



Decentralization in Kosovo II: Challenges of Serb majority municipalities

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I. Introduction

Following the successful local elections of November 15, 2009, the dynamic of decentralization and functionalization of new Serb majority municipalities will increase. Graçanicë/Gračanica, Kllokot/Vrbovac and Ranilug, are three new created and legitimized municipalities. These municipalities have their legal and legitimate leaderships which match or surpass the parallel ones. Further, for the first time in two decades inter-ethnic issues and problems between Kosovo Serbs and Kosovo Albanians are passing into a genuine platform of institutional divergence..

However, this process will not be without challenges. . The new municipal Kosovo Serb leaderships face pressure from their community for rapid delivering of the promises they made aiming at quick improvement of their lives. The new mayors understand this, and they will be inclined to push for fast constitution of municipalities and the implementation of municipal developmental and infrastructural projects.

The government of Kosovo, on the other hand, is working under the assumption that years will pass before the new municipalities will be fully functional. If the full support for the new municipalities is missing by the Government of Kosovo, it will endanger the confidence of Serbs and their accommodation within Kosovo's legal and institutional framework

The existence of the parallel structures represents another hindering factor for the functionality of the new municipalities. While the parallel structures deliver only financial benefits to the Serbs, they cannot offer development. High salaries in the parallel municipalities cannot match with Kosovo ones. However, the role of these structures will diminish if the new municipalities begin providing tangible improvement of the quality of life to the local Serbs.

A day after submitting the application for EU Membership in Stockholm, Serbia committed 42 million Euros for parallel structures and is not showing any sign that will change its policy towards participation of Serbian community in political institutions of Kosovo. Moreover, Serbia's path towards EU is widely opened, without being specifically conditioned with a change of policy towards North of Kosovo. Despite the wide spread belief that northern municipalities do not cooperate with Pristina, they keep receiving regular financial assistance from the government of Kosovo.

In this paper, KIPRED will look into main challenges in all Serb municipalities in Kosovo, will analyse the situation and will provide recommendations for actions and policy change to relevant authorities, in order to make the decentralization process successful.

II. New Municipalities - Graçanicë/Gračanica, Kllokot/Vrbovac and Ranilug

The three municipalities are expected to have municipal governments very soon, but it will take more time before these governments become fully operational and start providing municipal services to its citizens. 3)

The success of decentralization in Graçanicë/Gračanica, Kllokot/Vrbovac and Ranilug will impact the process decentralization and creation of new municipalities of Mitrovica North and Partes. While northern Mitrovica will look into developments in Gračanica, the Serbs in Partes will look to the remaining two.

Functionality of these municipal governments does not only ensure the wellbeing of their residents, who are mainly Kosovo Serbs, but it is also the first substantial institutional step towards the overall accommodation of Serbs in Kosovo's society. The success of the entire decentralization process depends on this stage, and so does the functionality of new municipalities, which in the last stage of this process will get an extended list of powers and competences in accordance with the CSP.¹ Furthermore, the whole idea of Kosovo as a multi-ethnic and multi-cultural state depends on decentralization and creation of new municipalities.

a) The current state

Municipalities of Graçanicë/Gračanica, Kllokot/Vrbovac and Ranilug, in terms of infrastructure, belong to a category of rural municipalities and have no immediate capacities to become urbanized.

In Graçanicë/Gračanica utilities and communal services are run by Prishtina regional utility public companies. The utilities and communal services in the area are similar to other rural areas in Kosovo that suffer from very poor public utilities and communal services. In Kllokot/Vrbovac and Ranilug, none of the villages are linked to regular water supply, sewage or garbage collection systems. All of these services are partially managed by self-organised villagers.

