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**A COMPREHENSIVE VISION FOR
THE NORTH
THE FINAL COUNTDOWN**



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1. Introduction

The announcement of the International Steering Group (ISG) that Kosovo's supervised independence may come to an end by the end of 2012 has brought urgency to resolving and reintegrating the northern Kosovo within the rest of the state. Any further delay in solving this issue will increase the potential for conflict within Kosovo and spur regional instability, due to a potential rise of extremism and further delays in European Union (EU) integration process.

The international presence has not succeeded to provide basic law and order in the north, due to the lack of political will and determination. The EU's largest Common Security and Defense Policy (CSDP) mission, EULEX, has only a dozen officials in the area and does not prevent the activities of Serb extremists and criminal groups. NATO's Kosovo Force (KFOR) expects a political solution and does not show any will to take action against Serbia's security apparatus which is illegally present in northern Kosovo. The two missions, KFOR and EULEX, privately criticize each other for not doing their job properly in the north. Similarly, Kosovo's leadership has not developed a feasible roadmap for reintegration of the area, nor has it been capable in engaging with the Serb community to alleviate their fears. At the same time, Serbia continues to support the current status quo. However, having realized in August 2011 that the partition of Kosovo will not materialize, Serbia has opted for the creation of an entity in the north, which will be fully controlled by Belgrade, while only nominally being under Kosovo's sovereignty.

The international stakeholders are still trying to find a modus whereby the solution for the north would be reached in a dialogue between Kosovo and Serbia. The West has used the north to appease post-Milošević Serbia's democratic leaderships, whose goal was partition, and to pressure the leadership in Prishtina to significantly improve the conditions of Kosovo Serbs south of Ibër/Ibar river, and thus "earn" the right to govern the territory. Some European Union (EU) member states and circles in the United States of America (USA) have played with the thought of partition as well. There were also circles in Kosovo's political leadership who have considered partition and exchange of territories with Serbia as an option for ending the stalemate in the north. However, given the spill-over effects that changes in current border lines would have in the region, directly threatening the territorial integrity of Bosnia and Herzegovina and Macedonia, this option was ruled out.

The Regional Operations Special Units' (ROSU's) intervention, ordered by the Government of Kosovo (GoK) on 25 July 2011 to implement "measures of trade reciprocity" with Serbia, has cemented international rejection of partition of northern Kosovo, and it has made the Ahtisaari's Plan a feasible source for a potential solution. While GoK's intervention has altered the status quo which emerged as a result of the declaration of independence in February 2008, it has created another one – strengthening even more the radical Kosovo Serb leaders north of the Ibër/Ibar river, who in turn have began defying Belgrade. The northern mayors began acting as sovereign renegades in managing their affairs to suit their interests, while further deepening the rift with the Serbs south of Ibër/Ibar who see the reintegration of the north as a guarantee to their development and accommodation in Kosovo.

The unified rejection of partition by international stakeholders has pushed the elites in Belgrade, as well as some circles in Prishtina, to understand that the solution for the

north has to be found within the current borders of Kosovo. Grasping onto this reality, Serbia's President Boris Tadić, has proposed a 4 point plan¹, while the leadership in Prishtina continues to maintain the position that any solution for northern Kosovo should be found within the Ahtisaari Plan. The international presence seem to not have a clear idea on how would a long term prosperous solution look like; they are largely debating the issue amongst themselves, while analyzing the "model-solutions" put forth by various interlocutors in Kosovo, Serbia, and the West. The international actors in Kosovo agree on one thing though: that Prishtina must come out with an "offer" for the north take the lead in the process. The unanswered question remains is the extent to which, first the European Union (EU), the United States (US), and then Serbia are ready to accept any GoK's plan, having in mind the bitter experience with the previous "Strategy for northern Kosovo"² which was torpedoed by Brussels in February 2010, only a month after it had come out.

Should the current state of affairs continue, or should the north gain a status incoherent with the status of the Serbs south of Ibër/Ibar river, it will endanger not only Kosovo's peace and stability, but that of the region as well. This would also ignite the potential for another interethnic conflict, and spark potential extremisms in the other states of the Western Balkans.

2. A vicious cycle: from a status quo to a status quo

A number of long standing status quos have characterized northern Kosovo since June 1999. The situation in the area has been difficult to fathom each time a new status quo was established, resulting from any effort to change the "current state of affairs" by establishing the rule of law or as a result of inter-ethnic clashes of various magnitudes in the area. The ROSU's intervention was just one of the latest attempts to establish the rule of law by sending GoK's customs officers at the two northern gates, 1 and 31, which has inevitably led to the present status quo characterized by dozens of barricades erected, a more radicalized stance of the local radical leadership towards Kosovo's institutions, and by higher political tensions.

There have been five broad developments which have shaped the north, with each consequent one leading to a status quo, directly worsening the overall political and social situation in the area.

1. *June 1999*: NATO troops enter Kosovo, as the Yugoslav (Serb) military and security apparatus is withdrawn. With the flight and expulsion of Kosovo Serbs from major urban centers south of the Ibër/Ibar river, northern Mitrovica becomes the only urban outpost for the Serbs where they gather and consolidate with the support of Belgrade. NATO creates a "buffer zone" at the bridge of Mitrovica. A number of expelled Kosovo Albanians return to their homes in the northern part of the city. Serbs create "Bridge-watchers" with the help of Serbia's Ministry of Interior Affairs (MUP) and intelligence agency (BIA).

¹ The 4 points are:

- (1) a special solution for northern Kosovo;
- (2) an administration of Serb monasteries and monastic complexes;
- (3) special guarantees for the Serbs in the enclaves; and
- (4) regulations regarding the property of Serb citizens and the state of Serbia.

