, have adverse effect and slow down the dialogue and normalization process.

In spring of 2015, the Assembly of Serbia started a dialogue on the political system. The dialogue involves practical problems and solutions, including proposals for constitutional changes.

na i Kosovo. The two autonomous provinces are given different constitutional status. The Constitution leaves the definition of the “substantial economy” of Kosovo to a special law to be adopted in accordance with the proceedings envisaged for amending the Constitution. It should be a kind of constitutional law, even though constitutional laws are unknown in Serbian constitutional practice. The law has yet been passed, and there is no information about whether it is being drafted.

According to the Constitution, new autonomous provinces may be established, and already established ones may be revoked or merged following the procedure required for amending the Constitution. The proposal to establish new, or revoke or merge the existing autonomous provinces must be approved by citizens in a referendum. The law shall set forth the terms under which a decision to establish new, or revoke or merge the existing autonomous provinces may be reached. However, the law has not yet been passed and is not being drafted. (*Pajvančić, 2012*).

In the answers to the *EU Questionnaire* sent to Serbia in order to prepare an opinion on the request of Serbia for membership in the EU, Serbia agreed to exclude the territory of Kosovo from its answers, and later that the *EU acquis* is directly applicable in Kosovo. However, the *Negotiating Framework* stipulates that Serbia shall in particular ensure that adopted legislation, including its geographical scope, does not run counter to the comprehensive normalization of relations with Kosovo. In order to comply with this requirement, Serbia will have to change its Constitution and remove its references to Kosovo. (*Ejdus, 2014:7*).

Furthermore, according to the *Negotiating Framework*, the normalization of relations between Serbia and Kosovo is expected to lead to a “legally binding agreement” by the end of Serbia’s accession negotiations, with the prospect of accepting Kosovo’s sovereignty and territorial integrity, and/or resolving the border issue. Such a solution is not in accordance with the Serbian constitution, which again points to the need for changing the Constitution and adjusting it to the reality.

Those who challenge the constitutionality of agreements reached by Serbian authorities during the talks in Brussels, suggest that the *First Agreement of Principles* has been signed as a special bilateral agreement. According to them, the *First Agreement of Principles* is an international agreement signed between the EU and Serbia, with participation of a “legally non-existent party” – Kosovo. By being adopted by the Serbian assembly, the government’s report on the *First Agreement of Principles* does not have a legal force, it is still a political act. Despite being accepted in the Assembly of Serbia, the government’s report on the *First Agreement of Principles* still has no legal force and is still in fact a political act.<sup>76</sup>

<sup>76</sup> The *Agreement of Principles* is not in accordance with Art. 97, para. 3 in conjunction with Art. 189 para. 1, because the provisions governing territorial organization of the Republic of Serbia and system of local self-government fall within jurisdiction of the Republic of Serbia. The same applies to the establishment, organization, jurisdiction, system and structure of courts (Article 180, para. 3, the Constitution of the Republic of Serbia); defence and security (organization of the police force) is within the sole jurisdiction of the Republic of Serbia (Art. 97 para. 4 of the Constitution of the Republic of Serbia); organization and conduct of elections at all levels of government is governed by law of the Republic of Serbia (Art. 180, para. 3 of the Constitution of the Republic of Serbia).

According to this interpretation, Serbian officials did not follow constitutional obligations of all state bodies to “uphold and protect the state interests of Serbia in Kosovo and Metohija in all internal and foreign political

To this day, the Constitutional Court of the Republic of Serbia (hereinafter: CCRS) has repeatedly issued rulings on the results of the Brussels process, specifically on: regulations adopted based on agreements that were reached in the technical part of the dialogue; and on the *First Agreement of Principles* itself (See: *Annex 26*).

Regarding the *First Agreement of Principles*, to this day CCRS has determined that some regulations adopted for the implementation of this agreement<sup>77</sup> to be in violation of the Serbian Constitution and the law. However, the publishing of decisions by means of which CCRS has determined these inaccuracies and, thus, their legal force, has been delayed, and all petitions for stay of enforcement of individual acts and procedures undertaken based on such regulations were dismissed. Essentially, CCRS ruled that such decisions are unconstitutional but took no action to rectify the said unconstitutionality, although it remains unclear how the existing unconstitutional state can be formalized without alterations to the Constitution itself.

As for the *First Agreement of Principles*, CCRS has dismissed the motion for assessment of its constitutionality and legality. Such a decision, even though it seems to be the opposite of the one applied to regulations from the “first package” is, in fact, based on the same standpoint. Namely, the *First Agreement of Principles* was treated as a political act. The CCRS has also dealt with acts pertaining to the implementation of the *First Agreement of Principles*, such as the *Regulation on conditions for fulfilling the right to special pension by MUP employees on the territory of the Autonomous Province of Kosovo and Metohija*. However, CCRS stopped short of going any further than ruling on the implementation’s unconstitutionality.

In the process toward the normalization of relations, apart from much-needed reforms, such as improvements in the business environment, development of competitive private sector, reduction in the unemployment rate, and continuation of regional cooperation, Serbia should implement institutional reforms and amend its constitution. Namely, the Constitution of Serbia adopted in 2006, does not reflect the real needs of the state and its citizens. It was an octroyed constitution and part of the political compromise of the largest political parties, which was imposed through the citizens’ referendum abuse. As such, the constitution represents one of the major barriers on a path of faster recovery of Serbia. It is an obstacle to much-needed reforms of economy, establishing fully functional democratic state and achieving proclaimed human rights and freedoms.

The main reasons for the amendment to the present Constitution:

- To create constitutional, legislative and institutional conditions for improving the business environment, increased investment, accelerated sustainable development

---

relations” (*Preamble* to the Constitution of the Republic of Serbia), thus violating the constitutional principle of the rule of law (Art. 3, para 2, of the Constitution of the Republic of Serbia) (*Ivošević, 2014*).

<sup>77</sup> Regulation on the special manner of recognition of higher education certificates and valuation of curricula of universities from the territory of the Autonomous Province of Kosovo and Metohija which operate contrary to regulations of the Republic of Serbia, adopted for the purpose of implementation of the agreement on recognition of university degrees; Regulation on the special manner of processing data contained in registries for the territory of the Autonomous Province of Kosovo and Metohija, adopted for the purpose of implementation of the agreement on registries; Regulation on special manner of processing data contained in the land cadastre for the Autonomous Province of Kosovo and Metohija, adopted for the purpose of implementation of the agreement on cadastre.

- and the elimination of private and bureaucratic monopoly control over national resources;
- To ensure all kind of forms of ownership and the inviolability of property (private, public, cooperative);
  - To put all businesses on an equal footing, while ensuring the protection of their rights and interests, with the aim to enhance the competitiveness of domestic private and public sectors;
  - To modernize and raise the level of equipment, education and skills; raise the level of efficiency and eliminate unnecessary and redundant state administration;
  - To boost the effectiveness of the fight against corruption and public authority control, by strengthening judicial independence and anti-corruption bodies;
  - To ensure equal access and effective protection of all rights guaranteed by law;
  - To provide conditions for self-organization of citizens at the regional level and organize Serbia into regions;
  - To ensure that Serbia's commitment to EU membership is acknowledged in the constitution as required in the EU accession process and normalization of relations; and to consolidate and harmonize the national legislation, currently in chaos, with EU legislation;
  - To create constitutional and institutional conditions for the normalization of relations between Serbia and Kosovo to protect the interests of Serbia and Serbs in Kosovo.

The previous analysis has confirmed that preference is given to legitimacy over constitutionality, legality. Legitimacy is derived from the following elements:

- Firstly, dialogue is conducted and agreements are reached by legal and legitimate representatives of Serbia and Kosovo;
- Secondly, the facilitation role of the EU is legalized through the acceptance of both sides, as well by the UN resolution;
- Thirdly, the goal to be achieved: resolving issues which are the source of the conflict between the parties is a legitimate aim;
- Fourthly, the values that guide the process: normalization, peace and regional collaboration as well as “common European future” are legitimate.

## b. Improvement of Economic Conditions toward Normalization

### 1. Macroeconomic Environment

Since the beginning of reforms being implemented in Kosovo since 1999, and in large part thanks to foreign donations and remittances, Kosovo's economy recorded signs of progress: the growth rate of gross domestic product since 2007, is over 2% or 4.5% on average; the eurization has helped in maintaining low inflation rates as well as the creation of budget surplus, and its orientation towards development.

Kosovo's economy is one of four European economies which, in the period 2008 - 2012 was spared the consequences of the global financial crisis, that is, the consequen-

ces appeared later in the form of absence of investments, rise of unemployment, deepening poverty, massive outflow of employable population, primarily to the EU, and so on. In this aspect, Kosovo and Serbia are in a similar position. This delayed impact of the crisis and its heightened socio - economic manifestation testifies to the low intensity of trade and financial exchanges with the countries affected by the crisis, and the low level of economic activity. A low level of economic activity is evidenced by the structure of GDP, where remittances account for about 14%, donor assistance to about 10%, industry 22.6%, agriculture 12.9% and as high as 64.5% of the value is created in the service sector.

According to the World Bank report, in the past three years the rating of Kosovo in terms of starting a business has recorded a steady growth: in 2012 it was ranked 126th out of a total of 189 countries, 96th in 2013 and 2014. But that is not enough to encourage investors.

Attracting investments is unfavorable due to: unfinished privatization process, difficult access to capital, especially for micro, small and medium enterprises; dominance of commercial banks in the Kosovo financial system, the capital market being in the early stage of development; despite the low costs and high mobility the labor has weak educational structure; favorable tax environment can not compensate for the negative effects of the poor conditions in the energy sector, which leads to frequent power failure.

With a poverty rate of 29.7% and the gross national income of 1,760 euros per capita the economy of Kosovo is one of the weakest in Europe. The Corruption Perceptions Index ranks Kosovo at the 111th place out of 176 (according to the Transparency International). Interplay of corruption and organized crime is weakening the already weak state yielding the absence of the rule of law. All of this is significantly increasing the risks and costs of business operations, but also of life in Kosovo (*Kosovo 2014*).

The lack of economic activity has resulted in the highest unemployment rate in the region, which is around 45%; this is increasing the shadow economy and the emigration trends of younger population, (which has seen a strong trend of 2014), and it also increases the volatility of the internal social and political scene. This was discussed in the part of this Policy Paper dealing with the freedom of movement.

Regarding the northern Kosovo municipalities with Serb majorities (Leposavić, northern Mitrovica, Zvečan and Zubin Potok), the lack of administrative and economic integration in the system of Kosovo on the one hand, and the lack of effective support measures from Serbia for the sustainable development of the economy in these municipalities on the other, additionally impedes economic conditions. Only 20% of local companies traded outside the limited market of these four municipalities, while 75% of registered business entities have no legal status that would allow operations in the whole territory of Kosovo. Among other things, this complicates the planning of municipal budgets and funds required for the operation of local enterprises (*Gavrilo-vić, 2015:8*).

At the same time, the economic and social ambience in today's Kosovo underlines the necessity of changes and reforms, but it is also very unfavorable for these to take place. It shows that the Brussels dialogue and normalization will be burdened by a series of risks from the economic and social life. The above situation is similar in Serbia.

This environment is giving out controversial signals: those that encourage the advancement and progress of normalization, and others that complicate and hinder the dialogue and normalization. This, in turn, indicates that the economic, political and state leadership have the key role and that the speed and quality of decisions depend on their capacities.

In relation to overall economic and social reforms in Kosovo and Serbia, dialogue and normalization have immediate positive effects i.e. they facilitate and accelerate them. First, the implementation of the agreed solutions represent adoption of the new European standards in areas of vital interest to the people in Kosovo and Serbia (for example, improvement and digitalization of the public register, increasing the mobility of the population, goods, services and ideas, raising the capacity of customs and other services, etc.).

Ever since the Milošević's era until May 2015, Belgrade has led a policy of budgetary support to economic activities in Kosovo or those enclaves inhabited by Serbs. Also, through state interventions various public and private companies were directed toward financing the Serbs and maintenance of the so-called parallel institutions. Since 2005, this type of support was reduced to the territory south of the Ibar River, and since the proclamation of Kosovo's independence, (due to the narrowing of the area of political influence in Kosovo and devastating consequences of the crisis on the Serbian economy), this type of support was also reduced in the north of Kosovo. As part of the reform efforts the Serbian government is trying to change this approach and support only those projects and institutions that can realize a self-sustainable development. This approach was announced at the round table "The Region of Success", held on 29 May 2015, organized by the Office of the Government of Serbia for Kosovo and Metohija. The basic idea of this approach is adaptation to the newly created circumstances. For example, the establishment of the so-called *daughter companies* that would be registered in Kosovo, according to the laws of Kosovo, and their operations supported by the state of Serbia. One form of support is that for each employee in Kosovo, the company would be released from contributions for an employee in Belgrade or for each 1 euro sold in Kosovo to receive an additional 30 cents in Serbia and so on.

## 2. Infrastructural Environment

### 2.1. Transportation

Although Kosovo is not on the route of the pan-European corridors it is linked with them via corridor VIII - the "Ibrahim Rugova" highway, which connects Priština and Tirana, and there are ongoing works linking Priština with Skopje and Corridor X (Tirana - Priština - Niš). Regarding the north, Kosovska Mitrovica is located at the crossroads of trade routes between north and south - the main road that crosses lake Gazivode links Kosovska Mitrovica with Montenegro and the Adriatic Sea. The main Priština-Mitrovica road connects the north with the rest of Kosovo and is currently in the phase of reconstruction, (financed from a loan from the *Saudi Development Fund*). Despite capital investments in road infrastructure since 1999, the road network in the north is underdeveloped, and because of its topographical characteristics does not provide fast connection with the region.



Railway connection with Serbia and Macedonia exists, but not with Albania and Montenegro. Since the autumn of 2013, Serbian Railways again service the line Belgrade - Kraljevo - Kosovska Mitrovica, while the line from Mitrovica is still serviced by the “Kosovo Railways”. Since May 2014 transportation exists only to Zvečan. This is justified by the damage caused by the floods and torrents of May 2014. In accordance with the directives of the EU, during 2011 Kosovo restructured the railways and separated the enterprise engaged in infrastructure (INFRAKOS) from companies that are engaged in operations (InfraTrain). The *European Bank for Reconstruction and Development* recently approved the extension of a loan to the Government of Kosovo for the rehabilitation of railway lines north-south, from Lešak to the Macedonian border (the area around the administrative border is scheduled for the last phase). This is a project of strategic importance because that railway is part of the Railway Corridor X, but due to the damage caused in the 1990s some of its parts almost unusable.

Kosovo has two national airports (in Đakovica and Podujevo) and one international in Priština, which was given over in 2010 to Turkish – French consortium to be managed for the next 20 years. The national airline is “Kosova Airlines”, flies to eleven destinations, with direct flights to cities in Albania, Croatia, Slovenia, Austria, Switzerland, Germany, France, Sweden, Norway and Turkey.

Kosovo has nine border crossings of which six are with Serbia: Brnjak, Jarinje, Merdare, Mutivoda, Bela zemlja and Mučibaba. As part of the technical dialogue between Kosovo and Serbia, in 2011 and 2012 an agreement was signed, and then a technical protocol on joint border management, but Serbia has delayed their implementation until the autumn of 2012.<sup>78</sup> Serbia is late in fulfilling its obligations, and instead of the end of October 2012, all crossings were finally open in March 2013. The second phase of the agreement, which includes construction of permanent facilities at the crossings, was not concluded upto the summer of 2015. The construction started in 2013, and the construction of permanent facilities was entrusted to the contractor engaged by the EC. The marking of points on the basis of the agreed co-ordinates, which will serve as reference points for the construction of permanent facilities at customs crossings, is regarded as success achieved by the mixed Group for the Implementation of the Agreement (which consists of representatives of Serbia, Kosovo and the EU).

## 2.2. Water and Wastewater Management, Land and Environment Management

In relation to the total water demand in Kosovo, the reserves are relatively small and unevenly distributed territorially at the expense of the eastern and southeastern parts. There is not enough research on groundwater reserves, which are mainly used for private wells. According to last year's report of the EBRD, there is no wastewater treatment system in Kosovo, while only 40% of the population, and less than 10% of the rural population has access to the national sewage system. The drinking water supply system is undeveloped; it suffers significant technological and commercial lo-

---

<sup>78</sup> The agreement anticipated the opening of six temporary crossings, three on the territory of Serbia and three on the territory of Kosovo, as well as the responsibility of the authorities of the respective territory for the security of customs authorities of the opposite side.

sses, and does not reach the majority of the population. Fees for water supply do not match the high costs and investment needs of the sector.

With the Ibar River and the artificial lake Gazivoda which are partly situated in the municipality of Zubin Potok (and partly in the municipalities of Tutin and Novi Pazar), the north of Kosovo is rich in water resources. However, regardless of that, the water supply is far from satisfactory because it is carried out through an old network and suffers from technical losses, while illegal connections and a low rate of bill collection generate commercial losses. The situation concerning waste water treatment is unfavorable because the sewage water from urban and rural areas is discharged directly into the Ibar River or other open channels without treatment. This activity is contaminating the soil surface and ground water and increases the risk of flooding, which in turn exposes the areas that are not connected to the public network (and which are supplied from their own sources) to an increased risk of contamination.<sup>79</sup>

In terms of the environment, the key problems are air pollution, water shortage and pollution, land degradation and loss of the role of the ecosystem.

When it comes to waste, increase in the urban population and level of economic activity leads to increased environmental risk to the entire Kosovo territory. Very little has been achieved in the field of separation, recycling and processing of waste. The payment collection rate for garbage collection was slightly increased in 2010, but is still low.

In northern Kosovo, solid waste disposal is carried out at the landfill in Banjska. Waste sorting and recycling process are in their early stages and it is necessary to do much more in order to reach EU standards. Waste management in urban areas has been further hampered by high population density and increased economic activity. As a result of previous mining activities the region is contaminated with lead, zinc, cadmium, arsenic, mercury and other materials.

The poor state of the environment in Kosovo is the result of uncontrolled construction of residential and industrial buildings, the use of outdated technologies, especially in the exploitation of natural resources, pollution of watercourses, complete absence of water treatment systems, and the accumulation of solid and industrial waste. The biggest threats to the environment in Kosovo come from mining – the metallurgical complex “Trepča”, Thermal Power Plan “Obilić” and concrete plants in Priština.

The territory of Mitrovica, Zvečan and Leposavić are especially vulnerable after the shutting down of “Trepča”, because of the tailings scattered all over the place as well as the accumulated scrap metal and ash in the abandoned plant, directly threatening human health through the pollution of air, soil and the food chain.

Land management, improvements in landholdings and raising their values are important preconditions for attracting investment. Successful land management requires the existence of cadastral records. The first step in this direction is for Serbia to surrender to Kosovo the cadastral documents for the territory of Kosovo which, since 1999, are located in the municipalities in central Serbia.

---

<sup>79</sup> In recent years, pollution has particularly affected Gazivode, which supplies water to several neighboring municipalities and the city of Priština (via a channel that leads through Gračanica), and also provides water for irrigation of land in the central part of Kosovo.

### 3. Telecommunication and Media

Kosovo is poorly covered by fixed telephony, and the rate of coverage is among the lowest in Europe. In 2010 it was registered that about 74% of Kosovo's population was subscribed to mobile phone services.

In Kosovo, the competition in the telecommunications sector has been introduced, and there are two licensed operators of fixed telephony – Post and Telecommunications of Kosovo (PTK) and IPKO Telecommunications. The same operators also provide mobile telephony services and the Internet. Licensed operators for virtual mobile networks are Z Mobil and Mobil D3. According to data from 2010 about a quarter of Kosovo households are connected to the Internet.

Postal services are provided by Post and Telecommunications of Kosovo (PTK), which has not yet been privatized.

Kosovo has 22 television stations (including 3 national), 9 newspapers and 92 radio stations. This number is expected to drop due to declining donor funding.

Regarding information for residents of Serb origin, in 2013 the Independent Media Commission licensed a Serbian TV channel of Radio Television Kosovo (RTK 2).

Five private TV stations from northern Kosovo were receiving the support of the Republic of Serbia, but this has declined over time, and their owners fear that in case they have to rely solely on funding from the proceeds of marketing, they will be forced to close down their stations.

And while the situation in electronic media is still such that almost every municipality has its own radio station or even a TV station, when it comes to print media, Serb-majority communities are informed in their native language solely from dailies based in Belgrade.

### 4. Industry

#### 4.1. Energy

The main source of energy in all Kosovo is electricity. In spite of the significant potentials for electricity production,<sup>80</sup> Kosovo has serious problems in meeting the growing electricity needs and is forced to import between 10 and 15% of total electricity needs.

Of the total electricity produced, 90% is produced by the Kosovo Energy Corporation KEK, “Kosovo A”, which is built using Soviet technology of the 1960s, and “Kosovo B”, built in the 1980s. Both power plants use coal to generate electricity, and since “Kosovo A” is a big polluter of the environment some parts were decommissioned, while complete shutdown is planned to be carried out by 2017. It is planned to construct a new power plant - TPP “New Kosovo”, also known as “Kosovo C”.

In order to meet the requirements of the EU standards, Kosovo will have to significantly increase the use of renewable energy. That means that 20% of the energy must come from renewable sources, wind energy production must be increased by 20% and carbon dioxide emissions reduced by the same percentage.

<sup>80</sup> Brown coal (lignite) deposits, which are estimated at between 11 billion and 14 billion tons, are one of the richest in Europe.

Kosovo has no gas resources, nor is it connected to gas lines, and gas is only used from butane gas cylinders. About half a million tons of petroleum products are imported annually, while there is only one refinery, which covers less than 4% of the total needs.

As far as alternative energy sources, on the Goleš hill near Priština airport, a German investor is currently building a wind farm. The potential for the construction of these farms are in central Kosovo.

Given the number of hours of sunshine per year, Kosovo should consider solar energy. The same goes for obtaining energy from biomass and geothermal sources.

Energy systems of Serbia and Kosovo were developed within the framework of a single Yugoslav state. These systems have natural sources of energy: coal, oil, gas, water, and share geographic location of Serbia for transit of electricity, oil and gas. Only by connecting the power systems of Kosovo and Albania via a 400 kV power line can that system gain in importance as a transit potential.

Existing energy systems are not able to meet the challenges and uncertainties in ensuring a secure energy supply for its consumers. Since energy security can be only be ensured through cooperation in the region, it is necessary to identify the possible forms of cooperation between the energy systems of Serbia and Kosovo.

At this moment, both systems must purchase electric power. It is therefore important to establish transit from Serbia to Kosovo via a 400kV line. At this moment this line is important for Kosovo because it creates the possibility for electricity supply from the market. As for Serbia, this route will gain on importance after completion of the 400 kV transmission line Kosovo–Albania. All transit for the supply of electricity to Kosovo and Albania will go through Serbia's network, which means the collection of transit fees.

Kosovo faces serious risks, including months of restrictions, due to its energy weakness and inability to produce enough electricity.

Kosovo has a serious problem with the development of its energy resources due to the very poor condition of the existing infrastructure; significant investments are needed as a precondition for the operation of existing energy sources whilst the legal status of almost all locations is unclear. However, there is a particular interest of foreign companies to develop mines in Kosovo, while Macedonia has offered Kosovo an exchange of coal for electricity.

A comprehensive development plan was created aimed at improving the Kosovo's energy sector, and its privatization is recognized at the key solution (*Energy, 2011*). However, as long as there is a dispute regarding the status of Kosovo there cannot be any significant progress in terms of energy developments in Kosovo and its immediate vicinity. Even in the case of a very successful privatization of the energy sector, high investment risks will slow down restructuring, development and optimization of the energy sector of Kosovo.

The implementation of the Brussels agreement can significantly contribute to mutual relations and cooperation in the long run. Cooperation should be based on the economic interests of equal partners; commercial agreements on exchange / purchase / transit of electricity and commercial agreements on gas pipeline construction and use / transit / sale of gas.

## 4.2. Mining and Metal Processing Industry

An important potential for Kosovo's economic growth are abundant mineral resources. Currently, Kosovo has the fifth largest lignite deposits in the world; largely untouched. Also, the launch of exploitation of rich deposits of lead, zinc, silver and magnesium would contribute to the increase of employment and economic growth. This also applies to reserves of asbestos, chrome, marble and quartz. The obstacle to this is unfinished privatization process, which hampers investments, without which it is impossible to run these capital-demanding industries.

