

SETTING KOSOVO FREE: REMAINING CHALLENGES

Europe Report N°218 – 10 September 2012

TABLE OF CONTENTS

EXECUTIVE SUMMARY AND RECOMMENDATIONS	i
I. INTRODUCTION	1
II. SERBS AND THE AHTISAARI PLAN	4
A. SERBS IN CENTRAL INSTITUTIONS.....	4
B. SERBS IN POLITICAL PARTIES.....	7
C. SERB CULTURE AND MEDIA.....	8
1. Cultural and religious heritage.....	8
2. Television.....	9
III. DECENTRALISATION AND THE SOUTHERN SERBS	11
A. DECENTRALISATION THROUGHOUT KOSOVO	11
B. MINORITY MUNICIPALITIES	13
1. A success story in Gračanica	14
2. Inter-ethnic cooperation in Štrpce.....	15
3. The troubled east: Parteš, Ranilug and Klokot	16
4. Minority government and tension in Novo Brdo	17
5. Water and the Turkish municipality of Mamuša	18
C. SERBS ELSEWHERE	19
IV. PROPERTY, SERVICES AND ECONOMIC DISPUTES	20
A. PROPERTY AND BUSINESS	20
B. EDUCATION	22
C. HEALTH CARE	23
V. CONCLUSION	24
APPENDICES	
A. MAP OF KOSOVO	26
B. ABOUT THE INTERNATIONAL CRISIS GROUP	27
C. CRISIS GROUP REPORTS AND BRIEFINGS ON EUROPE SINCE 2009	28
D. CRISIS GROUP BOARD OF TRUSTEES.....	29

SETTING KOSOVO FREE: REMAINING CHALLENGES

EXECUTIVE SUMMARY AND RECOMMENDATIONS

Kosovo has implemented much of the Ahtisaari plan – the blueprint for its democracy, providing substantial rights for Serbs and other minorities – and deserves to be fully independent, but there should be no slippage, and remaining parts of the plan should be honoured. The Pristina government mostly abides by it, and many Serbs south of the Ibar River now accept its authority, obey its laws and take part in political life in a way unimaginable four years ago. These achievements are threatened, however, by the tense Kosovo-Serbia relationship, declining Serb numbers and Pristina's frustration at its inability to extend its sovereignty to the Serb-majority northern areas and to achieve full international recognition. A surge in ethnically-motivated attacks shows peace is fragile. The government should remain committed to the Ahtisaari requirement for minorities. But the plan was not meant to work in isolation and cannot be separated from the overall Kosovo-Serbia relationship. Belgrade needs to earn Pristina's trust and acquiescence for its continued involvement on Kosovo territory, especially the south.

The early years of Kosovo's independence were supervised by an International Civilian Office (ICO) created by the Ahtisaari plan. On 10 September 2012, the ICO and international "supervision" end, leaving the Pristina government with full responsibility for the young country. This is a crucial time for Kosovo's relations with its Serb population and Serbia; the Ahtisaari plan still provides the best model to guarantee peaceful co-existence.

Many Serbs in Kosovo cooperate with state institutions in order to protect their rights and interests, but those in the North remain intransigent. The government has written most of the Ahtisaari plan into its constitution and laws, with generous provisions for Kosovo Serbs, though implementation is sometimes unsatisfactory. It has devolved powers to municipalities, allowing not only Serbs but also the majority Albanians greater say in how they run local affairs. Nevertheless, many in Pristina are starting to question what they see as the preferential treatment given to Serbs. Communication is getting harder, as few young people speak the other's language. After years with only a small number of inter-ethnic incidents, attacks on Serbs are becoming more frequent.

Serbia does not feel bound by the Ahtisaari plan and thus maintains a significant presence in Kosovo that increased after independence in 2008, when Belgrade was intent on showing that it retained some control over its co-nationals. In northern Kosovo, Belgrade's control over local administration is almost complete. In the south, it mainly pays many Serbs' salaries and pensions and runs education and health systems without informing Pristina. The Kosovo government tolerates this but could attempt to close the Belgrade-based institutions in the south. Such a crackdown would probably cause many Serbs to leave quickly. When it agreed to the Ahtisaari plan, Kosovo accepted that Serbia would stay involved on its territory, though in a cooperative and transparent way. Belgrade has rejected this cooperation, however, and Kosovo is showing signs of impatience. If it will not accept the letter of the Ahtisaari plan, Belgrade needs to act in its spirit or risk losing what influence it still has in the south.

A decade ago, two thirds of Kosovo's Serbs lived south of the Ibar, scattered among an overwhelmingly Albanian population, one third in the heavily Serb North. That north-south Serb balance has shifted toward parity, and the southern Serb population is rural, aging and politically passive. Its pool of educated, politically savvy individuals is tiny and out of proportion to the large role assigned the community in the Ahtisaari plan, especially as the Serbs in northern municipalities refuse to participate. They and other minorities depend wholly on privileges, including quotas; they do not have enough votes to win legislative seats in open competition. Their minority delegates in the Assembly seldom resist Albanian policy preferences. Serb delegates allowed the government to gut the Ahtisaari promise of an "independent Serbian language television channel", for example, replacing it with a Serbian channel controlled by the state broadcaster.

The creation of six Serb-majority municipalities south of the Ibar has, nevertheless, largely succeeded; they have taken over most of the governing role from parallel structures financed by Serbia, even though education and health care remains under Belgrade's control. The bigger municipalities like Gračanica and Štrpce have active assemblies, are implementing infrastructure development projects with

foreign and Kosovo government funding and are taking on responsibilities in a wide range of areas. Other new municipalities are small, lack competent staff and struggle to raise the resources they need. But all municipalities in Kosovo are competing for limited public and private funds. Central authorities have a tendency to micromanage their spending and deprive them of means to raise money. Few municipal governments, Serb and Albanian alike, have the trained staff needed to exercise their devolved powers effectively, and they seldom cooperate with each other even in areas of mutual interest.

Pristina and its international partners have failed almost completely to overcome still strong resistance to the return of refugees and internally displaced persons (IDPs). Many of these are content to sell their property and resettle elsewhere, but stymied by corruption, intimidation and courts without Serbian language facilities cannot achieve even that modest goal. Even the Serbian Orthodox Church struggles to realise the property rights it has under the Ahtisaari plan. Serbs living in enclaves within Albanian-majority municipalities are increasingly vulnerable and in need of protection. Some villages in Serb-majority municipalities are also exposed to attacks from larger neighbouring Albanian settlements, usually motivated by conflict over land. Their security is Pristina's responsibility, and the government must take effective measures to protect vulnerable minorities and their return.

The greatest obstacle facing the Serb community, and the serious threat to the Ahtisaari plan, may be the sheer difficulty of making a safe and sustainable living in minority areas. Mistrust, lack of proper registration and outright hostility all make it hard for minority-owned businesses to market goods and services to the majority. As there is little to do beyond farming in most Serb-majority municipalities, many Serbs depend on salaries from Belgrade. If these end, many educated Serbs will be tempted to leave. Education is another sensitive area, and parents who do not trust the local schools will not stay. The Serbian schools and hospitals should be allowed to continue, but Belgrade and Pristina need to negotiate a mechanism for their registration and oversight.

Pristina and Belgrade have an interest to cooperate and avoid an exodus of Kosovo's Serbs that would leave Kosovo with a multi-ethnic constitution ill-matched to a mono-ethnic reality, creating fresh tensions for the region and undermining its image among its international supporters. Serbia could ill afford another wave of migrants in a difficult economic environment. Pristina faces a hard struggle extending its authority north of the Ibar and must show that Serbs can have a good life in independent Kosovo if it is to do so. If Pristina and Belgrade wish, as they should – even out of different motivations – that Kosovo be genuinely multi-ethnic, they must cooperate in support of its Serb community.

RECOMMENDATIONS

To the Government of Kosovo:

1. Honour the Ahtisaari plan fully after the end of supervised independence.
2. Respect provisions for both reserved and guaranteed Assembly seats for minorities in the next general elections, and thereafter implement an alternative incentive mechanism to boost minority voting.
3. Do more to implement fully the plan's requirement to "promote and facilitate the safe and dignified return of refugees and displaced persons and assist them in recovering their property".
4. Do more to stop violence, intimidation, usurpation and harassment of Serbs and returnees in Albanian-majority areas by, for example, establishing police substations and conducting frequent patrols in minority areas with a history of violence and intimidation.
5. Respect the status of Serbian as an official language of Kosovo and ensure Serbs can access all official services in it, including the court system.
6. Create an independent Serbian language television channel with its own editorial policy, board and director named by parliamentarians and municipal officials representing the Serb community.
7. Support the development of municipal autonomy and self-governance by providing block grants with few earmarks or conditions and encouraging local revenue collection, through changes in laws and procedures that increase local control over privatisation, publicly-owned enterprises and provision of local services and utilities.

To the Government of Serbia:

8. Close the parallel Serb municipal government structures in southern Kosovo and replace them with transparent community liaison offices to provide for the needs of Kosovo Serbs.
9. Do not discourage Serbs in Kosovo from cooperating with Kosovo institutions at all levels; continue to provide technical and financial assistance, but through open and transparent mechanisms.

To the Governments of Serbia and Kosovo:

10. Establish a channel for direct communication to work out agreements on registration and licensing of Serb schools, health care providers and businesses in Kosovo, and to foster other forms of cooperation at the municipal level to avoid corruption, duplication and waste of limited resources.

11. Ensure school certificates and diplomas are transferrable between Kosovo Serb/Serbian schools and Kosovo Albanian schools and that Serb schools in Kosovo offer Albanian as a second language.

**To the International Steering Group
and the European Union:**

12. Continue regular International Steering Group (ISG) meetings after the end of supervised independence to coordinate monitoring of implementation of the Ahtisaari plan and possible future Kosovo-Serb agreements.
13. Transfer staff from the International Civilian Office (ICO) to the European Union Office in Kosovo to monitor implementation of the Ahtisaari plan, with a focus on decentralisation and communication with minority and religious leaders.

Pristina/Istanbul/Brussels, 10 September 2012

SETTING KOSOVO FREE: REMAINING CHALLENGES

I. INTRODUCTION

On 10 September 2012, formal international supervision will end, and Kosovo will complete its transition to independence and sovereignty. Its path to statehood was marked out by UN special envoy Martti Ahtisaari's March 2007 Comprehensive Status Proposal (CSP).¹ Externally, Kosovo was to become independent of Serbia; internally, it was to become a model multi-ethnic democracy, giving special protection to its Serb and other minorities. In both respects it has made considerable progress since it declared independence in February 2008. Much of its Serb community – the part living south of the Ibar River, has chosen to cooperate with its institutions, overcoming Belgrade's opposition and its own reservations.² Secession from Serbia was largely peaceful, and more than 90 states recognise the young republic, even though five EU members do not, and it has no UN seat.

Yet, it faces grave challenges unforeseen by the Ahtisaari plan, which Serbia rejected and failed to win UN Security Council approval. Relations with Serbia are poor; Belgrade blocks it where it can and has not honoured many of the commitments made in an EU-sponsored dialogue on technical issues conducted from March 2011 to March 2012.³ Belgrade still blocks Kosovo internationally, and

newly-elected President Tomislav Nikolić and Prime Minister Iвица Dačić speak openly of partition.⁴

Internally, much of Kosovo chafes against the generous provisions for the Serb minority and resents its members' ambivalent loyalties. Serbia still funds Serb-majority municipalities and many services. This is especially true in three northern municipalities, including northern Mitrovica where the most significant urban Serb presence is, that are governed by local Serbs who reject independence and remain almost entirely outside Pristina's reach. This report reviews implementation of the Ahtisaari plan on the territory under Kosovo government control, that is, south of the Ibar.⁵ A later report will examine Kosovo's relations with Serbia and the mutual need for political dialogue.

About 74,000 Serbs live south of the Ibar, in scattered, generally small, rural settlements outside two bigger towns, Gračanica on the outskirts of Pristina and Štrpce on the border with Macedonia.⁶ Many city-dwelling Serbs left in 1999 and most of the rest in 2007.⁷ Most went to Serbia, but some moved into rural enclaves in Kosovo and found work in Belgrade-funded institutions. Others live in collective centres in Gračanica and Štrpce. Return to southern

¹ Ahtisaari's brief "Report of the Special Envoy of the Secretary-General on Kosovo's future status", UN Security Council, S/2007/168, 26 March 2007, recommended international community supervised independence for Kosovo. His much longer "Comprehensive Proposal for the Kosovo Status Settlement", S/2007/168/Add.1, contained a detailed design for how Kosovo should be governed internally. The terms "Ahtisaari plan", "the plan" and "the CSP" – used interchangeably in this report – all refer to these two documents taken together, whose provisions govern Kosovo's domestic order and have been incorporated into the constitution.

² See Crisis Group Europe Reports N°200, *Serb Integration in Kosovo: Taking the Plunge*, 12 May 2009.

³ The UN General Assembly welcomed an EU offer to facilitate Belgrade-Pristina dialogue on technical matters to "improve the lives of the people"; Resolution 64/298, 9 September 2010. The parties have agreed on issues such as freedom of movement, certification of diplomas, cadastre and civil registry records, and border management, but implementation is spotty.

⁴ "Dačić: Razgraničenje jedino rešenje za Kosovo" ["Dačić: Drawing a border is the only solution for Kosovo"], *Press Online*, 9 April 2012; "Nikolić: Nikad više predsednik u Prištini" ["Nikolić: Never again a president in Pristina"], RTS (Radio Television Serbia, online), 10 July 2012.

⁵ The plan has not been implemented in the North; see Crisis Group Europe Report N°211, *North Kosovo: Dual Sovereignty in Practice*, 14 March 2011.

⁶ Estimates from the Organisation for Security and Cooperation in Europe (OSCE) mission in Kosovo's municipal profiles of November 2011, available on its website (www.osce.org/kosovo), and exclude the Serb-held municipalities of Leposavić, Zubin Potok and Zvečan and the northern part of Mitrovica municipality. Southern Serbs are about 4 per cent of Kosovo's population. Crisis Group estimates 55,000-65,000 Serbs live in the North; see Crisis Group Report, *North Kosovo*, op. cit.

⁷ An estimated 65,000 Serbs left Kosovo in that period; see "The Lausanne Principle: Multiethnicity, Territory and the Future of Kosovo", European Stability Initiative, 7 June 2004. Their status as refugees or internally displaced persons is ambiguous, in that they fled within a country that broke in two with Kosovo's February 2008 declaration of independence from Serbia.

urban areas is virtually nonexistent.⁸ Even Serbs working for the Kosovo government live with their families in Gračanica or central Serbia; only a handful live in Pristina.⁹

The southern Kosovo Serbs mostly accept Pristina's sovereignty, but some also work with Belgrade's institutions. In a remarkable reversal since 2009, many vote in Kosovo elections. Yet they – and some of the parties they elect – do not consider this approval of independence.¹⁰ At the same time, Belgrade continues to fund its own municipal bodies and provide social services, especially in education and health in the south, without the coordination with Pristina that the Ahtisaari plan recommends. The aging population tends to survive off subsistence farming and subsidies from Serbia but also appreciates Pristina's help. Isolated and scattered, its primary concerns are physical safety and protection of its property, as violence and theft keep it insecure; it demands more frequent NATO (KFOR) or police patrols and has little interest in local or state politics.

The boundaries between Kosovo's institutions and the parallel ones run by Serbia in Kosovo are often porous. Many Serbs now draw two salaries, one from each state. Candidates and members of the Kosovo Assembly also work for Serbian health and postal services.¹¹ The chief of the Serbian municipality of Novo Brdo also sits in the same municipality's Kosovo assembly.¹² His brother ran in the parallel Serbian municipal elections in May 2008 and then won a seat in the Kosovo Assembly in 2010.¹³ In another municipality, a husband and wife team are principals of the same school, one in the Serbian and the other

in the Kosovo system.¹⁴ In some municipalities, the leading parties in the rival assemblies have informal deals on sharing support and cooperating on projects. Some Serbs who hold office in the Kosovo system live in Serbia and commute to work in Pristina.

Meanwhile popular support for the Ahtisaari plan among Albanians is slipping. Some features, notably decentralisation and concessions to the Serbs, were never popular. What the plan produced, a senior international official said:

... is like a loan; you are happy with the money, meaning independence, when you get it, but then you spend years paying it back, that is, passing laws, accommodating Serb wishes, with no visible return. Thus, everything since 17 February 2008 [the day independence was declared] feels like a concession.¹⁵

Over the past year, discontent has percolated upward into the political elite. Under the impact of a persistent anti-Ahtisaari campaign by the Vetëvendosje (Self-Determination) movement, opposition parties have been cooling on the plan. Government leaders complain that "one has the impression that the PDK [Partia Demokratike e Kosovës, Democratic Party of Kosovo] and SLS [Samostalna liberalna stranka, Independent liberal party] are the Ahtisaari plan's only godfathers".¹⁶ Violent clashes between Kosovo police, international forces and Serbs in northern Kosovo in 2011-2012 have contributed to a current of xenophobic anti-Serb sentiment. Even moderate opposition figures see the plan as "irrelevant" for the territory under government control, useful only insofar as it helps to integrate the rebellious northern municipalities.¹⁷

The gap between Albanians and Serbs remains wide. Young people seldom speak the other's language.¹⁸ After a promising start, the Kosovo government's commitment to lan-

⁸ There have been 9,947 voluntary returns to Kosovo between 2000 and July 2012 (9,027 from Serbia proper, 718 from elsewhere in Kosovo, 154 from Montenegro, nineteen from Macedonia, seven from Bosnia and Herzegovina and 22 from other states); UNHCR Statistical Overview, July 2012.

⁹ Miloš Teodorović, "Poslednji Srbi u Prištini" ["The last Serbs in Pristina"], Radio Free Europe (online, Serbian program), 16 August 2012.

¹⁰ About 24,000 voted for Serb parties in the December 2010 elections. Some parties make it clear they reject Kosovo independence, for example by using the Serbian phrase "Kosovo and Metohija" in their name.