² The "Strategy for northern Kosovo" was jointly prepared by the the International Civilian Office (ICO) and the GoK in January 2010

2. *February 2000*: The Serb extremists kill 11 Kosovo Albanians in northern Mitrovica, which resulted to an exodus of up to 6,000 Kosovo Albanians from the northern part of the city (3,000 remain today). French KFOR watches silently and does not offer protection to the fleeing Albanians. This event effectively seals the ethnic composition of the northern part of the city, with 12,000 Serbs; 3,000 Albanians; and 2,000 members of other ethnic communities.
3. *March 2004*: After the drowning of three Kosovo Albanian children in the Ibër/Ibar river for which the Serbs were blamed, inter-ethnic violence erupts for two days – on 17 and 18 March. Violence results in 19 deaths (11 Kosovo Albanian, 8 Kosovo Serb); 4,000 Kosovo Serbs displaced; and dozens of Serb Orthodox churches and monasteries destroyed.
4. *February & March 2008*: Two days after the declaration of independence of Kosovo gates 1 and 31 are set on fire by Serb extremists supported by Belgrade. A month later clashes of Serbs with KFOR in northern Mitrovica begin when KFOR decides to seize the court in the city. As the GoK begins implementing the provisions of the Ahtisaari Plan throughout Kosovo, UNMIK's role de-facto diminishes, apart from northern Kosovo. In order to ensure the deployment of EULEX and provide a normalization framework for the north, the UN Secretary General, proposes – in consultation with Serbia, the US, the EU, and Russia - the 6 point plan³. Prishtina rejects this plan.
5. *July 2011*: the Government of Kosovo sends the ROSU at gates 1 and 31 to implement trade reciprocity measures, after EULEX refuses to implement that decision. These measures were introduced after Serbia rejected to accept Kosovo custom stamps to enable trade with Kosovo⁴.

³ Report of the Secretary-General on the United Nations Interim Administration Mission in Kosovo, 24.11.2008, S/2008/692

- (1) Police – *Formation of additional sub-stations in minority areas; UNMIK will appoint a senior Kosovo Serb officer; All policing in Kosovo will remain under international monitoring;*
- (2) Customs – *Kosovo will continue to function as a single customs area; International customs officers appointed in accordance with Security Council Resolution 1244 (1999) will be reinstated at gates 1 and 31 Their deployment modalities will as far as possible reflect the modalities of the European integrated border management concept; Further discussions needed for customs revenues collected at gates 1 and 31 which should benefit, as appropriate, the development of local communities;*
- (3) Justice – *Following discussions to develop the principles, the courthouse complex in northern Mitrovica has been recently made operational on a limited basis under UNMIK control, applying UNMIK law only and staffed by UNMIK personnel for a period of up to 60 days from the opening of the courthouse; During subsequent phases, local judges and prosecutors will be appointed in accordance with Security Council resolution 1244 (1999);*
- (4) Transportation and infrastructure – *The discussions have indicated acknowledgement of the need for close cooperation on major matters of infrastructure (road, rail, water, electricity), flows of traffic and trade and very important practical matters, such as recognition of qualifications;*
- (5) Boundaries – *Many of the issues relevant to the management of the boundary will be addressed by the transportation and infrastructure technical committee process. Otherwise, and as indicated in my earlier report, in accordance with Security Council resolution 1244 (1999), KFOR, as the international military presence, will continue to fulfill its security mandate throughout Kosovo, including with respect to the boundaries, in conjunction with other international organizations; and*
- (6) Serbian Patrimony – *International protection of the Serbian Orthodox Church in Kosovo will continue; the agenda would include the implementation of protective arrangements around major Serbian Orthodox Church sites, activities related to the welfare of the monks and nuns, such as exempting the Serbian Orthodox Church from value-added tax, excise tax and customs duties, modalities of reconstruction of the sites by the Serbian Orthodox Church and the issue of return of archaeological artifacts.*

⁴ Serbia had introduced a ban on movement of goods and people from Kosovo since February 2008, not recognizing the new state documents

All these events have played a major role on shaping the current political, economic, and social life in north of Kosovo. Apart from the three municipalities Zubin Potok, Zvečan, and Leposavić with a majority Serbian population, the municipality and city of Mitrovica is divided by the Ibër/Ibar river, with a Serb majority in the north and Albanian majority in the south. The four municipalities in the north operate under parallel political, economic and security institutions installed and supported by the Government of Serbia (GoS).

3. Politics, crime, and life in the north

a. Politics

The opposition parties of Serbia, the Democratic Party of Serbia (DSS) of Vojislav Koštunica and the Serbian Progressive Party (SNS) of Tomislav Nikolić dominate the municipalities in the north. DSS controls Zvečan, under the mayor Slaviša Ristić, and Zubin Potok, with the mayor Dragiša Milović; the northern Mitrovica municipality is led by SNS and the party's mayor Krstimir Pantić; while Leposavić – the most northern municipality in Kosovo – is led by Tadić's Democratic Party (DS), under the leadership of the mayor Branko Ninić. The DS member Radenko Nedeljković is the “head of district of Kosovska Mitrovica”, who is responsible for oversight and a level of control of Belgrade over the four municipalities. Serbia's Ministry for Kosovo and Metohija, run by DS, is responsible for managing funds and other political activities of Serbia in Kosovo Serb settlements, and the minister himself (Goran Bogdanović) comes from Leposavić.

The three mayors from opposition are subordinated more to their party leaders in Belgrade rather than to the GoS. They use the north to undermine Tadić and weaken him before Serbia's parliamentary and local elections in spring 2012⁵. Local leaders with criminal backgrounds, Marko Jakšić (DSS) and Milan Ivanović supported by the Socialist Party of Serbia (SPS), continue to play a strong role in the north, often shaping the attitudes of other mayors. However, the GoS, along with MUP and BIA officers⁶ in the north, may hold a tight grip over the rebellious mayors knowing their involvement in corruption and criminal activities, and can use this apparatus to submit them to Serbia if Belgrade decides to do so⁷.