Most metallurgical industry plants in Kosovo of the Yugoslav era do not exist anymore, or are replaced by smaller ones, while several large plants have been privatized. Today the metallurgical industry is comprised of about 80 companies that have a total turnover of about 80 million euros (of which only two are large - former "Zastava - Ramiz Sadiku" today "Kosova Steel Group," and "Ferronikel" in central Kosovo), employ around 2,500 people and exporting products to 15 countries.

In the metal processing industry in Kosovo, the vast majority of companies are engaged in primary production and processing of metals (forgings, reinforcement, roof trusses, etc.), production of sheet metal, wrought iron, stairs and other building components, HVAC equipment, tools and machine equipment etc. Since Kosovo is importing metal goods worth about 180 million euros, there is a great potential for development, which can be of particular importance for northern Kosovo.

## 4.3. Engineering and Construction Industry

Within the engineering industry the following plants play important roles: shock-absorber plant in Priština, (whose privatization is still the subject of investigation by the commission of Kosovo Assembly); and in northern part of Kosovo, roller bearings plant "Prva Petoletka" in Leposavić, (whose privatization was recently initiated); machinery, parts and components plant "Lola-Fot" in Lešak (which was operating well until May 2015, but came under attack by "local tycoons" which led to the resignation of the leadership and closing down). This was most probably done in order to stop the illegal privatization process and "takeover" of the factory; Tool manufacturing plant "Lola" in Gazivode and "Gradac" plant from Brnjak (which manufactures solar panels and springs).

In recent years the construction industry has become one of the most important sectors in the Kosovo economy. It represents an important economic potential for Kosovo, bearing in mind the need to build new housing and road infrastructure. Cement plant Šarcem, owned by the Greek Titan Group. It is the largest cement plant in Kosovo (although there are allegations that Titan Group will withdraw, since the Kosovo Government abolished the 35% tax on imports of cement in 2012). However, the plant does not meet the domestic needs for cement, which may give space for development.

## 4.4. Wood, Paper and Furniture Industry

Forests cover about 40% of the territory of Kosovo and represent an important resource - for the woodworking, paper, furniture, and firewood industries, as a source for medicinal plants etc.

The wood and paper industries are located in areas rich in forests - Peć, Dečani, Istok, Priština and Podujevo. Products manufactured are boards, panels and chipboard, flooring, doors, windows, chairs, tables, other furniture, paper, and more. In northern Kosovo, the Simpo factory of laminated furniture operates in Zubin Potok. This was a present from Simpo in Vranje to the Diocese of Raška and Prizren.

Expert studies show that, with proper management, Kosovo could benefit far more from this resource.

#### 4.5. Textile Industry

In the time of former Yugoslavia, the textile industry was the second largest sector in Kosovo, with 15 companies that employed more than 1,000 workers and sales reached the amount of 35 million dollars.<sup>81</sup>

In this sector, there is room for investors to help Kosovo renew its production of finished textile products and sell them regionally. In the field of the textile industry especially attractive for investors are low labor costs and highly skilled workers and an adequate level of technological equipment in the existing plants and small workshops, and a variety of options for the engagement of subcontractors in the region and beyond.

### 5. Agriculture and Animal Husbandry

About 60% of Kosovo's population is rural, and agriculture accounts for 25% to 35% of the total employment, and agricultural arable land accounts for about 53% of the entire territory. However, agriculture accounts for only 12.9% of GDP. Agricultural production is largely of mixed type, utilizing very old, traditional methods and is very inefficient. Livestock has almost disappeared, farm machinery is damaged, and production equipment is unfit for purpose.

In northern Kosovo, there is great potential for the development of all types of agriculture. Problems include a low level of education of farmers, fragmented agricultural land, insufficient or very poorly maintained irrigation systems, limited capacity for processing and marketing of agricultural products, low level of use of natural resources and potentials, and a low level of development of rural infrastructure, as well as a large number of unregistered farms.

Animal husbandry, like agriculture, is faced with the difficulty of obtaining raw materials, insufficient application of animal husbandry technology, poorly developed infrastructure and outdated approach. In order to move from the individual to highly efficient production it is necessary to invest in specialized farms, mini-farms, which have self-sustaining resources; it is necessary to establish a network of control and veterinary care, as well as to search for solutions through associations of farmers.

<sup>81</sup> The most famous textile plants were "Kosovka" (today "Kosovatek") from Priština, "Polet" from Vučitrn, "Emin Duraku" (today "Jatex") from Đakovica and others, manufacturing cotton, wool and synthetics products. In northern Kosovo, in Zubin Potok there is a shirt manufacturing plant "Javor", a sub-operation of the same plant from Ivanjica, employing 57 workers who make shirts and send them to Ivanjica, which are then exported to Holland.

## 6. Tourism

Kosovo has considerable potential for both winter and spa tourism, neither of which is sufficiently exploited.

Located in the Šar Mountain Range, Brezovica ski resort stands shoulder to shoulder with famous European ski centers and is the most attractive tourist center in Kosovo. All ski slopes have FIS certificates and are suitable for organizing ski competitions. It is located in the northwest side of Šar Mountain, in the municipality of Štrpce, 60 km from both Priština and Skopje, at altitudes between 900 and 2,500 meters. Despite the fact that it is the most important resource for the Kosovo tourism industry, in recent years during the winter season Brezovica had just over a few hundred guests, all due to unresolved ownership relations regarding hospitality facilities and the lack of maintenance of infrastructure.

The latest efforts of the Government of Kosovo in relation to the development of this tourist center include the adoption of the spatial plan by the Kosovo Assembly and, together with the municipality of Štrpce, the launch of the Brezovica development project, as well as an invitation to foreign investors with the promise of support from the Government of Kosovo. The Government of Kosovo estimates are that this development project will attract investments in the neighborhood of 250 million euros, and 4,000 new jobs.

Northern Kosovo should be more oriented toward the spa (thermal springs in Zvečan), mountain (Leposavić), cultural, educational and hunting tourism and tourism related to water sports (Zubin Potok). But for now, in northern Kosovo this industry is almost non-existent, and tourism infrastructure is extremely modest.

## 7. Foreign Trade and Exchange

Data for March 2013 indicated that only 11.4% of Kosovo's imports are covered by exports, and these exports mostly include metals and metal products, products from other minerals, food products, beverages, tobacco, textiles, rubber and herbal products. Exports are mainly directed toward Italy, Albania, Macedonia and Germany, and most imports come from Macedonia, Germany, Serbia and Turkey. The negative trade balance, in addition to the previously mentioned gray economy and black market, is an aggravating factor for the development of Kosovo's economy. In addition, the low competitiveness of Kosovo's manufacturing and export oriented mainly on raw materials have a negative impact on the economy's prospects. Kosovo is a member of CEFTA, and since 2009 it has become a member of the World Bank and the International Monetary Fund. The trade regime in Kosovo is neutral and simple, but without an increase in productivity and competitiveness, trade liberalization alone is not sufficient to reduce the trade deficit.

In order to improve the trade balance of Kosovo, the Government of Finland, through the UNDP program, helped the development of trade in the amount of about a million and a half euros, and on that occasion defined the possible directions of development of Kosovo's trade, that would be beneficial for the population living in poverty. In this respect, a Guarantee Fund for Micro-Loans was established, training pro-

grams and networking for business development of small entrepreneurs for business development were implemented, and a portion of these funds were allocated to the Ministry of Trade to promote exports.

## 8. Labor Market

The most important comparative advantage of the Kosovo's labor market, when it comes to labor-intensive activities, is that it represents the lowest labor costs in the region (as in Albania). However, this advantage is applicable only to low-skilled labor, while highly-skilled labor is more expensive. The conclusion is that in terms of attracting short-term and medium-term foreign investments, the focus should be on attracting production that requires a low-skilled workforce, while in the longer term the aim should be the engagement of highly skilled workers.

Today, unemployment in Kosovo is about 45%, and in northern part, according to some statistics, up to 70%. Despite the fact that some of the formally unemployed still work in the grey sector, this rate is alarming and unemployment particularly affects women and young people. The pressure on the labor market will be further increased by the fact that the population of Kosovo is the youngest in Europe, and since the market will not be able to absorb that many employees, a large number of young people is sentenced to life in poverty.

The main cause of unemployment is low demand for labor. In fact, the private sector in Kosovo is weak, the majority of employees work in micro-enterprises in the sectors that do not have a high rate of added value or perform jobs that require low skills. Most enterprises are in stagnation, and the prospects for an increase in the demand for labor are not high.

## 9. Privatization

On the basis of UNSC Resolution 1244, administration in the territory of Kosovo was entrusted to the UN Interim Administration Mission on 10 June 1999, which is acting under the authority of the Resolution and in accordance with the Regulation on the Authority of the Interim Administration in Kosovo and the Regulation on the Law applicable in Kosovo issued by the UN General Assembly in 1999. The Regulation on the Law applicable in Kosovo, established that the applicable law was the Regulation of the Special Representative of UN Secretary General and the laws that were in force in Kosovo until 22 March 1989,<sup>82</sup> as well as laws that came into force after that date, pro-

<sup>82</sup> This provision relates to the privatization of socially owned enterprises in Kosovo that took place after the adoption of the amendments to the Constitution of Serbia in March 1989 provided those procedures were discriminatory, and the same rule applies to the socially owned enterprises that were registered again and integrated.

It is a fact that after the Assembly of the AP of Kosovo on 23 March 1989 (after the vote whose procedural validity is a subject of controversy) approved the amendments to the Constitution of FRY (which were adopted in the Serbian parliament five days later, limiting the autonomy of the autonomous regions), laws with discriminatory provisions were passed. For example, it was the *Law on Special Conditions applicable to Real Estate Transactions* (*Official Gazette FRY 30/89* and *Official Gazette FRY 22/91*), which authorized Administration for Property and Legal Affairs to approve the transfer of ownership in the territory of the Republic of Serbia, excluding Vojvodina. Approval of a transaction was granted in cases where it is judged that "the state transaction will not cause modifications in the national structure of the population or lead to emigration of members of a particular nation or



vided they are not discriminatory on any grounds, and if they are in accordance with internationally established standards for human rights.

By means of the Regulation of June 2002, the Special Representative of the UN General Assembly established the Kosovo Trust Agency (KTA), an independent body, whose authority is to administer public and socially owned enterprises, as well as companies established by such enterprises.

The KPA's jurisdiction included registered companies whose effective control is in the territory of Kosovo, as well as assets that such enterprises have in the territory of Kosovo (if it is located in Kosovo and if it is managed independently of the assets located outside of Kosovo as of 10 June 1999). In addition to the above, under the jurisdiction of KPA were also industrial and trading companies which were, based on the decision of the Special Representative of the UN Secretary General, entrusted to the interim administration of UNMIK (which does not affect their future status and does not restrict natural and legal persons to prove their right to property), public utilities in municipalities, as well as land and real property owned by municipalities, postal and telecommunication enterprises, air, road, and rail transportation enterprises, and businesses in the field of agriculture and veterinary medicine, forestry and rural development.

Regarding the former social enterprises, which under the Law on Ownership Transformation of the Republic of Serbia have been transformed into another form of ownership, this transformation is considered to be legally valid only if it was made before 22 March 1989 or after that date only if carried out in accordance with the applicable law and non-discriminatory manner.<sup>83</sup>

The process of privatization was carried out by the KPA, authorized to establish shareholding subsidiary companies and transferring assets to them, and liquidating social enterprises – the so called *spin-off* privatization model. In this way, the KPA has formed the so-called *new companies*, new joint-stock companies to which it transferred only “healthy” capital of the company, while liabilities remained in the old company, which is liquidated. Revenues from privatization are directed to the Privatization Fund, established with the primary goal to settle all potential property claims as well as claims of creditors, including former employees, who are entitled to a fifth of total revenue. The Privatization Fund is managed by KPA (now KAP); it is not a budget beneficiary and it is not aimed at development.

The privatization process in Kosovo is legally grounded on the following acts: the *Regulation* on the establishment of the Kosovo Trust Agency and its powers; the *Regulation* on the establishment of the Appellate Panel of the Special Chamber of the Supreme

---

nality”. There was also a law which similar restricted trade in agricultural land. The *Law on Transactions of Real Estate in the Autonomous Province of Kosovo* (Official Gazette of the Autonomous Province of Kosovo, no. 45/81, 29/86, 28/88) was also discriminatory. Under the provision of its Article 32a it prohibited the transfer of real estate “ that is carried out for the purpose of emigration of nations and nationalities from the territory of Kosovo”.

<sup>83</sup> In the period 1989-99, the Republic of Serbia introduced “interim measures”, by which it changed the directors and workers’ councils, as well as the composition of employees in public companies, thus enabling the transformation of socially owned companies in Kosovo i.e. privatization to the persons (most often Serbs) who were in the position to carry it out, thanks to their position within such companies, to which they came by means of the “interim measures” which were discriminatory in nature.

me Court of Kosovo on disputes arising in connection with the privatization process and the administrative rules governing its operation; the *Regulation* on the change of the right to use immovable socially-owned property; as well as internal documents of the KPA which further define the above acts. The *Regulation* on the change of the right to use immovable socially-owned property amends the right to use immovable property registered in the name of socially owned enterprises, that has been transferred to branches of socially-owned enterprises, into the right to 99 year-lease (including the right to possession, use, sublease, even to introduce a mortgage, but not to transfer, except in case of inheritance for individuals, and some types of succession for legal persons, similar to *leasehold* in the tradition of the Anglo-American legal system). The introduction of 99 year-lease has to some extent cleared certain objections by Belgrade and representatives of the Kosovo Serbs that UNMIK exceeded its managing powers by freely disposing of property.

After adoption of the Constitution of the Republic of Kosovo, the Privatisation Agency of Kosovo (hereafter the “PAK”) was established as the successor of the Kosovo Trust Agency (which is not recognized by the government of the Republic of Serbia). Out of eight PAK offices, three are located in the area inhabited predominantly by Serbs (Štrpce, Leposavić and Gračanica). The Serb community is represented in the PAK Board of Directors. 2011 was a significant year for the privatization related legal framework in Kosovo, during which three laws were passed: *the Law on the PAK*; *the Law Governing the Operation of the Special Chamber of the Supreme Court*; and *the Law on Reorganization of Certain Enterprises and their Assets, known as the Trepča Law, which provides for the establishment of public - private partnerships and concessions*.

In the course of the privatization process almost 70% of socially-owned enterprises have been privatized. While the privatization of state-owned enterprises started in 2010, and is being carried out extremely slowly, especially in the northern part. Privatization revenues of about 650 million euros have been “frozen” in the Privatization Fund due to unresolved ownership structures.<sup>84</sup>

In terms of **contribution to the economic development** of Kosovo, the privatization process has been criticized due to selection of the *spin-off* privatization model, sales effectuated at much lower prices, and because the international community has applied the “universal” standards, without any adaptation to local needs and circumstances.

Serbia, on its part, is contesting the privatization process in Kosovo emphasizing that its claim to ownership of the socially-owned and state-owned enterprises is not being respected. Also, Belgrade is expressing a concern for the rights of the Serb community in Kosovo. However, the aspirations of Serbia to the right of ownership of the socially-owned and state-owned enterprises in Kosovo are brought into question by Priština and international representatives due to the lack of a clear definition of the titular holder of the socially-owned property. Also, the actors in the privatization process in Kosovo have worked very hard to ensure legal completeness of privatization, and the respect of property rights.

---

<sup>84</sup> Some estimates state that there are between 50 and 60 thousand claims for damaged or illegally obtained property in Kosovo.

## 10. Regional Cooperation

The conference on the Western Balkans and priorities for future development in the light of EU accession, which was held in Berlin on 28 August 2014, activated many important issues primarily focused on investments, infrastructure, competitiveness, transparency and predictability of the business environment (See: *Annex 25*). This was the beginning of the so-called “*Berlin Process*” which led to active participation of the governments and business associations (chambers of commerce).

Within this process, many very important projects related to road and railway networks have been agreed; in particular the investment projects in energy security and ensuring greater level of skills, professionalism and transparency in the fight against corruption.

Organization and acceleration of the so-called “*Berlin Process*” was enabled through the discussions on the implementation of the *Action Plan for Western Balkans 6* (WB6 Action Plan) that was reached at the Western Balkans Summit Vienna on 27 August 2015.<sup>85</sup> Most important results of this forum were: the establishment of a Chambers of Commerce Investment Forum for Western Balkans (CCIF WB); support to the inclusion of the presidents of chambers of commerce in the work of the National Investment Commissions (NIC); the establishment of a joint forum of chambers of commerce of the Western Balkans for the programming of regional projects in the areas of infrastructure, energy and power efficiency; secondary vocational education and lifelong learning; investments in green technologies, anti-corruption, availability of sources of funding; the Regional Vocational School - RVS) based in Kosovo; the forum for innovation and excellence and others.

For the immediate improvement of the economy, great importance is placed on the initiatives for the formation of a consortium of regional construction companies for a joint appearance on third markets; the development of regional long-term strategy for the Western Balkans for agricultural research and innovation and the development of agricultural information center. Also, projects for the improvement of electricity and gas infrastructure and a set of projects for the construction of road and railway infrastructure along Corridors VIII and X. It is estimated that the projects with a total value of 550 million euros were agreed in Vienna.

To improve the economy and create conditions for regional cooperation between Serbia and Kosovo the following projects are particularly important: the construction of the highway between Niš - Priština - Tirana, and between the Black Sea - the Adriatic Sea; modernization of the railway line Niš - Doljevac - Merdare - Priština; electrification of railway routes X (Lapovo - Kraljevo - Kosovo Polje - Uroševac - Skopje); and the re-establishment of the air traffic.

<sup>85</sup> The Western Balkans Summit in Vienna was attended by Johannes Hahn, the EU Commissioner for European Neighborhood Policy and Enlargement Negotiations; Prime Ministers of the Western Balkan countries and EU member states as well as ministers of economic affairs; representatives of international investment institutions (European Investment Bank, European Bank for Reconstruction and Development and the World Bank); Representatives of investors from the EU and representatives of chambers of commerce of the Western Balkans and the EU.

The importance of implementation of projects within the Balkan Six, apart from the immediate benefits in linking countries in the region, has long-term effects of raising the importance of the Western Balkan markets and investments in the region for the European and other investors. From a political and institutional standpoint, this program requires frequent meetings and joint work of politicians and governments which, among other things, can lead to the harmonization of legislation, as well as institutional and procedural solutions.

Regular cooperation between companies, business people and their associations is of major importance.

## V. RECOMMENDATIONS FOR IMPROVEMENT OF NORMALIZATION OF RELATIONS BETWEEN SERBIA AND KOSOVO

The EU facilitated dialogue between Serbia and Kosovo (the Brussels dialogue) moves along the path determined in the UN General Assembly Resolution of October 2013. This path can be described as a “normalization with the aim of establishing peace, security and stability in the Western Balkans, and promoting cooperation and European integration; all aimed at improving the conditions in which all people live. In reality, it is a long journey made of many steps that need to be taken by both sides”.

The general trend of talks in Brussels dialogue is good, but it does not guarantee success of the final outcome. The complexity of the normalization process obliges the parties to identify and manage risks that could jeopardize the success of the normalization process. Neither side should lose sight of the fact that integration in ethnically divided societies brings up deep, emotional questions, in this case among Serbs and Albanians. In such circumstances even the slightest misunderstanding can easily provoke violence (*Rashiti, 2015: iii*). In order to achieve success of final outcome, there are many issues to be taken into account, among them the following:

- Difficult economic and social situation in Kosovo, which affects both Albanians<sup>86</sup> and Serbs,<sup>87</sup> as well as all other Kosovo citizens;

<sup>86</sup> Results of the survey within the project “*Kosovo Early Warning System*”, show that more than 40% of Kosovo Albanian population wants to leave Kosovo, regardless of their status. The reason for this is linked to the fact that for most of them, standard of living is far below that of ten years ago. (*Hajdari, 2015*).

<sup>87</sup> Most Serbs from northern Kosovo are dissatisfied with the current situation and have a pessimistic view of the future. Citizens are more often worried about economic than political issues. A very small number of citizens feel that they are responsible for the current condition, explaining that they do not participate in political life. Serbs from northern Kosovo are very ill-acquainted with provisions of the *Brussels Agreement* (77% are either not at all or very little familiar with the Agreement), passing the blame for that over to authorities in Belgrade. Nevertheless, the majority feels that the Agreement had no significant impact on their lives or that it even had a negative impact, mostly in terms of safety. Most benefits are expected in the sphere of economy and employment. The creation of the Community of Serb Municipalities (CSM), is expected to solve most difficult problems, especially in terms of economy. There is also concern that the formation of CSM will increase the influence of Kosovo (*What do Serbs from Northern Kosovo Think, 2014:5,25*).

- Instability of political life and governments, which could be increased by the progress of negotiations;
- Aggravated political struggle, with the rise of radicalism and extremism, both in Serbia, Kosovo and in the EU;
- Resistance to the change of the *status quo*, coming from political and interest groups that have benefited from the current situation;
- Risks from strengthening and interconnecting or fueling organized crime, extremism, and even terrorism;
- Lack of trust by Serbs, especially those from northern Kosovo, in Kosovo institutions and the international community, which is the result of past bad experiences (especially legal and financial, such as termination of UNMIK's administration in Mitrovica, when people were just sent home without explanation and were never paid 6 monthly wages – 2006);
- In the opinion of the Kosovo government “unlawful interference by Serbian authorities in Kosovo”, which is manifested through appointment of interim councils of Serbian authorities in Kosovo municipalities<sup>88</sup>

The beginning of 2015 was a turbulent period in Kosovo with the return of the Kosovo issue at the top of the political agenda in Serbia.<sup>89</sup> In addition, the situation in Kosovo is unstable and complex, that is, political and social conflicts have worsened, and in Serbia the Kosovo issue has been increasingly politicized. This has created tensions between Serbia and Kosovo, which does not provide a favorable background neither for dialogue nor implementation of the agreed.

<sup>88</sup> At the end of 2014, the Serbian government decided on the continuation of operations of the interim committees in municipalities with the Serb majority in Kosovo. In some of those municipalities, such as Leposavić, Štrpce, Zvečan and Zubin Potok, these committees are headed by the presidents of municipalities who won the elections organized by the authorities in Pristina (*Tahiri wrote to the EU because of Serbia 2015; Tahiri, 2015a; Pismo, 2015; Realizacija, 2015*).

<sup>89</sup> In the TV show “Teška reč” on Pink television, Serbian president Nikolić reminded us that Vučić is expecting a difficult meeting with the new Kosovo authorities during his visit to Brussels in early February, adding that the Prime Minister will have to have the opinion of the Assembly on which points he may and may not represent. Nikolić also added that the Brussels’ request for the abolishment of all parallel institutions in northern Kosovo should not be accepted. According to him, the solution for Kosovo is a referendum by which the people would say what is the line which cannot be crossed in the Brussels negotiations. He said that if the people would say yes to Kosovo independence he would resign. He also added that he is preparing a new *Political Platform* that he will submit to the Government, which would serve to draft the resolution of the Assembly. (*Jelovac 2014*). Since then until today (April 2015) Nikolić has been announcing his *Platform* but hasn't presented it to the public yet. He sensationalized the issue of borders and status of Kosovo and managed to impose it as one of the most important issues in 2015. This creates an impression that the government and the president are disagreeing on this issue (in newspaper interviews) idea from from his *Platform* (*Jelovac, 2014; Nikolić sensationalized the recognition of Kosovo and Metohija, 2014*), which was previously discussed in this analysis. Nikolić, actually, did not offer any essentially new solution for Kosovo, neither then nor later, but he did bring a few new political and procedural novelties: first, the Prime minister should address the Assembly before traveling to Brussels (this happened once before when Nikolić, Dačić and Vučić took over the negotiations from Boris Tadić and Borislav Stefanović); second, oppositions to the implementation of has been agreed in Brussels – the abolition of parallel institutions; third – proposing the idea of holding a referendum when Belgrade is requested something that is beyond the scope of Nikolić's *Platform*. Incidentally, that was the move resorted to by Slobodan Milošević in 1999 when he tried to shift his political responsibility for failures in Kosovo and Rambouillet onto the “people”.

Even though he did not offer anything substantially new, Nikolić managed to impose the Kosovo issue as the most important one in 2015. Considering all the other problems in Serbia, this will be a heavy burden for the Government and the prime minister Vučić (*Jelovac, 2014*). At the same time, this corresponded with the strengthening of anti-EU and pro-Russian right wing in Serbia.