¹¹ Rada Trajković, a member of the Assembly, is director of the Serbian Health Centre in Gračanica; Randjel Nojkić, a leader of the Jedinstvena srpska lista (JSL, United Serb list party), is director of the Serbian postal service in Kosovo.

¹² "I predsednik i odbornik?" ["Both president and assemblyman?"], *Glas javnosti* (online), 25 January 2010; Kosovo Central Election Commission, 2009 municipal election results.

¹³ The Serbian government reportedly funded the JSL campaign through its parallel municipal governments; Jelena L. Petković, "Dva brata u dve države" ["Two brothers in two states"], *Vesti* (online), 21 August 2011.

¹⁴ Crisis Group telephone interview, Klokot municipal official, 3 September 2012; Miljana Leskovac, "Direktor u školi zaposlio celu porodicu 'jer su veliki stručnjaci'" ["Principal hired his whole family 'because they are real experts'"], *Blic* (online), 3 September 2012.

¹⁵ Crisis Group interview, senior official, International Civilian Office (ICO), Pristina, 13 April 2012.

¹⁶ Crisis Group interview, senior official, foreign ministry, Pristina, 25 April 2012.

¹⁷ Crisis Group Report, *Kosovo and Serbia*, op. cit.; Crisis Group interview, senior official, Democratic League of Kosovo (Lidhja Demokratike e Kosovës, LDK), Pristina, 25 April 2012.

¹⁸ More than 90 per cent of Serbs and about 60 per cent of Albanians reported feeling inter-ethnic relations were "tense and not improving"; only about 30 per cent of Serbs and 40 per cent of Albanians were willing to live in the same town; fewer than 1 per cent of each was willing to marry across ethnic lines. "Public Pulse report 3", UN Development Programme (UNDP), March 2012. Crisis Group interview, International Civilian Office official, Pristina, 13 April 2012.

guage equality is slipping; a major new government building in downtown Pristina, seat of four ministries, has no Serbian-language signs. Government websites offer only partial information in Serbian. Serb municipal officials report that when they write to central institutions they receive responses in Albanian, which they have few resources to translate.¹⁹ Government offices at central and municipal levels often do not have legally required translation facilities. The pool of educated, Albanian-speaking Serbs qualified to fill the many posts set aside for their community is tiny and shrinking.

Attacks on Serbs are becoming more frequent, especially in the scattered returnee settlements in Albanian-majority municipalities. A Serb community leader active in promoting returns was murdered with his wife in Ferizaj on 6 July 2012. A campaign of harassment targeting Serb villages has been going on in Klinë municipality since the winter of 2011-2012. Highlights include poisoning of food supplies; threatening letters from the “Albanian National Army” to eight returnee villages in May 2012; burglary of ten homes in summer 2012; and burning of two recently-built returnee houses in Drenovac village on 22 May. In neighbouring Istog municipality, an elderly Serb whose house had been stoned in June survived a murder attempt in August; rock throwing and gunfire broke out shortly after a Crisis Group visit.²⁰ An old man visiting his Peja home was attacked on 15 August. Buses with Serb children were attacked and several wounded in Pristina on the traditional Serb of St. Vitus Day holiday (28 June).²¹

¹⁹ Crisis Group interview, Gračanica municipal official, Gračanica, 3 August 2012.

²⁰ The village is usually calm. The Serbs residents are elderly and own much of the land; more numerous Albanian neighbours have less and pressure Serbs to sell or vacate, sometimes using threats. Crisis Group interview, Žaç resident, Žaç village, 30 August 2012. “Serb returnees attacked in Kosovo”, B92 (online), 31 August 2012.

²¹ “Overview of events and incidents in Kosovo during June and July 2012”, Kosovo Policy Action Network, 9 August 2012; “Report of the Secretary-General on the United Nations Interim Administrative Mission in Kosovo”, S/2012/603, 3 August 2012. The Serb community in Drenovac officially numbers about 1,400, but may be much smaller; the local Serbian school has only seven pupils. “Elderly Serb man attacked in Kosovo”, B92 (online), 9 August 2012, and “Overview of events”, *op. cit.* The Istog municipality attacks took place in Žaç village, a hotspot with strong Albanian resistance to Serb returns. Serb returnees to the village have faced frequent protests and assaults by their Albanian neighbours since 2011. Most recently there were attempts to steal livestock from Serb returnees in July 2012. Local Albanians claim the returnees include persons responsible for crimes in 1998-1999, but desire for Serb-owned land may be the main factor. “Ethnic Albanians beat up Serb in Kosovo”, B92 (online), 16 August 2012. EULEX and the UN gave sharply different accounts of the 28 June event.

On the same day, unknown assailants fired on a police checkpoint just across the border in Bujanovac, Serbia.

The Kosovo Assembly is amending the constitution to remove all references to the CSP, including Article 143, which requires the authorities to implement the CSP and gives the plan precedence over all domestic law, including the constitution.²² KFOR, the international peacekeeping force, will remain in Kosovo but is being stripped from the Constitution; EU pressure to write EULEX, its rule of law mission, into the text failed. The government tried to remove the article requiring Kosovo to “promote and facilitate the safe and dignified return of refugees and displaced persons and assist them in recovering their property” but was blocked by the Constitutional Court.²³ Nevertheless, the attempt to take one of the most important issues for Serbs out of the constitution sent a bad message.

The International Civilian Office (ICO), created by the Ahtisaari plan to supervise Kosovo’s early years of independence and ensure the government followed through on its commitments, will close in September 2012. The International Civilian Representative (ICR), who held but never used broad enforcement power, will depart and not be replaced. The EU Office in Kosovo, with U.S. embassy support, is intended to take up some of the slack with respect to helping complete implementation of parts of the CSP and ensuring decentralisation works fully in practice, minority rights are protected and Kosovo-Serbia agreements are honoured. But there is a question how important a role the international community will actually play, for example whether the International Steering Group (ISG), which supervises and advises the ICR, will continue to meet, in order to work with the EU’s Liaison Office (EULO) in Pristina to monitor implementation and apply pressure;²⁴ and whether a small experienced team from the ICO might be seconded to strengthen the EULO.

²² The Kosovo Constitutional Court cleared the proposed amendment on 15 May 2012; the Assembly has yet to enact it. While explicit references to the CSP are being taken out, the substance of CSP provisions has been written into the constitution and remains in effect.

²³ Constitution of the Republic of Kosovo, Article 156; Constitutional Court case KO38/12, 15 May 2012.

²⁴ The ISG comprises 25 states, including most EU members that recognise Kosovo, and the U.S., Turkey, Switzerland, Norway and Croatia. While pressing for the ICO to close, Kosovo officials recognise it is the sole international entity present in their country that recognises and fully supports Kosovo independence. EU policy is likely to remain limited by the five member states (Cyprus, Greece, Romania, Slovakia and Spain) that do not recognise Kosovo. Crisis Group interview, senior Kosovo government official, Pristina, 25 April 2012.

II. SERBS AND THE AHTISAARI PLAN

While Kosovo Serbs boycotted elections in 2007 and 2008, attitudes, particularly south of the Ibar, began to soften after the May 2008 change of government in Belgrade. Serbs voted in significant numbers in the 2009 local and 2010 general elections.²⁵ The Ahtisaari plan gives them (and other minorities) broad powers within Kosovo. In the state government:

- Serb and other minority representatives are potential kingmakers in the Kosovo Assembly. Their guaranteed twenty delegates in the 120-strong body are usually in a position to decide which predominantly Albanian parties can form a government. The requirement that the government must include ministers from, or approved by, the Serb and other minority caucuses gives them in effect the right to veto a proposed governing coalition;
- constitutional amendments and laws on a number of sensitive issues cannot be passed without the consent of Serb and other minority delegates; and
- key institutions including the constitutional, supreme and lower courts have quotas for Serbs and other minorities, and there is a general right to “equitable” representation in the Kosovo Police (KP), other government jobs and posts in state-owned companies.

On paper, these rights and powers give Serbs and other minorities ability to block almost any important government action. Reality is more modest. Serb representatives do not have the political will to press hard lest they arouse Albanian resentment that could endanger their careers or ultimately the community as a whole.²⁶ Some powers are only effective if most minority representatives cooperate; majority parties can often split off dissident or opportunistic delegates, and the government can try to play Serbs and other minorities off against one another.²⁷

Local privileges are also extensive, though not as far reaching as in some EU member states. Minority-run municipalities are largely free to govern themselves with minimal

interference from Pristina. All municipalities have “full and exclusive” powers over a wide variety of local issues; Serb-majority municipalities also control the appointment of their police chiefs and are responsible for culture and religious communities.

In the first months of independence, the main challenge was finding Serbs willing to work in the Kosovo government against Belgrade’s clear opposition and strong community pressure. Now a different problem has appeared: there are very few qualified Serb candidates for many jobs.

A. SERBS IN CENTRAL INSTITUTIONS

The Kosovo Assembly has thirteen Serb deputies representing three parties.²⁸ The eight of the Independent Liberal Party (Samostalna Liberalna Stranka, SLS) are part of the governing coalition, which would collapse without their support.²⁹ These seats are due to the ethnic quotas inscribed in Kosovo’s constitution. Not even the SLS polled enough votes to cross the 3 per cent national threshold; it would have been excluded entirely except for the Serb quota.³⁰

The CSP created a two-stage quota for Serbs and other minorities. The Assembly is divided into 100 seats for which anyone can compete and twenty that are “guaranteed” to minorities (ten for Serbs and ten for others). In addition, “for the first two electoral mandates upon the adoption of the Constitution” according to the CSP, minorities have “reserved” seats: they also participate in the distribution of the 100 seats over and above those guaranteed spots. In 2010, that meant three more seats were “reserved” for Serbs and two for other minorities.³¹ In subsequent elections, Serbs and the group of non-Serb minorities will each be guaranteed only ten seats; any beyond that num-

²⁵ Turnout in the 2009 local elections ranged from 14 per cent in Ranilug to 25.4 per cent in Klokot; “Decentralisation in Kosovo I: Municipal elections and the Serb participation”, Kosovar Institute for Policy Research and Development, December 2009, p. 10. 23,933 persons cast votes for Serb parties in the 2010 general elections.

²⁶ Crisis Group interviews, SLS members, Pristina, May 2012; Kosovo and Serbian officials, Gračanica, April 2012.

²⁷ Bosniaks – Serb-speaking Muslims – have three guaranteed Assembly seats; Turks have two; Roma and the related, Albanian-speaking Ashkali and Egyptian communities each have one and together share another; the Gorani have one seat.

²⁸ This is the highest number since the Povratak (Return) coalition in 2001, a joint list with prominent Serbs from across the political spectrum that enjoyed support from Belgrade. Serb voter turnout was high, and all twenty seats then reserved for the Serbs in the Kosovo Assembly were filled.

²⁹ The governing coalition comprises the PDK, SLS, New Kosovo Alliance (AKR, Aleanca Kosova e Re) and several smaller, non-parliamentary parties. Without the SLS it would lack a parliamentary majority.

³⁰ The SLS won 14,352 votes (2 per cent of all votes cast) in the December 2010 general elections; the next largest party, a coalition, the United Serb List (Jedinstvena srpska lista, JSL) won 6,004 votes. Largely Albanian parties with more support than the SLS failed to make it into the Assembly.

³¹ The extra three seats were enough for the SLS to give the governing coalition a narrow parliamentary majority. Crisis Group interview, opposition member of Kosovo Assembly, Pristina, 25 April 2012.

ber they will have to win in open competition, which is all but impossible.³²

The Serb caucus is thus set to decrease from thirteen to ten seats. The 2010 Assembly elections should normally have been the first of the two mandates. However, even though the constitution entered into force on 15 June 2008, the ICR interpreted the last pre-constitution elections in November 2007 as the first post-constitution elections, and the constitution changed the CSP language accordingly.³³ In effect, Serbs and other minorities were given the right to benefit from the “reserved” seats in 2007 and 2010.

This may complicate Pristina’s efforts to persuade the northern Serbs to participate in elections, since without the reserved seats, their votes would only redistribute seats within the overall Serb delegation, not increase them.³⁴ The seats are set to be abolished; the SLS sought to extend them but acted too late to do so before the end of supervision.³⁵ With strong international support, the SLS push to keep the reserved seats could succeed at a later date, when the Assembly considers amendments to the constitution on the election of the president.³⁶

The size of the Serb quota in the Assembly has far-reaching impact on politics.³⁷ The Serbs presently have a caucus that is in effect the third largest, the potential kingmakers between the two largest Albanian parties.³⁸ A modest re-

duction caused by the loss of bonus seats could push the Serbs out to the margins.³⁹ Serbs are already over-represented in proportion to their share of the population. If their electorate declines, through emigration, demographic losses of an aging population or abstention, its outsize share in the Assembly is likely to come under challenge.⁴⁰ Opposition leaders already question the legitimacy of a governing coalition whose majority depends not on votes but on inflated quotas.⁴¹

Serbs from the SLS hold several important government offices, including a deputy prime minister, three ministerial and two deputy ministerial posts. Two of the portfolios deal mostly with minority issues. Serbs and Albanians alike tend to see Kosovo government Serbs as liaison officers between Pristina and the wider Serb community rather than overall government decision-makers.⁴² Similarly, the thirteen Serb deputies rarely take part in debates, and the opposition United Serb List (Jedinstvena srpska lista, JSL) delegates seldom bother to vote. The SLS keeps a low profile, avoiding controversial topics and trying “not to make waves in Pristina”.⁴³

Serbs derive limited benefit from their leaders’ participation in government. Ministers have a role in obtaining donor funding and using their personal connections with

³² CSP, Annex I, Articles 3.2, 3.3. A Serb deputy argued that “it would literally take every Serb in Kosovo voting for one party for us to secure one additional seat”. Crisis Group interview, SLS member of Kosovo Assembly, Pristina, 22 May 2012.

³³ CSP, Annex I, Article 3.2; CSP, Article 11.1. The CSP foresaw local and general elections within nine months of “the entry into force of this Settlement” (by November 2008). Kosovo held Assembly elections in November 2007, just a half year before the constitution came into force, and neither local leaders nor the ICO wanted an early return to the polls, so new elections were not held, and the following provision was written into the constitution (Article 148): “The mandate existing at the time of entry into force of this Constitution will be deemed to be the first electoral mandate of the Assembly”. Crisis Group interview, senior ICO official, Pristina, 8 August 2012.

³⁴ With the reserved seats, northern Serbs could capture three or four seats in addition to the three already won by southern Serbs and the ten guaranteed seats; without the reserved seats, any wins by the northerners would be first counted against the ten guaranteed seats and thus have no real effect.

³⁵ Crisis Group interviews, members of Kosovo Assembly, Pristina, 25 April 2012; ICO official, 9 August 2012.

³⁶ Crisis Group interview, ICO official, Pristina, 5 September 2012.

³⁷ Though other minorities have a roughly equal share, they are divided into many smaller groups that do not traditionally cooperate, and their influence is correspondingly weaker.

³⁸ The PDK and the LDK are the two largest parties. The third numerically, the Vetëvendosje (Self-Determination) movement,

refuses to join a coalition government; the Serbs are thus the third largest participant in government formation.

³⁹ Two Albanian parties scored almost as well as the Serbs and could easily overtake them without the bonus seats; the Alliance for the Future of Kosovo (Aleanca për Ardhmërinë e Kosovës, AAK) has twelve seats; the New Kosovo Coalition (Aleanca për Kosovë të Re, AKR) eight.

⁴⁰ In 2010, because of the quotas, it took only 1,841 votes for each Serb Assembly seat, compared to 2,595 non-Serb minority votes and 6,776 Albanian votes. Crisis Group calculation.

⁴¹ “It is a minority government ... those sitting in the reserved seats are not [truly] elected but rather appointed. The government should [consist of] a majority of elected representatives”. Crisis Group interview, LDK member of Assembly, 25 April 2012.

⁴² SLS President Slobodan Petrović is both the deputy prime minister and local government and administration minister; Radojica Tomić is communities and returns minister; Nenad Rašić is social welfare minister. The party also has deputy ministers in the internal affairs and education ministries. Crisis Group interviews, Serb citizens/journalists, Gračanica/Štrpce/Ranilug/Klokot/Parteš, January-April 2012.

⁴³ JSL delegates only voted once during the eight Assembly sessions from May to July 2012. Crisis Group interviews, Serb member of Kosovo Assembly, Pristina, 1 March 2012; Slobodan Petrović, SLS President and deputy prime minister, Pristina, 16 February 2012. Some lower-level SLS officials expressed frustration their deputies “fail to take advantage of their position ... in this position, blackmail is a legitimate democratic tool”. Crisis Group interview, Gračanica official, Gračanica, 6 April 2012. “Blackmail” refers to withholding support for majority projects and laws unless the majority agrees to meet Serb demands.

the main stakeholders in Pristina to advance their community's interests. This helps Serb politicians develop and maintain a local base of support and a network of patronage. Rural voters often look to party leaders or their local representatives for favours, above all jobs.⁴⁴

An SLS man runs the labour and social welfare ministry, with a large budget of €210 million.⁴⁵ Most of this is for pensions and other transfer payments. While the minister has a reputation for competence, he has been unable to prevent abuse of the social assistance (€28 million) and veterans' benefits (€30 million) schemes. Albanian patronage networks that drive inflation of beneficiary lists are outside his control.⁴⁶ The other SLS cabinet members head small ministries concerned largely with Serb issues. The community and return ministry refused to provide information on how it spends its €6 million budget.⁴⁷ Finance ministry officials suspect a pattern of Serb-Albanian collusion, with PDK and SLS networks dividing the spoils and continuing a pattern seen in past mandates.⁴⁸ The local self-government ministry is considered to be well run and transparent.⁴⁹

Outside the SLS-run ministries, there are virtually no Serbs in managerial or political positions. Several ministries – foreign affairs, energy and mining, trade and industry – have none. Others key ministries have only a handful: one Serb out of 208 in the environment and spatial planning ministry, two out of 180 in the education ministry, three out of 463 in the health ministry. Minority employees are concentrated in low-ranking administrative jobs. Other important institutions have scarcely any Serb staff: the president's office has none, and the prime minister's two out of 199. Fewer than 1 per cent of the almost 12,000 employees of publicly-owned enterprises are Serbs,

in violation of the CSP's guarantee of "equitable representation in employment".⁵⁰

Redressing the absence of Serbs in central government jobs will take more than positive discrimination. The pool of qualified applicants is tiny; most educated Serbs work in the North and the Serb-led municipalities in the south or leave Kosovo for Serbia. Pristina has almost no Serb residents. Kosovo needs a long-term approach that includes offering scholarships to young Serbs willing to commit to public service, appointing Serbs to decision-making posts and working to make Pristina a more welcoming city.