In order to soften the Serb radicalism in northern Kosovo, in 2008 the international presence in Kosovo focused on strengthening Kosovo Serb civil society organizations (CSOs), mostly in northern Mitrovica. They have, in many instances, tried to use the CSOs in Mitrovica both sides of the Ibër/Ibar river to soften inter-ethnic tensions between the Serbs and the Albanians, and promote reconciliation. Linking the Mitrovica CSOs from both sides of the river was expected to bring more moderate views and voices, and create new stakeholders in the divided city. Unfortunately however, the leaders of one of the most donor supported Kosovo Serb CSO, who were also responsible for running the EU Info Centre in northern Mitrovica, were arrested in Serbia in autumn 2011 for alleged illegal smuggling of weapons from Serbia to northern Kosovo⁸.

⁵ Serbia's local and parliamentary elections are expected to be held on 6 May 2012.

⁶ Serbian security institutions, through its MUP and BIA structures acting as civilians or under Kosovo Police uniform continue to operate uninterrupted in northern Kosovo, posing a direct violation of the UNSC Resolution 1244, which Belgrade so often calls upon.

⁷ KIPRED interviews with Kosovo Serb political leaders, December 2011 and January 2012

⁸ Aliu, F. and Barlovac, B. “Serbian Police Arrest Two Kosovo Serb EU Staffers”. 10 November 2011.

BalkanInsight. [Online] Available at: <http://www.balkaninsight.com/en/article/momcilo-arlov-arrested-in-serbia>

b. Organized crime and life

There are a maximum of 40,000 Serbs living in northern Kosovo – including some 11,000 students⁹ enrolled in the University of Mitrovica, and roughly 5,000 Serb internally displaced persons (IDPs) from areas south of Ibër/Ibar, along with over 4,000 Albanians, and roughly 3,000 members of other ethnic communities (Bosniaks, Turks and Roma-Ashkali-Egyptian (RAE)¹⁰. The Kosovo Albanians living in Zvečan, Zubin Potok and Leposavić¹¹, reside in isolated villages, with minimal contact and cooperation with the local Serbs, unlike those living in northern Mitrovica and south of Ibër/Ibar. The absence of law and order in the north, has directly affected the prosperity of the local population. There are around 3,000 drug users in the area¹² alongside 67 groups involved in crime, smuggling and delinquency¹³. Kosovo Police, EULEX and KFOR are all fully aware of the violent activities of these groups, yet do not take any actions to neutralize their activities. Overall, the extremist and criminal groups in the north profit from high inter-ethnic tensions. The possibility of inter-ethnic clashes *within* the north may increase if there are no steps taken to introduce law and order.

While life is grim for all the communities living in the north, joint Kosovo Serb-Kosovo Albanian criminal groups with ties to political centers in Belgrade and Prishtina continue with their activities, while making the current tense situation compatible with their interests¹⁴. The KFOR commander Major General Erhard Drews of Germany identified Zvonko Veselinović, as the organizer of the clashes at the Jarinje crossing on 27 September 2011, while his brother Žarko, led assailants against KFOR in the village of Jagnjenica the following day¹⁵. A week after KFOR commander's open statement about the activities of the Veselinović brothers, they were arrested in Kopaonik by Serbian state police.

Northern Kosovo, however, was not the only area of Veselinović's activities. He had been visiting south Mitrovica and Vushtrri meeting with different Albanian personalities linked to business and politics¹⁶. There are clear indications that the Kosovo Police was well aware and informed about Veselinović's business connections with his Albanian partners in Prishtina and elsewhere in Kosovo, but did not take any action because of political interferences¹⁷. The officers at the Kosovo Police who were willing to report, share, and shed light on these activities were prevented from further promotion, often downgraded, and at times discharged¹⁸. The Kosovo Police is fully informed that northern Kosovo is not the only destination of the illegal smuggling of goods through gates 1 and 31, because the quantity of these smuggled goods is around ten times higher than what is needed to cover the north's needs¹⁹. A stark example of this is the large

⁹ Most of these students come from Serbia, Montenegro, and Serb settlements south of Ibër/Ibar river in Kosovo.

¹⁰ These are KFOR and Kosovo Police estimates. In addition, according to Serbia's Ministry of Health 24,000 Kosovo Serbs are beneficiaries of health insurance, which would mean that the number of Serbs living in the north may be between 32,000 -35,000, a number which GoS uses as well.

¹¹ **Leposavić** -Approximately 200 Kosovo Albanians live in the three southern villages of Koshtovë, Bistricë e Shalës, and Cerajë; **Zubin Potok** Approximately 800 Kosovo Albanians live in Çabër village; **Zvečan** - Some 350 Kosovo Albanians live in the three villages of Boletin, Lipë, and Zhazhë.

¹² Hysa, Y., et al. (2011). *Report on parallel institutions in northern Kosovo*. Coordinator's Office for the Strategy regarding Northern Kosovo. (p.7)

¹³ Ibid.

¹⁴ KIPRED Interview with a Senior Kosovo Police Official, Prishtina, 20.01.2012

¹⁵ Jovanović, I. "Veselinović arrests stir controversy in Serbia". 22 December 2011. *SETimes*. [Online] Available at: http://www.setimes.com/cocoon/setimes/xhtml/en_GB/features/setimes/features/2011/12/22/feature-01

¹⁶ KIPRED interview with high ranking Kosovo Police Officer, Mitrovica, 18.01.2011; and a Senior Western Official working in Kosovo, Prishtina, 25.01.2011

¹⁷ KIPRED Interview with a Senior Western Official working in Kosovo, Prishtina, 25.01.2011

¹⁸ KIPRED interview with high ranking Kosovo Police member, Mitrovica, 18.01.2011

¹⁹ Ibid.

amount of smuggled oil coming through these gates²⁰. Apart from Belgrade's policies towards the north, the organized crime groups and their political patrons are the driving force opposing any establishment the rule of law in that part of Kosovo.