In the first half of 2015, it became evident that there was a strong frustration on all sides, but there were three particularly important events: the opening of a dispute over the ownership of “Trepča” Mines; freezing the position of Serb representatives in the Kosovo government and the so-called exodus of Albanians from Kosovo.

The first reason for the political confrontation between Kosovo and Serbia concerns the Mining - Chemical – Metal complex “Trepča” (hereinafter referred to as the Trepča).<sup>90</sup> At the end of the nineties, through a network of sub-contractors Trepča employed more than 22 thousand employees, today it employs around 1,500 Albanian and 1,200 workers of Serb nationality, these workforces are divided in two segments of the company: one being located in the southern and other in the northern part of Mitrovica. In 1999, “Trepča” was divided along ethnic, not technology lines, by which about 70% of the capacity was in the southern part - four mines, including the largest one *Stari Trg*. Due to the non-functioning of the lead and zinc smelting plants in Zvečan in the northern part, production stops at the concentrate phase.

The Government of Kosovo has not privatized “Trepča” which is being managed by the Kosovo Privatization Agency (KPA) and the Special Chamber of the Supreme Court. The unresolved situation is not conducive to the revival of the company.

Given the number of people it employs, and given that salaries range from approx. 350 euros to 900 euros for highly skilled workers, “Trepča” is important for the population of northern Kosovo. For the same reason the Government of Serbia demands that the issue of “Trepča” be put on the agenda of the Brussels negotiations as soon as possible.

After years of hesitation, the Serbian government has decided to take a more serious step. The response by the Kosovo government came on 17 January 2015 with a decision to draft a law on the takeover of “Trepča”. The Serbian government’s Office for Kosovo and Metohija answered that it will not accept a “unilateral takeover” because the majority owner of “Trepča” is the Development Fund of the Republic of Serbia.<sup>91</sup>

<sup>90</sup> “Trepča” industrial complex played a leading role in the economy of Kosovo at the time when Kosovo and Serbia were part of the former Yugoslavia. For example, in 1986 “Trepča” employed 10,000 workers and 9,000 industrial workers were employed in social enterprises associated with “Trepča”. Therefore, “Trepča” played an important social role in interethnic relations. In “Trepča” 64% of its employees were Albanians and 29% Serbs. The number of Albanians was reduced significantly at the end of the eighties, when Milošević’s administration took over. However, observed economically, during its entire existence “Trepča” was unsustainable: it absorbed large investments but huge amounts of money were spent uncontrollably, which produced losses. In the period 1985 – 1990, 82% of all investments disbursed from the Fund for the Accelerated Development of the Underdeveloped for Kosovo went to “Trepča”, which employed only 9% of all employees in public companies in Kosovo.

Milošević’s rise to power was accompanied by the reduction of Kosovo’s autonomy, to which the “Trepča” miners responded by going on strike. After that many of them were dismissed or arrested and until 1995 the total number of Albanians employed in “Trepča” was reduced to 1,200.

In 2003, the international administration closed the “Trepča” complex citing economic and ecological reasons. However, the Republic of Serbia had continued to finance the part of “Trepča” located on the territory of municipalities in northern Kosovo inhabited mostly by Serbs. “Trepča” became a source of income for 15,000–20,000 Serbs living in these municipalities, of which about 3,000–4,000 as full-time employees. Through “Trepča”, the Republic of Serbia has financed various “parallel structures” (health, education and administration). It is estimated that this funding has reached over 24 million euros. However, despite these vast amounts of money, the total loss of “Trepča” is estimated at over 400 million euros, and Mitrovica has become a dying city (*Järvenpää Minna, 2014: 2, 3*).

<sup>91</sup> According to the opinion of Belgrade officials, the Development Fund of the Republic of Serbia is a majority owner in “Trepča” mines with 56 percent stake. A special problem for Serbia is the fact that Trepča employs 4000 Serbs. This means that 20,000 members of their families, dependent on Trepča. In addition, “Trepča” has around USD 400 million of debt.

Serbian Minister of Economy Željko Sertić confirmed that four letters of interest were received, from Hungary, Canada, Switzerland and the United States, and said that the government of Serbia, if Kosovo Government does not revoke its decision, will continue the privatization process of “Trepča” (Source: Audio. “Press conference of the Office for Kosovo and Metohija on the issue of Trepča, at www.tanjug.rs).

The dispute over the “Trepča” complex has engaged politicians, employees and other citizens from northern Kosovo by participating in the protest rallies.

Another reason was the inappropriate public appearance by the Minister for Communities and Returns Aleksandar Jablanović in Đakovica, and his subsequent dismissal by the Kosovo Government.<sup>92</sup> These events led to the protests organized by opposition groups to the ruling government, first and foremost Kosovo’s Self-Determination Movement (*Vetëvendosje*), on January 10, 17, 23 and 27, 2015, against Jablanović and the Government of Kosovo. In these protests, the opposition condemned the government for failing to take over, or “nationalize” “Trepča”, claiming that all this was because the government was giving in to all demands of Serbs and Serbia.

Protests organized from 23 January 2015, led to clashes between the police and protesters. The media and the government have condemned the “vandalism” of protesters, which further motivated the opposition parties to organize an even larger protest on 27 January 2015. The response of the police was fierce and 107 people were injured and more than 200 protesters were arrested.

On February 3, 2015, under public pressure, Prime Minister Isa Mustafa announced that he had removed Jablanović from office and that the draft Law on Trepča will be sent to the Assembly of Kosovo (*Deda, 2015*). In response, *Serb List* and Belgrade agreed to suspend the work of representatives of Serbs in the Kosovo government.<sup>93</sup> On 5 February 2015 at the meeting between the Serbian Prime Minister and Serbian members of the Kosovo Government a temporary boycott of Kosovo institutions by Serbian representatives was agreed, which lasted from February until 30 April 2015, when six members of the Serb caucus returned to the Assembly of Kosovo. However, three representatives of the Serb List from northern Kosovo did not follow the agreement on the return to Kosovo institutions. In any case, during the first half of 2015 only two Serbs - Members of Assembly (Nenad Rašić and Slobodan Petrović) fully participated in the work of the Assembly of Kosovo (*Lost in Stagnation, 2015: 16*).

In a tense atmosphere that preceded the trilateral meeting of the EU High Representative for Foreign Affairs and Security Policy Federica Mogherini with dele-

<sup>92</sup> During the celebration of Orthodox Christmas, Aleksandar Jablanović went to Đakovica accompanied by Đokica Stanojević, who was the mayor of this town during the rule of Slobodan Milošević, and who is believed to be directly linked in crimes against the Albanians. During 1998 – 1999, Đakovica was the scene of a fierce conflict between Serbian forces and the UCK and hundreds of civilians were massacred.

Citizens who protested against Serbian pilgrims visiting Đakovica, threw rocks on the buses transporting Serbs. Jablanović who was the minister in Kosovo government called the protesters “savages”.

<sup>93</sup> The Government of Serbia challenged the decision of the Government of Kosovo to dismiss Aleksandar Jablanović, in the statement of Marko Đurić, Director of the Government Office for Kosovo and Metohija, on 3 February 2015, who said that Jablanović was not to blame for the points he was being accused of by Albanian public. Đurić also said that “Serbia does not allow” anyone to humiliate Serb representatives in Kosovo institutions and that concrete measures would be taken.

gations from Serbia and Kosovo in Brussels on 8 and 9 March 2015, the agreement on the judiciary was initialed. It was the first meeting in nearly ten months, and delegations were led by Serbia's newly elected Prime Minister Aleksandar Vučić and Isa Mustafa. It was also the first meeting with the new commissioner Frederica Mogherini. After a series of meetings at the highest level (April, June and July 2015) several other agreements were prepared (opening of new crossing points, abolition of insurance payments on crossings, energy, telecommunications, and the Community of Serbian Municipalities (CSM), which could be signed during the summer – autumn of 2015, most likely, before the harmonization and signing of the *Second Agreement of Principles*. This would provide grounds for the most effective response to the existing risks: for Kosovo, this response entails visa liberalization and the opening perspectives to the *Stabilization and Association Agreement*; for Belgrade, entails the opening of the first negotiating chapter, which is *Chapter 35*; For both sides, these agreements mark the establishment of an appropriate “security package”, which includes the intensification of cooperation between Serbia and NATO, on the one hand, and the strengthening of cooperation between security institutions of Serbia and Kosovo, on the other. With regard to the fact that the socio - political framework in which the dialogue and the normalization process will be carried out during 2015 is extremely unfavorable, it is important to move the dialogue to the framework of the “association sector” as soon as possible, that is, make it part of negotiations on individual chapters.

Previous reviews of political (in) opportunities confirms that in a situation of growing political instability, the leadership on both sides must make additional effort to maintain the dialogue, much like pedaling a bicycle. When the pedaling stops, one falls off the bicycle. It is a lesson that should be kept in mind. Therefore, there is an obligation to increase capacities and invest additional energy in order to maintain the course towards “European future”. These (in) opportunities have confirmed that a “European future” in itself is not a sufficient motivation. Therefore, a revolution in current policies is required, which entails adopting the attitude that problems in relations between Serbia and Kosovo are primarily resolved because of Serbia and Kosovo themselves, not because the EU or the United States demand it or because they are going to “reward” it (which has been the predominant manner of behavior demonstrated by the leaderships of Serbia and Kosovo to date).

To this end, it should be mentioned that past experience has shown that the higher the level of dialogue, the lower is the level of **transparency** (*Deda, 2013: 17-18*). Therefore, the governments and other authorities responsible for the implementation of the *Brussels Agreement* should enable regular provision of information to the public and submission of reports to local governments and assemblies (*Realizacija, 2015*). The behavior of Serbia, Kosovo and Brussels, is often not in accordance with this definition of the normalization process. Namely, instead of opting for a proactive policy of acquiring allies in political and social groups between Albanians and Serbs in Kosovo, and Serbia, they opted for a policy of “bureaucratic secrecy”. The public is extremely scarcely and superficially informed about the dialogue and the process of implementation of what has been agreed. The public is forced to accept the methodology of “installing



of the democracy” or the creation of the so-called new reality.<sup>94</sup> An uninformed public is an inactive public, and observed from this point of view, the work of bureaucrats is easier, but such public is susceptible to manipulation. This in turn hinders the application of the agreed solutions, and causes unnecessary and often dangerous security and political problems and resistance. So far, the price of this approach has been procrastination, nurturing doubt in the dialog and the normalization process and opening confrontation with the “European future”.

Information and public debate are at the heart of communication in a divided society such as Kosovo. Therefore support should be given to the **free exchange of information** (news, analysis, photos, videos, etc.) regarding Serbian - Albanian relations and the dialogue and the process of normalization.

In order to prevent temporary obstruction or permanent abandonment of the Brussels dialogue, Kosovo, Serbia and the international community should change the manner of informing public on the course of the dialogue, the achieved agreements as well as the results of changes in these agreements. An **Information campaign** should be designed, coordinated and intensive. The aim of such a campaign should be to activate the public in Serbia and Kosovo, to put forward ideas, suggestions and views on the ways and means of normalization of relations between Serbia and Kosovo as well as the promotion of dialogue. A special place in this campaign should be given to the non-governmental sector, the media and the public.

It is especially important that negotiators and the facilitators fulfill their obligation of **providing timely and objective information** to the public on the progress of the dialogue and the normalization process. It is particularly important that the leading negotiators avoid unnecessary radicalization and daily politicization of attitudes, problems and solutions generated through the dialogue. This obligation, so far, was not fully respected, and the parties have, almost as a rule, interpreted the results of the dialogue only in accordance with their own visions and interests (*Janjić, 2012:19*).

Until now, the **notion of “normalization”** was interpreted and used as a “bureaucratic technical term” that is interpreted according to the starting point of interest of those who are interpreting. This does not lead to the essence of this idea and that is the “normalization” of relations between Serbia and Kosovo, as well as the “normalization” of societies of Serbia and Kosovo. Also, the connection of these relations with the “European future” was always missing. The interpretation was too general, which made the normalization process “a sea without shores.”

It is necessary to narrow this interpretation and thus facilitate the dialogue and the normalization process. To this end it is important that Serbia and Kosovo, with the support of the EU and the US, identify the criteria of visible and sustainable progress in their relationship. It is about a kind of a “table” where all the “benchmarks” of all interrelated sections and *Chapter 35* intersect.

---

<sup>94</sup> An example for this is that some key documents, such as British–German “non-paper”, “Negotiating Framework” and the so called “German conditions” or “The list of 11 points Serbia is required to meet prior to opening Chapter 35”, have been marked as “official secret”.

The parties should view the implementation of the agreement as **an integral part of the dialogue, and not as collateral damage**. It is necessary to enable *ad hoc* coordination and sorting out of problems that arise during implementation. Among other things, parties should assume a proactive role, particularly by reactivating the European Commission which, under the leadership of Federica Mogherini relies too much on the appeal of the “European future” for Serbia and Kosovo. Also, it is necessary to raise the capacity of negotiating teams and intensify the activities of liaison officers and their offices. We recommend considering the possibility of establishing a joint body comprised of representatives from Serbia and Kosovo, under the auspices of the European Commission, whose task would be to oversee and coordinate the implementation of the agreement.

It is recommended to **intensify the contacts between decision-makers and creators of public opinion in Kosovo and representatives of local communities in northern Kosovo**. This should be carried out with the involvement of organizations and initiatives of civil society, media, and expert public representatives. If necessary, it is desirable to also involve representatives of government and civil society in Serbia.

Given the current circumstances in Serbia and Kosovo, the **necessary constitutional changes** should not be expected, but more issues should be resolved on the so-called technical level along with amendments to the law and relevant regulations. At the same time, the existing legal and institutional framework in Serbia and Kosovo, which are important to the implementation of the agreement, should be examined comprehensively and carefully. Opening of a public debate on the need to change the legal and institutional framework should also be encouraged, and the public in both Serbia and Kosovo should be prepared to establish a political consensus for changing the constitution and the law.

Particular attention should be paid to **building** a kind of a “security package”. This package should contain complex measures regarding the safety of people and security in general. Among other things, it should include the monitoring of legal, political and security activities of each of the parties, the development of cooperation between the institutions of Serbia and Kosovo, as well as their cooperation with EULEX and KFOR. It is particularly important to enhance the trust and cooperation between Serbs from Kosovo, EULEX and KFOR.

The promotion of cooperation with NATO is of particular importance. It is therefore recommended to open a public debate, primarily in Serbia, about the **benefits that NATO membership provides** with regard to the risks posed by relations between Serbia and Kosovo, as well as the deterioration of security conditions in the region, but also in Europe and its neighborhood.

The implementation of the *Brussels Agreement* and the **advancement of the process of integration of Serbs into the legal and institutional framework of Kosovo** reinforces the need for Serbs in Kosovo to work together, to put aside differences and seek to combine their political power with the support of the entire Serbian community (*Gallucci, 2015*). This should be demonstrated through effective management of municipalities, community of municipalities, as well as other institutions that are significant for the maintenance and development of the Serbian national community. This requi-

res putting aside all general political issues as much as possible, such as the issue of status and accept the reality in which the first issue is the survival in Kosovo and preservation of the Serbian identity.

CSM is a significant achievement that came out of the dialogue and an important instrument of integration of Serbs in Kosovo. Therefore it is necessary to apply consistent and complete change of the agreed solutions. The obligation and the right of Kosovo, Serbia and the EU is to actively support the establishment and effective functioning of CSM. To this end it is necessary direct the attention to capacity building and training of the people who will work in the bodies of CSM. This imposes the need to strengthen the capacity of local communities for their cooperation within CSM.

Since CSM does not provide sufficiently **effective instruments of guaranteeing minority rights** of Serbs it is necessary to seek appropriate solutions for this problem.

Certain solutions from the *Ahtisaari's package* could be of help in this endeavor. These concern the strengthening of representation of Serbs in public and political life, the preservation and development of its cultural and ethnic identity, as well as the status and protection of the Serbian Orthodox Church. It is recommended to make these issues part of the Brussels dialogue, which would confirm existing, sound solutions and allow for the development of strategies of the minority policy of Kosovo and the establishment of legal guarantees for the Serbian community to exercise its right to self-organization and self-governance.

It is necessary to commence **the integration of the “divided city” of Mitrovica**, because its present status only feeds the inter-ethnic tensions and causes serious economic and security problems. The future of Mitrovica is critical for the integration of Serbs from northern Kosovo as well as for achieving security and accelerated development of both Serbs and Albanians, but also all other local communities in the north. An integration strategy for Mitrovica must be developed, which includes active participation of the EU. In the first phase, the focus should be on joint projects, coordination and oversight bodies. In the second phase, Mitrovica should be organized as a city community of municipalities (southern and northern Mitrovica and Zvečan), which would have common institutions (assembly of the city community, a president and a deputy president, as well as city council). It is recommended to support the activities of citizens, political parties, non-governmental organizations, expert and other associations with the aim of raising awareness on the need and benefits of cooperation in the fields of education, healthcare, security, improvement of the environment, water and energy management, and development of infrastructure and public transport. It is of special importance to resolve the issue of “Trepča”, the source of development in this city and in the northern region.

Starting from the present constitutional solution, it is possible to improve the **position of the Serbian and other communities** in Kosovo. It is particularly necessary to organize self-government of ethnic communities the way it was done in Serbia. Therefore, it is recommended to **harmonize the legislation in Serbia and Kosovo related to the rights and freedoms of minority communities and their members**, including the right on minority self-government.

It is recommended to harmonize the legislations of regional countries concerning minorities (Albania, Montenegro, Kosovo, Macedonia and Serbia). Engaging with the

Office of the High Commissioner for National Minorities of the OSCE, and the Council of Europe in this endeavor would be beneficial.

**Mining, energy and agricultural potentials** of Kosovo should be activated in order to strengthen and accelerate economic development. Kosovo can and must become an exporter of finished products, and not just raw materials. **Economic and technical assistance** is necessary for the development and implementation of feasible and sustainable projects of a self-sustaining economic nature. The dependence of Kosovo on external funding should not be supported or strengthened because it would lead to degeneration in a closed circle of dependence on external aid. It is necessary to ensure a better **investment climate and transparent privatization**, to vigorously tackle corruption at all levels, to strengthen the rule of law and to ensure expertise and effectiveness of public administration.

Kosovo, Serbia and the EU are recommended to develop a **comprehensive strategy for the sustainable economic development of northern Kosovo and cooperation between municipalities within Kosovo and across the border**. It is necessary to begin the allocation of funds for projects from the *Interim Fund for Economic and Infrastructural Development of Northern Kosovo*, as soon as possible. Representatives of municipalities from northern Kosovo should be supported and encouraged to form a joint working group for the preparation of the study on priority issues and necessary solutions in the field of environmental protection, waste management and water supply, as well as the activity plan to address the accumulated problems, in cooperation with Kosovo relevant ministries, civil society organizations dealing with environmental protection and with international donors. These working groups should, where appropriate, include representatives of southern Mitrovica, Vučitrn and Srbica.

It is recommended to resolve the issue of **integration of the payment systems in Kosovo as well as payment transactions between Serbia and Kosovo** as soon as possible through the Brussels dialogue.

**It is time to open and discuss the issue of mutual claims between Serbia and Kosovo**. Since 2001, Serbia has been making regular loan payments for Kosovo companies inherited from the SFRY. In fact, Serbia has taken over 858 million euros of Kosovo's debt to foreign creditors of Kosovo as public debt. It is a debt to the World Bank, Paris and London Club of creditors, the Bank Council of Europe Development CEB), the European Investment Bank (EIB), the European Company for the Financing of Railroad Rolling Stock (Eurofima), the Government of Kuwait, unresolved debt to Libya and clearing debt towards Czechoslovakia.

Since 2002 until 31 December 2014, Serbia has repaid part of Kosovo's debt of 547.95 million euros, as follows: in respect of principal 154.76 and interest 393.19 million. Given that for the period 2015 - 2041 years, a loan will become due that only on the basis of the principal amounts to 351.26 million euros (*Srbija i dalje otplaćuje kosovske dugove*, "Politika", Beograd, 20 januar 2015), it would be good for the budgets and economies of Serbia and Kosovo to resolve this issue as soon as possible. This also applies to mutual claims on other grounds: privatization, energy, telecommunications, property, life, pension, social and health insurance, etc.

Having "clean accounts" can only strengthen the trust, facilitate agreements and promote economic cooperation as well as trust between people. This is why it is impor-

tant to find a model, outside the succession model, which would allow for these issues to be resolved.

Regional cooperation should be strengthened so as to raise awareness of the need for cooperation in order **to implement concrete projects** of cross-border cooperation at the local level, which would allow northern Kosovo to **become a generator of regional cooperation**. These projects should encourage joint meetings and dialogue, and exchange of cultural and other goods. Also, special attention, financial, media and other, should be given to cooperation in tourism, agro-tourism, cooperation between small and medium enterprises, and support to the promotion of women in business and young entrepreneurs, as well as to meeting specific social needs, such as supporting people with disabilities, the elderly and disadvantaged individuals in engagement through social enterprises and in other ways. For the purpose of achieving these objectives it should be considered to take advantage of the opportunities provided by the concept of a “mini-European region”, as an instrument of Europeanization of municipalities in northern Kosovo, and the two neighboring municipalities in the so-called triangle of Mitrovica (Kosovo) - Novi Pazar (Serbia) - Bijelo Polje (Montenegro). This concept could be achieved by encouraging and supporting cooperation between citizens and local communities over the current boundaries of the division.

In order to create a favorable environment for the development of each individual country, as well as for the preparation of the Western Balkans for regional cooperation and future cooperation within the EU, most issues related to economic cooperation should be resolved in direct contact between businesspeople, offering financial and other support (transfer of knowledge) to the development of infrastructure, and projects of small and medium enterprises, especially the development of cooperatives in agriculture and services. It is necessary to encourage and support meetings between representatives of business associations and government representatives aimed at defining joint projects within the framework defined by the Berlin process or by establishing Balkan Benelux or the Balkan six.

**Cooperation between Serbs and Albanians in the Western Balkans** is an essential element of stability and development in each of the countries in which the members of these nations live and of the entire region of the Western Balkans. Achieving stability and improving the development of the Western Balkans will complete the expansion of the EU and NATO over the entire territory of Europe. To start with, achieving this goal requires for the political leadership of Serbs and Albanians to lead the process of cooperation. They can find inspiration for this cooperation in the experiences of French - German reconciliation in Europe after World War II. Also, we recommend that they use the experience of German - Polish reconciliation. For the purpose of coordination and support, it is recommended to establish an Institute for the Serbian - Albanian cooperation that would initiate key projects toward wider Serbian - Albanian cooperation, but also to financially support the expansion of this cooperation. It is recommended that Belgrade and Tirana lead in this initiative and governments and companies in these countries set up the startup fund for the establishment and operations of the Institute. In its projects, the Institute would include support to Serbian - Albanian cooperation in Serbia and Albania, but also in Kosovo. We call upon the EU and the US, and other stakeholders, to get involved in the realization of this cooperation.

The cooperation between **civil sectors** in Kosovo and Serbia at the level of individual organizations existed throughout the time of crisis, and has been intensified in the last few years. The effects of communication and cooperation between civil sectors in Serbia and Kosovo have been largely symbolic. It is necessary to encourage and increase the number of joint projects of civil society organizations from Serbia and Kosovo. As a fresh start, a large joint conference of NGO's from Serbia and Kosovo should be organized, which would draw from past experiences in order to adopt a common framework platform for further cooperation.

**Communication between media and journalists** from Kosovo and Serbia has been insufficient and generally poor. It is therefore necessary to find a way to establish regular and open communication between them. It is necessary to support the creation of a network that would connect the media from Kosovo and Serbia. This way more objective and comprehensive information could be provided to the public, especially regarding the situation and opinions of the *other side*. Media and journalists must assume responsibility on their part for the influence which they have on the creation of public discourse and point to the positive side of the dialogue.

In the context of normalization of relations between Serbia and Kosovo, and bearing in mind the influence of economic development and economic cooperation on the reduction of political tensions, the following recommendations are presented to the **Government of the Republic of Serbia**:

Special attention should be paid to **young people**, meetings among them should be initiated, and educational and informational projects concerning their own society and community, as well as those concerning the "*Others*", in particular in relation to: the values of preserving ethnic identity in the environment of regional and European cooperation; on national and European values; paths toward developing, maintaining and strengthening those values. To these ends, implementation of various projects should be supported: internet cafes, joint radio and TV shows, theatre plays, concerts, exhibitions; promotion of physical culture, amateur and university sports, joint regional sport camps and competitions, such as regional leagues of university sports; cooperation between universities through joint educational subjects and programs and regional mobility of teachers and students; increased number of scholarships for regional mobility etc.

