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KOSOVO: BEYOND THE “BRUSSELS AGREEMENT”

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The paper analyses the situation in Kosovo one year after the Kosovo-Serbia Agreement on the normalisation of their relations. As the Agreement was reached, the European Commission formally recommended to EU Member States that EU accession negotiations with Serbia and negotiations on an SAA with Kosovo be opened. This optimism however is challenged by many obstacles which slow down the Agreement implementation. Not all the EU members recognise Kosovo's independence while both Pristina and Belgrade have to face economic hindrances and political stabilization. The EU should not overlook that the Agreement might turn into a lost opportunity.

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On April 19th, 2013, “after ten rounds of often gruelling talks in the EU-facilitated Dialogue”¹, the Prime Ministers of Serbia and Kosovo – Hashim Thaçi and Ivica Dačić, signed in Brussels the “First agreement on principles governing the normalisation of relations”. The agreement, now widely known as the “Brussels Agreement”, was immediately hailed by the parties involved, as well as by observers and analysts, as a profound shift in the relations between Belgrade and Pristina², and a real ‘earthquake’³ in the political situation in the Balkans.

The agreement raised high hopes of a long-term solution to the difficult issue posed by Kosovo’s northern, Serb-majority, area, so far absolutely determined not to recognize the authority of Pristina, providing in fact for its integration into the institutional framework of Kosovo in exchange for the creation of an “Association/Community of Serb municipalities in Kosovo”, guaranteeing strong decision-making autonomy to municipalities with a Serb majority. To an equally important extent, the agreement also gave strong impetus to the European integration process for both Kosovo, which opened negotiations aimed at signing the Stabilisation and Association Agreement (SAA), and Serbia, which officially opened those for EU membership.

Today, a year later, those hopes are – at least partly – questioned. The vague approach which was necessary under negotiation to achieve the signing of the agreement, today shows increasing limits. Implementation is lagging, partly because of the great difficulties encountered in northern Kosovo during the local elections, basically the first test for the “First Agreement”.

Further, predictable delays, due to the fact that 2014 is an election year for all parties involved (Serbia, Kosovo, European Union)⁴, pose new challenges not to be underestimated. The undeniable success of the “First Agreement” cannot be regarded as a point of arrival, but rather as a significant start for consolidating the process of normalization of relations between Belgrade and Pristina and strengthening the statehood of Kosovo.

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¹ “Serbia and Kosovo reach landmark deal”, European External Action Service, 19 April 2013.

² Kosovo declared independence from Serbia on 17 February 2008. Serbia has never acknowledged the act and to date considers Kosovo as integral part of its territory.

³ M. PRELEC, “The Kosovo-Serbia Agreement: Why Less Is More”, International Crisis Group, 7 May 2013.

⁴ Serbia had early elections on March 16th, 2014, marking a strong success of Aleksandar Vučić’s Serbian Progressive Party. Elections for the EU Parliament are scheduled for May 22nd-25th, 2014. Early political elections are expected in Kosovo by summer/autumn 2014.

The Brussels agreement, “a great success” still to be consolidated

The “First Agreement”, divided into fifteen points, is the first formal agreement between Serbia and Kosovo since the declaration of independence by Pristina (never recognized by Belgrade) in February 2008. Its signature is therefore rightly regarded as a great mediation success of the European Union, and namely of Catherine Ashton, EU High Representative for Foreign Policy.⁵

With the agreement, Serbia and Kosovo reached a compromise on some of the fundamental principles of mutual interaction. The most significant element is Belgrade giving up the direct control of own “parallel structures” (municipal governments, police, security forces, judiciary) which remained active in Kosovo – especially in the four municipalities with a large ethnic Serb majority in northern Kosovo – after the 1999 conflict.