Those responsible to provide law and order, KFOR, EULEX, and Kosovo Police have been oblivious to the situation, mainly due to the lack of political will of key Western states, divisions that exist among the EU Member States regarding the approaches to Serbia and Kosovo's status, and Prishtina's fundamental lack of vision for meaningful reintegration of the north. Also, Brussels, fearing casualties in EULEX if the mission were to execute its mandate north of the Ibër/Ibar river, began counting on Belgrade to deal with criminal structures in the area. The dysfunctional court in northern Mitrovica serves as a barometer of EULEX's efficiency. Even the EU Commission's Progress Report for Kosovo notes that the Mitrovica court which consists solely of EULEX judges and prosecutors operates with limited capacity, which in turn limits access to justice and undermines rule of law²¹. Moreover, there are no municipal or minor office courts functioning in the north, and there have not been any processed civil cases since early 2008²². In reality, the West has maintained the status quo in the north, maneuvering between Belgrade and Prishtina, primarily save face of the post-Milošević's establishments in Serbia, while keeping the north divided as a stick for the Kosovo Albanian leadership in Prishtina to fully endorse a multi-ethnic Kosovo.

4. The failure of “Strategy for northern Kosovo”

The first and only serious attempt by the international presence and Kosovo government to move beyond the status-quo in the north came in early 2010 with the compilation of the International Civilian Office (ICO)-GoK joint “Strategy for northern Kosovo”²³. This strategy focused on: strengthening the rule of law, decentralization and the creation of Mitrovica North municipality; addressing governance in three northern municipalities (Zvečan, Zubin Potok and Leposavić); and improving social and economic situation. It provides recommendations for each of these components identifying actions to be taken by all responsible international and national actors.

This document outlined concrete steps, recommendations and action plans for the main responsible actors for political and security affairs – EULEX, the ICO and the Kosovo Government. The main premise for any political and economic progress in the north was the rule of law. Rule of law should have been implemented by EULEX, in coordinated efforts to strengthen the Kosovo Police officers in the area. The Strategy stresses that “success in strengthening the rule of law in the north [...] will impact on the ability of local and international actors to promote progress in the north”²⁴. Furthermore, the Strategy states that “Kosovo Serbs in the north interested in engaging in Kosovo political processes face security threats from hardliners and parallel structures. Threats and violence could be deterred by a stronger and more visible law enforcement presence”²⁵. The Strategy proposes a number of steps to create the municipality of Northern Mitrovica, hold local elections and proposes measures for addressing socio-economic issues.

²⁰ Ibid.

²¹ European Commission (2011). Kosovo Progress Report. [Online] Available at: http://ec.europa.eu/enlargement/pdf/key_documents/2011/package/ks_rapport_2011_en.pdf

²² Ibid

²³ GoK and ICO (2010) Strategy for Northern Kosovo

²⁴ Ibid. (p.3)

²⁵ Ibid. (p.5)

Regarding Serbia, the document states that “Belgrade needs to be given both incentives and alternatives to its current policy of maintaining parallel structures and obstructing cooperation between Kosovo Serbs and the Kosovo authorities [...] most important incentives for Belgrade relate to its European perspective, which is contingent on reforms linked to the integration process and the views of EU member states on Serbia’s Kosovo policy”²⁶. It also points at Belgrade’s influence in establishing other parallel structures in the north; challenges this poses to EULEX’s efforts to strengthen the rule of law, including Serbia’s appointment of 32 judges and prosecutors to parallel courts in northern Mitrovica in 2009.

In order to implement the strategy, a number of steps were taken by the ICO and the GoK. On 5 February 2010 the International Civilian Representative (ICR) appointed the Municipal Preparatory Team (MPT) for Mitrovica North²⁷, which has a technical mandate to prepare all resources, properties and administrative structures required for the future establishment and functioning of the new municipality of Mitrovica North²⁸. On 24 February 2010 the Government of Kosovo appointed Ylber Hysa the coordinator for strategy for the north, and set up a small Office to support his work.

In order to prove its supremacy in the north, Serbia organized municipal elections in northern Mitrovica on 30 May 2010. The holding of the elections, which went unopposed by the international presence in Kosovo, effectively ended the life of the ICO/GoK Strategy.

Despite the holding of the local elections by Serbia in northern municipalities of Kosovo, the GoK and the ICO continued implementing what remained of the Strategy by opening the Citizens Services Center (CSC) in Mitrovica North on 2 July 2010. The CSC aim was to bring basic services to citizens in the north, such as Kosovo issued birth, death, and marriage certificates, as well as identification cards and travel documents. This move resulted in violence from the extremist Serb groups, ending in one loss of life and a dozen of injured people, effectively leading to the closure of the Centre²⁹. The Centre was reopened in May 2011, expanding its work to issuing business and NGO registration³⁰, and it still continues to operate.

These steps had upset Belgrade’s political elite. Serbia reacted angrily and took the issue to the United Nations Security Council (UNSC), believing that the international interlocutors supporting the Strategy were serious and determined to reintegrate northern Kosovo to the rest of the state. They pointed out that the strategy was an attempt to unilaterally “change the reality” in the north, and warned of its destabilizing effects³¹. “Changing the reality” for Belgrade meant changing the situation that was present on the ground, which suited Belgrade to achieve its ultimate goal – partition of Kosovo north of Ibër/Ibar river.