Efforts are being made to increase Serb participation in government, though not without controversy over some appointments that has reinforced Serb distrust of the system. Appointments of Serbs in some state institutions, such as the post office (PTK), reportedly are often made according to party affiliation.⁵¹

The Kosovo Police (KP) police are a relative bright spot, the most diverse institution in the country, with strong Serb and other minority representation at all levels and enjoying a reputation for honesty.⁵² Rural Serbs tend to trust the police and often ask for substations to be set up in response to attacks by neighbouring Albanians. Yet problems remain, with almost a third of Serbs reporting poor police-community relations.⁵³ KP actions on the Serbia border

⁴⁴ The number one complaint Crisis Group encountered in Serb-majority areas was the one universal in the Balkans: jobs. The belief that political parties are responsible for providing employment is widespread, and the parties do little to disprove it, often promising jobs to village leaders in return for votes.

⁴⁵ Only the infrastructure ministry is larger; together these two ministries account for nearly half the government budget.

⁴⁶ The International Monetary Fund (IMF) has complained about manipulation of these benefits; Crisis Group interview, finance ministry official, 24 July 2012. In Podujevë, 65 veterans registered as disabled after the war. Today, almost 650 receive war disability pensions. Crisis Group interview, municipal official, Pristina, 24 July 2012.

⁴⁷ Crisis Group made repeated requests to the ministry, without success, in May and June 2012.

⁴⁸ Crisis Group interview, finance ministry official, Pristina, July 2012.

⁴⁹ Crisis Group interviews, Kosovo government officials and U.S. Agency for International Development (USAID) Democratic Effective Municipalities Initiative (DEMI) staff, Pristina, March-June 2012.

⁵⁰ CSP, Annex II, Article 4.4. Data on employment of members of non-majority communities compiled by the prime minister's office and made available to Crisis Group, March 2010. Kosovo officials are aware of the problem and willing to increase Serb hiring but not to impose quotas. Crisis Group interview, member of Kosovo Assembly, 25 April 2012.

⁵¹ See, for example, Miloš Teodorović, "Beži li Čukalović u kosovski Ustavni sud?" ["Is Čukalović fleeing to the Kosovo Constitutional Court?"], Radio Slobodna Evropa (online), 16 June 2009; Jovana Gligorijević, "Pravo i pravda na fakultetski način" ["Law and justice in the faculty fashion"], *Vreme* (online), 16 July 2009, and J. Ilić, "Optuženi profesor: Afera 'Indeks' je izmišljena" ["Accused professor: the 'Index' case is a fabrication"], *Večernje novosti* (online), 18 October 2010. Crisis Group interviews, Serb journalist, Laplje Selo, 12 April 2012; Serb journalists/NGO activists, Gračanica/Štrpce, March-April 2012. Crisis Group observed an SLS pre-election forum in Štrpce in December 2007 where the question most often posed to party leaders was about finding jobs in Kosovo institutions they were involved in.

⁵² The KP has one of the "lowest perceived level[s] of corruption" of all domestic and international institutions in Kosovo, scoring significantly better than the EULEX police; "Public Pulse report 3", op. cit.

⁵³ See Crisis Group Europe Report N°204, *The Rule of Law in Independent Kosovo*, 19 May 2010, p. 5. Respondents in a UNDP poll felt the Kosovo Police were among the least corrupt institutions in the country, better score than the EULEX police; "Public Pulse poll: Fast Facts IV", May 2012.

since July 2011 have badly damaged all security services' reputation among the Serbs. The police are also still vulnerable to political pressure; an international official reported having to intervene "every single day to protect the KP from political influence".⁵⁴ Serbia's internal affairs ministry keeps some officials based south of the Ibar, providing services such as issuing documents and guarding offices.

There remain many Serb vacancies particularly in the judiciary, education and health care. Kosovo has only eight Serb judges, and each of its courts has two or three vacant spots earmarked for them. The new Court of Appeals alone will require ten minority judges by law, but only three Serbs are available and interested.⁵⁵ International organisations dealing with these issues shrug and say "it is important that we leave a structure behind us that can take the Serbs in when they decide to cooperate ... that is all we can do; we can't force people into jobs".⁵⁶ Patience is needed: most Serbs south of the Ibar are integrating only as much as they have to, and it will take time and positive interaction with Kosovo authorities for trust to develop. Serbs who cooperate with the government are still often seen as opportunists, especially as most senior Serb government officials live with their families in central Serbia.⁵⁷

The relationship between the Kosovo government and the Serb community is at the crucial stage where the former has to convince the latter it has a worthwhile place in independent Kosovo. This requires not only competent and far-sighted Albanian political representatives but also Serb politicians who are prepared to fight for their community's interests. Four years into statehood, this is lacking at the central level but is slowly emerging at local and grassroots levels. On the Albanian side, some senior officials are starting to see Serbs as governing partners, though others still view them as little more than political decoration.⁵⁸

B. SERBS IN POLITICAL PARTIES

The Serbian caucus in the Assembly is split and political society polarised between the pro-government SLS and opposition JSL. Belgrade tacitly supported the JSL in the

2010 elections, but members of both parties have close relations with the Serbian government. The SLS was formed during the long Serb boycott of Kosovo institutions in the years before independence.⁵⁹ At that time, international organisations were seeking to nurture a new generation of Serb politicians, and the SLS political program focused on the future, to secure the best possible for its communities rather than deal with the "big politics" of status.⁶⁰ Belgrade and its institutions in Kosovo immediately labelled them traitors. Members were often in danger: in July 2010 the SLS general secretary, Petar Miletić, was shot in both legs in north Mitrovica. For years they had little traction even with the southern Serb electorate.⁶¹

The breakthrough for SLS came in the 2009 local elections, when more Serbs began to vote. The newly formed Serb-majority municipalities Gračanica and Klokot, as well as the existing municipality Štrpce, chose SLS mayors. Another SLS mayor was elected in Parteš, a Serb-majority municipality established in June 2010. This gave the SLS the base from which to become the most successful Kosovo Serb party in the 2010 general elections.

The SLS expected a clean sweep after the encouraging 2009 results, but the JSL emerged as a strong rival in 2010.⁶² Serbia coordinated the creation of the JSL, a coalition of prominent Serb politicians with links to parties in Belgrade and officials running Serbia-funded institutions in Kosovo. It expected the JSL list to win easily with the votes of those employed in these institutions. Instead, it trailed the SLS, gaining only four of the Assembly seats

⁵⁴ Satisfaction with the KP dipped from 23.5 per cent before the border clashes to 3 per cent after; satisfaction with KFOR dropped from 36 per cent to 1 per cent. "Public Pulse poll: Fast Facts III", UNDP, March 2012. Crisis Group interview, international official, Pristina, 9 June 2011.

⁵⁵ Crisis Group interview, Kosovo Judicial Council (KJC) senior official, Pristina, 4 May 2012. The KJC would like to name five or six Serbs and four or five other minority judges.

⁵⁶ Crisis Group interview, ICO official, Pristina, April 2012.

⁵⁷ Crisis Group interviews, Serbs living in local communities throughout 2012.

⁵⁸ Crisis Group interview, Kosovo government official, Pristina, 25 April 2012.

⁵⁹ The boycott began after the mass attacks on Serbs and Serbian Orthodox church sites on 17 March 2004; see Crisis Group Europe Report N°155, *Collapse in Kosovo*, 22 April 2004. Other parties formed during this period include the Serbian Democratic Party of Kosovo and Metohija (Srpska Demokratska Stranka Kosova i Metohije, SDSKM), which has one seat in the Kosovo assembly, the Serbian People's Party (Srpska Narodna Stranka), Serbian Social-democratic Party (Srpska Socijal Demokratska Stranka) and The Union of Independent Social Democrats of Kosovo and Metohija (Savez Nezavisnih Socijaldemokrata Kosova i Metohije).

⁶⁰ Crisis Group interview, Slobodan Petrović, SLS President and deputy prime minister, Pristina, 16 February 2012.

⁶¹ "Ranjen poslanik skupštine Kosova Petar Miletić" ["Kosovo Assembly member Petar Miletić wounded"], *Blic* (online), 5 July 2010. Only 6,808 persons voted for Serb parties in the 2007 general elections; some parties entered the Assembly on the basis of as few as 207 votes.

⁶² In 2010, Belgrade returned to Kosovo Serb politics for the first time since Nebojša Čović's efforts nearly a decade before. Čović ran the Coordination Centre for Kosovo and Metohija, the main Yugoslav/Serbian body dealing with Kosovo, 2001-2004. He negotiated for the government and Serbs with international officials and closely coordinated Serb political moves, including establishing electoral lists and organising campaigns urging Serbs to participate in Kosovo elections.

and leading many to question Belgrade's real influence over the Serbs south of the Ibar.⁶³

Infighting, mutual accusations of corruption and cronyism and jockeying for better positions with Belgrade, Pristina and key embassies are the main features of Serb politics. The SLS and JSL accuse each other above all of corruption and not having Serb community best interests at heart. The JSL sees the SLS as sell-outs following Pristina's orders; the SLS sees JSL as politicians who have been in charge of Serbia-funded health care and other institutions for over a decade with only financial mismanagement as a visible result.⁶⁴ Many in the Serb population are left disillusioned, while youth interested in social, economic and political development finds a home in the growing NGO sector.⁶⁵

C. SERB CULTURE AND MEDIA

1. Cultural and religious heritage

The Ahtisaari plan gave the Serbian Orthodox Church a formal role in Kosovo, home to some of its oldest and most important monasteries and churches. The CSP's annex on religious and cultural heritage gives the Church the right to control access to its sites, requires the Kosovo government to consult the Church on "promotion of the Serbian Orthodox heritage for touristic, scientific, educational or other" purposes, forbids expropriation and establishes special protection zones.⁶⁶ It creates an Implementation and Monitoring Council, with participation by ecclesiastical, international and Kosovo officials. The Church is generally satisfied with these protections; while it does not recognise Kosovo's independence, it engages with its institutions.⁶⁷

The government mostly accepts the CSP protections for the Serbian Orthodox Church, but much of the opposition, civil society and local authorities resent and seek to overturn them. Two key laws, defining protections for sites, including the bishop's palace and the seminary in Prizren,⁶⁸

as well as Velika Hoča, a unique village studded with medieval churches, were hotly disputed in the Assembly but finally passed on 20 April 2012.⁶⁹ The laws create councils on which the Church has one seat – one too many for opposition lawmakers, who argued this was a violation of the "principles of secularism". Bringing the Serbian Church, headquartered in Belgrade, into Kosovo political life offends and angers many Albanians. Others oppose the protection zones around key churches, where most construction is prohibited.⁷⁰ Senior international officials see such opposition to the Church's role as "racist".⁷¹ Now that the government has gotten these laws through, it should ensure that the councils function in practice.

A pointless struggle over title to Serb cultural heritage in Kosovo sours and threatens to poison relations between the communities and between Serbia, Kosovo and the Quint. In 2006, UNESCO placed four Orthodox Church sites on its list of World Heritage Sites in Danger, with Serbia as the state party. The U.S. and France have repeatedly lobbied to remove the Serbia attribution, without success but inflaming Serb public opinion.⁷²

Albanian resistance. The Church claims that the law was necessary as "the town itself has over 7,000 illegal structures, has no urban planning, and it is imperative that we protect our cultural heritage in such conditions". Crisis Group email interview, Serbian Church official, 28 May 2012. Serbs working at central level in the Kosovo government believe that Albanian opposition is the result of local business interests hoping to commercialise the area. Crisis Group interview, Saša Rašić, deputy interior minister, Pristina, 26 June 2012.

⁶⁹ Almost 1,000 Serbs live in this old community, a mixture of churches, wineries and family houses; the law gives them substantial autonomy that would prevent local or central government institutions interfering in their way of life. It stipulates that decisions for the village be approved by a five-person council, including two locals from the village, two Rrahovec municipal officials and a representative of the Serbian Church.

⁷⁰ Judgment, KO45/12 and KO46/12, op. cit. Crisis Group interviews, members of PDK, Vetëvendosje and civil society, April-June 2012; senior local government administration ministry official, Pristina, June 2012.

⁷¹ Statement of senior diplomat at Kosovo Project on Ethnic Relations conference, Pristina, 15 April 2012.

⁷² France, Germany, Italy, the UK and U.S. form the ad hoc "Quint" group that coordinates much international Balkans policy. The monastic church of Visoki Dečani was listed in 2004, and three other sites (the Patriarchate of Peć monastery, the Gračanica monastery and the Church of the Virgin of Ljeviška) were added in 2006, when the sites were renamed "Medieval Monuments in Kosovo". As a compromise, all references to Serbia (other than historical ones) were stricken from the text, while retaining Serbia as the state party. Crisis Group interview, Serbian official, 11 July 2012. "Srpski Manastiri postaju Kosovska kulturna baština?" ["Serb monasteries to become Kosovo cultural heritage?"], *Novi List*, 4 July 2011. Neither

⁶³ Crisis Group interviews, local Democratic party (DS, Demokratska stranka) official, Gračanica, 6 April 2012.

⁶⁴ Crisis Group interviews, JSL and SLS officials, January-April 2012.

⁶⁵ Crisis Group interviews, journalists/NGO officials, Gračanica/Štrpce/Čaglavica, March-April 2012.

⁶⁶ CSP, Annex 5, Article 1.

⁶⁷ Church officials filed a detailed brief before the Kosovo Constitutional Court in a case challenging laws extending protections in Prizren municipality and the village of Velika Hoča (see below); Judgment, Cases KO45/12 and KO46/12, 25 June 2012. The court, which has three international judges among its nine members, upheld the constitutionality of the law on Prizren by majority; international judges' terms expire in 2014.

⁶⁸ The law on Prizren is more important to the Serbian Church and Belgrade than to ordinary Serbs, as none of the latter live in Prizren, and former residents do not return, mainly due to local

Church officials report ongoing low-level harassment: Albanian nationalist graffiti on church walls, insults and occasional gunfire. Securing title to church property and enforcing other rights guaranteed by the CSP can be an exhausting and uncertain process.⁷³ Many sites important to the Serb community, notably graveyards, are in terrible shape. Local Serbs claim that this, and the damage or destruction of many churches and monasteries since 1999, are evidence of an intent to “Albanianise Kosovo completely”.⁷⁴ Memories of March 2004, when Kosovo police not only failed to protect but also in some cases participated in desecration of many churches, are still strong. Church officials prefer international forces to assure the security of key monasteries and churches, even though the ongoing transfer from KFOR to the KP has so far been peaceful. For its part, the Kosovo government notes that Serbia refuses to return cultural artefacts that belong to Kosovo and were taken to Belgrade by Serbian officials in 1999.⁷⁵

2. Television

A “Kosovo-wide independent Serbian language television channel” was provided for in the CSP but has not been created.⁷⁶ Instead, with ICO and EU approval, it created a channel within RTK, whose board will appoint a director responsible to the state broadcaster’s general director; the latter is also to be involved in naming editors.⁷⁷ The law

does not guarantee the Serbian channel’s editorial independence and provides a set of loose guidelines on “editorial policy and program content” that could easily be abused to curtail the airing of controversial views.⁷⁸ The channel is set to receive a guaranteed 10 per cent of RTK’s budget.

Serb journalists, believing the Ahtisaari plan guaranteed them a channel that would be completely independent from Kosovo institutions, are disappointed and fear they will end up with “a Serbian translation of RTK news”.⁷⁹ The government never considered creating an independent channel, and the Assembly would likely not have passed a law establishing one.⁸⁰ Kosovo authorities uniformly assume that the CSP envisioned merely a second RTK channel in the Serbian language. Many fear an independent channel would become a tool of Serbian propaganda and obstruct integration. The ICO shared this concern, arguing separate channels would drive the communities apart and that the Serbs should not always try to separate themselves from the Kosovo mainstream. ICO officials defend the RTK law as “one of the best, if not the best, TV laws in Europe”.⁸¹

But a working group set up by the ICO with Serb journalists and civil society representatives offered better solutions.⁸² Within it the SLS pressed for four points – an independent board, a separate location, a separate director and a dedicated budget – but secured only the last two.⁸³ The government ignored the working group’s recommenda-

Kosovo nor Serbia has the two-thirds majority needed to make such changes in the UNESCO Committee of 21 member states.

⁷³ Crisis Group email correspondence, church official, May 2012.

They also clearly want their churches and monasteries to be classified as “Serbian” not “Orthodox”, “Christian” or something else.

⁷⁴ “Orthodox graveyards in Kosovo”, OSCE, September 2011. Crisis Group interview, Serb journalist, February-April 2012.

⁷⁵ KFOR still protects the patriarchy in Peć and the monastery of Visoki Dečani; other sites including the monasteries of Gračanica and Devič passed to KP protection without incident. “Minister Krasniqi: UNESCO’s approach toward Kosovo should change”, press release, culture, youth and sport ministry, 4 June 2012.