In order to increase effectiveness in the conduct of the dialogue as well as in the implementation of what has been agreed, on 5 March 2015 the Government of Serbia established an Office for Coordination Affairs in the Negotiation Process with PISG in Priština and a Coordinating Body for the Negotiation Process (See: *Tanjug, 05.03.2015-13-43h*). This was a necessary measure. After signing the *First Agreement of Principles* there was need to clearly separate teams for technical and political dialogue, which was done by Kosovo. As far as Serbia is concerned, the situation is objectively more complex compared to Kosovo but also needlessly more chaotic.<sup>95</sup> Therefore, the upcoming

<sup>95</sup> The Office for Kosovo and Metohija, which changed its status several times - from the Coordinating Body to the Ministry and the office, has the following functions: participate in the management of institutions of the Republic of Serbia in Kosovo, coordinate political and even partisan organization of Serbs, prepare political dialogue and participates in the technical dialogue and implementation of the agreement.

reconstruction of the Serbian Government should **also take into account this part of the Serbian government**, and in particular to separate the operations of teams for political and technical dialogue from operations for support and management of the Serbian community in Kosovo. Also, teams for dialogue should be linked with those participating in negotiations on *Chapter 35*;

Providing **advisory and technical assistance to CSM**: (a) when defining institutional mechanisms of inter-municipal cooperation and cross-border cooperation with neighboring municipalities, (b) development of strategies for economic development and action plans for municipalities, with special attention to professional training,<sup>96</sup> (c) in creation of public database of companies – a trilingual portal that will facilitate their presentation to potential partners, investors and donors.

**International presence to remain strong.** This presence is essential for crisis management and resolving problems. But this presence should be much more effective. It should be reduced in correlation with the strengthening of the capacity of Kosovo for democratic governance.

The EU should use all available diplomatic means within the process of accession of Serbia to the EU and Kosovo's attempts to negotiate visa liberalization and SAA, in order to integrate Serbs and northern Kosovo into Kosovo but also to achieve normalization of relations between Belgrade and Pristina (*Jackson, 2011: 7*).

In order to ensure success of the normalization process, **proactive and synchronized action by the EU and USA** are necessary. The international community, especially the EU, should continue their role as a facilitator, but also, unlike now, they should assume a proactive role to prevent obstructions of the process, offer possible solutions and respect obligations assumed in the process of implementing the solutions agreed. The only formula for successful intervention of the EU and USA is for them to speak in one voice.

## VI ANNEXES

### ANNEX 1.

#### Basic/Framework Agreement between Serbia and Kosovo

\* draft \*

*The English version is the original version of this Agreement,  
and it is the only version valid for interpretation*

Both sides to the agreement,

- having in mind their responsibility for peace and security on the bases of democracy, freedom, the rule of law, justice and the respect for human and minority rights,
- starting from the historical specifics and regardless of the different understandings of both sides of the agreement when it comes to the status issues,

---

<sup>96</sup> In defining measures, the existing strategic documents related to the economic development of the region should be taken into account – development strategy of the Government of Kosovo, strategy of the Government of Serbia, strategy of Kosovo's Regional Development Agency, as well as strategies of international development institutions (USAID, EBRD, and others)

- led by the desire to act for the benefit of the people and for regional cooperation and stability,
  - in the endeavor to develop good-neighborly relations with each other,
- Agree upon the following:

#### Article 1

Both sides to the agreement shall develop good-neighborly relations with each other on the basis of non-interference in internal issues and respect for mutual territorial integrity.

Both sides to the agreement commit themselves to fully implement the agreements reached under the auspices of the European Union (listed in Annex A).

#### Article 2

In conformity with the United Nations Charter both sides to the agreement shall settle any disputes between them exclusively by peaceful means and they will refrain from threats or use of force.

#### Article 3

Both sides to the agreement proceed on the assumption that neither of the two can represent the other in the international sphere nor act on its behalf and that their authority is limited to their own territory.

#### Article 4

Both sides to the agreement declare their readiness to regulate further practical and humanitarian questions, especially to resolving the fate of missing persons, the return of refugees and Internally Displaced Persons, and to work together in resolving property issues, economy, science and technology, transport, judicial relations, posts and telecommunications, environmental protection, education, media and culture, health and sport, tourism and in other important fields.

#### Article 5

Both sides to the agreement shall seek cross-border cooperation between municipalities and communities; will foster the twinning of municipalities; will facilitate free movement between neighboring communities and will foster mutual relations. (lower barriers)

#### Article 6

Both sides to the agreement will enter negotiations about the establishment of new border crossings. They shall also promote better road, air and rail traffic between the two territories.

#### Article 7

Both sides to the agreement commit themselves to establishing liaison offices at each other's seat of government / on the other territory liaison offices.

#### Article 8

Both sides to the agreement are respecting all national communities (minorities) in their own territories, they guarantee and protect all the rights belonging to the natio-



nal communities (minorities), in compliance with highest international standards, and rights already achieved. Education, culture, religion, religious denominations and language of the national communities (minorities) will enjoy special incentives.

Democratically elected bodies of national communities (minorities) or other forms of representing national communities (minorities) on both sides shall contribute to the solution of practical issues of national community (minority) protection.

#### Article 9

Having in mind the aspirations to become part of the European Union both sides to the agreement will respect the principles of decentralization and subsidiarity in working on the harmonization of their legislation with the European standards.

#### Article 10

Both sides to the agreement agree that the membership of both Parties in the United Nations Organization and in other international organizations will not implicate an acknowledgement on the basis of the International Law (of the other Party).

#### Article 11

Both sides to the agreement commit themselves to supporting each other in the efforts to become members of the European Union.

#### Article 12

This agreement shall become effective on the date of its signing by authorized representatives of both sides to the agreement.

## ANNEX 2.

### A Political Platform for Talks with the Provisional Institutions of Self-Government in Priština

The Republic of Serbia, with the aim of protecting its state interest in further agreements with the Provisional Institutions of Self-government, starts from the fact that any solution, whether on a general or specific issue, on a temporary, transitional or final status of the Autonomous Province of Kosovo and Metohija, on the position of Serbs in the province or the protection of the Serbian religious and cultural heritage, must be in accordance with the Constitution of the Republic of Serbia and the resolution of United Nations Security Council Resolution 1244.

The Republic of Serbia, in good faith (*bona fide*), strives forwards continuing the talks with representatives of PIS, convinced that lasting and sustainable solution for Kosovo and Metohija is achievable through sincere dialogue between the two sides.

The Government will, in order to establish the basic framework for the talks with representatives of the Provisional Institutions of Self-government (PIS), propose a Resolution on Basic Principles for Political Talks with Representatives of Provisional Institutions of Self-Government in Kosovo and Metohija:

The Resolution shall be based on the following elements:

- The basic starting point for the talks with PIS in Priština at the high political level is that the Republic of Serbia, pursuant to international law, and further to its Constitution and the will of the people, does not recognise and will never recognise the unilateral declaration of the “independence” of Kosovo;
- All rights and competencies that may be awarded to PIS as a result of the negotiations will be merely transferred onto the organs of AP KiM in accordance with the Constitution, laws and other regulations of the Republic of Serbia;
- The basic idea of the continuation of the talks with representatives of PIS is to strive towards finding a comprehensive settlement, and to have all individual agreements conclusions in line with the objectives of state policy established by the Resolution;
- Proceeding from the fact that the Republic of Serbia has through its actions, in the hitherto conduct of the political process, despite and after the illegal unilateral declaration of the “independence” of Kosovo, offered to PIS limited legal and international personality and legitimacy, the talks on the high political level should be held with regard to overcoming institutional parallelisms in the territory of AP KiM, not encroaching on the question of the international and statehood status of PIS, with the goal of establishing authorities in the territory of the Province that would be recognized by all sides involved in the process, and establishing strong legal and political guarantees at the provincial and international community levels, for political, territorial and other rights of national communities throughout the entire territory of the Province;
- The Republic of Serbia particularly insists on:
  - A) The establishment of an Autonomous Community of Serbian Municipalities in Kosovo and Metohija (CSM), comprised of the territorial autonomy of four municipalities from the northern part of Kosovo and Metohija and other municipalities with a majority Serbian and minority population (e.g. Gracanica, Strpce, Gora, etc.), on the basis of a special Statute on the Autonomy of the Community of Serbian Municipalities of Kosovo and Metohija (CSM) that shall be guaranteed by the Constitution of the Province and by a public declaration of the representatives of the international community involved in the process;
    - Authentic competences and other elements of internal organization of the Autonomous Community of Serbian Municipalities in Kosovo and Metohija will be harmonized through political dialogue.
    - The Republic of Serbia holds a position that this autonomy should presuppose the existence of authentic competencies in the fields of:
      - Education (elementary, secondary and higher education);
      - Healthcare (all levels of healthcare);
      - Sports;
      - Culture;
      - Public information services;
    - Environmental protection, formulation and management of policies for the protection of the environment and sustainable development;

- Urban planning; the exclusive authority of regulating urban planning and management instruments of the entire process, as well as in the procedures for processing requests and their approval; the exclusive authority of regulating the system for development of urban (public) land, which includes the determination of the criteria for the different kinds of land and land use; the exclusive authority of managing the mechanism for the determination of the legality of ownership over land and property; the exclusive authority of creating a development policy for land and housing, management of public areas with the existence of a system of efficient administrative intervention in the process of building, urban planning and use of land.
- Agriculture;
- Forestry;
- Waterpower engineering;
- Hunting and fishing;
- Judiciary (public prosecutors of first instance and courts of first and second instance, the courts in the region of the CSM would be established by law on the provincial level; however it would be determined in the agreement that shall result from the political process, that the law must envisage a mechanism whereby the citizens of the CSM could, through their representatives, influence the election and composition of the courts. These courts would have the authority in the region of the CSM, pursuant to the regulations enforced in the Province, to decide in litigations relating to basic personal relationships, rights and duties of citizens, to pronounce sentences and other measures against the perpetrators of criminal offences and other punishable acts determined by law; to decide on the legality of individual acts of organs and organizations that exercise public authority; to settle cases relating to property matters or labor law matters and decide on other issues in accordance with the enacted laws);
- Internal Affairs (The Autonomous police would be, in a formal sense, a part of the Kosovo police forces, although it would function under the authority of the Executive Council of the CSM in the territory of the Autonomy and pursuant to the competencies defined by laws in accordance with the highest legal act of AP KiM and the Statute of the CSM).
- Mining;
- Energy;
- Telecommunications;
- Trade and economic policy; The Executive Council has the exclusive authority in matters relating to trade and the organization of fairs, including the administrative planning of trade activities as well as regulating fair activity in the territory of the CSM:
- Fiscal policy and finances;
- Special competencies of the CSM relating to the uniform register of companies, socio-political organizations and religious communities;
- The authorities of the CSM should have, in accordance with the Constitution of AP KiM, a guaranteed possibility of establishing direct cooperation with the aut-

horities of the Republic of Serbia, as well as a right of supplemental funding from the means allocated by the budget of the Republic of Serbia.

- CSM shall independently decide on the appearance and use of its symbols (coat of arms, flag, anthem etc.), while the law on the provincial level shall determine more precisely the use of the symbols of the Province and the common use of the symbols of the Province and territorial autonomy;

CSM will have an Autonomous community Assembly and an Executive Council of the Autonomous community that would be tasked with executing tasks from the scope of the CSM competencies, as envisaged by the Statute.

B) establishment of a special status for the village enclaves in which Serbs and other non-Albanians form the majority population, and possibly for the region of the Gora municipality (the latter is merely a possibility, in case that the majority of the population in Gora does not wish this municipality to enter into the composition of the CSM);

- When determining the territory of the regions encompassed by the special status, especially outside the city areas, the starting point wherever possible should be the ethnic structure that existed before the ethnic cleansing (considering that it would be unacceptable for the international community as well if the results of such ethnic cleansing should be the starting point of finding a given political solution in Europe in the 21st century);
- The original competencies of the regions with special status would be narrower in comparison to the competencies of the CSM, but would necessarily have to encompass the influence on the selection of personnel and structure of the internal affairs authorities for the given regions, judiciary of first instance, education, healthcare as well as issues that pertain to the field of basic political and economic rights;
- The agreement can determine that the regions enjoying special status may exercise some of the foregoing competencies in cooperation with the authorities of the CSM, in accordance with the laws and other regulations that are enforced in the Province;

C) The establishment of a special contractual relationship between the Serbian Orthodox Church and PIS;

- With this agreement, which should take into account the experiences regarding the status of the Roman Catholic Church in Italy, an internationally valid guarantee should be granted in respect to the premises belonging to the Serbian Orthodox Church, church property and the activity of the Serbian Orthodox Church in the territory of the province;
- The details relating to the negotiating position on this matter must be harmonized with the representatives of the Serbian Orthodox Church.

G) The political solution adopted as a result of the negotiations envisages that the highest legal act of AP KiM shall proclaim a lasting guarantee for the return of the persons that were displaced from Kosovo and Metohija as well as of their descendants;

- The adoption of a law is needed on the return at the level of the Province, which will determine the duty of the authorities of AP KiM, the CSM, and the units of the local self-government in respect to the return of refugees and internally displaced persons;

- It is necessary to secure and guarantee rights and conditions, in the territory of the CSM, for the sustainable return of those persons that were expelled from Kosovo and Metohija, whose return was made impossible to their homes and other parts of AP KiM;

D) The negotiations must also result in the creation of an efficient legal and organizational mechanism that would enable the inclusion of the representatives of the Serbian and other non-Albanian population in the working and decision-making of all of the institutions and authorities of AP KiM, in such a way so as to preclude any form of majorization by the Albanian representatives in these institutions and authorities.

- The Serbian side proposes the division of AP KiM into several regions, of which a distinct one would be the CSM;
- The Serbian side proposes the formation of a bicameral Assembly of AP KiM, in which the upper house would represent the House of Regions and Religious Communities, while the lower house would be the House of Citizens;

In accordance with this proposal, all regions and main religious communities would be equally represented in the House of Regions and Religious Communities, while in the House of Citizens, the Serbian and non-Albanian population would be represented pursuant to the guaranteed quotas and election results;

The presiding chairperson of one of the two Houses, as well as the Vice-president of the other of the two Houses, should be representatives of the Serbian and non-Albanian population chosen by the majority of the representatives elected from the ranks of the Serbian and non-Albanian population in that House;

Efficient procedural mechanisms must exist that would preclude the rendering of decisions by way of outvoting in matters that directly impact the competencies of the CSM and the rights of Serbian and other non-Albanian population in AP KiM.

E) Property issues must be definitively settled in accordance with applicable international conventions, the generally accepted legal principles and standards, and certainly to establish legal certainty and a stable business and investment environment in the territory of the Autonomous Province of Kosovo and Metohija;

F) This political platform for the talks with representatives of the Provisional Institutions of Self-government is adopted by the Government at the proposal of the President of the Republic of Serbia.

### ANNEX 3.

#### RESOLUTION

#### Of the National Assembly of the Republic of Serbia on the basic principles for political talks with the Provisional Institutions of Self-Government in Kosovo and Metohija

1. The National Assembly of the Republic of Serbia, on the basis of the political platform for talks with the Provisional Institutions government in Pristina, establishes the basic principles for political talks with the Provisional Institutions of Self-Government (PIS) in Pristina:

a) The Republic of Serbia, in accordance with international law, the Constitution and the will of the citizens, does not recognize and will never recognize Kosovo's unilateral declaration of independence;

b) The aim of negotiations is to discuss the creation of conditions for the Serbian community and all other ethnic communities in Kosovo and Metohija, which guarantees safety and full protection of human rights. The Government of the Republic of Serbia requires the protection of the rights guaranteed for Serbs in Kosovo and Metohija, the right of return and property rights. The Government of the Republic of Serbia is obliged to continue investigating the fate of missing persons and to follow court processes for those accused of committing ethnic violence against Serbs;

c) The Serbian government authorizes itself to proceed with the implementation of agreements and arrangements already reached with PIS representatives in Prishtina. Representatives of the Republic of Serbia commit to reaching future agreements, in the continuation of the dialogue solving technical and political issues with PIS representatives in Pristina and representatives of the international community, in accordance with the attitudes and basic objectives of this resolution, aiming to reach an overall agreement with PIS representatives in Pristina;

d) All the powers entrusted to the PIS in Prishtina, as a result of the negotiations, will be confirmed in by constitutional law and transferred to the authorities of the Autonomous Province of Kosovo and Metohija, in accordance with the Constitution, laws and other regulations of the Republic of Serbia;

e) Discussions with the PIS representatives in Pristina should give contribution to the improvement of living standards in Kosovo, peace and stability and a European future of Serbia and the region;

f) Negotiating with the PIS representatives in Pristina should be obtained alongside a constant dialogue with representatives of Serbs from Kosovo and Metohija.

2. The government of Serbia will strive towards finding a consensual and comprehensive settlement for Kosovo and Metohija through negotiations. This solution must be a sound basis for building lasting peace and achieving full security for all the people who live in the southern Serbian province.

3. The Republic of Serbia is willing to make further concessions for overcoming the current state of relations between the Serbian and Albanian people. At the same time, the Republic of Serbia is not willing to make further concessions that could jeopardize its national and national interests.

4. The Republic of Serbia approaches the dialogue with PIS in Pristina aware of the importance which reaching a mutually acceptable solution for Kosovo would have in the context of further and accelerated integration the entire region of the Western Balkans into the European Union.

5. The National Assembly of Serbia demands from the government to regularly report on developments, during negotiations with PIS representatives in Pristina on Kosovo and Metohija, as well as on the implementation of the goals, activities and measures to protect sovereignty, territorial integrity and constitutional order Republic of Serbia set forth here.

6. This resolution, and the direction, policies and objectives of state policies set by it are binding for all state agencies and organizations and may be amended only by a new resolution of the National Assembly of the Republic of Serbia.

7. This resolution shall be published in the “Official Gazette of the Republic of Serbia”.

#### ANNEX 4.

### Freedom of Movement

1. Residents of each party should be able to travel freely within or through the territory of the other;

2. Each party will apply, as soon as operational feasible, an ID card system for cross border/boundary travel of residents from the other party;

3. Each party may apply a system whereby ID cards will be accompanied by written ‘entry/exit’ documents<sup>1</sup> for persons from the other party who wish to transit to a third country;

4. As an interim solution, each party will enable residents of the other to purchase border/boundary insurance. Under the auspices of the EU, the parties will continue to work for a commercial arrangement on mutual vehicle insurance cover so that all vehicles are covered on both sides of the border/boundary as soon as possible;

5. Each party will take all necessary measures to enable residents of the other party to travel freely within or through the territory of the other using driving licences issued by their own authorities;

6. As an interim measure, the authorities in Kosovo will extend the validity of KS vehicle licence plates for an initial period of five years at the end of which the issue will be reviewed by the two parties (with the facilitation by the EU if required);

7. All car owners residing in Kosovo will use either RKS or KS (as per bullet 6 above) vehicle licence plates. These will be issued by the relevant authorities in Kosovo and distributed with facilitation by EULEX where required. Each party will do its best to ensure the implementation of above;

8. As an interim measure, the authorities in Belgrade will enable vehicles from Kosovo bearing KS vehicle licence plates to travel freely in or through its territory;

9. As an interim measure, for every car owner who wishes temporary vehicle licence plates will be made available at the relevant border/boundary crossings;

10. With regard to readmission, and taking account of Priština’s obligations in this area the arrangements agreed above will not create new obligations for Belgrade to accept readmission requests for persons holding Kosovo documents within the context of the existing readmission agreement between Belgrade and the EU;

11. An implementation group will be set up, chaired by the EU, by mid July, that will start preparing implementation in order to ensure that all arrangements above and any necessary follow up will be applied as soon as operationally feasible, bullet 7 arrangements will be applied from 1 November 2011 (*Izveštaj, 2012*).

## ANNEX 5.

In the spirit of the Brussels agreement from 19 April 2013 and

Between the Association of Serbian Insurers (UOS) and the Kosovo Insurance Bureau (KIB) as authorized entities responsible for vehicle insurance issues in the jurisdiction of each Party with the facilitation of the Council of Bureaux (COB), and

On the Mutual Recognition of Motor Third Party Liability Insurance (MTPL) and arrangements for the processing and payment of claims.

WHEREAS:

UOS and KIB wish to provide arrangements for:

- a) The reciprocal recognition and acknowledgement of valid MTPL, and
- b) The processing and payment of claim damages as a result of accidents caused by vehicles with valid insurance coverage in the jurisdiction of each party.
- c) The implementation of this MoU under the jurisdiction of each party.

UOS and KIB agreed as follows:

### I. DEFINITIONS

For purposes of this Memorandum of Understanding (MOU):

“Handling Bureau” means UOS, KIB or any authorized member – insurance company or any other legal entity, which is allowed to handle and settle claims under the provisions of this MOU and which requests reimbursement from an insurance company member of UOS or KIB under the terms of this MOU.

“Guaranteeing Bureau” means the bureau, whether UOS or KIB, which guarantees for reimbursing claims paid out by the Handling Bureau according to the procedures set forth in this MOU and claims on behalf of its members under liquidation or bankruptcy.

“The Insurer” means any insuring company member of KIB or UOS which is authorized/licensed to conduct the business of compulsory third party liability insurance in respect of the use of motor vehicles in the jurisdiction of each party, who issued the policy of insurance for the vehicle causing damage.

### II. MUTUAL COVERAGE – MTPL

1. Users of motor vehicles registered in one Party who are in possession of a valid insurance for the territory of the other Party may freely enter and travel in that jurisdiction. A copy of a specimen of each insurance policy (MTPL issued by UOS, MTPL+ issued by KIB) is attached to this Memorandum as Annex I.

2. In case the users of motor vehicles of one Party do not present a valid insurance upon entry into the jurisdiction of the other Party, they will be obliged to contract mandatory border/boundary insurance.

3. The control of possession and validity of the insurance coverage will be made at the IBM crossing points. Both parties will establish point of contacts in order to immediately verify the insurance coverage in case of doubt. An electronic verification may be established at the IBM crossing points for the control of possession and validity of the insurance coverage.



4. Damage caused by the use of motor vehicles without valid insurance in the other party's jurisdiction will be reimbursed by the guarantee funds of the party where the accident took place. If one of the Parties fails to provide above mentioned electronic verification, that Party shall guarantee for the reimbursement of claims arising from the accidents caused by the uninsured vehicles from its jurisdiction.

5. Claims by third state injured parties will be treated as claims by domestic injured parties.

6. Limits of insurance compensation (see Annex II) will be considered valid until the termination of the MOU or otherwise notified by a party, in case of legislative amendments.

7. Each party will inform the other party with sufficient notice of any legislative amendment pertaining to the scope of this MOU.

### III. HANDLING AND CLAIMS COMPENSATION

1. An initial list of names and addresses of insurance companies member of the respective bureau is annexed to this MOU (see Annex III). Each party shall promptly notify the other party of any changes within 15 days of their knowledge of any change.

2. All claims should be handled by the Handling Bureau in respect of legal and regulatory provisions applicable in the jurisdiction, where the accident occurred, relating to liability and compensation of injured parties.

3. This MOU shall cover the reporting, handling and payment of claims for personal injury or for property loss or damage sustained as a result of an accident in the jurisdiction of one Party, caused by vehicles duly registered in the other Party with a valid insurance as per Annex I.

4. In case of accident, the Handling Bureau is obliged to notify as soon as possible the Guaranteeing Bureau/Insurer of all claims and shall act in the best interests of the Guaranteeing Bureau/ Insurer as if it had issued the insurance.

5. After the compensation has been paid, the Handling Bureau is obliged to submit to the Guaranteeing Bureau/Insurer all the necessary documents to justify the payment. This should include the police report containing information of the participants in the said accident (including statements directly provided by the parties as annexes to the police report), photographs of the accident scene and the damaged vehicle, professional expertise regarding the damage value, medical documentation (as required in the rules of the relevant regulatory bodies and with due respect to data protection principles), along with a copy of the proof of the valid insurance as per Annex I. The police report will be provided in accordance with the applicable legislation, including on the use of language in each party's jurisdiction. The Handling Bureau will inform the Guaranteeing Bureau/Insurer if the motor vehicle's user has not signed the police report.