Lack of infrastructure will be the first challenge that the newly elected municipal authorities will face. Kosovo government acknowledges the fact that it can take up to a few years before these municipalities become fully functional.² The Serb population of Graçanicë/Gračanica, Kllokot/Vrbovac and Ranilug have placed high hopes on the newly elected authorities, which during the election campaign have made a lot of promises, starting from basic infrastructural projects, up to employment and economic development.³ Any disappointment of the Serbs on their elected representative would have higher repercussions than the local ones, as it would also affect the decentralization process.

¹ *Kosovo at a Crossroad – Decentralization*, KIPRED, Prishtina, July 2009

² KIPRED interview with an official of the MLGA, Prishtina, December 2009

³ KIPRED interviews with MPTs and civil society representatives, Gračanica, November, December, 2009

None of the newly established municipalities have municipality buildings, apart of Klllokot/Vrbovac where the municipal premises are already under construction. The Ministry of Local Government Administration (MLGA) has allocated funds for building municipality premises. However, this process is likely to take some time and in the meantime local governments will be placed in leased properties⁴. Other administrative problems are likely to emerge within the first days after these municipalities become operational, while the meetings of the municipal assemblies will take place in ad-hoc premises.

Agriculture is the most important occupation for the population of these municipalities. Most households live in rural areas mostly depending on agriculture as the basis of economic activity. An advantage of all three municipalities is the fertile land. Serb farmers complain they cannot sell their products in the Albanian settlements, while it is even harder to sell them in Serbia due to cross-border transportation and customs fees. As a consequence, many households depend on employment or aid coming from the parallel structures of Serbia. Those who were employed in publicly owned companies before 1999 receive social assistance from the Republic of Serbia. Serbs who are over the age of 65 receive pensions from both, Serbia and Kosovo authorities.

There are some small businesses that operate in these municipalities, most of them in Graçanicë/Gračanica. However, these businesses focus on low-level trade, while no medium or large enterprises exist.

Strategies for economical development, including those to attract investments and donors' support are the first challenge the new authorities will face. A quick infrastructural investment is expected to come from the municipal funds, while administrative challenges for municipal governments will emerge upon their constitution.

b) Parallel structures

Beside infrastructural and economical issues, one of the biggest challenges for the new municipalities, but also for the existing ones, remains of a political nature. Existence of parallel political and administrative structures, but also those of interior and intelligence, will cause unavoidable clash with policies and governance of the newly elected municipal authorities, creating a political and social turmoil.

In Graçanicë/Gračanica, there are three present different municipal authorities of the parallel structures. Education and health institutions, as well as the parallel municipal administration, are financed and controlled by parallel "municipalities of Prishtinë/Priština, Lipjan/Lipjane and Fushë Kosovë/Kosovo Polje". In Klllokot/Vrbovac operates the parallel "municipality of Viti/Vitina" while in Ranilug the parallel "municipality of Kamenica".

These parallel "municipalities" control the parallel public administration and both health and education. There are 16 health stations in the territory of the municipality of Graçanicë/Gračanica, 11 of which are financed by parallel structures. In Klllokot/Vrbovac there are two primary healthcare facilities financed and run by parallel structures. All of the 3 secondary healthcare institutions in Graçanicë/Gračanica are financed by parallel structures, while two hospitals, one in Graçanicë/Gračanica and another one in Laplje Selo are financed by Kosovo government and they don't receive

⁴ KIPRED interviews with members of MPTs in Graçanica, December 2009.

any help from the Belgrade authorities. In Ranilug, there are 2 primary healthcare facilities and 3 health-stations. They all lack space, have old infrastructure and inadequate equipment. Most of the employees are paid by Serbia.

In the education sector, there are 13 primary and 8 secondary schools located in Graçanicë/Gračanica, and 3 primary and 1 secondary school in Klllokot/Vrbovac, all controlled and financed by Belgrade. In Ranilug there are 9 primary schools and 4 secondary schools,

New municipal governments will face an unavoidable clash with the parallel structures first of all in the field of education and health, which, according to Kosovo's Law on Local Self-Government, are exclusive competences of municipalities.⁵ It will be a major challenge, and in short-term plan also impossible, for the new municipalities to put these institutions under their control, having in mind that they have been operating under Serbia's government for a decade now. The challenge is higher in the education system, as schools operate under Serbia's curricula, and in many cases reject any kind of assistance from Kosovo authorities.

