

European Integration and Normalization of Relations Between Kosovo and Serbia

Introduction

More than two years after signing a landmark 15-point agreement on bringing some normalcy to their relations, Pristina and Belgrade continue to struggle with its implementation. The carefully balanced and ambiguous agreement enabled both sides to claim victory. It allowed Belgrade to keep its influence with the Kosovo Serbs and make considerable progress in its EU integration process, and met Pristina's goal of integrating Kosovo's north in its legal and political framework. The implementation has been slow and many points of the agreement are being renegotiated. Faced by opposition at home and pressure abroad, Serbian and Kosovo governments have made gradual and balanced progress: not too much to alienate their publics, but not too little to be considered insufficient by the EU. The dialogue is closely linked to prospects of Kosovo and Serbia for EU membership.

To address the process of European integration of Serbia and Kosovo and their dialogue, CIG organized in Brussels on July 14, 2015 its third roundtable discussion for a small group of senior government officials from Kosovo and Serbia and EU officials. The roundtable is part of a larger project on the relations between Serbia and Kosovo supported by the Swiss Federal Department of Foreign Affairs.

Despite progress in some areas—Serb police integration, elections in the north—the most sensitive aspects have yet to be agreed and implemented, most of all the formation of the Association/Community of Serb-Majority Municipalities in Kosovo. Belgrade and Kosovo Serbs insist that the Association/Community should have substantial decision-making powers in the areas of education, health, urban planning, economic development, privatization, and competences in establishing and running public companies in Serb-majority municipalities, particularly in the north. They argue that the Association/Community is the best tool to make the Serb community feel safe and encourage it to integrate into Kosovo's public life without fear of being dominated by the majority community.

Kosovo representatives object to most of what are known as executive powers for the Association/Community. They argue that Kosovo Serbs enjoy sufficient legal and political safeguards through reserved powers in central institutions and substantial decentralization resulting in strong municipalities. They say the Association/Community should have consultative and coordinating tasks but not decision-making powers. The

European Union facilitates the process and has proposed a draft statute of the Association/Community but the two sides have not reached agreement on it yet.

Roundtable participants agreed that the ambiguity, while useful at the beginning of the dialogue, has run its course. They said the agreements should be more specific. Pristina and Belgrade negotiators, highly attuned to the politics back home, have been reluctant to sign papers that lay out too many specifics, some familiar with the negotiations reported. A number of international officials said that the rounds of talks should produce more than a general understanding, that the agreements should also have a quantitative dimension—that is, specifics and clear timelines for implementation.

This report offers a brief overview of the roundtable discussions as well as some of CIG's individual conversations with participants and international representatives. To encourage frank discussions, CIG's meetings are held under the Chatham House Rule, thus remarks have not been attributed to specific speakers.

Dialogue and European integration

The dialogue between Pristina and Belgrade is interconnected with their EU integration prospects. The two processes can advance or block one another. The participants agreed that a successful dialogue would accelerate their EU integration and clear EU integration prospects would be an incentive for dialogue and compromise. A speaker from Belgrade said that the EU should offer a clearer course for membership to the Balkan countries. Recent statements of EU officials that the enlargement process will remain frozen for a while have not been helpful. Such statements give the impression that no matter how hard the Balkan countries work, they will not be able to join. The speaker said added that they would be more constructive and open to compromises if they see better chances for membership.

Belgrade and Pristina are at different stages of their respective EU integration processes, but they could cooperate in many areas. Participants from Belgrade and Pristina agreed to establish cooperation at both political and technical levels between the Kosovo's and Serbia's institutions dealing with European integration. A number of areas for cooperation were identified: cooperation on translation of *acquis*, cooperation on the action plan for the adoption of the *acquis*, and on several IPA funded projects. The participants proposed a meeting of staff members of the two bodies to explore which areas they can cooperate in.

Another speaker reported that the chambers of commerce of Serbia and Kosovo together with Eurochambers have launched a process where significant progress has been achieved. There are already agreements on postal and railway services and there is a mutual interest in establishing flights between Pristina and Belgrade. The speaker said that cooperation could be expanded through working together through IPA projects. A concrete proposal was put forward: to repair the railway tunnel in Merdare in order to open rail service between Belgrade and Pristina. Another proposal is to have economic and trade liaison officers.