For accidents occurring within the limit of 50 kilometers (as per GPS coordinates) of the border/boundary, indications will be made as to whether a driver has requested the additional presence of a native speaker police officer and whether the latter has signed the police report.

6. The provisions of this MOU will not apply to mutually agreed vehicle accident reports (constat amiable).

#### IV. HANDLING OF CLAIMS

1. The Guaranteeing Bureau/Insurer is obliged to reimburse the Handling Bureau of the other party, the full amount of compensation paid by the other party's Handling Bureau in respect of a claim within the scope of this MOU, as well as handling fees and all other costs incurred during the claim handling, as set out in paragraphs 2 and 3 below.

2. The handling fees of the handling bureau are calculated at the rate of 15 % of the total amount of compensation, subject to a minimum handling fee of EUR 200.00, and a maximum fee of EUR 3,500.00.

3. The sums disbursed for external services in the handling and settlement of each claim and all costs specifically incurred for the purposes of a legal action which would have been disbursed in similar circumstances by an insurer established in the jurisdiction of the accident, in accordance with the procedures set out in the Article 5.1.2 of Internal Regulations of the Council of Bureaux.

4. The minimum handling fees shall be made even when the claim is handled without payment to the third party.

5. The exchange between currencies, for any payments due under this MOU shall be the official middle exchange rate, at the date on which the demand for reimbursement was presented by the handling bureau to the Guaranteeing Bureau/Insurer.

6. After completion of the handling of the claim by obtaining a signed "Discharge Form" from the claimant evidencing full and final settlement or an approved settlement of the indisputable part of the claim and executing payment indemnifying the claim:

For claims arising from accidents in one jurisdiction, the Handling Bureau of that jurisdiction, the correspondent or agent which handles the claim shall, within maximum twelve (12) months from the date of last payment to the claimant, directly notify the Guaranteeing Bureau/Insurer about the processed and paid claim, along with the damage calculation and full set of pertaining documentation, as set forth above. In case reimbursement demand is communicated to the Guaranteeing Bureau/Insurer past twelve (12) months, such reimbursement demand may be refused by the Guaranteeing Bureau/Insurer and shall not be subject to guarantees by the Guaranteeing Bureau.

The Guaranteeing Bureau/Insurer shall after receipt of the reimbursement demand within 60 days from the date of submission, execute the payment of the reimbursement demand to the Handling Bureau.

If the reimbursement demand is not settled within 60 days from the date of the first reimbursement demand, the Guaranteeing bureau shall pay penalty interest at the rate of 12 % per annum, calculated from the date of the first such demand to the date of receipt of the remittance by the Handling Bureau.

If within a period of sixty (60) days from the date of the first demand for reimbursement the Insurer has failed to pay the amount due to the Handling Bureau, the Handling Bureau may through UOS or KIB respectively, within the period of maximum twelve (12) months from the date of submission of reimbursement demand, request from the Guaranteeing Bureau reimbursement of the amount in question. In case activation of Guaranteeing Bureau's involvement is requested past twelve (12) months, such request may be refused by the Guaranteeing Bureau.

The Guaranteeing Bureau shall after receipt of the reimbursement demand within thirty (30) days from the date of submission, execute the payment of the reimbursement demand to the Handling Bureau.

If within a period of thirty (30) days from the date of the first demand for reimbursement the Guaranteeing Bureau has failed to pay the amount due to the Handling Bureau, the Handling Bureau may, through UOS or KIB respectively, seek from the COB an intervention including activation of guarantees, if necessary.

7. The exchange of documentation shall be done in electronic format and/or hard copies.

#### V. CORRESPONDENT:

1. The Guaranteeing Bureau on behalf of one of its Members may request the Handling Bureau to leave the handling and settlement of claims, including the handling fees, to a correspondent who may be:

- a Member of the Handling Bureau;
- an organisation established in the territory of the Handling Bureau and specialised, on behalf of the insurers, in the handling and settlement of claims arising out of accidents caused by a motor vehicle.

2. If the Handling Bureau approves the request, it thereby gives authority to the nominated correspondent to handle and settle the claims in its name. It undertakes to inform Third Parties of this authority and to forward to the correspondent all notifications relating to such claims.

3. As per article 4.1 of COB Internal Regulations, the approval of a correspondent shall be granted automatically when requested in the name of a member of the Paying Bureau for any establishment of this member in the jurisdiction of the Handling Bureau, provided that such establishment is authorized to transact insurance against civil liability in respect of the use of motor vehicles.

4. If the Handling Bureau has not responded within 3 months from the day of receiving the request for nomination, the nomination of the correspondent shall be considered as valid and in force.

5. For its part the Member of the Guaranteeing Bureau, in requesting the appointment of a nominated correspondent, undertakes to entrust all claims in the territory of accident to that correspondent and to forward to that correspondent all documentation relevant to such claims.

6. As a duly authorised agent of the Handling Bureau, the nominated agent becomes responsible to this bureau for the handling of the claim and has to take into account any directions, whether general or specific, received from the Handling Bureau.

7. The Member of the Guaranteeing Bureau shall undertake to the Handling Bureau that its correspondent shall settle claims in full compliance with the Third Party provisions of the compulsory Motor insurance Law of the Handling Bureau.

8. The Handling Bureau may, at any time and without being required to give a reason, take over the handling of any claim and revoke the correspondent's authority for the particular claim or generally.

9. The role of the correspondent is without prejudice to the involvement of COB in the settlement of claims.

#### VI. COUNCIL OF BUREAUX – COB

1. At the request of UOS, KIB or in case of complaints by third parties, COB shall provide its assistance, mediation and arbitration during the implementation of this MOU.

2. UOS and KIB agree to entrust COB with the settlement of their claim disputes in accordance with COB mediation and Internal Regulations rules. In case of non-compliance with COB decisions with serious financial consequences, a party has the right to terminate the MoU in accordance with article IX.2.

3. UOS and KIB agree to provide in English all necessary documentation in case of dispute, including proofs of payments and a copy of the reimbursement demand.

4. UOS and KIB agree to consider decisions in conformity with COB Mediation and Arbitration Rules, as final and to act accordingly.

5. Disputes for an amount below 500€ will not be presented to COB.

6. At the initiative of COB, the implementation of this MOU and, in particular, COB responsibilities will be reviewed.

7. COB may invite UOS and KIB to review parts of the MOU and may unilaterally end parts or all of its responsibilities under this MOU, with a six (6) months notice period, in which case the MoU shall be terminated at the end of the notice period.

#### VII. GUARANTEE

1. UOS and KIB will provide guarantees to COB.

2. COB will confirm to UOS and KIB the reception of the guarantees provided.

3. In case of termination of this MOU, the guarantees will remain in place until the settlement of all claims.

#### VIII. IMPLEMENTATION COMMITTEE

1. An implementation committee comprising of the following members will be established:

- The Chairperson of each bureau/association;
- The Secretary General of each bureau/association;
- A maximum of three additional experts of each bureau/association.

2. Implementation committee meetings shall be convened on request of either party, and should take place at least once a year. Time and venue of the meetings shall be mutually agreed.

3. At the request of UOS, KIB or at its initiative, COB may attend the implementation committee. The parties will inform COB of the meetings of the implementation committee, its agenda and will provide a copy of the outcome of proceedings.

4. The exchange of documentation shall be done in an electronic form and/or in hard copy.

#### IX. ENTRY INTO FORCE AND TERMINATION OF MOU

1. This MOU shall enter into effect thirty (30) days after signature by UOS and KIB.

2. UOS or KIB may terminate this MOU by giving at least sixty (60) days notice of termination in writing to the other bureau. When written notice is sent by mail, it is

deemed to have been given on the date the notice was sent as verified by the official mail stamp.

3. A claim arising from an accident, occurring before the expiry date of the insurance of the motor vehicle's user involved, shall be handled and paid in conformity with the provisions of this MOU, only if the accident occurred before the date of termination of this MOU.

#### X. MONITORING AND SUPERVISION

1. Monitoring and supervision of the implementation of the MOU shall be made by the authorized bodies in compliance with the applicable legal regulations.

#### XI. LANGUAGE

1. Any correspondence between parties to this MOU, whether oral or written, related to provisions of this MOU, shall be conducted in English.

Signed in Brussels, on [23 June 2015], with three original copies in English.

On behalf of the Association of Serbian Insurers (UOS)

### ANNEX 6.

#### WG Freedom of Movement / Bridge Conclusions, 25 August 2015 / 2

1. Both sides asked the EU to revitalize the Mitrovica bridge and its surroundings, as per the recommendations of the technical assessment and based on the architectural design of 29 June 2015 agreed between the two sides.

2. On 15 October 2015 the contractor will close both sides of the bridge by fixed bridge barriers and construction site fence. The construction work on the bridge will be carried out by accessing the construction site through the southern access road. The bridge will open for all traffic by summer/not later than end of June 2016.

3. In line with the same timetable, the municipality will revitalize its main street (King Peter Street) into a pedestrian zone. The street will open for pedestrians by summer/not later than end of June 2016.

4. The WG will regularly monitor and review together with both mayors the prevailing political and security conditions in municipalities during the revitalization process.

5. By 10 October 2015 the maps of administrative boundaries of cadastral areas in Suvi Do/Suhadoli and Kroi I Vitakut/Brdjani area will be solved through the Memorandum of Understanding on Municipal Development Plans, the Municipal Zoning Map and Detailed Regulatory Plan between relevant ministries and the two municipalities.

(<http://www.kim.gov.rs>)

### ANNEX 7.

#### IBM Agreed Conclusions\*

1. In line with the Lisbon Treaty, and relevant EU legislation\*\*, and given that both parties are part of the EU's Western Balkans agenda, they will be required gradually to

harmonise their legislation with the EU acquis and in particular to apply the concept of IBM;

2. In the interest of faster and more effective processing, the parties, under the overall guidance of the EU, will apply the concept of IBM;

3. The parties intend gradually to set up joint integrated posts at all their common IBM crossing points. This cooperation will follow the best European practice as it is progressively further developed by the European Commission. The work will be given a high priority; the projects will be identified jointly and will be implemented as soon as practically possible;

4. The joint, integrated, single and secure posts will be located within a 'common area of IBM crossing points,' jointly delineated, where officials of each party carry out relevant controls. Exceptionally, and limited to the common IBM areas, the parties will not display symbols of their respective jurisdictions;

5. The arrangements will include a balanced presence, in line with requirements, from both parties of all related services such as customs, police etc. and will cover matters such as the location of the crossing points, the nature of the facility, opening hours etc. In line with its mandate (fn3) at the crossing points Jarinje/Rudnica and Tabaliqe/Brnjak, this presence will include EULEX officials. EULEX will also be present at crossing points Bela Zemlja/Konculj, Merdare/Merdare, Mutivode/Mutivode and Depce/Mucibaba;

6. At the core of the arrangement there will be a clear assignment of applicable legal responsibilities and liabilities to each party's jurisdiction;

7. A tri-partite implementation group, chaired by the EU, will be established to implement above arrangement as soon as practically possible. For that purpose, a technical Protocol will be developed and signed, if necessary separately with the EU, which will take account of the parties' different views on the question of status. The implications of these conclusions will be taken into account in implementing freedom of movement;

8. This agreement does not cover any general or specific revenue or fiscal matters;

\* *One party recognises the line as a border; the other party recognises the line as an administrative boundary.*

\*\* *As defined especially in the Schengen Borders Code, Frontex Regulation, Local Border Traffic Regulation, VIS Regulation and Community Code on Visas.*

\*\*\* *As defined by Council Joint Action 2008/124 CEFSP Section a. (Izveštaj, 2012)*

## ANNEX 8. Customs Stamp

- The sides will make every possible effort to ensure free movement of goods in accordance with CEFTA;
- The Customs stamps, stating 'Kosovo Customs', as confirmed to all CEFTA parties, will be accepted;
- All accompanying documents and communication will also reflect this usage. *(Izveštaj, 2012)*

## ANNEX 9.

Brussels Agreement on Customs Revenue Collection, 17<sup>th</sup> January 2013

Conclusions of the Chair, Customs WG, 10-17 January 2013:

In line with previous relevant Agreed conclusions, (in particular on IBM)<sup>1</sup>, with CEF-TA agreement, the Lisbon Treaty, and relevant EU legislation<sup>2</sup> and given that both Parties are part of the EU's Western Balkan agenda, the Parties have agreed to the following:

A. Collection of customs duties, excises duties and VAT:

1. All goods, regardless of type, quantity and value, may enter Kosovo\* through the IBM CPs in Jarinje/Rudnica-Jainjë and in Tabavije/Bërnjak - Tabalije/Brjnak.

2. For goods released into free circulation and destined for companies and undertakings registered and/or individuals residing in Leposaviq/ć, the north of Mitrovicë/a, Zubin Potok and Zvečan/Zvečan, all applicable customs and excise duties as well as VAT will be collected in accordance with paragraph 3 at the facilities located at the CPs in the common IBM zone (hereinafter referred to as "ZCP") if these goods entered via the Jarinje/Rudnica-Jainjë and Tabavije/Bërnjak - Tabalije/Brjnak CPs. All other goods entering via the Jarinje/Rudnica-Jainjë and Tabavije/Bërnjak - Tabalije/Brjnak CPs will be directed to the Mitrovicë/a south Terminal for release.

3. The release procedures, including all necessary controls, will be done on the Kosovo side by Kosovo authorities in accordance with their legal responsibilities and liabilities under their jurisdiction (including Customs, Excise and VAT rates), with full respect for human rights guaranteed by European and international standards; EULEX will be present, in line with and for the duration of its mandate<sup>3</sup>, and in accordance with the IBM agreement.

4. Registration of companies and undertakings referred to under paragraph 2 will be undertaken for the purpose of this agreement. Registration will be based on existing documentation and in accordance with paragraph 3.

5. For companies and undertakings in Leposaviq/ć, the north of Mitrovicë/a, Zubin Potok and Zvečan/Zvečan established before the entry into force of this agreement, all previously existing registration documents will be automatically considered valid for the purpose of the registration.

Following the entry into force of this agreement, new company/ undertakings registrations will be carried out on the Kosovo side of the ZCP by Kosovo authorities in accordance with their legal responsibilities and liabilities under their jurisdiction, with full respect for human rights guaranteed by European and international standards; EULEX will be present, in line with and for the duration of its mandate<sup>4</sup>. All relevant documentation can be used for the registration and collection of revenues. 6. As agreed in the IBM conclusions, all information and evidence collected in the implementation of the aforementioned operations will be mutually shared by the Parties and shared in accordance with IBM Agreed documents, including the Technical Arrangement.

<sup>1</sup> One party recognises the line as a border; the other party recognises the line as an administrative boundary.

<sup>2</sup> in particular Council Regulation (EC) N0 2007/2000 of 18 September 2000 introducing exceptional trade measures for countries and territories participating in or linked to the European Union's

Stabilisation and Association process, as amended. \* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/99 and the ICJ Opinion on the Kosovo Declaration of independence

<sup>3</sup> As defined by Council Joint Action 2008/124 CEFSP, Article 3, Section a

<sup>4</sup> As defined by Council Joint Action 2008/124 CEFSP, Article 3, Section a

#### B. Development Fund:

7. A Development Fund (hereinafter the Fund) is to be established to promote the socio-economic development, and for the benefit of the local population in Leposaviq/ć, the north of Mitrovicë/a, Zubin Potok and Zvečan/Zvečan.

8. The operation of the Fund will be decided by a Management Board. The Management Board will be composed of three members, one representative of the Serb community who is residing in either Leposaviq/ć, the north of Mitrovicë/a, Zubin Potok and Zvečan/Zvečan, one representative of the Kosovo authorities and one representative of the European Union Special Representative for Kosovo (EUSR). The EUSR will invite the aforementioned representatives after consultations with the stakeholders of the Fund. The Management Board will decide by consensus. In case of repeated inability to reach consensus, the EUSR may use a casting vote to uphold the purpose of the Fund, including the adoption of provisional Terms of Reference.

9. The revenues collected at the CPs in Jarinje/Rudnica-Jainjë and in Tabavije/Bërnjak - Tabalije/Brnjak will be transferred into an account of the Fund established in a commercial bank in Priština determined by the EU.

#### C. Transitional provisions:

10. The Parties further agree that within 3 days of the entry into force this agreement, Kosovo and EULEX officials should have an unimpeded access to the CPs, including by road, in respect of this agreement and previous IBM conclusions. Every possible effort, including through public statements at the highest political level, will be made to that extent.

11. Within 7 days of the entry into force of this agreement, the Fund will be established at the initiative of the EUSR who will open the aforementioned deposit account.

12. The collection of the customs and excises duty as well as VAT at the CPs in Jarinje/Rudnica-Jainjë and in Tabavije/Bërnjak - Tabalije/Brnjak will start immediately after the establishment of the Fund.

The Kosovo authorities will ensure that the documentation issued (temporary form) to the companies and undertakings will contain specific information about the destination of the revenues.

13. Within 30 days of the entry into force of this agreement, the Parties will have adopted the necessary regulations to implement this agreement and will have repealed regulations in contravention with the aforementioned.

14. There will be no disbursement of the revenues deposited into the Fund until the Parties decide otherwise.

15. Arrangements on registration are on a temporary basis.

#### D. Final provisions:

16. This agreement enters into force on 19 January 2013 at 00.00.



17. The implementation of this agreement will be reviewed by a monitoring working group (WG) chaired by the EU and composed of the Parties. The WG will primarily concentrate on ensuring that the registration process as per paragraphs 4 and 5 will be of use for this agreement only.

#### ANNEX 10.

#### Civil Registry Books:

1. The parties will jointly make every possible effort to establish a fully reliable civil registry in Kosovo;
2. A tripartite 'joint committee', consisting of civil registry experts from the two parties and EULEX, the latter acting as a chairperson, will be established to identify gaps in missing original pre-1999 civil registry books;
3. EULEX will certify copies of all original civil registry books from Kosovo, municipality by municipality, in consultation with experts from both sides if required. EULEX will process the certified copies in order to establish a fully reliable civil registry in Kosovo;
4. Upon request, EULEX will be ready to provide specific information from Kosovo (*Izveštaj, 2012*).

#### ANNEX 11.

#### Cadastral Records

1. In order to protect the rights of people with legitimate claims to property, the parties will jointly make every effort to establish a fully reliable cadastre in Kosovo;
2. A tripartite implementation group, consisting of cadastral experts from the two parties and chaired by the EU will monitor the work of a technical agency, (selected by the EU after consultation with both parties), whose role will be to identify gaps in original pre-1999 cadastral records;
3. The EUSR will receive scanned copies of all original pre-1999 cadastral records removed from Kosovo. Upon request, the EUSR will provide specific information from Kosovo;
4. The technical agency, mentioned in bullet 2, will compare all copies of the original pre-1999 private property cadastral records<sup>97</sup> with the reconstructed Kosovo cadastre. Cases where the comparison shows the records not to be the same will be transferred by the tripartite implementation group to an adjudication mechanism in Kosovo. This adjudication mechanism will make a final determination as to which cadastral record is correct;
5. The first instance in the adjudication mechanism will be undertaken by a Commission consisting of International and cadastral and property experts from Kosovo.

<sup>97</sup> This will include private property, private commercial property and private church property cadastral records.

The majority of the experts will be appointed by the EUSR, taking into account the interests of all communities concerned;

6. The Kosovo Supreme Court will act as the second, appeal, instance of this adjudication mechanism. Decisions by the Kosovo Supreme Court will be taken by a panel in which international judges will hold the majority and will be final and enforceable and not subject to challenge;

7. Decisions resulting from above adjudication mechanism will be notified to all stakeholders concerned. The Kosovo Cadastre Agency will implement the final decision resulting from above adjudication mechanism by effecting the necessary changes in the Kosovo cadastre;

8. The tripartite implementation group will monitor the quick implementation and functioning of the above arrangements and will regularly brief the Dialogue on progress (*Izveštaj, 2012*).

## ANNEX 12.

### Acceptance of University Diplomas

1. On the basis of the operational conclusions of 02 July 2011 on the acceptance of university diplomas, the parties agree to ask the European University Association to certify university diplomas issued by universities of each party for use by the other in connection with further education and/or public employment.

2. Upon verification that university diplomas are issued by authorized institutions in line with European best practices, the certification will be done by the Committee of European academic experts, established by the European University Association.

3. Diploma supplement and transcript of records in the format of those tabled during the Dialogue, and annexed to these conclusions, will be attached to the university diploma. It will be for the authorities of each party to decide which of the documents are valid for this process, provided that the effect is the acceptance of the qualification represented by the diploma.

4. The EU will make every effort to ensure the implementation of above conclusions from January 1, 2012. (*Izveštaj, 2012*).

## ANNEX 13.

### Arrangements Regarding Regional Representation and Cooperation

1. Both parties confirm their commitment to effective, inclusive and representative regional cooperation.

2. To this effect “Kosovo\*” is the only denomination to be used within the framework of regional cooperation.

3. The footnote to be applied to the asterisk in para 2 above will read: “*This designation is without prejudice to positions on status, and is in line with UNSC 1244 and the ICJ Opinion on the Kosovo declaration of independence.*”

4. “Kosovo\*” participates on its own account and speaks for itself at all regional meetings.

5. Where new agreements are to be initialed and/or signed, a representative of “Kosovo\*” will sign under the designation in paras 2 and 3 above.

6. As concerns modifications to existing agreements signed by UNMIK, nothing in these conclusions will be interpreted as prejudicial to UNMIK’s legal rights. A representative of the United Nations Mission in Kosovo (UNMIK) will be invited to meetings organized within the framework of arrangements for which it is a signatory. It is for UNMIK to decide whether to attend any particular meeting.

7. Hosts of meetings will be encouraged to avoid the display of national symbols except for their own and those of the EU, taking into account the statutes of relevant organizations.

8. The EU as Facilitator will inform relevant regional organizations and entities of these arrangements for denomination, representation and signature. They should be reflected in the practical organization of regional meetings. The EU will monitor the implementation of these arrangements.

9. Both parties and the EU will urge partners to support these arrangements and to assist in their implementation.

10. The regional organizations referred to in these conclusions are existing and future intergovernmental organizations or arrangements whose aim is to promote cooperation or integration in the Balkan region. “Regional meetings” includes meetings of these organizations and also ad-hoc or informal meetings with similar aims. It also includes meetings with EU institutions in the context of the European agenda.

11. These arrangements are adopted on an interim basis.

#### ANNEX 14.

### First Agreement of Principles Governing the Normalization of Relations

1. There will be an Association/Community Serbian-majority municipalities in Kosovo (CSM). Membership will be open to any other municipality provided the members are in agreement.

2. The CSM will be created by statute. Its dissolution shall only take place by a decision of the participating municipalities. Legal guarantees will be provided by applicable law and constitutional law of Kosovo (including the 2/3 majority rule).

3. The structures of the CSM will be established on the same basis as the existing statute of the Association of Kosovo municipalities e.g. President, vice President, Assembly, Council.

4. In accordance with the competences given by the European Charter of Local Self Government and Kosovo law the participating municipalities shall be entitled to cooperate in exercising their powers through the CSM collectively. The CSM will have full overview of the areas of economic development, education, health, urban and rural planning.

5. The CSM will exercise other additional competences as may be delegated by the central authorities in Priština.

6. The CSM shall have a representative role to the central authorities and will have a seat in the communities' consultative council for this purpose. In the pursuit of this role a monitoring function is envisaged.

7. There shall be one police force in Kosovo called the Kosovo Police. All police in northern Kosovo shall be integrated in the Kosovo Police framework. Salaries will be only from the KP.

8. Members of other Serbian security structures will be offered a place in equivalent Kosovo structures.

9. There shall be a Police Regional Commander for the four northern Serb majority municipalities (northern Mitrovica, Zvečan, Zubin Potok and Leposavić). The Commander of this region shall be a Kosovo Serb nominated by the Ministry of Interior from a list provided by the four mayors on behalf of the CSM. The composition of the KP in the north will reflect the ethnic composition of the population of the four municipalities. (There will be another Regional Commander for the municipalities of southern Mitrovica, Srbica and Vučitrn). The regional commander of the four northern municipalities will cooperate with other regional commanders.

10. The judicial authorities will be integrated and operate within the Kosovo legal framework. The Appellate Court in Priština will establish a panel composed of a majority of K/S judges to deal with all Kosovo Serb majority municipalities.

11. A division of this Appellate Court composed both by administrative staff and judges will sit permanently in northern Mitrovica (Mitrovica District Court). Each panel of the above division will be composed by a majority of K/S judges. Appropriate judges will sit dependant on the nature of the case involved.