⁷⁶ CSP, Article 3(k). Many local journalists participated in the Ahtisaari negotiations as experts on this issue. For background, see Crisis Group Europe Report N°182, *No Good Alternative to the Ahtisaari Plan*, 14 May 2007, p. 22

⁷⁷ Law on Radio Television of Kosovo (04/L-046), Official Gazette, 27 April 2012. Crisis Group interviews, senior ICO officials, Pristina, April and June 2012. The EU pressed unsuccessfully for the Serb channel to be headquartered in Gračanica, but otherwise accepted the law; Crisis Group interview, senior EU official, Pristina, May 2012. The RTK Board must first name a “Working Group”, with four Serbs, two Albanians and another “non-majority” member; the group then proposes two candidates for director. The board may name one of these or reject both and ask for new nominations; it must name one of the second set of nominees, but if the group for any reason fails to make nomina-

tions within 30 days, the board may appoint whomever it likes (Article 35).

⁷⁸ RTK programs are to be judged in part for their impact on “the name, authority and reputation of RTK” and should “respect, show and promote traditional and authentic system of universal values”, “serve and assist the process of cohesive strengthening of the family, Kosovar solidarity and promotion of [the] Kosovo state building process”. Material that “incite[s] discrimination based on ... political or other opinion, national or social origin” is prohibited. Ibid, Article 18.

⁷⁹ Crisis Group interviews, Serb journalists, Štrpce/Gračanica, February-April 2012. The quote is from Crisis Group interview, Živojin Rakočević, Serb journalist, Belgrade, 23 January 2012.

⁸⁰ Crisis Group interviews, members of Assembly media committee, Pristina, July 2012; RTK editors, Pristina, July 2012.

⁸¹ Crisis Group interviews, member of Assembly media committee, Pristina, July 2012; ICO official, Pristina, 28 June 2012; ICO official, Pristina, April 2012. Pieter Feith, the International Civilian Representative (ICR) has the authority to interpret the Ahtisaari Plan and backs the RTK law. Crisis Group interview, Pristina, 28 June 2012.

⁸² The German ambassador, Hans-Dieter Steinbach, chaired the group, which prepared a package of proposals. Crisis Group interview, Serb member of media working group, Pristina, 26 June 2012.

⁸³ Crisis Group interview, Petar Miletić, member of Assembly, Pristina, 22 May 2012.

tions, as well as the European Commission's to house the channel in Gračanica. Neither the ICO nor any other international actor pressed the government to honour this aspect of the Ahtisaari plan.⁸⁴

The issue has repercussions beyond the media. Serb activists who try to persuade their community to cooperate with Kosovo institutions on the CSP's terms feel betrayed when the government fails to follow the Ahtisaari plan.⁸⁵ Serb journalists, politicians and civil society pushed for what they thought the CSP offered; their failure puts "in question the general participation of Serbs in decision-making in Kosovo". Especially disappointing was the about-face by the SLS, which initially claimed to oppose the law, then voted for it.⁸⁶

The RTK law should be amended to comply with the CSP and provide a credible Serbian channel. If the Serbian channel is to remain within RTK, it should at a minimum be given a fully independent board named by representatives of the Serb community and responsible for oversight, editorial policy and naming the director.⁸⁷ It should also be headquartered in a Serb-majority urban area like Gračanica. Since the RTK name is tarnished by past performance, notably in stirring up the March 2004 attacks on Serbs throughout Kosovo, the channel should have a different name.⁸⁸

The southern Serb community is strongly motivated and has the expertise needed to make use of the independent channel promised by the Ahtisaari plan. This is true of few other aspects of the CSP. It has an extensive network of local media outlets and journalists, and Serb journalists on both sides of the river insist all equipment could be obtained through donations without need for any financing

from Pristina.⁸⁹ Depriving the community of the promised independent channel sends the message that the plan is to be honoured only insofar as it does not challenge the majority community's preferences. Without an independent channel, Serbs will gravitate to Belgrade-based television.

⁸⁴ The government hosted a single public debate and invited only one Serb. Statement of Nenad Maksimović, president, Strategic Kosovo Action Network, at public debate, 6 February 2012. A Serb journalist argued that the negotiations were just an "excuse" to prevent an independent Serb channel. Crisis Group interview, Serb journalist, Belgrade, 23 January 2012.

⁸⁵ Crisis Group interviews, Serb civil society representatives, Štrpce and Gračanica, February-April 2012; "Novi srpski TV kanal: da li je prekršen zakon?" ["The new Serb TV channel: has the law been broken?"], Čaglavica Media Centre debate, 6 February 2012.

⁸⁶ Statement of Nenad Maksimović, op. cit. The SLS Assembly member most involved in the law argued "we got all we could" and asked, "would we allow the government to collapse over this one law?" Crisis Group interview, Petar Miletić, Pristina, 22 May 2012.

⁸⁷ The Board could be appointed by an ad hoc group composed of the mayors and assembly presidents of the Serb-majority municipalities and the Serb members of the Kosovo Assembly.

⁸⁸ See Crisis Group Europe Report N°155, *Collapse in Kosovo*, 22 April 2004, and comments of Živojin Rakočević, journalist, at public debate, 6 February 2012.

⁸⁹ Crisis Group interviews, Serb journalists, Gračanica/Mitrovica/Belgrade, February-April 2012.

III. DECENTRALISATION AND THE SOUTHERN SERBS

A. DECENTRALISATION THROUGHOUT KOSOVO

Decentralisation, the cornerstone of Martti Ahtisaari's domestic architecture for Kosovo, was extremely controversial, but the international community imposed it as part of the independence bargain.⁹⁰ The Kosovo Albanian political elite much preferred a centralised government and feared that decentralisation could produce a dysfunctional, uncontrollable state in which Serb-majority municipalities could scheme with Belgrade against Pristina, and local Albanian strongmen might produce almost as many headaches.⁹¹ Some in Pristina wanted to defer decentralisation until Serbs north and south of the Ibar accepted the new state; others hoped it would fail. A widespread Serb boycott would have been humiliating for Kosovo and its supporters, but diplomats urged the government to go ahead without assurances of Serb participation.⁹²

The ICO played a key role, recruiting Serbs willing to cooperate with Pristina, explaining the decentralisation process to local communities, nudging the reluctant government and lubricating inter-ethnic communication and trust. It set up the Municipal Preparatory Teams (MPT) that became the nucleus of the new Serb majority municipalities. ICO officers helped keep Serb municipal officials in the loop, compensating for their lack of personal and professional contacts in central government circles and unfamiliarity with Kosovo law. Other institutions are taking up some of the slack created by ICO's closure, but important gaps remain.

Local Serb leaders trust international officials more than Pristina's institutions. Most still feel that without international support they cannot count on their rights, even though the promises and guarantees of the Ahtisaari plan are part of the constitution.⁹³ The few mayors with central government experience can rely on their personal networks among stakeholders in Pristina, but others struggle.⁹⁴ Strong worries persist over the fate of their municipalities after the ICO departs. One of the more successful mayors argued

ICO was leaving too soon: "They should tell us before they go, so we have time to pack our suitcases too".⁹⁵

While it will be impossible to take up fully the municipal level work that the ICO carried out, the EU Liaison Office can monitor implementation of the Ahtisaari plan, with a focus on decentralisation and communication with minority and religious leaders. One way to quickly increase its capabilities would be to transfer some ICO staff to it. As a feasibility study for a Stabilisation and Association Agreement (SAA) is currently being conducted by the European Commission, regular monitoring of Kosovo is ongoing and should continue even after the results of the study are published, as expected in October. The International Steering Group is another international body likely to close with the ICO. Made up of key states that have recognised Kosovo, it could also encourage Kosovo to honour its commitments to decentralisation and minority enfranchisement. Several replacement formats are under discussion, and keeping some form of high-level coordination of Kosovo's friends would help Pristina and its supporters stay on track with Ahtisaari plan implementation.

Over the past four years, there have been some remarkable successes in implementing decentralisation. The once-controversial Serb municipalities were set up and quickly became an accepted part of Kosovo life. Serb turnout in the November 2009 municipal polls was surprisingly high. The government now hails decentralisation on the territory it controls as a major state-building achievement and says it must be applied urgently in the North. Yet, while Pristina has passed much of the necessary legislation, many powers granted to municipalities – whether Serb-majority or not – have been undermined by foot-dragging and constraints quietly imposed by other laws.

Giving municipalities broad powers not only helps "address the legitimate concerns" of Serbs and other minority communities; it should also "strengthen good governance and the effectiveness and efficiency of public services throughout Kosovo". The basic idea stems from the European Charter of Local Self-Government, which emphasises the "right and the ability of local authorities ... to regulate and manage a substantial share of public affairs". Rights alone are not enough; to be meaningful, decentralisation must give municipalities the resources they need to govern.⁹⁶

The CSP gives municipal governments "full and exclusive powers" over a wide range of areas, including urban and

⁹⁰ CSP, Annex III.

⁹¹ See Crisis Group Report, *Kosovo: No Good Alternatives to the Ahtisaari Plan*, op. cit., p. 9.

⁹² Crisis Group interviews, ICO officials, diplomats and Kosovo government officials, Pristina, January-March 2009; Sadri Ferati, then local government minister, ICO officials, UK embassy diplomat, Pristina, July 2009.

⁹³ Crisis Group interviews, Serb-majority municipality mayors, Gračanica/Klokot/Štrpce, February-March 2012.

⁹⁴ Crisis Group interview, Gračanica official, Gračanica, 6 April 2012.

⁹⁵ Crisis Group interviews, Serb-majority municipality mayors, Gračanica/Klokot/Štrpce, February-March 2012.

⁹⁶ CSP, Annex III. The European Charter of Self-Government, a 1985 Council of Europe treaty, is in force in all member states except Monaco and San Marino. Kosovo is not a member but has unilaterally committed to implement it.

rural planning, land use and development, enforcement of building regulations, public utilities, education to the secondary level, primary health care, licensing of local services (restaurants, bars, hotels, markets, and public transport) and “any matter which is not explicitly excluded from their competence”.⁹⁷ Serb-majority municipalities have additional powers in cultural and religious affairs and a role in the appointment of police station commanders.⁹⁸ The Ahtisaari plan also suggests mechanisms by which Belgrade can cooperate with and provide financial and technical assistance to Serb-majority municipalities. Since Serbia rejects the plan, however, it will not engage with those mechanisms. The CSP allows municipalities to form associations “for the protection and promotion of their common interests”, a right none have yet taken advantage of.⁹⁹

The local self-government ministry was the driving force for decentralisation under its former Albanian minister, Sadri Ferati (LDK). The current leadership under Slobodan Petrović (SLS) has lost much of its political weight, and staff complain they have little or no contact with the (Serb) minister or his deputy.¹⁰⁰ The government has been quietly rolling back many of the achievements, apparently counting on distraction as the international community focuses on closing the ICO.¹⁰¹

Pristina is doing what it can to assert control over how municipalities spend their money, citing pressure from the International Monetary Fund (IMF) to reduce amounts paid to local authorities. Municipalities get about 80 per cent of their budgets from the central government, raising only about 20 per cent themselves.¹⁰² Central government transfers should be block grants that locals can spend with broad discretion, but Pristina earmarks and micromanages many.¹⁰³ Municipalities complain permission to redeploy

funds takes months. Budgeting decisions are opaque, influenced by party connections.¹⁰⁴ At the same time, many local governments fail to spend the little money they have. Some of this is deliberate: mayors hoard so as to spend in election years. An IMF mission found some €35 million in unspent municipal funds, more than half in Pristina municipality alone.¹⁰⁵

Municipalities complain that the government has been slow in adopting and implementing laws that would enhance their competences, above all laws dealing with municipal control over public companies and the creation of municipal courts, now planned for 2013. But local lobbying capacities are limited, and local officials look to their mayors to push for reform with international actors or personal acquaintances in Pristina.¹⁰⁶

Under a draft law, construction permits, potentially a key source of local income and a tool for building well-ordered public spaces, would have been centralised, contrary to the CSP. Pressure from the ICO and the U.S. embassy averted its passage. Implementation of regulations governing local trade and services has also been centralised, with the odd consequence that cities like Pristina can no longer enforce rules on working hours of bars. Many municipalities, out of sloth or incompetence, fail to collect property tax, another potential source of significant revenue. Even Pristina, by far the largest and best-equipped municipality, collects only €1.5 million annually despite having between 70,000 and 90,000 properties on its books.¹⁰⁷

At the same time some municipal leaders shrink from new responsibilities, preferring to just represent central authority. The parties in the state government, especially the PDK and the SLS, also run many municipalities. Mayors use party channels to circumvent the CSP. When the local self-government ministry tried to amend the law on local finance to charge mayors with accepting bids and signing contracts, a group of mayors lobbied their party colleagues in the Assembly to block the change. In return, party lead-

⁹⁷ CSP, Annex III, Article 3. Local competences for public utilities do not include energy or telecommunications.

⁹⁸ *Ibid*, Article 4. Gračanica and Štrpce also have competence for secondary health care; northern Mitrovica, which remains outside Pristina control and does not recognise the CSP, is the only Serb municipality responsible for higher education according to the CSP.

⁹⁹ *Ibid*, Articles 9, 10 and 11.

¹⁰⁰ Crisis Group interviews, department directors and other staff, local self-government ministry; international officials Pristina, April-June 2012.

¹⁰¹ Crisis Group interview, senior official, local self-government ministry, Pristina, 18 April 2012.

¹⁰² The IMF demanded a cut from 10 per cent to 8 per cent of the central budget and an increase in locally-raised revenue. Crisis Group interviews, IMF official, Pristina, 2 May 2012; local self-government ministry officials, Pristina, April-May 2012.

¹⁰³ Crisis Group interview, senior official, local self-government ministry, Pristina, 18 April 2012. The plan specified the “system of primarily earmarked central grants” applied before independence would be “revised to include a fair and transparent block grant system, ensuring greater municipal autonomy in the

allocation and expenditure of central funds”. CSP, Annex III, Article 8.3.

¹⁰⁴ The local self-government ministry (MLGA) is an exception, using transparent procedures for budgeting grants to municipalities. Crisis Group interview, Democratic Effective Municipalities Initiative official, Pristina, 3 May 2012.

¹⁰⁵ Crisis Group interview, IMF official, Pristina, 2 May 2012.

¹⁰⁶ Crisis Group interviews, Serb-majority municipality mayors, Gračanica/Klokot/Štrpce, February-March 2012.

¹⁰⁷ Crisis Group interviews, officials, local self-government ministry, Pristina, April-May 2012. The draft construction permit law would also authorise central government to retroactively legalise illicit construction, allowing well-connected locals to circumvent municipal codes entirely. Municipalities collect about 40 per cent of what they are owed in property tax. Crisis Group interview, IMF expert, Pristina, 2 May 2012.

ers expect mayors to follow orders, and most do, including on filling municipal jobs, often with incompetent loyalists rather than trained professionals.¹⁰⁸

B. MINORITY MUNICIPALITIES

Kosovo created four new municipalities and expanded the territory of two others for Serbs; it also created one for its Turkish minority. The government took this decision despite considerable domestic opposition. All seven minority municipalities are building up their capacities and reaching the end of a honeymoon period, marked by major donor funding and programs after the inaugural local elections in 2009. Most are completing construction of EU-funded municipal office buildings, and some of the bigger ones have received considerable investment.¹⁰⁹ The general population has mixed views on the municipal leadership, but most praise improvements in infrastructure and the general decrease in tensions.¹¹⁰

Serbia continues to maintain institutions catering to the Serbs in the south, but the balance between them has shifted, as the parallel Serbian municipalities, established after Kosovo's declaration of independence in 2008, have faded. Always overstaffed, lacking capacity, riddled with corruption and illegal, they have given up trying to exercise authority and now function as liaison offices to Serbia.¹¹¹ Some have closed outright, and others will likely close as their electoral mandates expire.¹¹² The health centres and

hospitals, however, are larger and better equipped than their Kosovo rivals, and schools are almost entirely in the Serbian system. In some places, the boundaries between Kosovo and Serbia institutions are hazy; officials draw salaries from both, or are appointed in one system but serve in the other. Most municipalities work hard to prevent a Serb-on-Serb conflict and are tolerant of Serbian-financed institutions operating in their areas to maintain social cohesion.¹¹³

For its part, Pristina considers all Serbian parallel institutions illegal but objects most to those that claim governmental authority. It is less likely to act against offices that merely support the community, whatever their formal trappings: "If there's someone sitting in an office, claiming to be a municipality, [it is no great concern]".¹¹⁴ Serbia could close down the faded municipal institutions and replace them with community liaison offices to provide for the needs of Kosovo Serbs, such as employment, documents and projects. But they should comply with Kosovo law if they want to be sustainable and avoid a campaign against them that could be launched by Vetëvendosje or others objecting to Serbian interference in Kosovo.

The transition from Serbian to Kosovo municipal authority was smooth in most places and has brought important benefits. The new officials operate within an established law enforcement and justice system that Serbia could not provide, and corruption, while still present, has diminished. Intensive international oversight has meant more donor money benefits the people rather than pads official pockets. Surrounded by Kosovo government authority, the southern Serbs are constantly balancing their loyalties and adjusting their interests and emotions to reality. They depend on a mix of heavy Belgrade subsidies and small-scale agriculture, but relations with Pristina are improving. Serbs are taking Kosovo documents and registering with state authorities, paying electricity bills to the Kosovo Energy Company (KEK) and using Kosovo mobile phones after their power was cut and Serbian mobile service was forcibly dismantled.¹¹⁵ This pragmatic approach is based on need to remain safe and commitment to staying where

¹⁰⁸ Crisis Group interviews, local self-government ministry officials, Pristina, April-May 2012.

¹⁰⁹ USAID funded a widely-praised \$19.9 million, three-year "Democratic Effective Municipalities Initiative" (DEMI) covering much of Kosovo and including all Serb-majority municipalities. Implemented by the Urban Institute, it brought in retired Eastern European mayors and municipal officials to train in areas like running assembly sessions, setting rules, inviting public input, and providing services. Crisis Group interviews, international officials, DEMI staff, May-June 2012. The majority of donor investment is in infrastructure – all villages are connected with new roads, and improvements have been made to existing roads and sidewalks. Gračanica has a new sports complex including football stadium and tennis courts; central town square; water fountains and parks; a medical lab and annex to the cultural centre; Štrpce has new roads to the most remote parts of the municipality and a large central parking lot; and illegal kiosks are gone from the main street.