²⁶ GoK and ICO (2010) Strategy for Northern Kosovo. (p.2)

²⁷ ICO (2010). “International Civilian Representative Appoints Members to the Municipal Preparation Team for the new Municipality of Mitrovica North” *News Release*. [Online] Available at: <http://www.ico-kos.org/d/100205%20MN%20MPT%20appointments%20English.pdf>

²⁸ MPT Mitrovica North. Accessed on: 29 January 2012. [Online] Available at: <http://www.mpt-mn.org/View.aspx?p=yf/HcYUOXcQ=&u=NR5LUYkYa4g=&type=LsqlT/WcPZo=>

²⁹ UN Security Council (2012). “Serbian President, in Security Council Meeting, Blames Unilateral Declaration of Independence for Deadly Violence in Kosovo” *6353rd meeting*. [Online] Available at: <http://www.un.org/News/Press/docs/2010/sc9972.doc.htm>

³⁰ ICO (2011)/ “All Citizens Will Benefit From the Services Centre – Feith” *News Release* [Online] Available at: http://www.ico-kos.org/ico/data/Image/110525_New_GoK_NM_ENG.pdf

³¹ UN Security Council (2012). “Serbian President, in Security Council Meeting, Blames Unilateral Declaration of Independence for Deadly Violence in Kosovo” *6353rd meeting*. [Online] Available at: <http://www.un.org/News/Press/docs/2010/sc9972.doc.htm>

Ironically, Belgrade had nothing to fear, because the strategy did not have the endorsement of all the international partners involved in Kosovo, KFOR, EULEX and Brussels, which was the initial expectation of the ICO and GoK as sponsors of the strategy. Moreover, it turned out that the non-recognizers were not the only problem for the implementation of the strategy. Not even all the members of the ISG supported the plan³², while the EU considered that drafting of the strategy has not been consulted with Brussels and it is not a strategy of the European Union³³. Obviously, there was not an interest by a number of EU member states to change the status-quo in the north and to “anger” Serbia prior to the advisory opinion of the International Court of Justice (ICJ) on the legality of the Declaration of the Independence of Kosovo. Thus, the implementation of the strategy practically had been annulled. The failure of the “Strategy for northern Kosovo” was a blow to all who wanted to see the implementation of Ahtisaari’s plan in the north, and practically made Belgrade a key stakeholder for solving Kosovo’s problem in the north.

5. The waning Brussels and the rise of Berlin

On 26 May 2011, Serbia arrested Ratko Mladić, former Bosnian Serb military commander wanted by the International Criminal Tribunal for the former Yugoslavia (ICTY) for the Srebrenica massacre. The news was announced as the EU High Representative for Foreign Affairs and Security Policy, Lady Catherine Ashton, flew to Belgrade to discuss the conditions for Serbia’s EU accession, including the Brussels facilitated Belgrade-Prishtina dialogue³⁴. At their meeting, Tadić told Ashton that he was not interested to discuss “practical issues” in a dialogue with Prishtina, and openly stated that Serbia wanted partitioning northern Kosovo, leaving Ashton shocked³⁵.

As Serbia began closing the chapter of cooperation with the ICTY³⁶, its position towards Kosovo had hardened. Ignoring the conditionality of the meaningful regional cooperation that it had to fulfill to get the candidate status, Belgrade believed that cooperation with the ICTY would give Serbia sufficient credit to win both the candidate status and partition of Kosovo.

In light of the aforementioned Belgrade’s approach, the second round of dialogue scheduled for 15 July 2011 was postponed after Serbia’s chief negotiator Borislav Stefanović did not travel to Brussels³⁷. Part of the agenda for this round of dialogue was the agreement on Kosovo customs stamps which Serbia refused to accept. An agreement on customs stamps was very important for Kosovo, as it would allow Kosovo to export to and transport goods and services through Serbia, which Kosovo had not been able to since its declaration of independence. The postponement of this round of talks frustrated the public opinion in Kosovo where in response the GoK adopted the “reciprocity trade measures” with Serbia on 20 July 2011. The Prime Minister of Kosovo, Hashim Thaçi, asked EULEX to take the necessary steps to implement the measure, which EULEX flatly declined³⁸. Moreover, EULEX warned Thaçi that the GoK did not have the

³² In the ISG Meeting February 8th, 2010, Sweden did not support the strategy.

³³ B29. “North Kosovo strategy not EU’s”. 26 January 2010. [Online] Available at:

http://www.b92.net/eng/news/politics-article.php?yyyy=2010&mm=01&dd=26&nav_id=64763

³⁴ Dialogue on practical issues began in March 2011, following the UNGA resolution A/RES/64/298 which came out after ICJ’s advisory opinion on Kosovo

³⁵ Multiple KIPRED interviews with EU officials, Belgrade, Prishtina and Brussels, May/June/October 2011.

³⁶ With the arrest of its last fugitive Goran Hadžić on 20 July 2011

³⁷ Belgrade attempted to show resolve not to discuss technical agreements with Prishtina any further

³⁸ KIPRED interviews with EULEX and Kosovo Government officials, July 27, 2011. EULEX claimed that it was “against EU practices to assist in trade ban”.

authority to operate north of Ibër/Ibar river. In a quick move, in the evening of 25 July 2011, Thaçi sent the ROSU in the north to establish full customs control and this way enforce reciprocity measures.

As a result of ROSU's action, one of its members was shot dead during the operation and two days later, on 27 July 2011, the Kosovo Customs post at Jarinje border crossing was set on fire by Serb criminal groups. KFOR reacted quickly by sending more (German) troops to the north to prevent the further deterioration of the security situation. Belgrade sent Stefanović to northern Kosovo to negotiate with KFOR on behalf of Kosovo Serbs where a temporary agreement³⁹ at the border crossings was reached valid until 15 September 2011. Stefanović played another role during his stay in the north; together with Minister for Kosovo and Metohija, Goran Bogdanović, he encouraged the local mayors to begin erecting barricades on key roads in northern Kosovo to both prevent any attempt to establish control in the north by GoK, and enforce a de-facto physical partition. It took Serbia and the parallel institutions two weeks to forcibly mobilize the resistant local Serb population to go to the barricades⁴⁰. The local Serbs tired of the instability and insecurity they had been living for over a decade, simply did not want to participate in this multilayered political conflict.

Amidst these tensions, German Chancellor Angela Merkel visited Belgrade on 23 August 2011. She gave the clearest conditions any Western country had ever done to Belgrade, the fulfillment of which would determine Serbia's further progress towards the EU membership. Chancellor Merkel conditioned Serbia to resume the dialogue with Kosovo and to achieve and implement the reached agreements, to allow EULEX to operate throughout Kosovo, and to disband parallel structures and not create new ones in northern Kosovo. Also, Chancellor Merkel explicitly told Tadić to rule out partition of the north.