12. An implementation plan including timeframe shall be produced by 26 April. In implementing this agreement the principle of transparent funding will be addressed.

13. Discussions on Energy and Telecoms will be intensified by the two sides and completed by June 15.

14. It is agreed that neither side will block, or encourage others to block, the other side's progress in their respective EU path.

15. An implementation committee will be established by the two sides, with the facilitation of the EU.

## ANNEX 15

### Articles of the First Agreement of Principles Governing the Normalization of Relations relating to the Association/Community Serbian-majority Municipalities in Kosovo (CSM)

(1) The CSM shall focus on the Serbian-majority municipalities in Kosovo, but the membership will be open to any other municipality provided the members are in agreement (Article 1).

(2) The CSM will be created by statute (Article 2).

(3) The structures of the CSM will be established on the same basis as the existing statute of the Association of Kosovo municipalities (Article 3).

(4) In accordance with the competences given by the European Charter of Local Self Government and Kosovo law the participating municipalities shall be entitled to cooperate in exercising their powers through the CSM collectively. The CSM will have full overview of the areas of economic development, education, health, urban and rural planning (Article 4).

(5) The CSM will exercise other additional competences as may be delegated by the central authorities (Article 5).

(6) The CSM shall have a representative role to the central authorities and will have a seat in the communities' consultative council for this purpose. In the pursuit of this role a monitoring function is envisaged (Article 6).

## ANNEX 16

### Association / Community of Serb majority municipalities in Kosovo – General principles / main elements

#### Legal framework

1) The Association/Community of Serb majority municipalities in Kosovo is established as an association/ community of municipalities as foreseen by the First Agreement, the Law on ratification of the First Agreement and Kosovo law.

2) On the basis of the First Agreement which recognises its distinct character, the Kosovo Government will adopt a decree directly applicable, which will be reviewed by the Constitutional Court. The Community/Association will be a legal entity defined by its Statute, which will comprise at least the elements set out below.

3) The Statute will be adopted by a constituent assembly composed of the voted members of the assemblies of the participating municipalities.

#### Objectives

4) In accordance with the First Agreement, the Association/Community will have as its main objectives in delivering public functions and services to:

- a) strengthen local democracy;
- b) exercise full overview to develop local economy;
- c) exercise full overview in the area of education;
- d) exercise full overview to improve local primary and secondary health and social care;
- e) exercise full overview to coordinate urban and rural planning;
- g) adopt measures to improve local living conditions for returnees to Kosovo;
- h) conduct, coordinate and facilitate research and development activities;
- i) promote, disseminate and advocate issues of common interest of its members and represent them, including to the central authorities;
- j) provide services to its members in accordance with Kosovo law;

k) assess the delivery of public services to its members and their residents as to support the Community/Association in forming positions of common interests for the participation to the work of the central authorities;

l) conduct monitoring as required for the implementation of its objectives;

m) establish relations and enter into cooperation arrangements with other associations of municipalities, domestic and international.

5) The Community/Association will exercise other additional competences as may be delegated by the central authorities.

#### Organisational structure

6) The Association/Community will have the following organs:

a) an Assembly as a supreme body composed of representatives appointed by each assembly of the participating municipalities, among their elected members. The Assembly will have the right to adopt amendments to the Statute, rules of procedure and all necessary regulations and administrative decisions as per its Statute and related to its objectives.

All amendments to the Statute, rules of procedure and all necessary regulations and decisions adopted by the Assembly will be applicable to its members unless one of its members formally expresses a different decision.

b) a President, who will represent the Community/Association, including before the central authorities and outside Kosovo. The President will be assisted by a Vice-President. The President and the Vice-President will be elected by the Assembly from among the members of the participating municipalities assemblies and their mayors.

c) a Council composed of a maximum of 30 members among residents of the participating municipalities, including all mayors of the participating municipalities; the Council is an advisory body which provides guidance to the work of the Association/Community.

d) a Board composed of 7 members voted by the Assembly from among the mayors and residents of the participating municipalities, the exact composition to be defined in the Statute, with the right to take the necessary decisions for the daily management of the Community/Association. The members of the Board will be supported in their work by professional collegia composed of experts, divided into and covering those areas falling under the objectives and tasks of the Association/Community. The Statute will define the number of professional collegia and their assignment to the members of the Board.

e) an administration, headed by a Chief of Administration appointed by and reporting to the Board, supporting the work of the Community/Association, in particular the Board and the President. The staff of the administration will benefit from an employment status, in accordance with Kosovo Law, including the Law on Labour and the Law on Civil Service, enabling them to perform their administrative duties. The members of the Association/Community may decide to use a number of employees to support the Community/Association in the execution of its objectives.

f) a complaints office with a mandate to examine complaints in relation to its objectives.

7) The seat of the Community/Association will be determined in the Statute.

#### Relations with the central authorities

8) The Association/Community will work with the central authorities on the basis of mutual cooperation and information sharing.

9) The Association/Community will promote the interests of the Kosovo Serb community in its relations with the central authorities.

10) The Association/Community will be entitled to propose, in accordance with Kosovo law, amendments to the legislation and other regulations relevant for the performance of its objectives.

11) The Association/Community will have the right to initiate or participate in proceedings before the competent Courts, including to the Constitutional Court, against any acts or decisions from any institution affecting the exercise by the Association/Community of its powers in accordance with its Statute.

12) The Association/Community will have the right to nominate representatives in the competent organs/bodies of the central government, including the Consultative Community Council. In the pursuit of the monitoring function envisaged by the First Agreement, the representative of the Association/Community will have right to have access and information from central authorities in accordance with Kosovo law.

13) Acting on behalf of the Association/Community, the four mayors of the northern municipalities will provide the Ministry of Interior a list of candidates for nomination as regional Police Commander as specified in Article 9 of the First Agreement.

#### Legal capacity

14) The Association/Community will be endowed with the legal capacity necessary under Kosovo law to perform its objectives, including the right to own moveable and immovable property, to co-own companies that provide local services within the scope of the Association/Community and to conclude contracts, including employment contracts.

15) On the basis of the First Agreement, the Association/Community is considered established, upon the adoption of the decree, for the purposes of its objectives.

#### Budget and support

16) The Association/Community will have its own budget, which will be administered in accordance with the principles of transparency and accountability, and the provisions of the law on public procurement.

Those principles will in particular apply to the channelling of funding, including under 17.d

The expenditures shall be subject to audits by the competent authorities, including by the Auditor General.

17) The Association/Community will be funded from:

a) contributions from its members;

b) income and revenue from the services provided by the Association/Community, its companies or drawn from its moveable or immovable assets;

- c) transfers from the central authorities;
- d) contributions, grants, donations as well as financial support from other associations and organisations, domestic and international as well as from the Republic of Serbia; the Community/Association will be exempt from duties and taxes in the pursuit of its objectives, on the same basis as the participating municipalities.

#### General and final provisions

18) The Association/Community will be open to any other municipality provided the members are in agreement.

19) The Association/Community can only be dissolved by decision of its Assembly adopted by a 2/3 majority of its members.

20) The Association/Community will be entitled to have its own official symbols (coat of arms and flag), in accordance with Kosovo law.

21) The statute of the Association/Community will be drafted by the Management Team and presented to the High-level Dialogue within 4 months from the date of agreement of these principles/elements, with facilitation if necessary, including with the Ministry of Local Government. The Statute will be endorsed by decree upon agreement in the Dialogue. Any amendments will be presented by the Association/Community, will be endorsed by decree and will be reviewed by the Constitutional Court.

22) Within one year of the adoption of the Statute of the Association/Community, a review of its implementation shall be conducted, including with regard to Article 5 of the First Agreement.

(<http://www.kim.gov.rs>)

### ANNEX 17.

#### Agreement on Judiciary:

1. Kosovo laws shall apply to judicial institutions in accordance with the *First Agreement of Principles Governing the Normalization of Relations*;

2. There shall be one Basic Court and one Basic Prosecution Office for the Mitrovica region;

3. The Mitrovica Basic Court shall have multiple premises;

4. The Mitrovica Basic Court shall have four branches: Zubin Potok, Leposavić, Srbica i Vučitrn;

5. Most of the cases from the municipalities in which the branches are situated shall receive judgements made in these branches, in accordance with law;

6. In Kosovo, president of the Basic Court is responsible for the distribution of cases.

7. Allocation of cases to prosecutors is based on expertise, specialization, and personal background knowledge, in accordance with Kosovo law;

8. Most of the cases before the Basic Court shall be decided by a single judge, in accordance with Kosovo law;

9. Both sides shall be represented in all premises of the Mitrovica Basic Court, the Basic Prosecution Office, and the division of the Court of Appeals in Mitrovica;



10. The Mitrovica Basic Court premises in northern Mitrovica shall host a majority of Kosovo Serbs;

11. The Mitrovica Basic Court premises in northern Mitrovica shall comprise of:

- The division of the Court of Appeals division in Mitrovica, composed of five Kosovo Serbs and two Kosovo Albanian judges,
- The department for serious crimes for the entire Mitrovica region, composed of four Kosovo Serbs and four Kosovo Albanian judges,
- The part of the general department adjudicating over all criminal offences for northern Mitrovica, southern Mitrovica, and Zvečan.

12. The Mitrovica Basic Court premises in southern Mitrovica shall comprise of:

- The department for minors for the entire Mitrovica region,
- The department adjudicating on civil matters, uncontested claims, and minor offenses for northern Mitrovica, southern Mitrovica, and Zvečan.

The premises in Mitrovica south are located in the “Jugobanka” building or another building to be agreed by both sides.

13. The President of the Mitrovica Basic Court shall be a Kosovo Serb from northern Kosovo.

14. The chief prosecutor of the Mitrovica Basic Prosecution Office is a Kosovo Albanian.

The premises are located in the southern Mitrovica Administration Office, situated in the “Bosniak Quarter”, or another building to be agreed by both sides.

15. A Kosovo Serb shall head the division of the Court of Appeals sitting in northern Mitrovica. The vice-president of the Court of Appeals shall be a Kosovo Serb sitting in Priština (Source: “*Dokument: Šta sadrži sporazum o pravosuđu*”, *Blic*, Beograd, četvrtak, 12. februar 2015, 4).

## ANNEX 18.

### Agreement on Civil Protection

#### I. Integration of personnel of the Civil Protection (CP):

The integration process of individuals will be in line with the Brussels agreement and the Kosovo Law on Civil Service.

1. Belgrade party submitted a list of 751 members of the CP to be integrated into KVO institutions.

2. Priština party offered in total 483 positions in the north, out of which 80 in the Agency for Emergency Management and 25 in the Kosovo Correctional Service; and 50 positions on contingency funds, meaning that they would receive salaries but final workplaces would be determined in the public sector within 3 years.

3. **Eligibility:** Out of 751 only the persons who are in possession of a valid KVO ID or a proof of application for a KVO ID, who are not yet on the payroll of any of the KVO institutions and who will pass the security check will be eligible for integration. Security check will be done by the KP and EULEX, and in case of a negative opinion justification will be given on individual basis to the candidate by the panel.

4. After establishing eligibility a panel will select individual candidates for specific positions based on expressed interest (more than one option), their education and professional experience.

5. In general, the panel will be composed of 4 members. Two members from KVO institutions; one representative of the former CP, and one representative of the EU. Specifically, for positions related to religious and cultural heritage (20 in total) the Serbian Orthodox Church (SOC) from Kosovo and the KVO Ministry for Culture, Youth and Sports will be consulted before final selection. By 8 April 2015 names for the panel members will be notified to the EU facilitator.

6. The above mentioned panel will be established on 27 April 2015, when the first meeting will take place. Meetings of the panel will take place in Priština in the premises to be decided by the PR party.

7. The panel shall conclude its work no later than 14 August 2015, and all employment contracts shall be signed until 1 September 2015, when the whole process of integration shall be finished.

8. The panel will decide on the method of selection, including possible interviews to be conducted with specific candidates, if and when necessary. It is the obligation of the candidates and their current employer to provide all additional information as requested by the panel.

9. The panel will first decide on the selection of candidates in the field of emergency response (80 positions) and correctional service personnel (25 positions). Selection for these positions is to be concluded by 15 June 2015 and contracts signed by 1 July 2015.

10. Following individual selection and written notification by the panel, the candidates will have 15 days to sign the employment contract and declaration (draft in annex). PR party will do everything necessary to expedite issuance of documents. In case a selected candidate does not sign the employment contract and declaration in 15 days after receiving the panel notification the position will be offered to another candidate and this person will be removed from the list of persons eligible for integration. In case candidates selected between 15 July and 14 August 2015 fail to sign the contract and the declaration additional 30 days (until 15 September 2015) will be given to the panel to make a new selection and offer unfilled positions to other eligible candidates.

11. **All offered positions** will be filled with eligible candidates, former members of the CP.

## II. Handling of premises and equipment of the CP:

12. BG party provided to the EU facilitator a list and locations of premises and “observation points” currently manned by the members of the CP.

13. The three observation points on the road between Mitrovica and Jarinje will be removed from the road by 20 April 2015, and the observation point located on the northern side of the Main Bridge in Mitrovica will be handed over to the KP also by 20 April 2015. The process will be monitored and verified by the KP and EULEX.

14. Based on the provided list of premises, PR party will make an assessment which premises can continue to be used for the purpose of opening relevant KVO instituti-

ons, where integrated personnel will be working. It is responsibility of PR party to provide, equip and renovate these and other necessary additional premises until 1 September 2015 at the latest. The handing over of the premises will start after the panel can verify to the EU facilitator full integration of 105 members of the CP. The process will be gradual, concluding not later than 20 July 2015.

15. Any surveillance, including technical equipment and situation centre, will be removed and/or handed over to the KP by 20 April 2015.

16. The BG party informed that the CP is in possession of around 500 official jackets. The BG party will in writing inform the EU facilitator about discontinuation of official use of these jackets on the day of the integration of the first 105 selected candidates. During and after integration the former members of the CP will not be allowed to wear any kind of uniforms or civilian clothes resembling uniforms with insignia of the CP. After integration the employer will decide on a dress code, including uniforms when and if appropriate, depending on institution into which personnel is integrated.

17. BG party will provide an inventory of all equipment currently in use and possession of the CP to the EU facilitator by 24 April 2015. The PR party will decide which equipment will continue to be used by KVO institutions in the northern municipalities, remaining equipment will be transferred to the BG Party, which will be verified by the KP and EULEX.

18. BG party provided a written confirmation that the CP and its members are not in possession of any official weapons. In case PR party is able to provide credible evidence that the CP is in possession of official weapons it will inform the EU facilitator and EULEX and the KP will jointly conduct search operations without pre-notification.

### III. Notifications:

19. BG Party will by 24 April 2015 inform in writing the EU facilitator about discontinuation of paying salaries and providing any financial means for the CP in Kosovo by 1 September 2015, except for person falling under point 10 until 15 September 2015, and adopt necessary internal regulation to implement this decision. A copy of this regulation will be provided to the EU facilitator by 1 September 2015.

20. BG Party will by 24 April 2015 inform the EU facilitator in writing that CP in Kosovo will no longer exist within the Serbian system from 1 September 2015 on.

## ANNEX 19

### Arrangements regarding Energy

1. Both parties confirm their commitment to meeting all their obligations under the Energy Community Treaty, and to apply the EU energy acquis. These arrangements are fully compatible with both.

2. KOSTT and EMS will sign a bilateral operational agreement within 3 months, establishing and regulating relations between the two Transmission System Operators. In addition, the former Temporary Energy Exchange Agreement and Temporary Technical Agreement will be repealed.

KOSTTT will be recognised as the Transmission System Operator for the territory of Kosovo for the purpose of participation in all relevant mechanisms (ITC, Congestion Management, etc).

EMS will support KOSTTT to become a member on ENTSO-E.

3. The energy regulatory authorities of both parties will open direct channels of communication to discuss subjects of mutual interest. The regulatory authorities of both sides shall, upon applications, without delay, and in line with the requirements of the existing licensing framework in their jurisdiction, issue licences covering trade (import, export, transit) and supply to KEK, KEDS and ESP, respectively.

4. Both parties will accelerate the process of market opening by July 1st 2014, in accordance with the timetable fixed by Energy Community Treaty, therefore allowing a new electricity company to supply customers to be established. Both parties also agree that such a company will be established under the Kosovan legal and regulatory framework.

5. This new company will supply electricity and may provide distribution services (such as billing, collecting, maintenance and physical connection of new customers) to customers in the four northern Serb majority municipalities, and will be able to buy and sell power on the open market. This new company, in order to operate as per point 4 will sign agreements with KOSTT in order to participate in the Kosovo power market and to become balance responsible party.

Immediately after the establishment of this new company, it will enter into discussions on all other issues of mutual interest with KEDS and KOSTT, including ensuring third party access.

The employees on JP Elektrokosmet will either be incorporated into this new company or might be offered employment with KEDS.

KOSTT will reconnect the 110 kV line to Valac/q. The current operators at the Valac/q substation will respect instructions from the Kosovo dispatch centre.

6. Both parties agree to try to find a common settlement solution as regards KOSTT's claims and EMS claims. KOSTT consider that these claims are for unpaid transit and interconnection allocations revenue and EMS's claims for secondary regulation. EMS considers that these claims are for services for secondary and tertiary regulation. Should it not be possible to reach a common settlement within 6 month, both parties agree to submit these claims to international arbitration.

7. An implementation group will be formed in order to draft a full Action Plan for the implementation of the future Agreement. The full implementation process will commence upon receipt of written acceptance of Action plan.

## ANNEX 20.

### Conclusion of the EU facilitator on the implementation of the 2013 Energy Agreement

In order to implement obligations under the "Arrangements regarding energy", signed by the two Prime Ministers in September 2013, both parties agree to the following:

### Establishment of new trade company

1. Kosovo will allow EPS to establish a power trade company in Kosovo, in line with its non-discriminatory obligations under the Energy Community and in accordance with the Kosovo legal and regulatory framework.

2. EPS will deposit documents to the Kosovan Business Registration Office to apply for a business registration certificate before the end of August 2015.

3. In line with Kosovo's own rules and deadlines, this business registration certificate will be granted within 7 days.

4. This company will apply for, and be granted a license that covers import, export and transit.

### Establishment of new supply and distribution services company

5. Kosovo will allow EPS to establish a supply company in Kosovo, in line with its non-discriminatory obligations under the Energy Community and in accordance with the Kosovo legal and regulatory framework.

6. EPS will deposit documents to the Kosovan Business Registration Office to apply for a business registration certificate before the end of August 2015.

7. In line with Kosovo's own rules and deadlines, this business registration certificate will be granted within 7 days.

8. The name of this company will be "ElektroSever".

### Supply license

9. This company will apply to the Energy Regulatory Office (ERO) for the necessary license to supply customers, to buy and sell power in the open market and to import and export electricity. This license will be delivered in accordance with Kosovo's own legal and regulatory framework.

10. The supply license will be operational when KOSTT becomes a member of the ENTSO-E.

11. ElektroSever will sign agreements with KOSTT in order to participate in the Kosovo power market and to become balance responsible party.

12. ElektroSever will be entitled to carry out billing and collection, since these are the normal activities of a supply company.

13. Access to KOSTT, KEDS and ERO to the transmission and distribution infrastructure as well as customer data will be provided. This data will be provided via the EU.

14. ElektroSever will enter into discussions with KEDS and KOSTT, to ensure third party access.

### Distribution services

15. Both parties will continue to work, with EU facilitation, with a view to allowing ElektroSever to provide distribution services based on the principles of "Arrangements regarding Energy".

### Other issues

16. Serbia and EMS, will support KOSTT's application to sign an interconnection agreement with ENTSO-E, including in the appeal process.

17. Both parties agree that all points of these Conclusions will be implemented independently of progress on point 15.

#### Disclaimer

Kosovo considers that, in accordance with Kosovo Constitution and Laws, and international law, namely UNSCR 1244 and respective UNMIK Regulations, the property within the territory of Kosovo is ownership of Kosovo.

Serbia considers that, that in accordance with domestic and international law, namely UNSCR 1244, property within the territory of Kosovo is ownership of Serbia, under specific provincial regulation and in full accordance with the Constitution of Serbia.

<http://www.kim.gov.rs/eng>

## ANNEX 21.

### Arrangements regarding Telecommunications

1. In the Context of the EU-facilitated dialogue, both sides agree that Kosovo shall be allocated a 3-digit dial code from the ITU in line with the standards and principles and time table of the ITU. The two sides agreed that a mutually accepted modality will be found regarding this process within three months, with EU facilitation as necessary.

The aim is that the migration period relating to the dial code should end by January 2015. After this date, this dial code from the ITU will be used by all operators in Kosovo. Operators from both parties will reduce costs to local charges for citizens.

2. Regulators in both sides will agree Technical Agreements to harmonise the use of spectrum for GSM, and television signal, including digital terrestrial broadcasting, with the aim of ensuring mutually uninterrupted provision on services based on the principles on ITU and avoiding harmful interference between services. Each Party commits not to cover the border/boundary of the other Party intentionally.

The regulators will also encourage and facilitate the process of interconnection and roaming agreement between the mobile operators of both sides with a view to reducing costs to citizens. They will also enter into harmonization process for digital frequencies.

3. On fixed telephony, a full license for fixed telecommunications services will be issued to a NewCo, subsidiary of a Serbian company registered in accordance with Kosovan regulatory framework.

4. On mobile telephony, the Kosovo authorities will permit the new company a temporary authorisation, under Kosovo regulatory framework, for current operation, limited to the current infrastructure on the ground. This temporary authorization will not expire before January 2015.

The temporary authorization will expire once the Kosovo authorities issue a new full unrestricted, mobile telephone license as a result of a tender / auction. The tender will be organised in line with the EU Standards.

5. Although Postal services were not part of these discussions, both sides agree to discuss them at a later stage.

6. An implementation group will be formed, with EU facilitation as necessary, in order to draft a full Action plan for the implementation of the Agreement. Once the above arrangements have entered into force, the implementation group may discuss, at the request of either side, any other issues relating to these arrangements. The full implementation process will commence upon receipt of written acceptance of Action plan.

## ANNEX 22.

### Annex 1: text of ITU bulletin

With the agreement of the Administration of the Republic of Serbia, the Director of TSB has assigned the following international codes to Kosovo:

E.164 Code (as defined in Recommendation ITU-TE. 164 section 4.1): 383

E.212 Code (as defined in Recommendation ITU-TE. 212 section 3.3): 221

Q.708 signalling area network code (SANC): 7-214

The Activation dates of these codes and the transition from the currently-used codes to these assigned codes will be advised later.

### Annex 2: text of Austrian letter to the ITU

Dear Secretary-General,

In the framework of the EU-facilitated Dialogue between Kosovo and Serbia, I have the honour of requesting, on behalf of Serbia and Kosovo, that the International Telecommunications Union begins the process of allocating a 3 digit dial code to Kosovo.

As part of the aforementioned dialogue, the Prime Ministers of Kosovo and Serbia reached an agreement in September 2013 that Kosovo should be allocated a 3 digit dial code, in line with the standards and principles and timetable of the ITU. Both sides also agreed that a mutually accepted modality would be found regarding this process, with EU facilitation as necessary. I would like to inform you that this mutually accepted modality be that the Republic of Austria requests this code for Kosovo.

I would be grateful if you could proceed, as quickly as possible, to allocate one of the two unallocated codes (+383 or +384) for use by the Kosovo authorities. I would also be grateful if you could confirm that the ITU bulletin has been published.

Yours sincerely,

### Annex 3: denomination of Kosovo in the ITU's technical annexes

In the technical annexes to the ITU's bulletins, Kosovo will be referred to as Kosovo\* with the footnote "This designation is without prejudice to positions on status, and is in the line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence."

<http://www.kim.gov.rs/eng>

## ANNEX 23.

## Excerpt from the Resolution of the German Bundestag

“1) ... the Bundestag supports Serbia’s European aspirations and commends the country’s reform efforts, recognizing that “There are still, however, major implementing measures to be taken by Serbia before it can be said to have met all of its obligations under the agreements referred to above. For this reason, the Bundestag takes the view that the first accession conference initiating the negotiations cannot begin until the Council has concluded that the obligations incurred by Serbia are being fully and consistently honoured and the European Council has endorsed that conclusion. Progress in the implementation of the agreed measures must be further reviewed, for example by means of another report to be presented by the European Commission by the end of November 2013.....