While the Serbian and Kosovo participants asked for more intensive EU engagement in the dialogue, EU representatives said that Pristina and Belgrade should assume more responsibility and rely less on the EU. First, it would show that Pristina and Belgrade are capable of resolving their outstanding issues on their own, and second, the oversubscribed EU foreign policy chief is less available for the Balkan issues than her predecessor. The crisis in Ukraine, migration issues, the Middle East and negotiations with Iran currently consume most of her time. Belgrade and Pristina should find a new way of cooperation that relies less on other actors. Another international official said that Serbia's and Kosovo's main incentive for progress and development should not be EU membership, but improvement of lives of their own people.

EU has offered a lot of incentives for Serbia and Kosovo and is clear on the requirements that need to be met before membership is considered. EU representatives said that Serbia and Kosovo should also provide some incentives for the EU, that they should demonstrate they are worthy partners. Serbia and Kosovo have been constructive in their relations since the dialogue began but the EU and the member states are looking for more results and commitment before opening chapters with Serbia. An EU representative reported that the EU is becoming frustrated. If Pristina and Belgrade want to demonstrate that they are serious actors, they should show "results, not just constructive discussions."

Serbia and Kosovo prepared their own separate dialogue assessment reports, and some speakers suggested that the EU should prepare such reports as well. Both Belgrade and Pristina representatives said that such an assessment mechanism would be helpful. The participants said that the EU should apply a merit-based approach to the dialogue, reward those who cooperate and penalize those who do not. But again, the level of implementation is open to interpretations, and EU representatives fear it might endanger their neutrality as a mediator. Both Pristina and Belgrade representatives recommended that the EU officials become engaged in the interpretation of the agreements and sometimes assume an arbitration role when the implementation process stalls.

Many in Serbia and Kosovo do not feel the dialogue benefits the people; they think the politicians are doing it because of international pressure. People should feel that the dialogue benefits them, and is not being performed only for the EU. A speaker said that they are still struggling with the implementation of the April 2013 agreement, and that to gain the support of their people, they need to move forward faster. Participants concluded that the EU should be tougher with the two sides and give clearer messages on the implementation and where the dialogue is heading.

The Association/Community, an integrative or divisive mechanism

The formation of the Association/Community is the Agreement's main thorny issue. Pristina insists that the Association should have a supporting and coordinating role for the work of the Serb-majority municipalities but not take away their powers. In other words, it should not have executive powers. Belgrade and Kosovo Serbs argue that the Association/Community should become an umbrella organization with decision-making

powers in areas of education, healthcare, privatization, economic development and spatial planning, and running of public companies. Under Kosovo law, these powers rest with municipal authority.

Formation of the Association/Community is directly linked with the dismantling of the so-called parallel institution, in which, according to Serbian officials, 5,085 persons are still employed. They say Belgrade cannot dismantle the parallel system without first finding jobs for a majority of these employees. According to a number of speakers, Belgrade is no longer supporting the parallel system for political reasons, but rather for practical ones. Firing thousands of people overnight could create a backlash and signify a step backward in the integration process.

Kosovo representatives recognized that employment is an important issue and said the issue should be resolved in steps. Those employed in education and health systems could be paid by municipalities and Kosovo's budget. For the rest, Pristina is willing to sit down and find a solution, a speaker said.

Serbian representatives said that the Association/Community could be accommodated within Kosovo's legal framework without constitutional amendments. They said that the objective of the Association/Community is to improve the political position of Kosovo Serbs. Kosovo representatives remain suspicious of Belgrade's objectives regarding the Association. Many said the real reason behind establishing the Association/Community is not advancement of Serb position but rather the undermining of Kosovo's system. According to a speaker, Belgrade is trying to fit the Association/Community into a status-neutral position. Kosovo has central and local institution, thus a third layer of governance does not fit into its legal framework.

Another distinction is that the Serbs see the Association/Community as representing the entire Kosovo Serb community, while Albanians see it as representing the participating municipalities. A Kosovo speaker said that it cannot draw competencies from the central and local institutions. Decisions should be taken by those who gained votes, not by those who have been nominated. The Association/Community cannot run education and health, but it can help, the speaker said. Another participant reported that the sides have agreed on the structure of the Association/Community, but its competencies remain unresolved.

The participants also discussed recommendations for moving forward the implementation of the First Agreement which were produced by Kosovo and Serbian analysts at a CIG-organized workshop of Kosovo and Serbian analysts and politicians in the Serbian town of Arandjelovac some ten days before the meeting in Brussels. The Brussels participants supported the recommendations but suggested some changes, which have been incorporated in the version attached to this report.