Germany's firm conditionality shocked Serbia's leadership and sank Belgrade's aim for partitioning Kosovo. The German move also shocked Brussels, because the EU Commission had been working hard to issue a positive opinion for candidate status for Serbia, regardless of Serbia's relations with Kosovo. Belgrade understood that unless it complies with Berlin's conditions, which had the backing of London and Washington, Serbia would not only be prevented from advancing towards the EU, but it would also worsen its important bilateral economic and political relations with Germany⁴¹.

Realizing that partition of Kosovo is not feasible at present, President Tadić presented Belgrade's plan to "normalize" relations with Kosovo while not recognizing it. This plan contains 4 points: (1) a special solution for northern Kosovo, (2) an administration of Serb monasteries and monastic complexes, (3) special guarantees for the Serbs in the enclaves, and (4) regulations regarding the property of Serb citizens and the state of Serbia. These points would seemingly ensure that Kosovo's territorial integrity remains undisputed. The British and French Ambassadors to Prishtina and Belgrade stated that Tadić's 4 points could be found within the provisions of the Ahtisaari Plan, while the US and German diplomats have not said anything about it publically. Prishtina, on the other hand, rejected the plan.

³⁹ According to this temporary agreement, the border crossings in northern Kosovo were to be kept closed under KFOR's supervision.

⁴⁰ Kosovo Serbs in the north working in the parallel institutions were ordered to go to the barricades; otherwise they would lose their jobs.

⁴¹ KIPRED interview with a Senior Western official, Prishtina, 25.01.2012

Ten days after Merkel's visit to Belgrade, the dialogue between Serbia and Kosovo resumed on 2 September 2011. Serbia accepted Kosovo's customs stamps, still hoping to obtain the candidate status in December. On 16 September 2011 Prishtina dispatched its customs officers at gates 1 and 31 with the assistance of EULEX's and KFOR's helicopters. The local Serbs, supported by Belgrade, reacted by enforcing and increasing the number of barricades on the main roads in northern Kosovo, radicalizing the situation and further entrenching the status quo. On 27 September 2011, a number of KFOR soldiers and Kosovo Serbs were injured in a shooting at the Jarinje customs post after KFOR's attempt to remove the main roadblocks. The most violent clash between KFOR and Kosovo Serbs occurred on 23 November 2011, when KFOR attempted once more to remove the main roadblocks, which resulted in injuries of 21 KFOR soldiers and dozens of Kosovo Serbs⁴². It was this incident, together with Serbia's inability to control the radicals in the north that strengthened Germany's resolve to veto Serbia's candidate status⁴³. Germany had reiterated that unless Serbia takes its relations and agreements reached with Kosovo seriously, and begins dismantling the parallel structures, the candidate status would not be given to Serbia. In the consequent round of dialogue, further agreements were reached between Serbia and Kosovo on university diplomas and most importantly on the Integrated Border Management (IBM).

In an intra-Serb fight linked with the parliamentary and local elections in Serbia, the mayors of northern municipalities began defying Belgrade by rejecting the IBM agreement, and scheduled a referendum for mid-February 2012. The question of the referendum would be "Do you accept the institutions of the so-called Republic of Kosovo?". The Serbs south of Ibër/Ibar protested against this decision fearing further divisions within the Serb community, while a unanimous yet soft objection came from Belgrade on the grounds that the referendum would work against Serbian national interests. Serbia's leadership began calling the northern Serbs to "postpone" this move, as it would lead to further delays in its EU accession process.

As Tadić's rhetoric hardened against the northern Kosovo Serbs, he began pushing for political talks and his 4 point plan, again making the Brussels led dialogue difficult. This provoked Washington to intervene, asking Belgrade for full normalization of relations between Serbia and Kosovo before the European Council's March decision on Serbia's candidate status. Simultaneously, Prishtina was being asked frequently what its "offer" for the north was and to outline a vision for integration and accommodation of the north, including economic and political incentives for the local Serbs. Prishtina continues to remain passive, until Kosovo's key Western partners unify their stand on the north, while not understanding that regardless of their consensus, or lack of it, the northern Kosovo and its reintegration is primarily Prishtina's problem and it is Kosovo's obligation to lead this process.

6. Many moving pieces in 2012

On 24 January 2012 the International Steering Group (ISG) held its fourteenth meeting in Vienna. The ISG announced that Kosovo was entering the final stages of implementing the Comprehensive Status Proposal (CSP)⁴⁴, and that it would start preparations for "an organized end" to supervised independence and the closure of the

⁴² Judah, T. "The clash in Kosovo: Done deal no more". 24 November 2011. *The Economist*. [Online] Available at: <http://www.economist.com/blogs/easternapproaches/2011/11/clash-kosovo>

⁴³ The UK and the Netherlands also vetoed Serbia's candidate status

⁴⁴ ICO. (2012). "Fourteenth meeting of the International Steering Group for Kosovo" [Online] Available at: http://www.ico-kos.org/ico/data/Image/2012_ISG_Vienna_Communique_ENG.pdf

ICO⁴⁵. Furthermore, the ISG announced that it had endorsed a package of amendments to Kosovo's Constitution and primary legislation to remove all elements of international supervision. In an unprecedented call, the ISG urged Serbia to withdraw its police, security and other state presence from northern Kosovo, and not to hold Serbia's local elections there. This is the first time that any State or international organization explicitly and officially recognized the presence of Serbia's state security apparatus in the north. Regarding the north, the ISG reiterated that "the core principles" of Ahtisaari's Plan provide the best future for Kosovo's northern municipalities.