1. The Bundestag calls on the Federal Government to approve accession negotiations with Serbia with the provision that the first accession conference should not take place until January 2014 at the earliest and only be held if the Council concludes that Serbia has been fully and consistently honouring the obligations arising from the implementation plan concluded between Serbia and Kosovo on 26 May and fulfilling the conditions set out below and if the Council has adopted the negotiating framework and the European Council has endorsed both the conclusion and the framework;

These conditions include:

- the complete dissolution of the parallel Serbian security and judicial structures in northern Kosovo and the establishment in their place of new security and judicial structures that are politically overseen and funded by the Kosovo Government alone,
- the production of a full and detailed schedule of all Serbian payments made to institutions in Kosovo,
- the establishment of an association/community of Kosovo Serb-majority municipalities and the adoption of its articles of association,
- the conducting of free and fair local elections throughout Kosovo,
- the full implementation of all previous agreements reached in the course of the dialogue process, including the establishment of unhindered overland access by Kosovo border police and customs officers to the border posts in northern Kosovo and the closure of the bypass routes in northern Kosovo, and
- guaranteed freedom of movement for EULEX Kosovo;

If Serbia delays, suspends or reneges on the fulfilment of any obligations after accession negotiations have opened, the accession negotiations must be halted;

2. To keep the Bundestag informed in writing until the obligations have been honoured; the Bundestag reserves the right to make use of its entitlement to deliver an opinion if it reaches the conclusion that the conditions for the opening of accession negotiations have not been fulfilled;

3. To make it clear to Serbia and Kosovo that additional confidence-building measures must be taken if their relations are to be normalised; in particular, these measures must include the earliest possible opening of the bridge over the River Ibar as a



building block in the confidence-building process;

4. To try to ensure that the normalisation process between Serbia and Kosovo is dealt with as a matter of priority in an appropriate chapter and that this chapter, together with the rule of law and the related issues listed in item 6 below, is one of the main focal points of the accession negotiations; deliberations on this chapter must take place from the very start of the negotiations and must not be concluded until a legally binding agreement has been achieved on the normalisation of relations between Serbia and Kosovo, offering the prospect that both countries will be able, on acceding to full membership, to exercise their rights and responsibilities independently and jointly; the negotiating framework must be designed in such a way as to tie the continuing normalisation process into the accession negotiations; care must be taken to ensure linkage between progress in the relevant negotiating chapters and progress in the normalisation process; complete normalisation of relations with Kosovo should be identified in the negotiating framework as a prerequisite for Serbia's accession; the Federal Government is called on to press for an undertaking by Serbia in the accession treaty too not to obstruct Kosovo's convergence with the EU after its own accession;

5. To try to have the negotiating framework structured in such a way as to ensure Serbia's systematic continuation of the reform process, and particularly its implementation of adopted reforms; the opening and closure of individual negotiating chapters must depend on clearly defined criteria;

6. To emphasise clearly that Serbia must make considerable additional efforts if it is to meet the accession criteria, particularly in the areas of the rule of law, judicial reform, combating corruption, fighting organised crime, guaranteeing freedom of the press, protecting minorities and guaranteeing the security of investments;

7. To try to ensure that chapter 23 – judiciary and fundamental freedoms – and chapter 24 – justice, freedom and security – are also opened at the start of the negotiations and remain open until the negotiations end; the action plans proposed by the European Commission for these chapters must prescribe clearly defined time limits and targets, compliance with which will be a prerequisite for the opening and closing of other chapters; no other chapters must be opened before these, as happened in the negotiations with Montenegro in spite of the clearly formulated decision adopted by the Bundestag in December 2011; the European Commission must report regularly on the implementation of the action plans in addition to its annual progress reports, and specific rules must be laid down in the accession treaty for the eventuality of non-compliance with negotiated obligations arising from chapters 23 and 24;

8. To try to ensure that the accession negotiations are not closed until the competent Serbian authorities and courts have done everything in their power to investigate fully the arson attack carried out on the German Embassy in Belgrade in February 2008 by due process of law and to convict the perpetrators and particularly the instigators;

9. To press for the adoption of as few transitional arrangements and exemptions from the established body of Community law and practice (the *acquis communautaire*) as possible when Serbian law is adapted to incorporate the *acquis*; Serbia wishes to accede to the European Union and must accept that the *acquis communautaire* will not be watered down through negotiation;

10. To try to ensure that Serbia, in the event of accession, fully meets the political and economic criteria and that no conditions of accession relating to other candidate countries are linked to these criteria; strict fulfilment of the Copenhagen criteria remains the prerequisite for accession; nothing must be done to render accession automatic, such as the naming of an accession date before the negotiations are completed;

11. To press for Serbia to submit to the provisions of the European Stability and Growth Pact during the negotiating process and fulfil the stability criteria introduced by the Maastricht Treaty before it is able to sign up officially to monetary union in the event of its having acceded to the EU;

12. To inform the Bundestag continuously in accordance with sections 4 to 7 of the Act on Cooperation between the Federal Government and the German Bundestag in Matters concerning the European Union and, in so doing, to make its own position clear; progress towards accession should not be assessed by the European Commission alone but also on a regular basis by the Federal Government in consultation with its diplomatic missions”.

#### ANNEX 24.

List of actions that can be undertaken by Belgrade in the current period – 11. points (In addition to satisfactory responses to Chapter 35 questionnaire)

1. Removal of “peace park” on Mitrovica bridge.
2. **Statute of Association/Community:** presentation to relevant Kosovo authorities (Ministry of Local Self Government) of a draft text that is in accordance with current Kosovo Law.
3. **Integration of any/all remaining Serbian state structures of local self-government** in a single Kosovo institutional framework.
4. **Telecom:** signature of Action Plan, enable the issuance by ITU of dialling code in next ITU conference in mid-October 2014.
5. **Energy:** signature of Action Plan, signature of inter-TSO agreement between the two companies (Transmission System Operators), removal of illegally appointed management of Gazivode reservoir in northern Kosovo.
6. **Regional cooperation:** continued promotion of inclusive regional cooperation; look into Kosovo participation in the following regional fora that focus on rule of law and security related regional initiatives/fora (a mutually shared interest) such as: SE-LEC, Law Enforcement Centre; PCC-SEE, Secretariat of Police cooperation convention for SEE (PCC-SEE);SEPCA, South East Europe Police Chiefs Association; RAI, Regional Anticorruption task force;
7. **Liaison officers:** agreement on handling of official visits by LOs in line with Liaison Arrangements.
8. **IBM:** approval on the building of permanent crossing points now that all the preparatory work is complete and the funding from the Commission is there.

**9. Illegal bypasses** (esp. in light of latest incidents of illegal woodcutting with casualties from both sides): block permanently from the Serbian side all illegal bypasses .

**10. Freedom of movement:** in line with the Freedom of Movement Agreement, allow Kosovo documents to be accepted in all crossing points between Serbia and third states (currently this applies only to two crossing points ).

**11. Address issues regarding the application of dialogue agreements,** In light of Serbian Constitutional Court rulings.

#### ANNEX 25.

### Final Declaration by the Chair of the Conference on the Western Balkans, Berlin, 28 August 2014

A hundred years after the outbreak of the First World War, the heads of government, foreign ministers and economics ministers of Albania, Bosnia and Herzegovina, Croatia, Kosovo, the FYR of Macedonia, Montenegro, Serbia and Slovenia, as well as representatives of the European Commission, the future host Austria, and France, met in Berlin on 28 August 2014 for the first Conference on the Western Balkans.

#### 2014–2018: four years of real progress

1. We agree that today's conference should provide a framework for a period of four years, during which we will further our endeavours to make additional real progress in the reform process, in resolving outstanding bilateral and internal issues, and in achieving reconciliation within and between the societies in the region. We are also united in the aim of enhancing regional economic cooperation and laying the foundations for sustainable growth.

2. We have jointly decided to meet in the same format each year during the next four years in order to implement the agenda agreed at today's meeting and to support this aim through other specific projects. The Federal Chancellor of Austria has offered to host the first follow-up conference in his country in 2015. This will provide an opportunity to evaluate the initial results. We plan to continue our work on questions of key importance to the future of the Western Balkans on an ongoing basis during further conferences to be held until 2018.

#### The path to a future in Europe

3. Just fifteen years ago, the news from the region was dominated by war, expulsions and destruction. It is now apparent that the region has already made great achievements as regards creating stability, developing good neighbourly relations, and modernising government, society and the economy.

4. The European Union's enlargement policy has played a crucial role in these achievements. All of the countries in the Western Balkans firmly believe that their future lies in the European Union.

5. The German Government expressly underlines its support for the prospect of European integration for the countries of the Western Balkans. All of the countries of

the Western Balkans will have an opportunity to join the European Union if they meet the conditions for accession. Germany is aware of its responsibility for a peaceful, stable and democratic future based on the rule of law, and will continue to support the region on its path to this future.

#### Intensifying regional cooperation as an essential basis

6. All of the participants underline the need to resolve outstanding bilateral questions as quickly as possible in the interests of good neighbourly relations and increased stability in the region. The prime ministers of Serbia and Kosovo reiterated their determination to revitalise the process of normalising relations. The naming dispute between the FYR of Macedonia and Greece is one of the outstanding bilateral issues. The participating States agreed that this dispute must urgently be resolved by a willingness to compromise on all sides. Where possible, the countries should make use of the positive influence of regional neighbours on overcoming internal political challenges. This applies in particular to the revitalisation of the reform process in Bosnia and Herzegovina.

7. The countries of the Western Balkans therefore stress their willingness today to increase their cooperation among one another. Regional organisations such as the Regional Cooperation Council will play an important role in this.

8. Regional cooperation shall also include the civil society level. In this context, the participating States underlined their unanimous wish to expand transnational exchange, particularly among young people.

#### Strengthening good governance

9. Further improving governance remains a particular challenge for the young democracies of the Western Balkans.

10. The participating States agree that further measures must be taken to tackle corruption and organised crime. The countries of the Western Balkans reiterated their willingness to carry out further reforms aimed at increasing legal certainty in their countries, to uphold and reinforce the independence of their judiciary, and to work more intensively together across borders in regional and bilateral structures.

11. In a pluralistic democracy, the opposition must also be able to play its role in the parliamentary framework, and it must also want to do so. A politically active civil society can also provide constructive support as regards the further strengthening of democratic communities in the countries of the Western Balkans, thus also bringing these states closer to the EU. The prerequisites for this include a pluralistic media landscape, independent trade unions, and an economy that can fulfil its role as part of the community, free from political interference. Germany remains committed to fostering freedom of the media in the region. To this end, the Federal Foreign Office is holding a workshop for twelve leading journalists from all countries of the region as part of the conference framework programme.

#### Increasing prosperity via sustainable economic growth

12. Sustainable economic growth and thus the sustainable increase of prosperity for the good of citizens will only be possible via open markets and foreign investment. A positive investment climate is particularly crucial to the activities of small and me-

dium-sized enterprises. Legal certainty and a zero-tolerance policy on corruption are vital in this context. The participating States aim to improve cooperation among the investment agencies, as well as the way they communicate with Germany Trade & Invest.

13. The countries of the Western Balkans shall reinforce their endeavours to overcome their current account deficits. German business will support the enhancement of the region's export strength by launching a purchasing initiative for the Western Balkans in 2015.

14. Competitiveness must be further increased via regional value chains. In this context, the initiative by the German business community to hold a regional conference in Montenegro in September 2014 and the activities by the Regional Cooperation Council in this area will make a concrete contribution.

15. The participating States agree that European energy policy is of increasing importance to the countries of the Western Balkans. Regional cooperation within the framework of the Energy Community for South East Europe is an important component, particularly as regards energy security, energy efficiency targets and climate protection. The countries of the Western Balkans will continue to work intensively on further developing the Energy Community and on overcoming shortcomings in implementation.

16. The participating States share the view that a transport community for the Western Balkans could provide a positive impetus for economic development by improving the region's logistical connections to the European markets where demand is high. This is also the case as regards the expansion of information and communications technology infrastructure under reliable conditions.

17. The participating States believe that needs-based academic and vocational training is essential in order to reduce youth unemployment. Projects by the German business community to support vocational training in the countries of the Western Balkans are helping to meet this aim.

18. Germany is willing to carry out further measures within the framework of existing programmes on economic cooperation and development in order to support the region's countries in making the most effective use of European measures for bringing them closer to the EU via the Instrument for Pre-Accession Assistance (IPA). German development cooperation has provided reliable support to the countries of the Western Balkans for 25 years and is an integral part of German endeavours to bring the countries closer to the EU and European standards.

## ANNEX 26.

### Decisions of the Constitutional Court of the Republic of Serbia (CCRS) concerning the First Agreement of Principles Governing the Normalization of Relation

The National Assembly received from the Government a Report on the current process of political and technical dialogue with the provisional institutions of self-government in Priština with the mediation of the European Union, including the process of implementation of the agreements reached. After the debate, the National Assem-

bly adopted the “Decision to accept the Report on the current process of political and technical dialogue with the provisional institutions of self-government in Priština with the mediation of the European Union, including the process of implementation of the agreements reached”, on 26 April 2013.

On 7 May 2013, the Serbian Radical Party filed a motion before the Constitutional Court of the Republic of Serbia (CCRS) for assessing the constitutionality of the National Assembly’s Decision to accept the Report on the current process of political and technical dialogue with the provisional institutions of self-government in Priština with the mediation of the European Union, including the process of implementation of the agreements reached” of 26 April 2013.

The same motion contained a request for assessment of the constitutionality of the Government’s Decision to adopt the First Agreement of Principles Governing the Normalization of Relations reached in the Brussels Dialogue on 22 April 2013. The following day, a motion for assessing the constitutionality and legality of the initialed *First Agreement of Principles Governing the Normalization of Relations*, was filed by 21 parliamentarians from the DSS - Vojislav Kostunica Electoral List, together with one parliamentarian from SNS, one from NSS, and two independent MPs.

The CCRS has dismissed the motion for assessing the constitutionality and legality of the initialed *First Agreement of Principles Governing the Normalization of Relations* between the Government of the Republic of Serbia and the Provisional Institutions of Self-Government in Kosovo, of 19 April 2013 (case IUo–247/2013) (*Press Release - 35<sup>th</sup> Session of the Constitutional Court*, of 10 December 2014, chaired by Vesna Ilić Prelić, President of the Constitutional Court).

#### Regulation on special manner of processing data contained in registries for the territory of the Autonomous Province of Kosovo and Metohija

The Government of the Republic of Serbia adopted a Regulation on special manner of processing data contained in registries for the territory of the Autonomous Province of Kosovo and Metohija, on 14 November 2011 (“*Official Gazette of RS*”, No. 86 of 18 November 2011).

A motion for assessing the constitutionality of the Regulation was filed with the CCRS by 25 parliamentarians at the initiative of the Democratic Party of Serbia, on 24 October 2012. The ruling on initiating the procedure was issued on 24 October 2012. The CCRS determined the Regulation on special manner of processing data contained in registries for the territory of the Autonomous Province of Kosovo and Metohija (“*Official Gazette of RS*”, No. 86/11) to be in violation of the Constitution and the law and all petitions for stay of enforcement of individual acts and procedures undertaken based on the Regulation were dismissed (<http://www.ustavni.sud.rs>).

#### Regulation on special manner of processing data contained in the land cadastre for the Autonomous Province of Kosovo and Metohija

A Regulation on special manner of processing data contained in the land cadastre for the Autonomous Province of Kosovo and Metohija was adopted on 8 December 2011 (“*Official Gazette of RS*”, No. 94 of 14 December 2011). A motion for assessing the constitutionality of the Regulation was filed with the CCRS by 25 parliamentarians at the

initiative of the Democratic Party of Serbia, on 24 October 2012. The Conclusion for discontinuation of the procedure was issued on 18 June 2013 (“*Official Gazette of RS*”, No. 67/13). The CCSR determined the Regulation to be in violation of the Constitution, on 26 February 2014) (<http://www.politika.rs/>).

#### Regulation on the Control of Crossings along the Administrative Line with the Autonomous Province of Kosovo and Metohija

The Government of the Republic of Serbia adopted the Regulation on the Control of Crossings along the Administrative Line with the Autonomous Province of Kosovo and Metohija on 23 December 2011 (“*Official Gazette of RS*”, No. 98 of 23 December 2011). A motion for assessing the constitutionality of the Regulation was filed with the CCRS by 25 parliamentarians at the initiative of the Democratic Party of Serbia, on 24 October 2012. The CCSR determined the Regulation to be in violation of the Constitution (<http://dss.rs/neustavnost-briselskog-sporazuma>).

Regulation on special manner of recognition of higher education certificates and valuation of curricula of universities from the territory of the Autonomous Province of Kosovo and Metohija which operate contrary to regulations of the Republic of Serbia.

The Government of the Republic of Serbia adopted the Regulation on special manner of recognition of higher education certificates and valuation of curricula of universities from the territory of the Autonomous Province of Kosovo and Metohija which operate contrary to regulations of the Republic of Serbia, on 9 February 2012 (“*Official Gazette of RS*”, No. 16 of 7 March 2012). A motion for assessing the constitutionality of the Regulation was filed with the CCRS by 25 parliamentarians at the initiative of the Democratic Party of Serbia, on 24 October 2012. The CCSR determined the Regulation to be in violation of the Constitution, on 30 April 2014 (case IUo – 225/2013) (“*Official Gazette of RS*”, No. 119/2014).

#### Agreement on Telecommunications and Agreements on Energy

The Agreements on Telecommunications and Agreements on Energy were reached on 13 September 2013 in Brussels (<http://dss.rs/predlog-dss-za-ocenu-ustavnosti-sporazuma-o-telekomunikacijama-i-energetici>). On 4 November 2013, the Democratic Party of Serbia filed a motion with the Constitutional Court of the Republic of Serbia (CCRS) for assessment of the constitutionality of the agreement concluded between the representatives of Belgrade and Priština representatives in the energy and telecommunications sectors (<http://www.naslovi.net>).

The Law on Ratification of the Agreement between the Kingdom of Belgium and the Republic of Albania, Bosnia and Herzegovina, the Republic of Croatia, the former Yugoslav Republic of Macedonia, Moldova, Montenegro, the Republic of Serbia and the United Nations Interim Administrative Mission in Kosovo, on behalf of Kosovo, in line with the Resolution 1244 of the United Nations Security Council on the Privileges and Immunities of the Secretariat of the Central European Free Trade Agreement.

At the Fourth Sitting of its First Regular Session on 13 May 2009, the National Assembly of the Republic of Serbia, adopted the the Law on Ratification of the Agreement between the Kingdom of Belgium and the Republic of Albania, Bosnia and Herzegovina, the Republic of Croatia, the former Yugoslav Republic of Macedonia, Mol-

dova, Montenegro, the Republic of Serbia and the United Nations Interim Administrative Mission in Kosovo, on behalf of Kosovo, in line with the Resolution 1244 of the United Nations Security Council on the Privileges and Immunities of the Secretariat of the Central European Free Trade Agreement (“Official Gazette of RS” - International Treaties, No. 38/09). A motion for assessment of the constitutionality was filed with the CCRS of Articles 1, 2 and Article 33, para. 3 and 4 on 31 October 2012. The CCRS has dismissed the motion for assessment of the constitutionality. (<http://www.ustavni.sud.rs/>).

The Law on Ratification of the Multilateral Agreement between the European Community and its Member States, the Republic of Albania, Bosnia and Herzegovina, the Republic of Bulgaria, the Republic of Croatia, the former Yugoslav Republic of Macedonia, the Republic of Iceland, the Republic of Montenegro, the Kingdom of Norway, Romania, the Republic of Serbia and the United Nations Interim Administration Mission in Kosovo (in line with the Resolution 1244 of the United Nations Security Council of 10 June 1999) on the Establishment of a European Common Aviation Area.

At the Fourth Sitting of its First Regular Session on 13 May 2009, the National Assembly of the Republic of Serbia, adopted the the Law on Ratification of the Multilateral Agreement between the European Community and its Member States, the Republic of Albania, Bosnia and Herzegovina, the Republic of Bulgaria, the Republic of Croatia, the former Yugoslav Republic of Macedonia, the Republic of Iceland, the Republic of Montenegro, the Kingdom of Norway, Romania, the Republic of Serbia and the United Nations Interim Administration Mission in Kosovo (in line with the Resolution 1244 of the United Nations Security Council of 10 June 1999) on the Establishment of a European Common Aviation Area (“Official Gazette of RS” - International Treaties, No. 38/09). A motion for assessment of the constitutionality of Articles 1, 2 and 32, was filed with the CCRS, on 17 October 2012. The CCRS has dismissed the motion for assessment of the constitutionality. (<http://www.ustavni.sud.rs/>) (*Gavrilović, 2015:16- 20*).

## VII REFERENCE LIST

- A ‘Peace Treaty’ for Sustainable Peace: A new beginning for Kosovo and Serbia (2012) Kosovo Institute of Peace, Policy Study, Pristina No. 1/ 2012, December 2012,
- *Austrijski MUP Albancima s Kosova: Džabe dolazite, pare ne damo!*, Tanjug, 10.02.2015, 15:22.
- *Avramopoulos Dimitris (2015) Očekujemo viznu liberalizaciju za Kosovo*, Tanjug, 10 mart.
- *A dangerous game: Investments in the energy sector in Kosovo*, Kosovo Civil Society Consortium for Sustainable Development, <http://www.kosid.org/news/a-dangerous-game-investments--in-the-energy-sector-in-kosovo>.
- *Akcioni plan ekonomske vizije Kosova*, Vlada Kosova, Kancelarija premijera, 2011, [http://www.kryeministri-ks.net/repository/docs/Akcionog\\_plana\\_ekonomske\\_vizije\\_Kosova\\_2011-2014.pdf](http://www.kryeministri-ks.net/repository/docs/Akcionog_plana_ekonomske_vizije_Kosova_2011-2014.pdf)



- *An inquiry into the economic situation of north Kosovo businesses*, AKTIV, Mitrovica 2013. <http://ngoaktiv.org/fajlovi/An%20inquiry%20into%20the%20economic%20situation%20of%20north%20Kosovo%20businesses%20-%20NGO%20Aktiv.pdf>
- Bajrami Agron (2013) *Zajednica srpskih opština: Od sredstava za integraciju do neuspeha* (Grupa za pravno-političke studije, <http://legalpoliticalstudies.org/2013/12/association-of-serbian-municipalities-from-a-tool-of-integration-to-a-disaster-in-themaking>).
- Bjelić Predrag Ph.D. (2013) *Monitoring primene dogovora u oblasti trgovine Beograda i Prištine*, Centar za Regionalizam, Leskovac, 17 decembar
- Bjeloš Maja, Elek Bojan, Raići Fjolla (2014) *Integracija policije na severu Kosova: Napredak i preosatlji izazovi u primeni Briselskog sporazuma*, Beogradski centar za bezbednosnu politiku (BCBP) i Kosovski centar za bezbednosne studije (KCSS), Beograd - Priština
- Brotu Jan, 2015, *Naša početna tačka je Briselski sporazum od 19. Aprila 2013*”, CSM u Gračanici okupila za sto srpske, albanske i međunarodne predstavnike, “KoSSev”, Severana Mitrovica, 4. Mart.
- Brovina, N., Hoxha, A., *The potentials for Political and Economic Development of Kosovo Iliria International review*, 2013, [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2417209](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2417209)
- *Brussels Agreement Implementation State of Play 1 October 2014 – 20 March 2015 (2015) Report submitted to the European Union / European External Action Service by the Government of the Republic of Kosovo, Prishtina, 23 March.*
- *CIA World Factbook – Kosovo*, <https://www.cia.gov/library/publications/the-world-factbook/geos/kv.html>
- (Čeku, 2007:113).
- Dačić Ivica (2015) *Migracije Albanaca sa Kosova nisu problem Srbije*, Tanjug, Beograd, 14.februar.
- *Decentralization of Kosovo( 2002) Forum for Ethnic Relations and YUCOM, Belgrade.*
- Deda Ilir (2012) *The Problem of Northern Kosovo*, in: “Frozen Conflicts” in Europe: Searching for pragmatic solutions and promoting reconciliation, Euro – Atlantic Council of Slovenia and Friedrich Ebert Stiftung, Bled, 1 September
- Deda Iljir i Ćosaj-Mustafa Ariana (2013) *Analize primene tehničkih sporazuma između Kosova i Srbije, “Politička analiza”, Kosovar Institute for Policy Research and Development – KIREĐ, Priština, broj 2 /13, jun.*
- Deda Ilir (2015) *End of Status Quo*, Posted in Daniel Serwer - February 5,
- *Del Re*, 2007: 100, 101
- Derand, Žan-Arno (2009) *Kosovska zamka*, Hisperia edu, Beograd
- *Do 1 oktobra sud i tužilaštvo u Kosovskoj Mitrovici (2015) Beta on line*, Beograd, 28 mart 2015, 23:27h.
- *Društveno-ekonomski uslovi na severu Kosova – izveštaj o stanju obrazovanja*, European Center for Minorities Issues Kosovo, 2012, [http://www.ecmikosovo.org/wp-content/Publications/Fact\\_Sheets/Thematic\\_Factsheet\\_01\\_Education/serb.pdf](http://www.ecmikosovo.org/wp-content/Publications/Fact_Sheets/Thematic_Factsheet_01_Education/serb.pdf)
- Đurić Marko (2015) *CSM će finansirati Beograd, Priština i međunarodna zajednica*, Tanjug/Blic on line, 03.03. Đurić Marko (2015a) *Srbija protiv formiranja oružanih snaga Kosova*, “Beta”, Beograd, objavljeno: 9. marta.