In other words, giving a green light to the integration of ‘parallel structures’ into the Kosovo’s constitutional framework, Belgrade explicitly consented to Pristina’s right to exercise its sovereignty over the entire territory of Kosovo, renouncing the idea of partition of its (former) province. For some authors, the signing of the agreement was “an implicit recognition by Belgrade that Kosovo is a state”.⁶

In return, the Serbian government obtained legal influence on the internal affairs of Kosovo through the “Association/Community of Serb municipalities in Kosovo”, a supra-municipal structure (formed by the four municipalities in northern Kosovo and the six spread on the territory of Kosovo) largely financed by Belgrade and with full decision-making powers in the areas of “economic development, education, health, urban and rural planning”.⁷

An influence which, in perspective, would also be able to reach the central level of the parliament and government in Pristina through the creation of a Belgrade sponsored political list, the *Gradanska Inicijativa Srpska* (Civil Initiative “Srpska”) to be presented before Kosovo’s administrative elections of November 2013 – regarded as the first and fundamental litmus test of the agreement – and later also in the next political elections, expected by summer/autumn 2014.

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⁵ S. LEHNE, “Serbia-Kosovo Deal Should Boost the EU’s Western Balkans Policy”, Carnegie Europe, 23 April 2013.

⁶ M. PRELEC (2013).

⁷ A complete copy of the agreement can be found at:

<http://www.rts.rs/upload/storyBoxFileData/2013/04/20/3224318/Originalni%20tekst%20Predloga%20sporazuma.pdf>.

Crucial, in the effort to achieve the difficult compromise, was the opening of a more concrete perspective of EU integration for both parties put on the table by Brussels.⁸ Following the signing of the agreement, while Serbia saw fading the last resistance to the opening of accession negotiations, which were officially opened on 21 January 2014, Kosovo began (28 October 2013) negotiations aimed at signing the Stabilisation and Association Agreement (SAA), considered the first concrete step in the path of EU integration.⁹

Because of the long stalemate on the issue of northern Kosovo, probably the most complex bequeathed by the dramatic process of dissolution of the Yugoslav federation, it is easy to understand why the agreement has aroused high hopes of a possible breakthrough, able to guarantee Kosovo increasing inclusion in the international system as a fully recognized subject.

In order to bring the two parties to signature, however, the “First Agreement” was formulated in a rather vague way, including on crucial elements such as the institutional nature of the “Association/Community of Serb municipalities in Kosovo”.¹⁰ This choice was perhaps unavoidable in order to reach the compromise, but, without substantial commitment of the parties and of EU mediation, it is likely to become a source of serious problems in the implementation phase.

Local elections: a success, but not in the north

It soon became evident that the “First Agreement” would have its first substantial test in the local elections launched by Kosovo President Atifete Jahjaga for 3 November 2013.

For the first time all the Serbs of Kosovo, including those in the municipalities of northern Kosovo – resistant to any kind of recognition or even dialogue with the authorities in Pristina – were called to vote, with Belgrade’s explicit consent and invitation, together with the other Kosovo voters, in elections within the constitutional framework of Kosovo.

For Kosovo, the administrative vote was important for another reason too: to demonstrate an improvement in democratic procedures after the fraud allegations which had marred the victory of the Democratic Party of

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⁸ Point 14 of the “First Agreement” reads: “It is agreed that neither side will block, or encourage others to block, the other side’s progress in their respective EU path”.

⁹ “EU starts the Stabilisation and Association Agreement negotiations with Kosovo”, EU press release, 28 October 2013.

¹⁰ M. PRELEC, (2013).

Kosovo (PDK) of Prime Minister Thaçi in the political elections of December 2010.¹¹

From this point of view, the elections were a complete success. Overall, the vote was considered ‘free and fair’, with few reports of irregularities.¹² Politically, the election results (defined by the second round of December 1st, 2013) marked a major change in Kosovo's political landscape.

The Democratic Party lost many local governments, while maintaining control of 10 municipalities.¹³ The main opposition party, the Democratic League of Kosovo (LDK), recovered important positions, but lost the capital, which went to the *Vetevendosje* (Self-determination) movement. Among the smaller parties, the Alliance for the Future of Kosovo (AAK) of former Prime Minister Ramush Haradinaj lost most of its strongholds, while the Alliance for a New Kosovo (AKR) of tycoon Beghjet Pacolli won south Mitrovica and Gjakova.