President Tadić's intentions to collaborate with Prishtina according to western requests will be tested throughout 2012 given Serbia's domestic electoral calendar⁴⁶. There are three caveats to the upcoming May parliamentary and local, and the December presidential elections in Serbia. The first is Serbia's intense domestic focus with likelihood for Serbia's slower response to the implementation of the agreements with Prishtina of the Brussels facilitated dialogue. The second is the possibility of organizing local elections in northern Kosovo. The third is the unpredictable outcome of the elections, and the possibility of Tomislav Nikolić's victory. The current Tadić's potential to compromise can be seen as his attempt to win the EU candidate status in early March, just before scheduling the parliamentary elections on 11 March 2012. Adding the December presidential elections with a few months of campaigning preceding it, Serbia will be consumed with itself throughout 2012. Therefore, it is hardly realistic to expect that Belgrade will engage to constructively seek a sustainable long term solution for northern Kosovo within the Ahtisaari Plan, because none of the parties will want to be seen as "giving up" Kosovo or opposing the EU in a full electoral year.

There is no consensus among the key international stakeholders on whether or not should Serbia organize local elections in northern Kosovo, despite ISG's call on Serbia not to do so. On 9 March 2012 the EU will decide on Serbia's EU candidate status, while on 11 March 2012 Serbia will announce the date for its parliamentary and local elections, including whether it will organize local elections in northern Kosovo. This sequence of decisions means that the EU will have to decide on providing the carrot to Serbia before Serbia proves that it has changed its approach towards Kosovo. Therefore, Serbia may well be motivated to move on and organize the elections in the north. This would serve as Tadić's consequential action in proving to the electorate in Serbia that he is keeping the promise of "EU and Kosovo" policy. As a result, Serbia might end up gaining the candidate status while not changing its approach to Kosovo as conditioned by Germany.

Organizing Serbia's local elections in the north of Kosovo would be a decisive step towards a number of negative consequences not only for Kosovo, but for the entire region. The elections would considerably detach the Serbian community in the north from the rest of the country, and their compatriots south of the Ibër/Ibar river. They would also cement the control of Serbia and its institutions in the north and claims of a "different reality" in the area would gain credibility. This "different reality" that will have been created by these elections, would entirely fit with western supported⁴⁷ Tadić's 4 point plan part of which is having a "special status" for northern Kosovo. While three of his points have to do with the Serb rights (people and property) in Kosovo, which are also envisioned in the Ahtisaari Plan, his fourth point of having a "special status" for the

⁴⁵ Ibid

⁴⁶ Ever since Kosovo declared its independence in 2008, Belgrade claiming that it was against the Resolution 1244, it organized the local elections (for the first time after 1999) throughout Kosovo, in order to express its defiance to Kosovo's independence and effectively becoming the ruler of all Serb settlements in Kosovo.

⁴⁷ At the time of writing of this policy paper, Tadić's 4 point plan continues to gain support among different international actors.

north has to do with “enhanced rights and status of Serbs in those municipalities of north Kosovo, where Serbs are in the majority, by the creating a single region called North Kosovo, with special representative rights”⁴⁸. Such a “special status” for the north is not a part of the Ahtisaari Plan, despite claims of some western diplomats that these points can all be found in it.

The fulfillment of Belgrade’s plan would not only lead to the creation of a dysfunctional state, but it would also jeopardize the Serbs south of Ibër/Ibar, and would lead to an immediate increase of interethnic tensions within Kosovo. Regionally, it would ignite claims for the status “reciprocity” between northern Kosovo and Presevo Valley; it would strengthen voices in Prishtina for either a territorial swap – northern Kosovo to Serbia, Presevo Valley to Kosovo- or for dissolution of the state and unification with Albania. If it were to be created, the “region northern Kosovo” would certainly secede during the next decade or so and would de-facto be part of Serbia. Belgrade, on the other hand, with the blessing of the international community would regain the status of a regional hegemon which “contributes to peace and stability” in Bosnia – through controlling Republika Srpska, and Kosovo – through the control of “region northern Kosovo”, as it had falsely been portrayed after the signing of the Dayton Agreement in 1995. The unfolding of this scenario would bring under question the existence of Kosovo as a state and would be a fatal blow to the two decade long involvement of the international community in the Western Balkans to create multi-ethnic societies.

Kosovo will also be consumed throughout 2012. The rush of ending supervised independence has changed Kosovo’s electoral calendar and political priorities. The presidential elections, which were foreseen to be held by June 2012, have been postponed. Therefore, 2013 for Kosovo is a full electoral year, when in addition to electing a new president, it will hold parliamentary and local elections as well. On the political priorities part, the ISG requested amendments to the Constitution will keep the Government of Kosovo and the international presence consumed in preparing for the adoption of the necessary amendments, which will require the cooperation of the opposition parties. This wide-institutional engagement will leave little room for a serious engagement to altering the status quo in northern Kosovo. If the present status quo in the north remains, it will lead to deep rifts within Kosovo’s political spectrum, and will increase the potential for conflict.

7. The way forward

In light of the October 2011 call by the European Commission for Kosovo to “launch a comprehensive agenda for the north”⁴⁹, there is an urgency for Prishtina to prepare a comprehensive plan for reintegration of the area. Given the bitter experience Kosovo has had with the previous “Strategy for northern Kosovo” because of the divisions within the EU, Brussels should be unified in political management of this process, as a necessary condition for moving forward. The agreed plan should also have the firm backing of Washington. The US and the EU should throw their political weight for full stabilization of the Western Balkans and pressure Serbia not to hold elections north of Ibër/Ibar, and be firm on implementation of Ahtisaari’s plan in the north. Belgrade’s consent would be a sign that Serbia is interested in normalization of relations with Kosovo.