- Đurić Marko (2015a) *Srbija protiv formiranja oružanih snaga Kosova, "Beta", Beograd*, objavljeno: 9. marta.
- Ejdus Filip, Leon Malazogu and Milan Nič (2013) *Municipality Election in Northern Kosovo: Towards a New Balance*, Belgrade Center for Security Policy, Democracy for Development, Central European Policy Institute, Bratislava . Budapest . Prague – Warsaw, October 8.
- Ejdus Filip (2014) "The Brussels Agreement and Serbia's National Interests: A Positive Balance heet?", *Policy Briefs – Serbia*, Konrad Adeanauer Stiftung, Belgrade, April
- *Energetska zajednica jugoistočne Evrope na delu*, *Evropski pokret u Srbiji i KIPRED*, 2008.
- *Environmental management in Kosovo – Heavy Metal Emissions from Trepca*, Teksam, Insitut for Miljo, Teknologi og Samfund, Roskilde Universitet, Danska, 2003-2004, [http://www.rucsdigitaleprojektbibliotek.dk/bitstream/1800/210/1/Environmental\\_management\\_in.pdf](http://www.rucsdigitaleprojektbibliotek.dk/bitstream/1800/210/1/Environmental_management_in.pdf)
- *European Bank, Transition Report 2013 Stuck in Transition, Country Assessment Kosovo* - <http://tr.ebrd.com/tr13/en/country-assessments/2/kosovo>
- Filimonova Anja ( 2015) *Od koga i zašto beže Albanci s Kosova*, *www. Kosovo*, 16/02/2015, 07:36
- Gavrilović Zoran, Dimitrijević Pavle (2015) *Izveštaj o primeni Briselskog sporazuma (od strane Republike Srbije). Period jun – decembar 2014. Godine*, Biro za društvena istraživanja (BIRODI), Beograd, Januar.
- Grdžaliju (2014) *Kosovo oaza ljudi bez nade*, „Novi magazin“, Beograd, 25. Novembar.
- Gutierrez Espada Cesareo (2014) *The Agreement on the Normalization of Relations between Serbia and Kosovo (2013)*, *IEMed. Mediterranean Year Book*
- Gallucci, Gerard M. (2015) *What next for Kosovo Serbs*, "TransConflict, February 26
- Hajdari F. (2015) "Reportaža", *Večernje Novosti*, Beograd, 6 februar
- Hysa Ylber (2002) "Shared Cities": *Mitrovica Case Study ( Working paper)*, Council of Europe, Strazburg, December
- *Ima li denacionalizacije na Kosovu i Metohiji*, *Danas*, [http://www.danas.rs/danasrs/ekonomija/ima\\_li\\_denacionalizacije\\_na\\_kosovu\\_i\\_metohiji.4.html?news\\_id=265914](http://www.danas.rs/danasrs/ekonomija/ima_li_denacionalizacije_na_kosovu_i_metohiji.4.html?news_id=265914)
- *International Monetary Fund – Country Info – Kosovo*, <http://www.imf.org/external/country/UVK/>
- Ivošević Zoran (2014) "Ustavni pogled na Briselski sporazum", *Danas*, Beograd, 21 april 2014.
- *Izveštaj o dosadašnjem procesu političkog i tehničkog dijaloga sa privremenim institucijama samouprave u Prištini uz posredovanje Evropske Unije, uključujući proces implementacije postignutih dogovora (2012)* Vlada Republike Srbije, Beograd
- *Izveštaj o dijalogu Beograd – Priština (2013) "Vreme"*, Beograd, 25. april, <http://www.vreme.co.rs/cms/view.php?id=1112364>
- *Izveštaj o napretku u dijalogu Beograda i Prištine (2015)* Kancelarija za Kosovo i Metohiju. Vlada. Republika Srbija, Beograd, april.
- Janjić, Dušan (2012) "The case of Northern Kosovo and Mitrovica", in: "Frozen Conflicts" in Europe: *Searching for Pragmatic Solutions and Promoting Reconciliation*, Euro-Atlantic Council of Slovenia and Friedrich Ebert Stihung, Bled.
- Janjić, Dušan (2014) *Solving the Issue of Northern Kosovo and Regional Cooperation, in: Civic and Uncivic Values in Kosovo. History, Politics, and Value Transformation*, edited

by Sabrina P. Remeta, Albert Simkus and Ola Listhaug, CEU Press, Budapest – New York.

- Janjić Dušan (2015) “Biće promene zakona i Ustava”, CSM u Gračanici okupila za sto srpske, albanske i međunarodne predstavnike (KoSSev, Severana Mitrovica, 4. Mart.
- Järvenpää Minna (2014) *Lessons from Kosovo*, [www.suedosteuropa-gesellschaft.com](http://www.suedosteuropa-gesellschaft.com)
- Jelovac Bojana (2014) Nikolić beži od odgovornosti za Kosovo, *Blic on line*, Beograd, 30 decembar, 22:10h
- Jovanović Jelka (2015) Put bez povratka, „Nezavisne novine, Banjaluka, 11. februar.
- Jelovac Bojana (2014) “Nikolić beži od odgovornosti za Kosovo”, *Blic on line*, 30 decembar.
- Kako oživeti rudnik Trepča, *Radio Slobodna Evropa*, 2013. <http://www.slobodnaevropa.org/content/izmedju-severa-i-juga-kako-oziveti-rudnik-trepca/25064575.html>
- Kammen D., Mozafary, M., Prull, D., *Sustainable Energy Options for Kosovo*, Goldman School of Public Policy, University of California, Berkley, 2012, [http://rael.berkeley.edu/sites/default/files/Kosovo%20Energy%20Scenarios-19-Jan-2012\\_0.pdf](http://rael.berkeley.edu/sites/default/files/Kosovo%20Energy%20Scenarios-19-Jan-2012_0.pdf)
- *Kosovo Country Environmental Analysis*, World Bank, 2013, [http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2013/03/26/000445729\\_20130326111258/Rendered/PDF/750290ESW0P1310LIC00Kosovo0CEA0Rprt.pdf](http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2013/03/26/000445729_20130326111258/Rendered/PDF/750290ESW0P1310LIC00Kosovo0CEA0Rprt.pdf)
- Kosovo dobilo SWIFT i IBAN kodove, *Tanjug*, 12.8.2014, <http://www.tanjug.rs/novosti/140845/kosovo-dobilo-swift-i-iban-kodove.htm> .
- *Kosovo Economy Profile*, *Index Mundi*, [http://www.indexmundi.com/kosovo/economy\\_profile.html](http://www.indexmundi.com/kosovo/economy_profile.html)
- *Kosovo Environment and Climate Analysis*, *Environmental Economics Univt, Department of Economics, University of Gothenburg*, 2008, <http://www.sida.se/globalassets/global/countries-and-regions/europe-incl.-central-asia/kosovo/environmental-policy-brief-kosovo.pdf>.
- *Kosovo: Independence, status, perspectives. Adjusting regional policies of ethnicity and borders* (2011) Edited by Dušan Janjić Ph. D. and Ylber Hysa, Longo Editore Ravenna.
- Kosovo između obnovljivih izvora energije i uglja, *Energy Observer*, <http://www.energyobserver.com/vesti.php?lang=1&ID=41034> .
- Kosovo namerava da ostvari ciljeve vezane za obnovljivu energiju, *SEE Times*, 24.2.2011. [http://www.setimes.com/cocoon/setimes/xhtml/sr\\_Latn/features/setimes/features/2011/02/24/feature-04](http://www.setimes.com/cocoon/setimes/xhtml/sr_Latn/features/setimes/features/2011/02/24/feature-04) .
- *Kosovo's Status and Its Regional implications. A Policy Paper* (2008) *Europe and the Balkans International network and Instituto per l'Europa centro – orientale e balcanica*, Forly, October 15.
- *Kosovo 2014 Progress Report. Accompanying the document Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. Enlargement Strategy and Main Challenges 2014-2015*, European Commission, Brussels, 8.10.2014, SWD (2014) 306 final
- *Kosovo Unlocking Growth Potential: Strategies, Policies, Actions, A Country Economic Memorandum* (2010) Report No. 53185-XK, World Bank, Poverty Reduction and Economic Management Unit Europe and Central Asia Region, April 10.
- Lene, Štefan (2012) *Međunarodna zajednica ne želi podelu Kosova*, *Politika*, Beograd, September 2012, [www.politika.co.yu](http://www.politika.co.yu)

- Lehne Stefan (2012a) Kosovo and Serbia: Toward a Normal Relationship, “Policy Outlook”, Carnegie Endowment for International Peace, Washington D.C., March.
- Lekvall Ebba (2014) Ensuring the “future” of Kosovo in the European Union through Serbia’s Chapter 35 Negotiations, Group for legal and political studies, “Opinion 2”, October
- Lost in Stagnation. Big Deal (2015) Balkan Investigative Reporting Network Kosovo (BIRN), Interviews Kosova, Center for Research Transparency and Accountability, Pristine, April
- Maljazogu Leon (2015) Kosovo protiv bilo kakvih upravnih i administrativnih ovlašćenja, KoSSev, Severna Mitrovica, 4 mart.
- (Mameli, 2007: 40).
- Martino Francesco (2014) Kosovo: Beyond the “Brussels Agreement”, Analysis ISPI, Prishtine, No. 254, May
- Mehmeti Leandrit I. (2014) Kosovo – Serbia: normalization of relations or just diplomatic theatre? An analysis of the April 2013 EU brokered agreement between Kosovo and Serbia, Working Paper, University of South Australia, Adelaide, AUSTRALIA at leandrit.mehmeti@mymail.unisa.edu.au
- Metal Processing Industry in Kosovo, SouthEast European Industrial Market, Issue 3, September 2012, <http://see-industry.com/industrial-statiieng.aspx?br=51&rub=288&id=812>
- Migracija, porodica i budućnost Kosova (2006) Evropska inicijativa za stabilnost, Berlin i Istanbul, 19 septembar
- Milivojević Zoran (2015) Kosovo i Metohija i pristupanje Srbije EU, Centar za strateške alternative, Beograd Milojević Zoran (2015) Šta je problem u otvaranju poglavlja 35, Radni papir, Beograd, mart
- Milojević Zoran (2015a) Šta je problem u otvaranju poglavlja 35, Radni papir, Beograd, mart
- Ministarstvo inostranih poslova Republike Kosovo <http://www.mfa-ks.net/?page=3,119>
- Ministarstvo poljoprivrede Republike Srbije (2014) Razgovor sa predstavnicima Foruma za etničke odnose, radni papir, Forum za etničke odnose, Beograd, jun.
- Ministarstvo za trgovinu i industriju Kosova - [http://invest-ks.org/repository/docs/Turnover\\_of\\_goods\\_in\\_foreign\\_trade.pdf](http://invest-ks.org/repository/docs/Turnover_of_goods_in_foreign_trade.pdf)
- Monitoring implementacije dogovora između Kosova i Srbije u oblasti slobode kretanja ljudi i roba (2013) Centar za regionalizam, Novi Sad.
- Strategija nacionalne bezbednosti Republike Srbije (2009), Vlada Republike Srbije, Beograd, april.
- Nikolić dramatisovao priznanje KiM (2014) B92. On line, 30 decembar, 20:38 h Morina Engjellushe (2014) “Brussels ‘First Agreement’ – A year after”, Policy Briefs – Kosovo, Konrad Adenauer Stiftung, Prishtina Council on Foreign Relations, Prishtina, April
- Olters, Jan-Peter, speech on the occasion of KOSID workshop on sustainable energy options in Priština, World Bank, 2014, <http://www.worldbank.org/en/news/speech/2014/02/27/kosid-workshop-sustainable-energy-options-kosovo> .
- Opinions of Serbs in Northern Kosovo? Mosaic of hope, challenges and expectations (2014) Kosovo Fabudation for Open Society and Open Society Foundation Serbia, Priština – Beograd, august.

- Otvorena železnička stanica “Kosovska Mitrovica – Sever” i uspostavljen redovan železnički putnički saobraćaj na relaciji Kraljevo - Kosovska Mitrovica – Sever, Železnice Srbije, [http://zeleznicesrbije.com/system/sr-latin/home/newsplus/viewsingle/\\_params/newsplus\\_news\\_id/46997.html](http://zeleznicesrbije.com/system/sr-latin/home/newsplus/viewsingle/_params/newsplus_news_id/46997.html)
- Pajvančić, dr Marijana (2012) Working paper: “Consultations on institutional management of the Serbia – Kosovo relations”, Organized by Regional program Rule of Law SEE German Fond Konrad Adenauer, Budva, 25. - 28. November.
- Perspektiva Severnog Kosova u procesu normalizacije odnosa Beograda i Prištine (2013) Policy Paper, Forum za etničke odnose, Broj 1
- Phillips, David L. (2013) How to Heal Balkan Wounds for Good, OP- ED Contributor, May 9
- Pozivni broj za Kosovo 383, Blic Online, 9.8.2013. <http://www.blic.rs/Vesti/Politika/398055/Pozivni-broj-za-Kosovo-383>
- Pismo ministarka za dijalog Kosova i Srbije Edita Tahiri predstavniku EU Fernandu Dentiliniju (2015) B92 on line, January 06.
- Priština: Beograd krši sporazume iz Brisela (2015) Tanjug, 25 mart, 14:01.
- Privatizacija na Kosovu bez zakona o privatizaciji, SEETimes, 28.6.2012., [http://www.setimes.com/cocoon/setimes/xhtml/sr\\_Latn/features/setimes/features/2012/06/28/feature-01](http://www.setimes.com/cocoon/setimes/xhtml/sr_Latn/features/setimes/features/2012/06/28/feature-01)
- Privatizacija na Kosovu opterećena optužbama za korupciju, Naslovi. Net, maj 2013, <http://www.naslovi.net/2013-05-16/rtv/privatizacija-na-kosovu-opterećena-optužbama-za-korupciju/5692132>
- Privredna Komora Srbije, razgovor sa predstavnicima Foruma za etničke odnose, jul 2014
- Progress on Mitrovica (2014) , Kosovo Foundation for Open Society, Prishtinë, June
- Rashiti Naim (2015) Serb Integration Kosovo, Working Paper, Balkans Group – Research and Policy for Peace-building and State-building in Southeast Europe, Prishtine,
- Razgovori predstavnika Foruma za etničke odnose sa predstvanicima medija i civilnog društva u opštinama na severu Kosova
- Realizacija Briselskog sporazuma – neformalno, nezavisno, bez javnosti i sa malo rezultata. Glavni zaključci i preporuke monitoringa sprovođenja Briselskog sporazuma od strane Republike Srbije (2015). Biro za društvena istraživanja – BIRODI, Beograd, [www.birodi.rs](http://www.birodi.rs)
- Rita Augestat Knudsen, Privatization in Kosovo, The international project 1999-2008, Norwegian Institute of International Affairs, 2010
- Sahiti, Naser, National Background Report on Energy for Kosovo\*, Faculty of Mechanical Engineering, University of Priština, 2012. [http://wbc-inco.net/object/document/9828/attach/0\\_National\\_Background\\_Report\\_Energy\\_Kosovo\\_2012.pdf](http://wbc-inco.net/object/document/9828/attach/0_National_Background_Report_Energy_Kosovo_2012.pdf)
- Searching for Solutions for Kosovo’s North (2012) Council for Inclusive Governance, New York.
- Serbia and Kosovo: The Path to Normalization (2013) Crisis Group Europe Report N°223, 19 February.
- Serwer D, 2013, ‘Done deal, now the hard part’, Peacefare, 22 April 2013, at <http://www.peacefare.net/?p=14556> accessed on 25 April 2013.
- Simić Živorad, Janković Aleksandar (2015) Kipar: Istorijat ujedinjenja.
- Srbija nema pravo da se meša u privatizaciju, Slobodna Evropa, 22.08.2012, <http://www.e-novine.com/region/region-kosovo/70195-Srbija-nema-pravo-mea-privatizaciju.html>

- Srpska zajednica na Kosovu, Helsinški komitet za ljudska prava u Srbiji, <http://www.helsinki.org.rs/doc/Serb%20Community%20in%20Kosovo.pdf> str 15
- Srpska zajednica na Kosovu, Helsinški odbor za ljudska prava, Beograd, 2012.
- State of Play in Implemetation of the Brussels Agreements, Vlada Kosova, januar 2014, <http://www.peacefare.net/wp-content/uploads/2014/02/Kosovo-Report-on-implementation-state-of-play-of-the-Brussels-Agreements-160114-signed-2.pdf>
- Strategija dugoročnog ekonomskog razvoja srpske zajednice na Kosovu I Metohiji, Vlada Srbije, 2007. <http://www.gs.gov.rs/lat/strategije-vs.html>
- Šta je naše na Kosmetu, Politika Online, 2007, <http://www.politika.rs/rubrike/Tema-nedelje/SHta-je-nashe-na-Kosmetu/t19514.lt.html>
- Tači pozvao investitore da ulažu u Brezovicu, RTKLive, mart 2013., [http://www.rtklive.com/rtk2/?cid=1&newsId=82758&mfr979e=Yj77tm6%5Ee@03zdlKmp+v8wx&zcK3~cs0!T5@O8CQZ5nRdjcwGNiixe&G1c9S\)20%5EiSAs9JOZ16c~x](http://www.rtklive.com/rtk2/?cid=1&newsId=82758&mfr979e=Yj77tm6%5Ee@03zdlKmp+v8wx&zcK3~cs0!T5@O8CQZ5nRdjcwGNiixe&G1c9S)20%5EiSAs9JOZ16c~x)
- Tahiri, Edita (2015) Postignut dogovor o raspuštanju Civilne zaštite, “Beta”, Blic on line, 26. 03; 20:47.
- Tahiri, Edita (2015a) Srbija mora da prizna Kosovo pre ulaska u EU, “Danas”, Beograd, 10 mart, <http://w.w.w.danas.rs>.
- Tahirijeva pisala EU zbog Srbije (2015) B92 on line 06. januar
- Tasić Jelena (2015) Da li je osnivanje oružanih snaga Kosova deo ranijih političkih dogovora, “Danas” Beograd, 10 mart, <http://w.w.w.danas.rs>.
- Tasić, Jelana (2015a) Dogovor o gašenju srpske Civilne zaštite na severu KiM, Danas, Beograd, 28 mart, <http://w.w.w.danas.rs>.
- Tawil, E. Imovinska prava na Kosovu: Ukletu nasleđe jednog društva u tranziciji, Međunarodni centar za tranzicionu pravdu, Njujork, SAD, 2009. [http://www.ictj.org/sites/default/files/ICTJ-FormerYugoslavia-Property-Rights-2009-Serbian\\_0.pdf](http://www.ictj.org/sites/default/files/ICTJ-FormerYugoslavia-Property-Rights-2009-Serbian_0.pdf).
- TE Kosovo je sagorelo milione, “Energy Observer”, 2012. <http://www.energyobserver.com/vesti.php?lang=1&ID=38575>
- The Investment Promotion Agency of Kosovo (IPAK), <http://www.mti-ks.org/en-us/Investment-Promotion-Agency-of-Kosovo>.
- Trepča danas – jedna firma, dva sistema, Politika Online, 1.6.2014. <http://www.politika.rs/rubrike/Ekonomija/Trepca-danas-jedna-firma-dva-sistema.sr.html>
- Weber Bodo and Bassuener Kurt (2013) Normalization of relations between Belgrade and Prishtina in the context of European Integration. Challenges for the Republic of Serbia’s regional policy. A policy roundtable organized by the Heinrich Böll Foundation Serbia, the Center for Foreign Policy and the Democratization Policy Council, Belgrade, December 10.
- World Bank, Country Snapshot Kosovo ( 2014) Washington D. C.april. <http://www.worldbank.org/content/dam/Worldbank/document/eca/Kosovo-Snapshot.pdf>
- Ustav Republike Srbije (2006) “Službeni glasnik”, Beograd, broj 98, 10 novembar.
- Zakon koji se primenjuje na Kosovu, Uredba UNMIK-a , 12.12. 1999, [http://www.unmikonline.org/regulations/unmikgazette/04serbian/SC1999regs/RSC1999\\_24.pdf](http://www.unmikonline.org/regulations/unmikgazette/04serbian/SC1999regs/RSC1999_24.pdf).
- Zakon o posebnim uslovima prometa nepokretnosti, Službeni glasnik SRS” br. 30/89, 42/89 i “Službeni glasnik RS” br. 22/91, dostupno na [http://adattar.adatbank.transindex.ro/Szberbia/Zakon\\_o\\_posebnim\\_uslovima.htm](http://adattar.adatbank.transindex.ro/Szberbia/Zakon_o_posebnim_uslovima.htm)

- *Zakon o prometu nepokretnosti, Službeni list SAP Kosovo br. 45/81, 29/86, 28/88, dostupno na <http://www.kpaonline.org/frameworkPDFs/srpski/Zakon%20o%20Prometu%20Nepokretnosti.pdf>*
- *Zakon o ratifikaciji Ugovora o zajmu za izgradnju deonice magistralnog puta Mitrovica-Priština, sa Saudijskim fondom za razvoj, Skupština Kosova, 2013, na: [www.kuvendikosoves.org](http://www.kuvendikosoves.org)*
- *Zečević Dragana (2015) Merdare: Albanci beže od bede i islamista, 06. Februar, 14:45 |*
- *Zećiri Adrian i Tro Piter (2015) Udruženje / Zajednica većinski srpskih opština – Mnogo spekulacije, malo preciznog odgovora i odsustvo implementacije, Policy Paper, European Center for Minority Issues Kosovo, Priština, 22. februar, na: [www.ecmikosovo.org](http://www.ecmikosovo.org), [info@ecmikosovo.org](mailto:info@ecmikosovo.org).*
- *2014 Index of Economic Freedom – Kosovo, The Heritage Foundation, <http://www.heritage.org/index/country/kosovo>*
- *Xharra Besiana, Barlovac Bojana (2010) Wires Stay Crossed in Serbia-Kosovo Electricity Row (2010) BIRN, Priština, October 4.*





---

**FORUM**  
Year 5, № 1, 2015

PUBLISHER  
Forum for Ethnic Relations, Beograd

EDITOR IN CHIEF  
Nenad Đurđević

AUTHOR  
PhD Dušan Janjić

TRANSLATION AND PROOF READING  
Dragica Todorović

PREPRESS  
Predrag M. Popović

PRINTED BY  
Caligraph Beograd

PRINTED IN  
300 copies

Periodically Edition

---

CIP – Katalogizacija u publikaciji  
Narodna biblioteka Srbije, Beograd

323.1

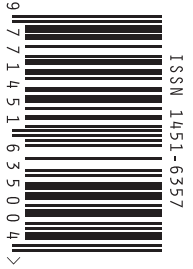
FORUM : Policy Paper / editor in chief Nenad Đurđević.  
– Year 1, iss. 1 (2002) – year 2, iss. 4 (2003) ; 2013, no. 1- .  
– Belgrade : Forum for Ethnic Relations, 2002–2003; 2013–  
(Beograd : Caligraph). – 24 cm

Povremeno. – Tema br. 1 (2015): Normalization Challenges  
/ Dušan Janjić.

ISSN 1451-6357 = Forum – Forum for Ethnic Relations  
COBISS.SR-ID 25690639

---





[www.fer.org.rs](http://www.fer.org.rs)

# Normalization Challenges