Conclusions and Recommendations

- Pristina and Belgrade representatives proposed to organize a meeting for technical and political staff of Serbia's and Kosovo's governmental bodies dealing with the

European integration. The objective of the meeting would be to exchange experiences, lessons learned, and cooperate on certain projects, strategies and action plans required by the EU. Cooperation on translation into Serbian of EU acquis is an example of a possible cooperation area. In addition, they also recommended staff exchanges, a joint educational program on EU integration, and a joint campaign on tackling the negative image of the Western Balkans in the EU.

- Kosovo Serbs should be involved in Kosovo's EU integration process. Among others, EU integration requires various reforms at the local level and this is one area where the mayors of Serb-majority municipalities could become more engaged. To encourage Kosovo Serb mayors to get engaged in the process, joint meetings of Pristina and Belgrade representatives with the mayors should take place. Many said that engagement in EU integration process is less sensitive and could have a positive effect on Kosovo Serbs' integration into Kosovo's public life and improve overall interethnic relations.
- EU, Pristina, and Belgrade should set up a joint mechanism that assesses the compliance of all actors with the agreements and implementation deadlines of the Brussels dialogue.
- Future agreements should be more specific. Ambiguity has been useful in initiating the dialogue and reaching agreements at a time when representatives of Pristina and Belgrade representatives were reluctant even to shake hands. But now that the dialogue has moved to another stage and initial barriers have been eliminated, agreements should have clear specifics and deadlines. Also, the EU should reward those who cooperate and penalize those who do not. A merit-based system of rewards and penalties would encourage the sides to stick to their commitments. In addition, the EU should provide better guidance to the sides on where it wants to take the entire process.
- Formation of the Association/Community goes hand in hand with the dismantling of the parallel institutions. According to Serbian officials, 5,085 persons are employed in the parallel institutions. Pristina and Belgrade together with Kosovo Serbs should search for a solution to accommodate these employees.
- Albanian language classes in the Serbian education system and Serbian in the Albanian education system should be introduced in order to help the communication between the two communities in Kosovo.

Roundtable Participants

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Shpetim Gashi, Vice President of the Council for Inclusive Governance

Bajram Gecaj, Deputy Minister of Local Government Administration of Kosovo and Senior Political Adviser to the Prime Minister of Kosovo

Alex Roinishvili Grigorev, President of the Council for Inclusive Governance

Ramadan Ilazi, Deputy Minister for European Integration of Kosovo

Ksenija Milenkovic, Director of the Office for European Integration of the Government of Serbia

Tanja Miscevic, Head of Negotiating Team for the Accession of Serbia to the European Union

Mary Teresa Moran, Deputy Head, Unit for Kosovo, DG NEAR, European Commission

Jean-Daniel Ruch, Ambassador of Switzerland to Serbia

Saskia Salzmann, Regional Human Security Adviser, Federal Department of Foreign Affairs of Switzerland

Edita Tahiri, Minister without Portfolio in the Government of Kosovo responsible for Dialogue with Serbia

Dragan Vladislavljevic, Head of the Office of the Government of Serbia for Coordination Activities in the Negotiation Process with Pristina

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Unlocking the Implementation of the Brussels Agreement Guiding Principles and Recommendations

Introduction

The Council for Inclusive Governance (CIG) organized on July 3-4, 2015 a workshop in Arandjelovac, Serbia, for a small group of Serbian and Kosovo political representatives and analysts. The first day of discussions included both politicians and analysts. They addressed the challenges of forming an institution that satisfies both sides. On the second day, only the analysts took part. Based on the discussions, they drafted a number of suggestions for the parties in the dialogue on forming the Association/Community of Serb-Majority Municipalities.

Ten days later, on July 14, the recommendations were discussed in Brussels at a CIG-small roundtable of senior government officials of Kosovo and Serbia and EU officials where European integration and the formation of the Association/Community were the main topics. The participants accepted the recommendations and suggested a few changes that have been incorporated in this version.

The workshop and the roundtable were part of a larger CIG project supported by the Swiss Federal Department of Foreign Affairs.

Belgrade and Pristina are close to reaching an agreement on the Association/Community. Serbian representatives argued that the Association/Community is the most important part of the Brussels agreement for the Serbs. The majority of the Serbs in the north remain against integration and the Association/Community is the only instrument to convince them to integrate, a number of participants said. Another speaker said that it could become “the driver of integration.” Kosovo speakers supported the formation of the Association/Community but said that it should have no executive powers and should complement the work of the municipalities rather than replace them. They also noted that what Belgrade is asking for now is to make this institution a tool for “segregation and disintegration.” A Kosovo speaker said that if Belgrade would get what they ask for then Kosovo institutions should eliminate the reserved powers for the Serbs in the central institutions. Kosovo Albanians fear Belgrade’s control, financial and political, over the Association. “It is risky to trust the running of this institution to a country that has territorial claims over your own country,” a workshop participant said.