¹¹⁰ Crisis Group interviews, Serbs, Gračanica/Štrpce/Ranilug/Parteš/Klokot, January-April 2012.

¹¹¹ Crisis Group Europe Reports N°196, *Kosovo's Fragile Transition*, 25 September 2008, and N°200, *Serb Integration in Kosovo: Taking the Plunge*, 12 May 2009, p. 12. The offices provide personal documents: birth and marriage certificates, driving licences and others needed to access Serbian benefits.

¹¹² Serbia held municipal elections in May 2012, but no voting took place in Kosovo south of the Ibar; the northern municipali-

ties held their own vote, which Belgrade appears to have accepted.

¹¹³ Crisis Group interviews, Kosovo and Serbian institutions officials, Gračanica, March-April 2012.

¹¹⁴ Crisis Group interview, senior Kosovo official, Pristina, August 2012.

¹¹⁵ In March and April 2010, Kosovo authorities organised pre-dawn raids that disabled and destroyed Serbian mobile operator facilities south of the Ibar. This left the enclave Serbs without phone signals and led to demonstrations. Kosovo mobile operators started distributing free SIM cards in Kosovo Serb areas and offering reduced rates for calls to Serbia, and the local population slowly adapted to the new reality.

they live. Confidence can grow gradually, but full integration in Kosovo society is harder to imagine.

The government had long promised to invest in the Serb community and argued it could match or exceed what Belgrade offered. During the Serb boycott and initial rejection of the declaration of independence, investments were very low; Kosovo officials did not want to reward disloyalty and feared their money would be abused.¹¹⁶ That changed when the 2009 local elections showed Serbs were willing to engage with Kosovo institutions. In 2010-2011, the government pumped an extra €17.5 million into the six Serb-majority municipalities and Turkish-majority Mamuşa, mostly for road, bridge and sidewalk construction, streetlights, new schools and health centres and maintenance and renovation. The largest municipalities fared best, perhaps mainly due to strong links with Pristina; Gračanica is the SLS leadership's home base, and Štrpce's leaders have good government ties.¹¹⁷

Even though minority municipalities have been benefiting for years from big subsidies and donations – from Belgrade, international agencies and now Kosovo – they have little capacity to fund themselves sustainably. As outside money dries up, they are beginning to see each other as rivals. There is no strategic planning; they embark on projects duplicated elsewhere. There has been no use of the Ahtisaari plan mechanism allowing for horizontal links and joint project participation between municipalities.

Some Serb-majority municipal governments are suspected of corruption. Officials from three – Štrpce, Klokot and Ranilug – are reportedly under investigation by Kosovo authorities or EULEX.¹¹⁸ Most of the municipalities, especially the smaller ones, have problems preparing and submitting official documents or project proposals and often require international organisation help. NGO-funded projects are teaching municipal officials and ordinary citizens how to apply for and manage projects.¹¹⁹

1. A success story in Gračanica

Gračanica is quickly establishing itself as a model municipality for all of Kosovo. Its close proximity to Pristina, large population (by Kosovo Serb standards) and experienced leadership make it a hub of Serb life south of the Ibar. Donors have lavished resources and attention on it with good results; in some areas, it is more modern and efficient than Pristina.¹²⁰ Assembly sessions are public and televised, and citizens and civil society are involved in setting the budget. Since the municipality was established in 2009, the area has been transformed by new roads, infrastructure, parks and monuments. Even the harshest critics praise how investment has been handled.¹²¹

Mayor Bojan Stojanović is the SLS deputy president and has a strong power base that gives him a rare degree of autonomy from party headquarters. With this free hand, he and his team have implemented projects quickly and effectively and run the most transparent administration among the new municipalities. The parallel "Municipality of Pristina" funded by Serbia also operates, but thanks in part to family links and mutual interests, there is no conflict.¹²² According to Gračanica municipality officials, "we control everything here, [the Serbia-funded authorities] have no real power".¹²³ The parallel municipality "employs, in one way or another, up to 1,000 people ... our municipality as a whole would not be able to deal with a crisis of such a high number of people losing their jobs".¹²⁴ A workable division of labour has developed, with the Kosovo officials performing all local government functions and the Serbian officials managing the schools and hospital.

But Gračanica still has problems securing its rights and taking over its full responsibilities. Created from territory

¹¹⁶ Crisis Group interviews, senior government officials, Pristina, March 2009; Crisis Group Report, *Serb Integration*, op. cit.

¹¹⁷ Finance ministry list of projects made available to Crisis Group. The 2011 base municipal budgets, including block grants from the government, were €4.53 million (Gračanica), €2.91 million (Štrpce), €2.51 million (Novo Brdo), €1 million (Ranilug) and €0.91 million (Parteš). In the mid-2012 budget review, SLS members of the Assembly successfully lobbied for another €1 million for a hospital under construction.

¹¹⁸ Crisis Group interviews, MLGA officials and spokesman, April 2012.

¹¹⁹ Crisis Group interviews, ICO official, Pristina, April 2012; NGO activist, Štrpce, April 2012.

¹²⁰ Some 6km from Pristina, on the main Pristina-Gnjilane/Gjilan road, it has around 10,000 people, though exact figures are not known, and the 2011 Kosovo census was largely boycotted. Since becoming a municipality, it has been visited by numerous dignitaries, including U.S. Secretary of State Hillary Clinton and French Foreign Minister Bernard Kouchner. A UNDP-provided system for cadastral records, a key municipal responsibility, is more sophisticated than Pristina's older system and is connected electronically to the Kosovo Cadastral Agency. Crisis Group interview, UNDP official, Pristina, 2 May 2012.

¹²¹ Crisis Group interview, DEMI staff, Pristina, 3 May 2012. The strongest criticism regarding investment was that "they had it easy; they were handed money by donors", Crisis Group interview, Serb journalist, Gračanica, 12 April 2012.

¹²² Crisis Group interviews, local self-government ministry official, Pristina, 18 April 2012; Serb journalists, Gračanica, 12 April 2012.

¹²³ Crisis Group interview, Serbian and Kosovo officials, Gračanica, 8 February and 6 April 2012.

¹²⁴ Crisis Group interview, Gračanica official, Gračanica, 6 April 2012.

that belonged to the municipalities of Pristina, Lipljan and Kosovo Polje, it was supposed to receive their quotas of Serbian medical and education staff. More than two years on, however, it is still trying to obtain 24 medical staff positions from the Kosovo health minister. The mayor also complains the municipality has insufficient financial autonomy and no say on urbanism and illegal construction, competences not given to the local level.¹²⁵ Yet, due to its educated professionals, it can absorb more than other municipalities; its pragmatic and responsible approach to spending and investment makes it a predictable partner for donors and the central government.

2. Inter-ethnic cooperation in Štrpce

Unlike municipalities created by the Ahtisaari plan, Štrpce has been a municipality since 1986. It has a developed institutional capacity and a competent young leadership elected in 2009 that is eager to breathe new life into an area with much potential, above all in tourism.¹²⁶ It is the southernmost Serb enclave, on the slopes of Brezovica Mountain, with 4,500 Serbs and 2,000 Albanians. The governing coalition unites the SLS and PDK. Inter-ethnic relations are fine; the only tension in the municipal building is between the more experienced Albanian officials, unhappy at what they see as rash decision-making, and the young, still inexperienced Serb leadership.¹²⁷

Robust investments have built new infrastructure, including roads linking mountain villages and a parking lot in the town centre. The municipal leadership is intent on building a hospital, but the funds have not yet been secured, and the town has €2 million debt. It claims that the Kosovo constitution guarantees a hospital, and the government must pay, but if pursued recklessly, this project could endanger the municipality's financial standing.¹²⁸

A parallel Serbian municipality continues to function, and relations between the two are poor, with mutual accusations of corruption and incompetence. The Kosovo municipality officials insist that the Serbian municipality should close. The Belgrade-funded municipality is run by the JSL and as elsewhere south of the Ibar mostly provides a link to Serbian institutions, above all by issuing Serbian doc-

uments. Its officials admit their power has declined, and they are worried about the future.¹²⁹ Albanian officials are concerned that "tacit agreements" are being made between their SLS colleagues and the parallel municipality, which has not been evicted from the municipal building or forced to remove the Serbian flag from its entrance. Yet, SLS-JSL tensions were manifested in physical altercations during the 2010 general elections and could again turn violent during the next local polls, especially if the parallel municipality closes, and the two Serb rivals compete for the same votes.

The ski slopes and resort of Brezovica may bring real income to Štrpce. Officials believe the existing ski centre's complicated ownership makes privatisation difficult, so have created a master plan for a new one to be worth a reported €300 million. But whether the project is to be spearheaded by the government or the municipality is in dispute. Many in Štrpce doubt anyone will invest such money "in a disputed territory, with a history of conflict and war". Another aspect of Brezovica that requires attention is the "Weekend Zone", a protected area where nothing has been done to stop rampant illegal construction even after the change of municipal leadership.¹³⁰

Albanians hold four senior positions in the administration and ten Assembly seats (one more than the Serbs, who are more numerous but whose election turnout was low). Yet Albanians are slowly moving out of Štrpce for neighbouring Albanian-majority Ferizaj, whence Albanian officials tend to commute.¹³¹ Many of those who have left retain property in Štrpce, and protecting it is a main concern for Albanian officials.¹³² Albanian members claim to be content with the municipality's new activism that includes passage of the large part of the regulatory package that had been missing until then. The language law is implemented and much official paperwork is bi-lingual. After years of tensions, Serbs and Albanians share offices, and Albanians show competence in the Serbian language. This happens in only a few other places (Novo Brdo and Kamenica).

Serb and Albanian officials both complain about long bureaucratic procedures and delays in dealing with the central government, most notably the finance ministry, a view

¹²⁵ Crisis Group interviews, senior municipality officials, Gračanica, 8 February, 6 April 2012.

¹²⁶ See Crisis Group Europe Briefing N°56, *Kosovo: Štrpce, a Model Serb Enclave?*, 15 October 2009.

¹²⁷ Crisis Group interviews, Štrpce municipality officials, Štrpce, March 2012.

¹²⁸ The Ahtisaari plan foresees secondary health care in Štrpce. Crisis Group interview, senior Štrpce official, Štrpce, March 2012. Documents made available to Crisis Group reveal the debts. The Law on Public Debts (2009) allows the economy ministry to impose corrective measures on a municipality that defaults on its financial obligations.

¹²⁹ Crisis Group interviews, Štrpce officials from both municipalities, February-March 2012.

¹³⁰ Crisis Group interviews, senior official, Štrpce, 13 March 2012; Štrpce journalist/NGO activist, Štrpce, 14 March 2012. The Weekend Zone is an attractive mountainside area popular with builders of (illegal) weekend cottages, despite a ban on new construction; see Crisis Group Briefing, *Kosovo: Štrpce, a Model Serb Enclave?*, op. cit.

¹³¹ Crisis Group interviews, administration, finance and health department officials, Štrpce, March 2012.

¹³² Crisis Group interview, Assembly member, Štrpce, March 2012.

local self-government ministry (MLGA) officials share.¹³³ The municipality has been asking for several years for several hundred thousand euros from the central government to renovate its building; it has been given €40,000 a few years in a row, along with Pristina's word that donors would cover the shortfall, but they have not.¹³⁴ A common criticism of the mayor is that he allows little transparency on procurement, a problem Crisis Group has observed in municipalities across Kosovo. The MLGA is pressing hard for legislation limiting mayors' unchecked authority over procurement.¹³⁵

3. The troubled east: Parteš, Ranilug and Klokot

The three Serb-majority municipalities in eastern Kosovo are rural, with small and shrinking populations and economies based on subsistence farming and state jobs. Their main goal is to be left alone and insulated from threats to person and property. Some are unsustainable and will probably wither away. The residents are still quite reliant on Serbian institutions and very often go to Vranje, Leskovac and Niš for health care, education and documents. The best and brightest study in northern Mitrovica or Serbia and rarely return. The factories that once employed much of the population no longer exist. The small economies are no obstacle to furious political infighting, often reproducing old village rivalries in which local politicians focus on maximising their gains while the ride lasts.¹³⁶

Parteš, population 5,217, is close to Gnjilane/Gjilan and the one Serb-only municipality in Kosovo. Most residents worked in now closed nearby factories and have turned to subsistence farming and jobs in the Kosovo and Serbian public sectors. Municipal government operates from an old petrol station, because locals have been unable to agree on where to build a European Commission-funded municipal building. The last municipality to be established, Parteš, held elections in June 2010, with a diverse field of candidates and fairly high turnout. Investments are virtually non-existent, save for a family health care centre in

Pasjane village built with the one-time new municipality fund of €1 million.¹³⁷

The Zavičaj (Hometown) citizens' initiative, which has since joined the SLS, won 40 per cent of the vote, and its leader, Nenad Cvetković, became mayor, but competition with the JSL candidate (20 per cent), was personal and ugly and split the municipality. Villages are loyal to one side or the other, and relations are deteriorating. The JSL accuses municipal officials of tipping the KP to the presence of five alleged Serbian internal affairs ministry (MUP) officers, leading to their arrest. Numerous Serbs, including mayors, have criticised Parteš authorities for fomenting Serb-on-Serb conflicts. Perhaps fortunately, the parallel municipality is in a distant village and mostly inactive.¹³⁸

Ranilug, located between Gjilan and Kamenicë, was established after the 2009 elections and held its vote later. Its small population (5,718) includes only 82 Albanians. A representative of a citizens' initiative won the mayor's seat, though he went into opposition rather than join the SLS. His legitimacy is weak, as only 12.4 per cent of the eligible population voted, as are his ties to Pristina.¹³⁹ The Serbian parallel municipality continues to function and controls Ranilug town, the only part of this very rural area with basic services (a bank, and a pharmacy). The mayor's base is Ropotovo village. As in Parteš, rivalry between two villages made it hard to choose a site for the municipal administration; a compromise put it in an isolated, inconvenient location between them. Ranilug borders Serbia, and its population is more closely linked to towns there

¹³³ Crisis Group interviews, Štrpce officials, Štrpce, March 2012; MLGA officials, Pristina, March-April 2012.

¹³⁴ Crisis Group interview, finance department official, Štrpce, March 2012.

¹³⁵ Officials are otherwise content with the mayor's consultations with them: "We talk about everything but procurement, a department under tight control of the mayor, with an incompetent head of the procurement office". Crisis Group interviews, administration and finance department officials, Štrpce, March 2012; MLGA officials, Pristina, March-April 2012.

¹³⁶ This may increase if the parallel municipalities are dissolved, and leaders of their structures remain and enter politics.

¹³⁷ "Municipal Profile Parteš", OSCE, November 2011. The Central Election Commission said 1,918 of 3,426 registered voters turned out, 56 per cent. Crisis Group interview, municipal official, Parteš, 29 February 2012.

¹³⁸ Crisis Group interview, JSL Kosovo parliamentarian, Pristina, 1 March 2012. "The Parteš elections soured relations between us and the SLS ... not just at local level but even higher up. "Pripadnici ROSU Uhapsili Petoro Srba" ["ROSU Arrests Five Serbs"], Novosti, 25 February 2012. There are allegations the MUP threatens the mayor: Fatmir Aliu, "Belgrade police pressurise Serbs, Kosovo official claims", *Balkan Insight* (online), 18 July 2012. Crisis Group interviews, Serb mayors, Gračaića/Klokot, February-May 2012. The parallel municipality is in Kusce (which under Kosovo law belongs to Novo Brdo municipality but parallel Serb officials call the home of their Municipality of Gnjilane), so direct confrontation is not common. The opening of a kindergarten in Parteš in 2012 has been its biggest project. Crisis Group interview, municipal official, Parteš, 29 February 2012.

¹³⁹ According to the Central Election Commission, only 598 voted, with the civic initiative For Ranilug Municipality winning 72.9 per cent and the Serbian Kosovo-Metohija Party (Srpska Kosovo Metohijska Stranka) 27.1 per cent. Local self-government ministry officials said Ranilug officials are cautious and reluctant to seek help from them. Crisis Group interview, Pristina, April 2012.

(Vranje and Bujanovac) for education, health care, public administration and business than to any part of Kosovo.¹⁴⁰

Just south from Parteš is Klokot, a small mixed municipality carved out of Serb-majority parts of Vitina/Viti municipality that for several years resisted pressure to surrender necessary territory.¹⁴¹ Relations have since improved, as both municipalities strive to attract investment to the area.¹⁴² Turnout in the November 2009 local elections was 25.2 per cent, producing a comfortable win for the SLS, the only Serb contenders.¹⁴³ The parallel Serb municipality maintains good relations with Klokot officials, who apparently have secured most of the local power and influence.¹⁴⁴

As with other municipalities, the focus is on attracting investments and donors, but this is done in a rather unplanned manner. The municipal leadership complains about being ignored by central institutions in various cases, from “having only one vehicle at our twenty-man strong KP station” to lacking a firefighting unit despite numerous requests.¹⁴⁵ The municipality is waiting for its new municipal building to be completed, and it invested the largest part of its €1 million grant on asphaltting roads and linking all its villages.¹⁴⁶

The municipality’s development potential was largely sapped by privatisation, a senior local official said, as a well-known thermal spa “was privatised just days before we took office ... they took our jewel right in front of our face”. Though somewhat decrepit, the spa employed about 200 Serbs who were expelled from their jobs after the war of 1999

and prevented from returning; many were not informed of privatisation and were not paid from its proceeds. The new owners, Albanians from Macedonia, did not hire any of the old Serb workforce.¹⁴⁷ It has since been overshadowed by a private spa (a “Centre for Physical Medicine and Rehabilitation”) built next door by a Pristina businessman. Klokot has other grievances against the Privatisation Agency of Kosovo (PAK): “They control almost 100 per cent of our land and refuse to coordinate anything with us ... it is impossible to influence their work and defend the interests of the municipality”. The local government seeks a greater role not just in managing its property but also in protecting its interests with respect to privatisation.¹⁴⁸

The problem with PAK is not unique to Klokot; many Albanian mayors also complain.¹⁴⁹ Local interests are often ignored in the privatisation process, cutting municipalities off from assets that could be vital to their long-term survival. Other municipalities have no more influence over PAK, which is gradually selling off Kosovo’s many state-owned enterprises, some of which belong to the municipalities by law.¹⁵⁰ Others assets – especially agricultural land – are also being sold, apparently without considering local interests. The local governments want a bigger say and changes to privatisation procedures, above all about the land that goes with the privatised property. They hope to designate as much of it as possible as municipal, which they see as crucial to attracting investors.¹⁵¹ PAK should cooperate with municipal governments when handling assets that are important to local livelihood and encourage buyers to be responsive to their needs, for example by hiring local labour.¹⁵²

¹⁴⁰ Crisis Group interviews, Serb official, Belgrade, 10 July 2012; Kosovo Serb parliamentarian, Pristina, 2 March 2012.