These results show the strong mobility of the Kosovo electorate: in view of the upcoming elections, it is therefore extremely difficult to predict the possible winners, while the formation of a rather weak government seems likely.¹⁴

Elections were relatively peaceful also in the Serb-majority municipalities of Central and Southern Kosovo where, with the exception of Strpce, the Belgrade-sponsored Gradanska Inicijativa Srpska (Civil Initiative “Srpska”) obtained a large success.

In the four municipalities of northern Kosovo with Serb majority, however, the picture that emerged from the elections was profoundly different. Despite Belgrade’s obvious efforts – with repeated reports of severe pressure on citizens¹⁵ – few voters went to the polls on November 3rd, in a tense atmosphere caused by the many pro-boycott activists. In the afternoon, then, tensions resulted in serious incidents: in Mitrovica, a group of extremists attacked the polling stations in the primary school “Sveti Sava” and the OSCE decided to withdraw its observers in the north, interrupting the electoral process in the area.¹⁶

¹¹ “Elezioni in Kosovo, vince ancora Thaci”, *Osservatorio Balcani Caucaso*, 13 December 2010.

¹² “Violence on election day”, *The Economist*, 4 November 2013.

¹³ In March 2014, also as a consequence of the electoral result, the PDK split when two major figures in the party, Fatmir Limaj and Jakup Krasniqi decided to launch a new political movement, named “Initiative for Kosovo”.

¹⁴ I. DEDA, “Kosovo after the Brussels Agreement: from Status quo to an Internally Ethnically Divided State”, December 2013.

¹⁵ “Kosovo Serbs Say Belgrade Coerced Them to Vote”, *Balkan Insight*, 19 November 2013.

¹⁶ “Elezioni in Kosovo, al nord esame non superato”, *Osservatorio Balcani Caucaso*, 4 January 2013.

The repetition of the vote in the polling stations attacked, followed by the second round on December 1st (with turnout at around 17%), led to the victory of Krstimir Pantić, candidate of Građanska Inicijativa Srpska, in the municipality of north Mitrovica. Pantić's victory did not, however, put an end to the troubled political process. In fact, at the ceremony of formal acceptance of office, the new mayor refused to put his signature to documents that bore the state symbols of the "Republic of Kosovo", and was therefore revoked.

The umpteenth repetition of the vote was marred first by the murder of Dimitrije Janicijević, city councillor and former candidate for mayor (in the ranks of the Serbian Liberal Party), on 15 January 2014, and then by the arrest of Oliver Ivanović, one of the leading candidates, accused of war crimes during the armed conflict of 1999 by EULEX, the mission deployed by the EU in Kosovo in support of the police and judicial system. A series of events that "have created a sense of fear and foreboding, suggesting significant challenges ahead".¹⁷

The troubled process eventually ended on 23 February 2014, with the post of mayor of north Mitrovica going to another candidate of Građanska Inicijativa Srpska, Goran Rakić, in the absence of other contenders able to pose a serious competition. This outcome, however, leaves serious doubts on the real will of the Serbian leadership in northern Kosovo to integrate into Pristina's institutional framework.

The "Association/Community of Serb municipalities in Kosovo". Integration tool or guarantor of the *status quo*?

The integration of the Serbian community (and in particular of those living in northern Kosovo) into the institutional framework of Pristina is clearly a central issue. Suffice it to say that, of the 15 points of the "First Agreement", as many as 12 are devoted to the issue.

On paper, the compromise provides for the integration in exchange for the protection frame provided by the "Association/Community of Serb municipalities in Kosovo". However, after the troubled electoral process, the lagging implementation of the Association, together with the lack of clarity about the final nature of the structure both in terms of competencies and sources of funding, leaves many question marks. Depending on the chosen path, the Association may in fact prove to be a powerful tool for either integration or resistance to integration.¹⁸

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¹⁷ L. MALAZOGU *et al.*, "Integration or isolation? Northern Kosovo in 2014 electoral limbo", *TransConflict*, 24 February 2014.