Guiding Principles

1. The Association/Community should serve as driver for the integration of Kosovo Serbs into Kosovo's political and public life. It should complement the work of the Kosovo Serbs in Kosovo's local and central institutions rather than take over their responsibilities.
2. Belgrade and Pristina should make the necessary compromises to reach an agreement that satisfies both capitals, but that primarily addresses the concerns of the Serb-majority municipalities in Kosovo.
3. Kosovo's north has functioned outside Kosovo's system for 16 years, thus its integration should be gradual and in phases. The formation of the Association/Community of ten Serb-majority municipalities is one of the first phases towards this integration.
4. Although Pristina and Belgrade are negotiating the mandate of the Association/Community, it should become a genuine Kosovo Serb body. Kosovo Serb representatives should decide about its activities and appoint its leading structures. Belgrade should be allowed to provide funding to the Association/Community but not run it.
5. Pristina and Belgrade should become serious and credible actors in the dialogue process by genuinely supporting the implementation of the agreements according to the agreed timeframes.
6. Pristina and Belgrade, supported by the EU, should make joint statements after reaching agreements and offer consensual interpretations for their publics. Conflicting interpretations of the agreements have often produced confusion that has contributed to delaying the implementation process.
7. Belgrade and Pristina should uphold the spirit of dialogue and continue it until full normalization is reached and not end it once Brussels considers that enough agreements have been reached. They should also begin to consider other issues in a direct dialogue without international facilitation. Direct Kosovo-Serbia dialogue on various governmental levels should occur more frequently.

Recommendations

- 1. Recommendations for the Government of Kosovo**
 - a. Form a mechanism to lead and intensify the implementation of the Brussels Agreement. This body should be an office of the Government of Kosovo and function in direct cooperation with the EU office in Pristina.
 - b. Intensify outreach, contacts and communication with Kosovo Serbs.
 - c. Offer full support to the Association/Community to help it reach its capacity in line with the anticipated agreement.
 - d. Association/Community should be accepted and supported by the Government of Kosovo.
 - e. Government of Kosovo should take the responsibility that belongs to the majority community, and lead a comprehensive outreach process aimed at transforming the discourse toward greater accommodation of Serbs in Kosovo.

2. Recommendations for the Government of Serbia

- a. Government of Serbia should support Kosovo Serbs to take more responsibility in the implementation of the reached agreements.
- b. In the future electoral processes in Kosovo, Government of Serbia should help secure the respect of principles of democratic pluralism for Kosovo Serbs.
- c. Government of Serbia should see a functional Kosovo as being in its own interest and should transform the discourse within the Serbian society accordingly.
- d. Once the agreement on the Association/Community is reached, the implementation and the process of closing down the parallel institutions should go hand in hand. Employment of about 5,000 people currently employed in the parallel system will be the main challenge.

3. Recommendations for Kosovo Serbs

- a. Kosovo Serbs should have a larger voice and engagement in shaping and the implementation of the reached agreements.
- b. Kosovo Serbs should be more proactive and take more responsibility for the implementation of the reached agreements.
- c. Serb representatives in Kosovo's institutions should actively engage in the process of the agreement implementation as well as in promoting better understanding of the process to the Serb community in Kosovo.
- d. Serb representatives should establish better working relations within Kosovo's institutions and intensify their overall involvement in improving inter-ethnic cooperation.
- e. Kosovo Serbs, especially those in Kosovo institutions, should fully support the implementation of the reached agreements, particularly regarding the courts and the Association/Community.

4. Recommendations for the European Union

- a. EU should take a more proactive role in the dialogue and in the agreement implementation, thus assuming a bigger role than simply of a facilitator.
- b. EU should contribute not only to the normalization of relations between the governments but also between the Albanian and Serb societies by supporting dialogues between civil societies of Kosovo and Serbia.
- c. EU, together with the two governments, should actively disseminate information about challenges and products of the dialogue and encourage populations understand and support the dialogue.
- d. EU should try to make the Brussels dialogue more inclusive by reaching out and discussing normalization with other sectors of the societies in Kosovo and Serbia and including their views in the process.
- e. When possible, EU should provide funds to support integration of the north into Kosovo's institutions and improve its economic prospects.
- f. The implementation plan should be reassessed.
- g. EU should consider including reconciliation as a topic for the dialogue.