¹⁴¹ The municipality has 3,350 Serbs and 1,690 Albanians. “Municipal Profile Klokot”, OSCE. The Kosovo Albanian leadership of Viti resisted turning over its territory and allowing Klokot to form for several years, surrendering only to sustained pressure from the ICO and the U.S. embassy. Crisis Group interview, UNDP official, Pristina, 2 May 2012.

¹⁴² Crisis Group interview, senior municipal officials, Klokot, 29 February 2012.

¹⁴³ According to the Central Election Commission, 682 voters gave the SLS 65.4 per cent and the LDK 34.6 per cent.

¹⁴⁴ Officials from both municipalities can be seen enjoying coffee together and seem interested in enhancing their community’s interests however they can. “It is in the interest of people here that we both exist ... we don’t bother each other but [the Serbian parallel municipality] knows that we have all the power”. Crisis Group interview, senior municipal officials, Klokot, 29 February 2012. Other Serbia-financed institutions also cooperate relatively well with the municipality; the health centre laboratory in Vrbovec accepted instruments it donated. Crisis Group interview, municipal official, Klokot, 29 February 2012.

¹⁴⁵ Crisis Group interview, senior municipal officials, Klokot, 29 February 2012.

¹⁴⁶ Crisis Group interview, Klokot officials, Klokot, 29 February 2012.

¹⁴⁷ Crisis Group telephone interview, Klokot municipal official, 6 September 2012; Constitutional Court of the Republic of Kosovo, case KI37/10 (5 July 2012).

¹⁴⁸ Ibid. A common complaint is that the privatised spa is not too interested in paying municipal taxes regularly.

¹⁴⁹ Crisis Group interviews, MLGA officials, Gjilan, Peja, Suhareka municipality officials, DEMI officials, Pristina, March-June 2012.

¹⁵⁰ For example, local transportation infrastructure like bus stations belongs to municipalities but is currently administered by the PAK. Crisis Group interview, MLGA staff, Pristina, April-May 2012.

¹⁵¹ Crisis Group interviews, municipal officials, Klokot/Štrpce/Parteš, February-March 2012. In many cases, buildings belonging to small enterprises that themselves take up only a couple of hundred square metres include several hectares of land.

¹⁵² Crisis Group interviews, MLGA and DEMI staff, Pristina, April-May 2012.

4. Minority government and tension in Novo Brdo

The CSP extended Novo Brdo in 2009 by adding several villages, making it one of the biggest municipalities in area but with a population of only 9,670 (including 5,802 Serbs, 3,771 Albanians). Several of the far-flung Serb villages added (notably Kusce) are strongly opposed to the Kosovo government and loyal to Serbia. They did not vote in the 2009 elections, and two municipalities funded by Belgrade (Novo Brdo in Prekovce village and Gjilan in Kusce village) function with little or no contact with the Kosovo one which has a clear Albanian majority in its government due to low Serb turnout.¹⁵³

Poor infrastructure is a problem: the villages are isolated, and only a few are connected to water, sewage and electricity. The Serb population especially is very old. As elsewhere, officials are prone to sponsoring unsustainable investments such as a culture hall, built with a grant, that the municipality cannot afford to heat.¹⁵⁴ Serbs are haunted by the perception that “Novo Brdo is no longer a Serb-majority municipality ... Serbs are probably already the minority there”, even though the Kosovo government’s plans to review its boundaries would increase the balance in their favour. Many in Pristina believe the municipality cannot administer its large territory, and its odd shape – created to connect enough Serb villages to form a majority – cuts off Albanian villages from their natural urban centre in Gjilan. These villages resent inclusion in the new municipality, as it forces them to go much further, via poor roads, to Novo Brdo for paperwork.¹⁵⁵ But a smaller, Serb-centred municipality would likely exacerbate problems due to the lack of human capacity, infrastructure and cohesion.

5. Water and the Turkish municipality of Mamuşa

The Turkish majority municipality of Mamuşa is considered a rare success. Established in 2005 and previously having belonged to the large Prizren municipality – without, its mayor says, much hope of becoming a self-administered municipality – it is basically one large village, inhabited by about 5,000 Turks and a tiny minority of Albanians

and Roma and Ashkali. Turkish is the official language and used in elementary and secondary education. Officials speak little Albanian and Serbian, the youth even less.¹⁵⁶

Decentralisation has unlocked some €7 million in investments from the government and donors between 2007 and 2011, especially to build infrastructure. Mamuşa lacks its own urban plan, and local tax and revenue collection is very low, putting into question the sustainability of the recent development boom. Residents rely mostly on agriculture.¹⁵⁷ The municipality has few trained officials and leans heavily on Prizren and central authorities. It could not administer a water supply system built with major donor support. After struggling to collect bills, running up electricity debts, and allowing lapses in quality, it transferred responsibility to the Prizren-based regional water company.

Clean water is a key government responsibility, and it is available in only just over half of Kosovo’s territory. All other municipalities, including the new Serb-majority ones, want the management responsibility for water and sanitation returned to them, but the public enterprises law (2008) gives regional conglomerates control over such utilities. While some consolidation may be sensible to improve efficiency, this law unnecessarily deprives local government of any say about these services and the revenue they produce.¹⁵⁸ As elsewhere, there are problems with PAK,

¹⁵³ “Municipal Profile Novo Brdo”, OSCE. Crisis Group interview, Serb official, Belgrade, 10 July 2012. The Central Election Commission reported turnout in Novo Brdo was 2,028 (25.5 per cent), with LDK winning 33.5 per cent, PDK 12 per cent, AKR 17 per cent and AAK 7 per cent. Of the three Serb lists, SNSD received 11.5 per cent, a civic initiative, For A Better Future, 12.8 per cent and SLS 5.6 per cent.

¹⁵⁴ Crisis Group interviews, Serb official, Belgrade, 10 July 2012; Kosovo Serb parliamentarian, Pristina, 1 March 2012; DEMI official, Pristina, 3 May 2012.

¹⁵⁵ Crisis Group interviews, Kosovo Serb/Belgrade officials, Pristina-Belgrade, March-July 2012; MLGA officials, Pristina, April-May 2012.

¹⁵⁶ Crisis Group interview, Mamuşa official, Mamuşa, 14 June 2012. Based on an agreement with Turkey, some 65 young Kosovo Turks, 30 Albanians and 30 Bosniaks go to Turkish universities on scholarship. Some fail the interview and occupy free slots for minorities at the University of Pristina (where they first study Albanian for one year). Ibid. A new public university in Prizren provides programs in Turkish and Bosniak.

¹⁵⁷ Crisis Group interviews, Mamuşa officials, Mamuşa, 14 June 2012. Turkey built the municipal building, two schools, water supply reservoirs, and a garden. The EU and USAID were also donors. Pristina invested in roads, the health clinic and wastewater system. Without an urban plan, the municipality cannot introduce construction licence and land taxes. Its local revenue was only €42,000 in 2011, 4 per cent of its €1.33 million budget. Gračanica, in comparison, generates more than €1.1 million in local revenue. Mamuşa is known for production of vegetables, most famously tomatoes of which it produces nine million kilos. Export has been limited by Serbia’s blockade of Kosovo goods. Farmers are forced to find alternative routes for their produce; in June 2012 Crisis Group witnessed Macedonian trucks in Mamuşa being loaded with greens for export to third countries.

¹⁵⁸ Crisis Group interviews, local self-government ministry officials, Pristina, April-May 2012. Kosovo’s water utilities operate with heavy losses due to outdated infrastructure; collect only about 50-60 per cent of bills; and often deliver water unsafe to drink. Crisis Group interviews, DEMI staff, Pristina, 3 May 2012. The law on public enterprises was amended in 2012 to allow municipalities to form public enterprises, as promised in

which administers 450 hectares of land owned by a socially-owned enterprise within the municipality's territory. Mamuša continues its battle with PAK and the special chamber of the Supreme Court in charge of privatisation disputes, as the leadership considers this land vital for development.

C. SERBS ELSEWHERE

About 25,000 Serbs in the south live outside Serb-majority municipalities. They mostly rely on those municipalities or Serbian institutions.¹⁵⁹ A few relatively large communities are isolated and could apply for municipal status. The villages of Babin Most, Priluzje, Gojbulja and Plementina in the municipalities of Obiliq/Obilić and Vučitrn/Vushtrri number about 7,000 people and form a compact whole on both sides of the Pristina-Mitrovica highway. Serbian officials regret "that no one took notice of these people when decentralised municipalities were being set up ... we could have had a strong community linking central Kosovo Serbs and northern Kosovo Serbs". Belgrade has continued to invest and support the parallel institutions in the area.¹⁶⁰

Serbs believe these villages were left out by the Ahtisaari plan process because they are "located in areas which are rich in mines and where new power plants are going to be constructed ... besides, Albanians prefer unsustainable small municipalities for Serbs rather than ones which have potential". The community is linked closely to northern Mitrovica and has suffered from the cancellation in 2008 of the Kosovo Polje-Zvečan train that used to pass through Plementina. Incidents with the Albanian majority surrounding areas are rare, but demonstrations took place in August 2011 against the construction of a bridge linking Albanian majority villages to Priluzje.¹⁶¹ The matter was

resolved thanks to an intervention by KFOR, which increased its presence in the area to allay Serb concerns.

Though these small Kosovo Serb communities experience similar uncertainty and tension, relations between them are not very developed, and there is little coordination. For example, there are two Serb enclaves in the municipality of Orahovac/Rahovec: a neighbourhood in Rahovec town and the village of Velika Hoča. Together, they have perhaps just over 1,000 people, but their relations are poor, and they try to avoid each other.¹⁶²

the CSP, though it also gives the government the power to impose limits on this; municipalities may also name candidates for the boards of directors of regional water companies.

¹⁵⁹ "Municipal Profiles", OSCE November 2011. For example, some 4,500 Serbs in Kamenica municipality and 3,650 in Gnjilane/Gjilan municipality mostly rely on the Kosovo Serb-majority municipalities (Ranilug, Parteš and Novo Brdo) and Serbian parallel municipalities and institutions (in Kusce, Šilovo and other villages), as well as Serbian institutions across the border in Vranje. Close proximity allows them to minimise contacts with the Albanian majority municipalities they nominally live in. The same applies to approximately 4,900 in Kosovo Polje, Pristina and Lipljan municipalities, whose communities are serviced by Kosovo and Serbian institutions in Gračanica municipality.

¹⁶⁰ "Municipal Profiles, Obilić and Vučitrn/Vushtrri", OSCE November 2011. Crisis Group interview, Serb official, Belgrade, 10 July 2012

¹⁶¹ Crisis Group interview, Serb official, Belgrade, 10 July 2012. "Krizni Štab u Priluzju" ["Emergency HQ in Priluzje"], RTS, 16 August 2011.

¹⁶² Crisis Group interview, Serb family, Orahovac, 14 March 2012.

IV. PROPERTY, SERVICES AND ECONOMIC DISPUTES

Ahtisaari's work will be of little ultimate benefit if the Serbs and other minorities cannot make a living in Kosovo and emigrate in search of jobs. The CSP acknowledges this, noting that Kosovo "shall pursue an economic, social and fiscal policy necessary for a sustainable economy" and "shall recognise, protect, and enforce the rights of persons to private movable and immovable property". It obligates Kosovo to help refugees and IDPs "in recovering their property and possessions" and states that "illegal possession of private immovable property shall not confer ownership rights", an important provision for Serbs who cannot access their land.¹⁶³

The CSP also made special provisions for Serbian health-care and education in Kosovo, allowing them to remain but under municipal control and with Pristina informed of how they are run and funded. The international community and Pristina had already made unsuccessful attempts to integrate these institutions before independence. They have done little better over the past four years, as Belgrade refuses dialogue on the issue, and Serbs in Kosovo continue to rely on them for jobs and to preserve their way of life.

A. PROPERTY AND BUSINESS

More than a decade after the 1999 war and despite efforts of numerous international missions and local institutions, return of usurped Serb property is incomplete. Tens of thousands of cases are still in process. Property disputes are a major cause of violence. Even though most Serbs want to sell their property rather than return to it, the issue remains an obstacle to normalisation, maintaining Serb distrust of Albanians and the international community.¹⁶⁴

Local and international officials have been slow to act. The latter did not get involved in the civil justice sector until 2002, when it first ensured the protection of a U.S. citizen's property in Pristina.¹⁶⁵ Initially, the focus was on urban-based Serb property; by 2005 some 29,000 cases had been dealt with, but many decisions were never executed. Many Serbs chose to reach out-of-court settlements and sell their property rather than wait for implementation of court decisions.¹⁶⁶ In 2006 the UN Mission in Kosovo

(UNMIK) created the Kosovo Property Agency (KPA) to handle claims related to immovable property and offer owners the options of placing their property under KPA administration, asking for repossession or closing the claim. The Ahtisaari plan retained the agency.¹⁶⁷

The KPA has decided 31,529 of 42,138 claims received, but only about 11,000 are fully implemented. About 5,700 properties have been reposessed, though owners seldom move in, and in some cases the properties have been re-occupied by the evicted parties.¹⁶⁸ Of the 5,400 the KPA administers, 1,001 residential and 23 agricultural properties are rented, yielding some €3 million for original owners. An enforcement unit deals with those who refuse to vacate usurped property or pay rent.¹⁶⁹ The most sensitive cases involve land usurped, then used to construct illegal buildings, often at considerable expense. About 20 per cent of claims are in that category; the KPA offers no data on how many of those are resolved. Serbs in Kosovo and displaced in Serbia accuse it of unwillingness to take on such cases and confront powerful Albanian businessmen and politicians. An international official complained that, on property, "no one dares to touch even the smallest interests of the majority community", especially when compared with how restitution was done in neighbouring Bosnia.¹⁷⁰

Other institutions are struggling. The judicial system has backlogs and endless delays. Cadastral offices and municipalities refuse to give necessary documents and hope to delay matters until clients give up. Information is hard to obtain and open to manipulation, and Kosovo and Serbian cadastral records often differ. Quick implementation of

¹⁶⁷ The KPA is financed equally by Kosovo and donors. The deadline for claims has expired; new claimants can now either ask for repossession or close the claim. About 30 per cent of all claims are in this category. Crisis Group interview, KPA official, Pristina, 11 April 2012.

¹⁶⁸ Crisis Group telephone interview, KPA official, Belgrade, 4 September 2012.

¹⁶⁹ The number of claims is not the same as the number of claimants (if five family members split an inherited hectare, it is treated as five claims). 318 decisions are on appeal to the Kosovo Supreme Court. The KPA hopes to adjudicate all claims by April 2013. 2,800 of the 5,400 administered properties are residential. The agency, which is active across Kosovo except the North, carried out 3,000 evictions in 2011 and receives approximately 50 eviction notices a week. Crisis Group interview, KPA official, Pristina, 11 April 2012; KPA website (www.kpaonline.org).

¹⁷⁰ Crisis Group interviews, KPA official, Pristina, 11 April 2012; Kosovo locations, Belgrade, February-June 2012. "It is unthinkable that we were able to evict [Bosnian Foreign Minister Zlatko] Lagumdžija and yet we can't evict a municipal official in Kosovo for over a decade". Crisis Group interview, Pravna Pomoć official, Belgrade, May 2012.

¹⁶³ CSP, Articles 8.1, 8.6.

¹⁶⁴ Crisis Group interview, Pravna Pomoć [Legal Aid NGO] official, Belgrade, 19 March 2012.

¹⁶⁵ Crisis Group interview, EULEX official, Pristina, March-April 2012

¹⁶⁶ Crisis Group interviews, *ibid*; and Pravna Pomoć official, Belgrade, 19 March 2012; Crisis Group Report, *The Rule of Law in Independent Kosovo*, *op. cit*.

the cadastral records deal reached in the EU-facilitated dialogue could help remedy this.¹⁷¹

The problem is not the law itself, which includes the necessary provisions, but lack of implementation. Serbs have been intimidated into giving up on pursuing claims in the courts; and if they do, they often find there is no Serbian language availability, in violation of the CSP.¹⁷² This is especially so in smaller, more isolated municipalities where language barriers and poor transport links make courts inaccessible. It is better in large municipalities like Prizren and Pristina, where about 60 to 70 per cent of solved cases are from, possibly due to the strong international presence. But even there the parties often prefer out-of-court settlements to lengthy court procedures.¹⁷³

The ICO, mandated to assist in ensuring an “efficient and ... effectively enforced” property dispute process, has done little.¹⁷⁴ Senior EULEX officials believe that “property rights are a sensitive topic” with an “ethnic component” that should have been protected by vigorous prosecution of organised crime, in an attempt to depoliticise the issue. Serbs fear that “indifference” supports a perceived Kosovo consensus that Serb property is “like a reward, a sort of war booty for the winners”.¹⁷⁵ A sense of impunity contributes to a rise of violence against Serbs, described

above, who demand their property rights be respected in rural areas.