The Kosovo government, through the budget allocated to the ministries in central level, will invest more than €1 million in these three Serb majority municipalities, not counting here the investments that are foreseen come through municipal authorities⁶. However, neither the Kosovo government, nor the international community, have any strategy on how to deal with the parallel structures.

Turnout of Serbs on November 15, 2009 elections in all these municipalities was somewhat higher than the turnout in the parallel elections organised by the Republic of Serbia. Serbian government rated this as an indicator that Belgrade's influence in Kosovo has been shaken.⁷ A number of Kosovo Serb leaders, who are employed in the parallel structures of Serbia, have publicly stated they are in favour of decentralization⁸. The fact that some well-known public personalities were running in the November 15 elections, indicates a change of the overall mood of Kosovo Serbs regarding the decentralisation process. Following this, Serbia's government is now claiming that it does not oppose the decentralisation process, but that it still continues to oppose the CSP.⁹ However, Belgrade has stated that it will not cooperate nor support the new municipalities.

c) Planning and Finances

Serb political parties that were running in November 15 elections promised their electorate to resolve all of their daily problems immediately upon taking the office.¹⁰ This exaggeration is considered to happen due to lack of their political experience and due to

⁵ Law on Local Self-Governance, Article 17, Own Competences

⁶ Kosovo's Draft Budget for 2010

⁷ Thaci party claims victory in local vote, B92, Belgrade, http://www.b92.net/eng/news/politics-article.php?yyyy=2009&mm=11&dd=16&nav_id=63068, accessed on December 21, 2009

⁸ Rada Trajković, Randjel Nojkić, Dragan Velić, Momcilo Trajković, etc.

⁹ Minister for Kosovo meets with local Serbs, B92, Belgrade, http://www.b92.net/eng/news/politics-article.php?yyyy=2009&mm=12&dd=17&nav_id=63831 accessed on December 21, 2009

¹⁰ KIPRED interviews with Serbs in Gračanica, November, December 2009, and an interview with a senior diplomat in Kosovo, Prishtina December 2009.

the desire to collect as many votes as possible¹¹. These promises also were along the lines of the expectations of the Serbs, who want to see an improvement in their lives. However, municipal authorities will have neither the capacities nor the budget to fulfil these promises.

According to a draft for Kosovo's 2010 budget¹², which is expected to be adopted by the Kosovo Assembly, the municipality of **Gračanicë/Gračanica** will have an annual budget of €1,791,035 out of which €110,214 are planned for wages and salaries of 37 administrative staff that this municipality will have, €1,144,695 for goods and services and €536,126 for capital investments. The budget is allocated from three main grants from the Kosovo Government, a general grant of €1,183,221, specific grant of education with €401,058 and specific grant for health with €206,757.¹³

Klllokot/Vrbovac municipality was allocated a budget of €719,602, from which €85,166 for wages and salaries, €351,464 for goods and services and €282,972 for capital expenditures. Grants consisting this budget are: general grant with €402,674, grant of education with €266,553 and grant of health with €50,375.¹⁴

Ranilug will have a budget of €693,636 from which €85,299 for wages and salaries, €368,185 for goods and services and €240,151 for capital investments. Grants that consolidate this budget are: general grant with €417,787, education grant of €220,883 and health grant of €54,956.¹⁵

The number of staff in the new municipalities¹⁶, compared to existing municipalities¹⁷, is very low, as it only calculates administrative personnel of the municipality. The budget line for "goods and services" in the new municipalities is very high, while the budget line for "wages and salaries" is very low. Municipal governments, according to the law, are in charge of executing wages and salaries for all the personnel in the public sphere, including teachers, doctors and nurses, as well as the whole public administration.¹⁸ This is not the case in the new municipalities, as public servants are also employed in the parallel system of Serbia and are part of the parallel institutions. It will be up to the municipal governments to see how to include these public servants in the Kosovo system.¹⁹ Municipal governments, however, must respect the budget grants in terms of expenditures dedicated for health and education, based on the grants given by the government.²⁰