¹⁸ *Ibid.*

The different positions on the nature of this structure, outlined in broad terms in the “Brussels Agreement”, still seem very distant. With regard to the 2014 election commitments, an agreement within the year seems unlikely.

A difficult phase is therefore opening. The Serb-majority municipalities newly included in the institutional framework of Kosovo will have to find a *modus operandi* with the Pristina government, while insisting on “neutral status” and the absence of any state symbol of the Republic of Kosovo. This attitude is probably destined to create serious problems, e.g. when payrolls arrive in the north from Pristina, or when Serbian municipalities are called to issue Kosovar identity documents – a conflict that cannot currently enjoy the full mediation commitment of the European Union, busy renewing its institutions with the European elections of May 2014.

Another issue concerns the financing of the Association/Community. While Belgrade has already allocated approximately 500 million Euros in 2014, Pristina so far seems determined to fund only individual municipalities, but not the structure as a whole.

If we add the direct funding decided by the European Union and an *ad-hoc* fund from the payment of custom taxes,¹⁹ the municipalities of the north may find themselves to be financially independent from the government of Kosovo, and much more dependent from funds from Serbia – a situation that is unlikely to push the north of Kosovo to closer integration with Pristina.

The struggle for international recognition

While Kosovo continues on the difficult path of internal consolidation, the process of inclusion into the international political and diplomatic system continues.

Currently, Kosovo has been recognized by 104 (out of 192) States of the United Nations, but not by two permanent members of the Security Council (Russia and China) and five EU Member States. In November 2012, Pristina became a member of the European Bank for Reconstruction and Development (EBRD); in June 2013, of the Council of Europe Development Bank (CEB). Already in 2009, Kosovo was admitted to both the World Bank and the International Monetary Fund. Pristina is also a member of various regional organizations of south-eastern Europe.

In recent months, new steps forward have brought Kosovo closer, also symbolically, to the goal of being “a state like any other”. On 4 March

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¹⁹ “Fund Collects Cash for North Kosovo Serbs”, *Balkan Insight*, 19 December 2013.

2014, Prime Minister Hashim Thaçi announced the decision to transform by 2019²⁰ Pristina's current "security forces" into Kosovo's army, with 5,000 active soldiers, 3,000 reservists, and a budget of around 65 million Euros a year – a decision strongly opposed by Serbia, which immediately required guarantees from the NATO forces, still responsible for security in Kosovo, that the new army will not have access to the north of Kosovo.

The next day, 5 March 2014, upon authorization from FIFA, Kosovo's national football team made its debut in the first official friendly match against Haiti in the stadium of south Mitrovica. The team, at least for the moment, is forced to play without showing any state sign. Despite this, and regardless of the modest result (the game ended in a 0-0 tie, in the pouring rain), the enthusiasm of the 17,000 spectators showed the importance – at least psychological – of the event for Kosovo.²¹

Despite the progress, and the number of recognitions exceeding the 50% threshold of UN member states, Kosovo's international position remains very delicate. The veto power of the Russian Federation and China in the Security Council makes the prospect of admission to the UN a very difficult one. At the same time, despite the opening of negotiations for the Stabilisation and Association Agreement (SAA), a "road-map" for Kosovo's European integration remains to be defined as well as tied to developments in the difficult process of normalization of relations with Belgrade.

At the moment, Kosovo remains the only SEE country excluded from the coveted Schengen "white list", allowing travel within the EU space without a visa. Despite strong demand for liberalization by Pristina, a date for the abolition of visas for Kosovo citizens is not yet on the horizon.

Unexpectedly, Pristina's situation might be further complicated by the recent annexation of Crimea by the Russian Federation (March 2014). In a speech following the referendum (not internationally recognized) by which 96.8% of the voters called for the separation from Ukraine and the union with Russia, Russian President Vladimir Putin made direct reference to the declaration of independence from Serbia by Kosovo to justify Moscow's policy.²²

A paradoxical position, as in past years Russia has been (and remains) the main opponent of the international recognition of Pristina's independence.