Employment is another impediment to return. The Kosovo system can absorb only a fraction of those who will be unemployed when Serbia closes its municipal governments and reduces payments. Older workers have few marketable skills; younger ones tend not to speak Albanian. Other minorities, notably the Roma, Ashkali and Egyptian (RAE) face discrimination in hiring.¹⁷⁶

Some Serbs south of the Ibar try to make a living in small business. There are some 833 private enterprises in Serb-majority municipalities, mainly small shops, restaurants and transport companies (mostly operating between Serb areas of Kosovo and towns in Serbia).¹⁷⁷ Many Serbs live in houses with small ground-floor shops that often double as cafés. Some businesses have expanded; Serbs have set up larger supermarkets in Štrpce and Gračanica, partnering with Kosovo traders who bring produce from Croatia and Macedonia. They are happy working with Albanian suppliers, but still say “we are fine to do what we want here [in Gračanica] ... but a supermarket like this would be burned down in Pristina if they knew the owner was a Serb ... we are still not equal to be competitive”.¹⁷⁸

Some local niche products are being developed, helped by substantial funding and training available for small and medium-sized enterprises (SMEs); dairy products are a common example in mostly rural communities, and in Štrpce young people began growing raspberries on the Sharr mountain.¹⁷⁹ Serbs have historically run the wine industry, especially in the Rahovec and Velika Hoča region. However, they now face competition from Albanian producers, usurpation of their property and difficulties accessing funds.¹⁸⁰

Business registration is a problem; many Serbs prefer not to register with Kosovo authorities, so cannot access the local market and can sell only to Mitrovica and Serbia. If they registered with Pristina, they argue, they would lose

¹⁷¹ Crisis Group interviews, Serb and international lawyers, Belgrade, March 2012. Lack of a public information law makes it hard for Serbs to get documents regarding their land or expropriation. During construction of the Pristina-Tirana highway, four large plots belonging to Kosovo Serbs were expropriated. The owners were reportedly not informed and have been unable to obtain documents. Crisis Group interview, Serb lawyer, Belgrade, 30 March 2012. Serbian cadastral records were removed to Kruševac in 1999. Under the 2 September 2011 agreement, Serbia is to give certified copies for comparison with Kosovo records. Discrepancies go to a three-member panel (one each from Kosovo and Serbia, chaired by an EU official), whose decisions can be appealed to a special Kosovo Supreme Court panel on which international judges are in the majority.

¹⁷² “Access to Justice for Internally Displaced Persons from Kosovo”, EU Program for the Republic of Serbia, June 2012. The report also criticises EULEX for making access to its services difficult for people speaking only Serbian.

¹⁷³ Crisis Group interviews, Pravna Pomoć official, 19 March 2012; Serb lawyer, Belgrade, 30 March 2012. In an egregious case, after a court delayed for eleven years, the matter was finally taken to an EULEX judge, who found for the Serb owner within three months. A building rented to the OSCE had been constructed on the property in Prizren. Rather than fight the appeal of the Albanian who had expropriated the land, the Serb accepted an out-of-court settlement.

¹⁷⁴ CSP, Annex VII, Article 5.3.

¹⁷⁵ Crisis Group interviews, EULEX official, Pristina, April 2012; Serb lawyer and Serb journalist, Belgrade/Gračanica, March-April 2012.

¹⁷⁶ “Roma, Ashkali, and Egyptians continued to face persistent discrimination – particularly in housing and access to public services – and the highest unemployment, school dropout and mortality rates in Kosovo”, “World Report 2012”, Human Rights Watch.

¹⁷⁷ “Municipal Profiles for Gračanica, Štrpce, Novo Brdo, Klokot, Ranilug and Parteš”, OSCE, November 2011. These numbers include Albanian businesses in Serb-majority municipalities.

¹⁷⁸ Crisis Group observations in Gračanica/Štrpce/Klokot/Pasjane 2012; interview, Serb businessman, Gračanica, March 2012.

¹⁷⁹ Crisis Group interviews, NGO activist, Štrpce, 14 March 2012; parallel municipality official, Štrpce, 13 March 2012.

¹⁸⁰ Crisis Group interview, Serb family, Orahovac, 14 March 2012. The land, valuable for grape-growing, was seized by local strongmen after the 1999 war.

access to the Serbian market while not likely appealing to an Albanian clientele that prefers to support Albanian businesses. A winemaker who does not live in a Serb-majority municipality explained to Crisis Group that, un-registered in Kosovo, he must transport his product “feeling like a smuggler “We live off the 5,000 litres of wine we produce ... if we had loans and normal transport we could easily produce 100,000 litres”. But he does not want to take a Kosovo licence he fears would lose him the Serbian market without helping him with Albanians.¹⁸¹

The skilled and experienced workforce could take advantage of investments or privatisation in areas with tourist potential like Štrpce or Klokot. Food-processing opportunities might also strengthen agriculture in the more rural municipalities. Generally, however, lack of investment and economic development is causing the young educated population to leave, and it is questionable whether relying on state funding is a viable economic strategy for Serb municipalities.

B. EDUCATION

Serbia runs most Serb-language education in Kosovo; community leaders insist that without that education, their people would not stay.¹⁸² The schools not only provide numerous and relatively lucrative jobs; they also guarantee strong links with Serbia. Serbia does not accept Kosovo school certificates, so students could have trouble transferring to schools or getting jobs in the country; likewise Kosovo rejects parallel Serbian diplomas, making it hard for those holding them to find work in the Kosovo system.¹⁸³ The Serbs largely ignore the Ahtisaari plan’s generous provisions for educational autonomy under the Kosovo system. Schooling is one of the most sensitive and controversial areas, and there is a deep chasm between Albanian and Serb views of history and culture. Teachers are used to working in a centralised system, and the Serb-majority municipalities have few if any officials with relevant experience. The quality of education varies; some

schools offer excellent instruction and small classes; others make do with unqualified teachers.¹⁸⁴

Under the CSP, primary and secondary education is a municipal responsibility. Serbs have the right to be taught in Serbian. Schools can use the curriculum and textbooks of Serbia’s education ministry but must notify the Kosovo ministry. If the latter objects, the matter is to be referred to an independent commission of Serbs, Albanians and an international representative selected by the ICO. Most Serbs refuse even this limited oversight and want a fully independent system for fear they will have to attend “Albanian schools” and “learn that Adem Jashari is a hero”.¹⁸⁵

The Serbian government continues to provide substantial funds to keep teachers in jobs and consequently contributes to one of the best teacher-student ratios in Europe. Many, especially in the smaller enclaves, travel to work from central Serbia. But unlike a few years ago, the new Serb-majority municipalities also play a role. They pay some salaries, based on a quota system established more than a decade ago, and now between a third and a half of all Serbian teachers receive a Kosovo salary in addition to their Belgrade one. Local officials complain this “doesn’t integrate anyone and only wastes money and creates tension between people with two salaries and those with one”.¹⁸⁶

Kosovo institutions are also trying to recruit higher-ranking Serbian education officials, for example to serve as principals in Klokot, Štrpce and Parteš.¹⁸⁷ But Pristina

¹⁸¹ Ibid.

¹⁸² Numerous officials from the integrated municipalities, including senior SLS figures, insist that maintaining the existing education sector is their main task. Crisis Group interviews, Gračanica/Štrpce, March-April 2012.

¹⁸³ Students from the Kosovo school system can transfer to the Serbian system by passing exams tailored to their grade and previous curriculum; Crisis Group interview, Serbian education official, Mitrovica, August 2012. In practice, Kosovo institutions hire Serbs with degrees from Serbia-funded institutions when officials intercede on their behalf.

¹⁸⁴ The CSP allows Serbia to fund municipalities in all areas of their competence, including education, but funding must be transparent, public and through Kosovo-registered banks. “Parallel structures in Kosovo”, OSCE Mission, 2006-2007, p. 40; Tatjana Matić, “Kosovo: Serb Schools in the Doldrums”, Institute for War and Peace Reporting (online), 6 September 2005.

¹⁸⁵ CSP, Annex III, Article 7. Jashari was an early Kosovo Liberation Army (Ushtria Çlirimtare e Kosovës, UÇK) leader killed by Serbian forces in March 1998. Crisis Group interviews, Serbs from Serbian and Kosovo institutions, Gračanica/Štrpce/Klokot/Ranilug/Belgrade, February-April 2012.

¹⁸⁶ For background on the Serbian education sector in Kosovo, see Crisis Group Report, *Serb Integration in Kosovo*, op. cit. For example, Štrpce has 2,560 students and more than 500 teachers employed by Kosovo and Serbian institutions. As part of a 2001 agreement between UNMIK and Serbia, a certain number of Serb teachers were paid by Kosovo institutions. Due to the high number of Serb staff, the Kosovo budget could not accommodate all. Since independence, Belgrade has periodically called for Serb teachers to reject the Kosovo salaries, but many still collect them. In Klokot, 38 of the 80 teachers receive both; in Štrpce, 243 do so. Crisis Group interviews, municipal officials, Klokot/Štrpce/Gračnica, March-April 2012.

¹⁸⁷ For example, the new Štrpce municipality has conducted two hiring cycles, taking on 144 teachers, and plans further increases. Crisis Group interviews, municipality officials, Štrpce, March 2012.

does not control the schools, and it cannot impose new hires, especially where principals are already in place, working in the Serbian system. Serbian officials complain “there is no reason for any of this, the double salaries or new appointments ... there are better ways to spend that money”.¹⁸⁸ Pristina replies that the schools are illegal and are used by Belgrade to obstruct Serb integration into Kosovo, though it does not view them as negatively as other parallel institutions.

Serbian schools receive basic aid from Pristina such as firewood during the winter and subsidies for electricity, but most school administrators seem uninterested in any other cooperation.¹⁸⁹ According to the CSP (Annex III, Article 3), Serb-majority municipalities have the responsibility for paying (and training) teachers. But most of those described above are unlikely to have the funds or skills to do so. Sooner or later, Serbia will need to cut down on its school financing, people will lose jobs, and some Serbs will likely move away.

The solution is creative application of the Ahtisaari plan: Belgrade and Pristina should agree on registration and licensing, and Serbian schools should then register with their municipal authorities. Serbia’s schools in Kosovo should become like U.S. schools in France or French schools in the U.S., integrated in their national systems but complying with host country law. The Serbian ministry should ensure it sends no materials to its schools in Kosovo that inflame ethnic hatred, and Pristina should not interfere with their operation. Pristina should refrain from setting up schools under its direct authority or paying teachers already getting salaries. Offering a duplicate service to a population that does not want it would achieve little.

C. HEALTH CARE

Much like in education, Serbia continues to provide direct health-care support in Serb-majority municipalities. Medical institutions are also overstaffed, with many employees living in central Serbia. The Kosovo government is taking steps to play a bigger role. Through the Serb-majority municipalities, it employs some professionals, though local officials admit “we haven’t employed more than a couple of dozen since we’ve taken over”, compared to Belgrade which “employ thousands”. Pristina has little control over the actual clinics and hospitals, which “tolerate these people [funded by Pristina]; they let them show up in uniforms, but they don’t let them work”. Some em-

ployees receive double salaries, but since 2009, new hires receive only Kosovo salaries.¹⁹⁰

The CSP foresaw the provision of secondary health care in Štrpce, Mitrovica and Gračanica.¹⁹¹ The large medical centre in northern Mitrovica is particularly reputable and considered to play an important political role. Gračanica has for a long while been the health care hub for Serbs south of the Ibar, with a medical centre, hospital and satellite clinics employing nearly 2,000. The medical facilities are well equipped with ambulances, which regularly transport the most serious cases to either Mitrovica or central Serbia. But hospital administrators reject any cooperation with Kosovo authorities, even donations.¹⁹²

Gračanica, like several other Serb-majority municipalities, is planning a new hospital. Drawings were made, a location selected and equipment purchased, but serious work is yet to begin due to lack of funds. Local officials insist that “the only way this new hospital can be sustainable is if it is registered with the Kosovo institutions but also treats all those in the Serbian system”. This is different than the approach in Štrpce, which began to build a new hospital and fell into serious debt. The smaller municipalities in eastern Kosovo, above all Parteš, also say they need a “regional secondary health care facility”. But Kosovo’s central budget allocated only €600,000 to Gračanica and €1.05 million to Štrpce for secondary health care investment in 2012.¹⁹³

A more rational approach is needed. The municipalities are pushing strongly for investments to create new jobs and improve their standing, but lack of funds and staff and the already formidable Belgrade-funded facilities make the rush to construct new hospitals senseless. The alternative could be to build a single modern facility, with a few specialist centres around the country. Establishing a working relationship with Serbian institutions is also of paramount importance. As in education, the long-term danger is that if Serbia cannot maintain its contributions indefinitely,

¹⁸⁸ Crisis Group interview, municipal education official, Klokot, 29 February 2012.

¹⁸⁹ Crisis Group interviews, municipal education officials, Klokot/Gračanica/Štrpce, March-April 2012.

¹⁹⁰ For background on the Serbian health care sector in Kosovo, see Crisis Group Report, *Serb Integration in Kosovo*, op. cit. Crisis Group interviews, municipal health care officials, Klokot/Gračanica, February-April 2012.

¹⁹¹ CSP, Annex III, Article 4.1.2.

¹⁹² Crisis Group interview, Gračanica municipality health care official, Gračanica, April 2012. The head of the Gračanica hospital refused to accept equipment procured by the Kosovo municipality; it sits unused in a warehouse. This is not universal; in Klokot, the Serbian-financed laboratory accepted equipment obtained by the Kosovo municipality.

¹⁹³ Crisis Group interviews, senior Gračanica municipality officials, Gračanica, March-April 2012; senior Parteš municipality official, Pašjane, February 2012.

jobs will be cut, and qualified professionals will leave.¹⁹⁴ One overstuffed system should not replace another; Pristina and Belgrade should instead discuss registration and licensing of existing Serbian hospitals.

V. CONCLUSION

Pristina sees the Ahtisaari plan as a contract it made with the states that support and recognise it, one that has delivered independence but not territorial integrity or full international integration. Some in government consider they must abide by it to retain international support and avoid any additional demands being made on Kosovo in the political dialogue expected to start with Serbia in the coming months. Still others value it as the only available, widely supported model of a modern, multi-ethnic state and fear that stepping away from it would empower a political culture of corrupt, clan-based strongmen or pan-Albanian nationalism. Belgrade considered the Ahtisaari plan and the talks that preceded it a sham from the start and regards it as an obstacle to resolving its disputes with Kosovo, because it makes Pristina unwilling to talk about Serbia's retention of the North.¹⁹⁵ Yet, Belgrade has few complaints about what it offers the Kosovo Serbs; objections focus on the high politics of status and sovereignty.

Despite a rough start, Kosovo has achieved much in five years. Transition to independence has been peaceful; managing a unilateral secession without violence is no small achievement. Independence is privately acknowledged as irreversible even by states that have not recognised it. It earned praise for implementing the Ahtisaari plan without guarantees of Serb loyalty; and it has been seen in the last few years that many Serbs outside northern Kosovo are willing to participate, if grudgingly, in the state's institutions. All seven minority municipalities have elected assemblies and mayors; Serbs hold a few positions of authority in central government.

The end of international supervision of independence in September 2012 is a further stage on the road to becoming a functional, multi-ethnic democracy fully integrated in the international community. With full sovereignty comes the assumption of full responsibility for its own future, including the well-being of its minorities. Kosovo will now need to go beyond the letter of the CSP to ensure the Serb community can live safely, enjoy its property securely and have a meaningful voice in government and the ability to earn a sustainable livelihood.

¹⁹⁴ Even salary decreases result in departures. Crisis Group interview, senior Gračanica health centre official, Gračanica, 5 April 2012.

¹⁹⁵ Serbia participated in the talks and was satisfied with some of the CSP's provisions, notably on the Serbian Orthodox Church, but complained that the foregone outcome gave Pristina little incentive to compromise. According to U.S. diplomatic cables made public by WikiLeaks, U.S. and UK envoys delivered a "strong message" to Belgrade, to the effect that "the Contact Group had decided to grant independence to Kosovo" (U.S. embassy Belgrade, 9 February 2006). A later cable noted "Belgrade may be testing how far it can challenge the U.S./E.U./U.K./Ahtisaari private message that the outcome of talks will inevitably be independence". (U.S. embassy Belgrade, 28 February 2006).

Some CSP provisions may have to be revised based on experience. The Serb community the CSP was crafted to protect lacks capacity to shoulder some of the responsibilities given it. Many Serbs care less for central government posts and municipal government; they want to be safe and left alone to till their fields and raise their livestock. Some municipalities are very small, lack human and financial capacity and may not survive. Another way to protect and serve the interests of the Serbs in these areas may have to be found. Other Serb neighbourhoods, notably in Vushtrri, may have strong claims for municipal status. The loss of several reserved seats in the Assembly will leave Serbs still overrepresented but those in the North will have little real incentive to come out and vote, as this is unlikely to increase the overall number of Serbian parliamentarians.

A more flexible mechanism could work better. CSP provisions on education and health care will probably never be implemented in full, and Serbs already have access to relatively high-quality services in both areas through Serbia's system. Belgrade-Pristina talks should aim to register those schools and medical centres that already exist, rather than replace them or take them over. But minority protections must remain strong and in places be realised more effectively. Kosovo cannot claim to be a multi-ethnic state if key services are unavailable in Serbian, one of its official languages. The ability to interact with state authority smoothly in one's own language means more to many Serbs than how many representatives they have in the Assembly. The government also needs to give them effective remedies against property usurpation and intimidation and do more to foster returns of the displaced.

The Ahtisaari plan may be less relevant for the next challenges. It cannot integrate Kosovo into the international community and is unlikely to help resolve the situation in the North. The next steps are likely to involve a dialogue with Serbia that will quickly reach sensitive political questions. Pristina will be tempted to treat Kosovo's Serbs like Belgrade and the international community often do, as pawns in the status game, neglecting the community's interests and wishes. But rolling back the achievements of the Ahtisaari plan in response to pressures in the North or the diplomatic arena would damage Kosovo more than Serbia.