¹¹ Ibid

¹² Kosovo's Draft Budget for 2010

¹³ Ibid

¹⁴ Ibid

¹⁵ Ibid

¹⁶ Gračanicë/Gračanica, Klllokot/Vrbovac and Ranilug

¹⁷ Shtërpce/Štrpce and Novo Brdo

¹⁸ Law on Local Self-Government

¹⁹ KIPRED interview with an official of the MLGA, Prishtina, December 2009

²⁰ The Kosovo government will provide the new municipalities with three grants, out of which two are specific, for health and education, and one is general.

For 2010, municipality of **Shtërpce/Štrpce** will have a budget of €1,720,963, out of which €966,636 for wages and salaries, €126,214 for goods and services, €32,120 for expenditure utilities, €5,000 for transfers and subsidies, and €590,993 for capital expenditures. The grants coming from Kosovo government for this municipality are: general grant €884,507, grant of education €639,450 and grant of health €130,094.²¹

On the other hand, **Novo Brdo**'s budget for 2010 is €1,468,090 out of which €685,375 are dedicated for wages and salaries, €60,375 for goods and services, €23,500 for expenditure utilities, €16,000 for subsidies and transfers, and €682,440 for capital expenditures.²² The general budget grant is in an amount of €793,174, grant of education €502,888 and grant of health €117,414.²³

Finances for northern municipalities

There is a widely spread belief that northern Serb-controlled, municipalities of Leposaviq/Leposavić, Zvečan/Zvečan and Zubin Potok, do not cooperate with Kosovo institutions. However, in the budget plan for 2010, Kosovo government has allocated a regular financial amount of the functioning of these municipalities.

Leposaviq/Leposavić is a municipality for which the Kosovo government allocated a budget of €2,129,276 for 2010, out of which, €1,244,292 as general grant, €664,060 as grant of education and €195,354 as grant of health.²⁴ According to the budget lines, the capital investments in this municipality will be €521,859, while the municipality has 447 staffs that are getting paid from Kosovo's budget, in a total amount of €1,237,965.²⁵

Zvečan/Zvečan will get a total of €1,503,662 from Kosovo's budget in 2010, out of which €933,546 as general grant, €340,733 as grant of education and €164,805 as grant of health.²⁶ This municipality has 232 staff that will be paid from Kosovo budget.²⁷

Zubin Potok will have a budget of €1,590,485 allocated by Kosovo government for 2010, out of which €975,000 as general grant, €396,716 as grant of education and €154,424 as grant of health.²⁸ There are 327 staffs that are paid from Kosovo's budget in this municipality.²⁹

e) Tensions with the central government

Elected mayors have already complained to central authorities and the international community regarding the distribution of the budget and conditions for full functionality of local governments.³⁰

The budget that was assigned is also rated as insufficient for a start-up of municipalities. New municipalities can generate own revenues through municipal taxes, different fees and charges, rent on immovable property, grants from different donors, including

²¹ Ibid

²² Ibid

²³ Ibid

²⁴ Kosovo Draft Budget for 2010

²⁵ Ibid

²⁶ Ibid

²⁷ Ibid

²⁸ Ibid

²⁹ Ibid

³⁰ Statements by mayor of Graçanicë/Gračanica Bojan Stojanović and mayor of Ranilug Gradimir Mikić

potential grants from the Republic of Serbia.³¹ However, own incomes are not foreseen in Kosovo draft budget for 2010 for municipalities of Graçanicë/Gračanica, Klllokot/Vrbovac and Ranilug.