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²⁰ "Kosovo to Have Armed Forces by 2019", *Balkan Insight*, 4 March 2014.

²¹ "Kosovo footballers draw with Haiti in Mitrovica debut", BBC, 5 March 2014.

²² "Putin Says Kosovo Precedent Justifies Crimea Secession", *Balkan Insight*, 18 March 2014. Putin said: "In a situation absolutely the same as the one in Crimea they [the West] recognized Kosovo's secession from Serbia as legitimate, arguing that no permission from a country's central authority for a unilateral declaration of independence is necessary".

Kosovo Prime Minister Hashim Thaci quickly responded by arguing that Kosovo cannot be compared to Crimea “in no case [...], nor from the legal, neither political nor historical point of view”. Thaci added that Kosovo's independence “came after a genocide committed by Serbia, after the deportation of a million Kosovar citizens [...] and was finalized in negotiations that took place after the conflict”.²³

It is difficult to say today what the long-term effect of the return of the Kosovo issue as a factor in a wider political and diplomatic dispute between international powers may be. The risk, however, is that of a further tightening between the opposing sides and of a decrease in the possibility of reaching a compromise on the recognition of the independence.

2014, a year of potential risks

Today, one year after the signing of the “First Agreement”, in spite of the only partial success of the local elections of 2013, the hopes it raised are still alive.

As months passed, however, stronger and stronger doubts have emerged on the actual capacity of the “First Agreement” to change the rules of the game for Kosovo. The signing of the Agreement does not seem to have increased the number of countries that recognize Pristina's independence, not to mention change the mind of the 5 EU countries that still consider Kosovo an integral part of Serbia²⁴ – a fact that raises serious questions about the possibility that Pristina can obtain a real “road-map” for its EU membership.

In Kosovo there is clearly the fear that the “Association/Community of Serb municipalities in Kosovo” could prove to be, rather than an integration tool, a tool for an effective “bosnianization” of Kosovo, with the risk of the final abandoning of the attempt to make the new state functional, thereby giving leverage to those seeking the political union with Albania.²⁵

One can undoubtedly worry about the extremely slow implementation of some basic elements of the agreement, especially the creation of the “Association/Community of Serb municipalities in Kosovo”, originally expected by the end of 2013.

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²³ “Kosovo Leader Dismisses Parallels With Crimea”, *Balkan Insight*, 19 March 2014.

²⁴ The 5 EU “non-recognisers” are Spain, Romania, Slovakia, Greece, and Cyprus.

²⁵ I. DEDA (2013).

In 2014, moreover, elections were held in Serbia and will be held in Kosovo and the European Union. Kosovo, and especially the municipalities of the north, is likely to fall back on the European agenda, remaining “in a dangerous limbo [...] with the danger that the progress that has been made in normalising relations could be reversed”.²⁶

While Serbia came out of the early parliamentary elections with a strong parliamentary majority, which portends the creation of a solid government around Aleksandar Vučić’s Serbian Progressive Party, elections in Kosovo seem destined to a much more controversial outcome.

The results of the 2013 local elections make all forecasts difficult, in a climate of growing dissatisfaction with the current ruling class as a whole, seen by citizens as corrupt and inefficient,²⁷ and an economic situation that remains fragile.²⁸ The next government of Kosovo will almost certainly be born from a political compromise with the Građanska Inicijativa Srpska (Civil Initiative “Srpska”), directly sponsored by the Serbian government – a new political reality that promises to be extremely delicate.

In this context, and despite the institutional turnover related to the European elections of May 2014, the commitment of the European Union as a guarantor and mediator remains fundamental to ensure that the “First Agreement” of April 2013 leads to sustainable results in the long term and does not turn into a lost opportunity.

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²⁶ L. MALAZOGU *et al.*, (2014).

²⁷ “Impunity in Kosovo. Inexplicable wealth”, KIPRED, November 2013.

²⁸ “Economic Renaissance Eludes Impoverished Kosovo”, *Balkan Insight*, 6 February 2014.