⁴⁸ The document outlining the details of Tadić’s 4 point plan circulated to KIPRED

⁴⁹ European Commission (2011) “Communication From the Commission to the European Parliament and the Council” [Online] Available at:

http://ec.europa.eu/enlargement/pdf/key_documents/2011/package/strategy_paper_2011_en.pdf

KIPRED proposes the following non-negotiable plan which must:

- be solely based on provisions of Ahtisaari's plan;
- take into account Kosovo's EU perspective and regional stability;
- be supported politically and operationally by EU, USA and NATO;
- increase the confidence between GoK, Serbs in the north, and Serbia, and be in a function of inter-ethnic reconciliation in Kosovo;

KIPRED proposes the following phased plan for accommodating the north of Kosovo:

a. Phase I: Emergency Phase (3 months)

(1) The EU applies the following strict conditionality to Serbia

- The EU conditions Serbia to decide - before 9 March 2012 - not to hold local elections in northern Kosovo;

(2) Establishing the Transitional Municipal Councils for 4 Municipalities (TMCs)

- The TMCs will be the bodies that will be represented by the heads of the leading parties of the communities living in northern Kosovo;
- The establishment of the TMCs will be led by the EU Office in Kosovo;
- By representing the communities living in northern Kosovo, the TMCs will be the responsible bodies for: communicating with the GoK for the establishment of the rule of law in the north; for the creation of the municipality of Mitrovica North; for coordinating with the EU Office in Kosovo, EULEX, OSCE, and CEC of Kosovo the organisation of the elections in the 4 northern municipalities;
- TMCs will coordinate the allocation of funding for infrastructural projects in northern municipalities;
- The TMCs will cease to exist immediately after the local elections in the 4 municipalities in the north are held;

(3) Implementation of rule of law

- The full withdrawal of parallel security institutions and personnel should begin. The contracts and any direct or indirect agreement between MUP and Kosovo Police officers need to be cut. Serbia has to commit to transparency on this process while the activity itself needs to be supervised, monitored and verified by KFOR, EULEX and Kosovo Police; and reported to European Council, European Commission and European Parliament;
- EULEX should dedicate at least 30-40% of police officers, customs officers, judges and prosecutors for successful restoration of law and order;
- The proper functioning of courts and the Kosovo Police in northern Kosovo needs to be ensured. The local judges and prosecutors are proposed and validated by the Kosovo Judicial Council (KJC), before appointment by the President of Kosovo;
- KFOR needs to create the safe room and environment for the initial implementation of rule of law;

(4) Full implementation of the IBM, vehicle licence plates, and freedom of movement agreements

- The IBM agreement between Kosovo and Serbia would need to take place, initially by installing mobile barracks (which would ease the logistical commitments by both parties) through the initial installation of mobile barracks);
- The vehicle licence plates and the freedom of movement agreements reached between Kosovo and Serbia should be implemented;
- The uninterrupted deployment of Kosovo customs officers and Kosovo Police at the border crossing points needs to be uninterrupted and accepted;
- Demilitarisation of the border crossing at gate 31;

(5) Creation of the ‘Special Development Fund’ by the Government of Kosovo for the municipalities of Mitrovica South, Mitrovica North, Zubin Potok, Zvečan, and Leposavić

The creation of such fund should serve as a model for creating similar development funds for other underdeveloped areas in Kosovo

- The fund will be used to (i) improve and develop infrastructure in 5 municipalities (i.e. water supply, electricity, roads, technical and technological advancements in education, health care, arable land and agriculture, public transport); (ii) stimulate and support investment for small and medium size enterprises;
- The ‘Special Development Fund’ should ensure the expansion of each project undertaken on the above mentioned areas to include all the municipalities if feasible (I.e. if a project begins in the south, it should consider its stretch in the north)
- The ‘Special Development Fund’ should be open to donations from the donor community, including GoS;
- The fund will be supervised and managed by a board comprised of representatives of the 5 beneficiary municipalities, relevant ministries of GoK, and the EU office;
- Should the income collected at gates 1 and 31 go to the municipalities of northern Kosovo, than such income should go to the “Special Development Fund” while benefiting the 5 municipalities jointly;

b. Phase II: Accommodation Phase (1 year)

(1) Functionalization of MPT Mitrovica North

- The United Nations Administration in Mitrovica (UAM) has to be closed as the MPT Mitrovica North becomes functional (3 months)

(2) Organization of free and fair elections in northern municipalities

- The municipal elections in northern Kosovo will be organized by CEC of Kosovo in close coordination and cooperation with the TMCS, and the EU Office;
- These elections should be monitored by the European Parliament and OSCE;

- These elections would have to be explicitly recognized by Serbia;
- (3) Operationalisation of transparent flow of funds when engaged in municipal cross-border cooperation**
- Municipalities in northern Kosovo and other municipalities shall receive funds from Serbia and other countries only through the procedures provided by Law⁵⁰;
 - Such cooperation may take the form of the provision by Serbian institutions of financial and technical assistance, including expert personnel and equipment, in the implementation of municipal competencies;
- (4) The beginning of implementation of an economic development package for northern Kosovo⁵¹, which would include Mitrovica South municipality.**

In addition to the ‘Special Development Fund’ the GoK should create a:

Special investment area

The creation of this area should serve as a model for creating similar investment areas for other underdeveloped areas in Kosovo

- Will cover the territories of five municipalities – Mitrovica South, Mitrovica North, Zvečan, Zubin Potok, and Leposavić;
- The purpose for creating this area is to offer a sustainable economic revival tool for the de-industrialized area and introducing attractive incentives for foreign and domestic direct investments and rapid employment of all communities;
- This area should be supervised by a special body comprised by the Ministry of Finances (MF) and the representatives of the five municipalities;
- Companies which conduct their economic activities in the area shall be exempt from paying (for a period of 5-10 years):
 - Municipal taxes (licensing, property taxes, etc);
 - Profit tax at the central level;
- The companies will be required to pay all other taxes (income tax, labor contributions and labor income tax, VAT on goods and services);
- In this respect the municipal authorities should offer the lands for free in exchange for employment and proper investment plans for a period of 10 years;

⁵⁰ Law Nr. 03/L-040 On Local Self Government, Article 30: Cross-Border Cooperation of Municipalities

⁵¹ Mitrovica South, Mitrovica North, Zubin Potok, Zvecan, and Leposavic