Belgrade should recognise its responsibility toward Kosovo and Kosovo's Serbs. Its occasional provocations, refusal to implement what it has agreed and ungenerosity toward its former province contribute to a hostile climate. If it means to help the Serbs south of the Ibar, it has no good choice but to acknowledge where fate has left them and accept the conclusion they have already reached: that the best for them is full and open participation in Kosovo's political life.

Pristina/Istanbul/Brussels, 10 September 2012

APPENDIX A

MAP OF KOSOVO



APPENDIX B

ABOUT THE INTERNATIONAL CRISIS GROUP

The International Crisis Group (Crisis Group) is an independent, non-profit, non-governmental organisation, with some 130 staff members on five continents, working through field-based analysis and high-level advocacy to prevent and resolve deadly conflict.

Crisis Group's approach is grounded in field research. Teams of political analysts are located within or close by countries at risk of outbreak, escalation or recurrence of violent conflict. Based on information and assessments from the field, it produces analytical reports containing practical recommendations targeted at key international decision-takers. Crisis Group also publishes *CrisisWatch*, a twelve-page monthly bulletin, providing a succinct regular update on the state of play in all the most significant situations of conflict or potential conflict around the world.

Crisis Group's reports and briefing papers are distributed widely by email and made available simultaneously on the website, www.crisisgroup.org. Crisis Group works closely with governments and those who influence them, including the media, to highlight its crisis analyses and to generate support for its policy prescriptions.

The Crisis Group Board – which includes prominent figures from the fields of politics, diplomacy, business and the media – is directly involved in helping to bring the reports and recommendations to the attention of senior policy-makers around the world. Crisis Group is chaired by former U.S. Undersecretary of State and Ambassador Thomas Pickering. Its President and Chief Executive since July 2009 has been Louise Arbour, former UN High Commissioner for Human Rights and Chief Prosecutor for the International Criminal Tribunals for the former Yugoslavia and for Rwanda.

Crisis Group's international headquarters is in Brussels, and the organisation has offices or representation in 34 locations: Abuja, Bangkok, Beijing, Beirut, Bishkek, Bogotá, Bujumbura, Cairo, Dakar, Damascus, Dubai, Gaza, Guatemala City, Islamabad, Istanbul, Jakarta, Jerusalem, Johannesburg, Kabul, Kathmandu, London, Moscow, Nairobi, New York, Port-au-Prince, Pristina, Rabat, Sanaa, Sarajevo, Seoul, Tbilisi, Tripoli, Tunis and Washington DC. Crisis Group currently covers some 70 areas of actual or potential conflict across four continents. In Africa, this includes, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Côte d'Ivoire, Democratic Republic of the Congo, Eritrea, Ethiopia, Guinea, Guinea-Bissau, Kenya, Liberia, Madagascar, Nigeria, Sierra Leone, Somalia, South Sudan, Sudan, Uganda and Zimbabwe; in Asia, Afghanistan, Burma/Myanmar, Indonesia, Kashmir, Kazakhstan, Kyrgyzstan, Malaysia, Nepal, North Korea, Pakistan, Philippines, Sri Lanka, Taiwan Strait, Tajikistan, Thailand, Timor-Leste, Turkmenistan and Uzbekistan; in

Europe, Armenia, Azerbaijan, Bosnia and Herzegovina, Cyprus, Georgia, Kosovo, Macedonia, North Caucasus, Serbia and Turkey; in the Middle East and North Africa, Algeria, Bahrain, Egypt, Iran, Iraq, Israel-Palestine, Jordan, Lebanon, Libya, Morocco, Syria, Tunisia, Western Sahara and Yemen; and in Latin America and the Caribbean, Colombia, Guatemala, Haiti and Venezuela.

Crisis Group receives financial support from a wide range of governments, institutional foundations, and private sources. The following governmental departments and agencies have provided funding in recent years: Australian Agency for International Development, Australian Department of Foreign Affairs and Trade, Austrian Development Agency, Belgian Ministry of Foreign Affairs, Canadian International Development Agency, Canadian International Development and Research Centre, Foreign Affairs and International Trade Canada, Royal Danish Ministry of Foreign Affairs, Dutch Ministry of Foreign Affairs, European Commission, Finnish Ministry of Foreign Affairs, German Federal Foreign Office, Irish Aid, Principality of Liechtenstein, Luxembourg Ministry of Foreign Affairs, New Zealand Agency for International Development, Royal Norwegian Ministry of Foreign Affairs, Swedish International Development Agency, Swedish Ministry for Foreign Affairs, Swiss Federal Department of Foreign Affairs, Turkish Ministry of Foreign Affairs, United Kingdom Department for International Development, U.S. Agency for International Development.

The following institutional and private foundations have provided funding in recent years: Adessium Foundation, Carnegie Corporation of New York, The Charitable Foundation, The Elders Foundation, Henry Luce Foundation, William & Flora Hewlett Foundation, Humanity United, Hunt Alternatives Fund, John D. & Catherine T. MacArthur Foundation, Open Society Institute, Ploughshares Fund, Rockefeller Brothers Fund and VIVA Trust.

September 2012

APPENDIX C

CRISIS GROUP REPORTS AND BRIEFINGS ON EUROPE SINCE 2009

Balkans

- Macedonia's Name: Breaking the Deadlock*, Europe Briefing N°52, 12 January 2009 (also available in Albanian and Macedonian).
- Bosnia's Incomplete Transition: Between Dayton and Europe*, Europe Report N°198, 9 March 2009 (also available in Serbian).
- Serb Integration in Kosovo: Taking the Plunge*, Europe Report N°200, 12 May 2009.
- Bosnia: A Test of Political Maturity in Mostar*, Europe Briefing N°54, 27 July 2009.
- Kosovo: Štrpce, a Model Serb Enclave?*, Europe Briefing N°56, 15 October 2009 (also available in Albanian and Serbian).
- Bosnia's Dual Crisis*, Europe Briefing N°57, 12 November 2009.
- The Rule of Law in Independent Kosovo*, Europe Report N°204, 19 May 2010 (also available in Albanian and Serbian).
- Kosovo and Serbia after the ICJ Opinion*, Europe Report N°206, 26 August 2010 (also available in Albanian and Serbian).
- Federation of Bosnia and Herzegovina – A Parallel Crisis*, Europe Report N°209, 28 September 2010 (also available in Bosnian).
- Bosnia: Europe's Time to Act*, Europe Briefing N°59, 11 January 2011 (also available in Bosnian).
- North Kosovo: Dual Sovereignty in Practice*, Europe Report N°211, 14 March 2011.
- Bosnia: State Institutions under Attack*, Europe Briefing N°62, 6 May 2011 (also available in Bosnian).
- Macedonia: Ten Years after the Conflict*, Europe Report N°212, 11 August 2011.
- Bosnia: What Does Republika Srpska Want?*, Europe Report N°214, 6 October 2011 (also available in Bosnian).
- Brčko Unsupervised*, Europe Briefing N°66, 8 December 2011 (also available in Bosnian).
- Kosovo and Serbia: A Little Goodwill Could Go a Long Way*, Europe Report N°215, 2 February 2012.
- Bosnia's Gordian Knot: Constitutional Reform*, Europe Briefing N°68, 12 July 2012.

Caucasus

- Georgia-Russia: Still Insecure and Dangerous*, Europe Briefing N°53, 22 June 2009 (also available in Russian).
- Nagorno-Karabakh: Getting to a Breakthrough*, Europe Briefing N°55, 7 October 2009.
- Abkhazia: Deepening Dependence*, Europe Report N°202, 26 February 2010 (also available in Russian).
- South Ossetia: The Burden of Recognition*, Europe Report N°205, 7 June 2010 (also available in Russian).
- Azerbaijan: Vulnerable Stability*, Europe Report N°207, 3 September 2010.
- Georgia: Securing a Stable Future*, Europe Briefing N°58, 13 December 2010.
- Armenia and Azerbaijan: Preventing War*, Europe Briefing N°60, 8 February 2011 (also available in Russian).
- Georgia: The Javakheti Region's Integration Challenges*, Europe Briefing N°63, 23 May 2011.
- Georgia-Russia: Learn to Live like Neighbours*, Europe Briefing N°65, 8 August 2011 (also available in Russian).
- Tackling Azerbaijan's IDP Burden*, Europe Briefing N°67, 27 February 2012 (also available in Russian).
- Armenia: An Opportunity for Statesmanship*, Europe Report N°217, 25 June 2012.

Cyprus

- Cyprus: Reunification or Partition?*, Europe Report N°201, 30 September 2009 (also available in Greek and Turkish).
- Cyprus: Bridging the Property Divide*, Europe Report N°210, 9 December 2010 (also available in Greek and Turkish).
- Cyprus: Six Steps toward a Settlement*, Europe Briefing N°61, 22 February 2011 (also available in Greek and Turkish).
- Aphrodite's Gift: Can Cypriot Gas Power a New Dialogue?*, Europe Report N°216, 2 April 2012.

Turkey

- Turkey and Armenia: Opening Minds, Openings Borders*, Europe Report N°199, 14 April 2009 (also available in Turkish).

- Turkey and the Middle East: Ambitions and Constraints*, Europe Report N°203, 7 April 2010 (also available in Turkish).
- Turkey's Crises over Israel and Iran*, Europe Report N°208, 8 September 2010 (also available in Turkish).
- Turkey and Greece: Time to Settle the Aegean Dispute*, Europe Briefing N°64, 19 July 2011 (also available in Turkish and Greek).
- Turkey: Ending the PKK Insurgency*, Europe Report N°213, 20 September 2011 (also available in Turkish).

APPENDIX D

INTERNATIONAL CRISIS GROUP BOARD OF TRUSTEES

CHAIR

Thomas R Pickering

Former U.S. Undersecretary of State; Ambassador to the UN, Russia, India, Israel, Jordan, El Salvador and Nigeria

PRESIDENT & CEO

Louise Arbour

Former UN High Commissioner for Human Rights and Chief Prosecutor for the International Criminal Tribunals for the former Yugoslavia and Rwanda

VICE-CHAIRS

Ayo Obe

Legal Practitioner, Lagos, Nigeria

Ghassan Salamé

Dean, Paris School of International Affairs, Sciences Po

EXECUTIVE COMMITTEE

Morton Abramowitz

Former U.S. Assistant Secretary of State and Ambassador to Turkey

Cheryl Carolus

Former South African High Commissioner to the UK and Secretary General of the ANC

Maria Livanos Cattau

Former Secretary-General of the International Chamber of Commerce

Yoichi Funabashi

Chairman of the Rebuild Japan Initiative; Former Editor-in-Chief, *The Asahi Shimbun*

Frank Giustra

President & CEO, Fiore Financial Corporation

Lord (Mark) Malloch-Brown

Former UN Deputy Secretary-General and Administrator of the United Nations Development Programme (UNDP)

Moisés Naím

Senior Associate, International Economics Program, Carnegie Endowment for International Peace; Former Editor in Chief, *Foreign Policy*

George Soros

Chairman, Open Society Institute

Pär Stenbäck

Former Foreign Minister of Finland

OTHER BOARD MEMBERS

Nahum Barnea

Chief Columnist for *Yedioth Ahronoth*, Israel

Samuel Berger

Chair, Albright Stonebridge Group LLC; Former U.S. National Security Adviser

Emma Bonino

Vice President of the Italian Senate; Former Minister of International Trade and European Affairs of Italy and European Commissioner for Humanitarian Aid

Micheline Calmy-Rey

Former President of the Swiss Confederation and Foreign Affairs Minister

Wesley Clark

Former NATO Supreme Allied Commander

Sheila Coronel

Toni Stabile Professor of Practice in Investigative Journalism; Director, Toni Stabile Center for Investigative Journalism, Columbia University, U.S.

Mark Eyskens

Former Prime Minister of Belgium

Nabil Fahmy

Former Ambassador of Egypt to the U.S. and Japan; Founding Dean, School of Public Affairs, American University in Cairo

Joshua Fink

CEO & Chief Investment Officer, Enso Capital Management LLC

Joschka Fischer

Former Foreign Minister of Germany

Lykke Friis

Former Climate & Energy Minister and Minister of Gender Equality of Denmark; Former Prorector at the University of Copenhagen

Jean-Marie Guéhenno

Arnold Saltzman Professor of War and Peace Studies, Columbia University; Former UN Under-Secretary-General for Peacekeeping Operations

Carla Hills

Former U.S. Secretary of Housing and U.S. Trade Representative

Lena Hjelm-Wallén

Former Deputy Prime Minister and Foreign Minister of Sweden

Mo Ibrahim

Founder and Chair, Mo Ibrahim Foundation; Founder, Celtel International

Igor Ivanov

Former Foreign Minister of the Russian Federation

Asma Jahangir

President of the Supreme Court Bar Association of Pakistan, Former UN Special Rapporteur on the Freedom of Religion or Belief

Wadah Khanfar

Co-Founder, Al Sharq Forum; Former Director General, Al Jazeera Network

Wim Kok

Former Prime Minister of the Netherlands

Ricardo Lagos

Former President of Chile

Joanne Leedom-Ackerman

Former International Secretary of PEN International; Novelist and journalist, U.S.

Lalit Mansingh

Former Foreign Secretary of India, Ambassador to the U.S. and High Commissioner to the UK

Benjamin Mkapa

Former President of Tanzania

Laurence Parisot

President, French Business Confederation (MEDEF)

Karim Raslan

Founder, Managing Director and Chief Executive Officer of KRA Group

Paul Reynolds

President & Chief Executive Officer, Canaccord Financial Inc.

Javier Solana

Former EU High Representative for the Common Foreign and Security Policy, NATO Secretary-General and Foreign Minister of Spain

Liv Monica Stubholt

Senior Vice President for Strategy and Communication, Kvaerner ASA; Former State Secretary for the Norwegian Ministry of Foreign Affairs

Lawrence Summers

Former Director of the US National Economic Council and Secretary of the U.S. Treasury; President Emeritus of Harvard University

Wang Jisi

Dean, School of International Studies, Peking University; Member, Foreign Policy Advisory Committee of the Chinese Foreign Ministry

Wu Jianmin

Executive Vice Chairman, China Institute for Innovation and Development Strategy; Member, Foreign Policy Advisory Committee of the Chinese Foreign Ministry; Former Ambassador of China to the UN (Geneva) and France

Lionel Zinsou

CEO, PAI Partners

PRESIDENT'S COUNCIL

A distinguished group of individual and corporate donors providing essential support and expertise to Crisis Group.

Mala Gaonkar	McKinsey & Company	Ian Telfer
Frank Holmes	Ford Nicholson & Lisa Wolverton	White & Case LLP
Steve Killelea	Harry Pokrandt	Neil Woodyer
George Landegger	Shearman & Sterling LLP	

INTERNATIONAL ADVISORY COUNCIL

Individual and corporate supporters who play a key role in Crisis Group's efforts to prevent deadly conflict.

Anglo American PLC	FTI Consulting	Jean Manas & Rebecca Haile	Statoil
APCO Worldwide Inc.	Seth & Jane Ginns	Harriet Mouchly-Weiss	Belinda Stronach
Ryan Beedie	Alan Griffiths	Näringslivet's Internationella Råd (NIR) – International Council of Swedish Industry	Talisman Energy
Stanley Bergman & Edward Bergman	Rita E. Hauser	Griff Norquist	Tilleke & Gibbins
Harry Bookey & Pamela Bass-Bookey	Sir Joseph Hotung	Ana Luisa Ponti & Geoffrey R. Hoguet	Kevin Torudag
BP	Iara Lee & George Gund III Foundation	Kerry Propper	VIVA Trust
Chevron	George Kellner	Michael L. Riordan	Yapı Merkezi Construction and Industry Inc.
Neil & Sandra DeFeo Family Foundation	Amed Khan	Shell	Stelios S. Zavvos
Equinox Partners	Faisel Khan	Nina Solarz	
Fares I. Fares	Zelmira Koch Polk		
Neemat Frem	Elliott Kulick		
	Liquidnet		

SENIOR ADVISERS

Former Board Members who maintain an association with Crisis Group, and whose advice and support are called on (to the extent consistent with any other office they may be holding at the time).

Martti Ahtisaari Chairman Emeritus	Eugene Chien	Jessica T. Mathews	Michael Sohlman
George Mitchell Chairman Emeritus	Joaquim Alberto Chissano	Nobuo Matsunaga	Thorvald Stoltenberg
Gareth Evans President Emeritus	Victor Chu	Barbara McDougall	Leo Tindemans
Kenneth Adelman	Mong Joon Chung	Matthew McHugh	Ed van Thijn
Adnan Abu Odeh	Pat Cox	Miklós Németh	Simone Veil
HRH Prince Turki al-Faisal	Gianfranco Dell'Alba	Christine Ockrent	Shirley Williams
Hushang Ansary	Jacques Delors	Timothy Ong	Grigory Yavlinski
Óscar Arias	Alain Destexhe	Olara Otunnu	Uta Zapf
Ersin Arıoğlu	Mou-Shih Ding	Lord (Christopher) Patten	Ernesto Zedillo
Richard Armitage	Uffe Ellemann-Jensen	Shimon Peres	
Diego Arria	Gernot Erlor	Victor Pinchuk	
Zainab Bangura	Marika Fahlén	Surin Pitsuwan	
Shlomo Ben-Ami	Stanley Fischer	Cyril Ramaphosa	
Christoph Bertram	Malcolm Fraser	Fidel V. Ramos	
Alan Blinken	I.K. Gujral	George Robertson	
Lakhdar Brahimi	Swanee Hunt	Michel Rocard	
Zbigniew Brzezinski	Max Jakobson	Volker Rühle	
Kim Campbell	James V. Kimsey	Güler Sabancı	
Jorge Castañeda	Aleksander Kwasniewski	Mohamed Sahnoun	
Naresh Chandra	Todung Mulya Lubis	Salim A. Salim	
	Allan J. MacEachen	Douglas Schoen	
	Graça Machel	Christian Schwarz-Schilling	