Nevertheless, the MLGA has an extra budget of up to €3 million for building capacities of new municipalities, building municipal facilities, and supporting different projects of municipalities.³² The donor community, especially the USAID, have shown immediate interest to invest in projects in the new municipalities. Another challenge for these municipalities will be the lack of capacities to absorb eventual grants, and the overall weak spending capacities due to lack of professional personnel, experience and adequate infrastructure.

Kosovo Serbs had boycotted elections organised by Kosovo authorities also in municipalities of Novo Brdo and Shtërpce/Štrpce, which have an ethnically-mixed population. As a result, Novo Brdo had an Albanian mayor as the Albanian population took part in the election.

Shtërpce/Štrpce on the other hand had a situation where three people claimed the position of the mayor. The first one was the there were three politicians pretending the office of the mayor. The first one was Beqir Fejzullahu, an Albanian politician who won most of the casted ballots in 2007 elections. But due to the Serb boycott, Kosovo government decided to extend the mandate for Stanko Jakovljevic, who was elected mayor in 2002. On the other hand, the parallel ‘municipality’ was run by Zvonko Mihajlovic. This situation was mostly resolved after the local elections of November 15, and the mayoral runoff on December 13 where apart from the very high Serb turnout, the SLS candidate became the mayor of the municipality. SLS has also 8 out of 19 seats in the municipal assembly³³.

The 2010-2012 planned budget for all these three municipalities foresees only a symbolic amount of money to be municipalities’ own income.³⁴ All these municipalities are governed by assemblies and mayors who were elected in Kosovo local elections of 2002. Since then, their mandate has been constantly extended, due to the fact that Serbs have been boycotting elections organised by Kosovo authorities. After the boycott of 2004 elections, the UN mission in Kosovo (UNMIK) extended the mandates for mayors and municipal assemblies of Leposaviq/Leposavić, Zveçan/Zvečan and Zubin Potok, but also for those of Novo Brdo and Shtërpce/Štrpce. Kosovo’s prime minister decided on another extension in December 2007, after the Serbs boycotted elections for the second time. On the other hand, the political situation in these municipalities has changed drastically since 2002.

III. Future Municipalities – Mitrovica North and Partes

Kosovo authorities and the International Civilian Office (ICO) are obliged to take all necessary preparations to ensure that by the time of local elections in May 2010,

³¹ Law on Local Governance Finance, Article 8

³² KIPRED interview with a senior official of MLGA, Prishtina, December 2009

³³ For background information, please see KIPREDs brief “Decentralization in Kosovo I: Serbs and the local elections” XXXX

³⁴ Ibid

resources, properties and administrative structures required for the establishment and functioning of the new municipalities have been allocated and established.³⁵ Upon creation of the new municipalities of Graçanicë/Gračanica, Kllokot/Vrbovac and Ranilug, the ICO stated that the decentralization in Partesh/Parteš and Mitrovica North will continue and that elections there will be held no later than six months after 16 November 2009.³⁶ Kosovo's President is obliged to announce the election date at least 4 months in advance or latest by January 15, 2010.³⁷ This leaves a short amount of time for authorities to ensure preparations for the elections on both, political and technical level.

The MPT for Partesh/Parteš has already been appointed and is in place, working on the preparations for creation of the new municipality.³⁸ Generally, so far, the climate for establishment of the municipality is generally convenient, while political resistance of some local Serbs for the decentralization process is weakening and diminishing.³⁹ However, existence of parallel structures of Serbia remains a challenge for this future municipality, similarly to Graçanicë/Gračanica, Kllokot/Vrbovac and Ranilug.

In the draft budget for 2010, Kosovo's government assigned a budget of €742,246 for Partesh/Parteš, out of which €88,173 for wages and salaries, €361,363 for goods and services and €292,719 for capital expenditures.

Kosovo authorities have not foreseen any budget for the municipality of Mitrovica North. In the draft budget, there is a budget line for this municipality but with no money allocated.⁴⁰ The budget for this municipality, unlike for other municipalities and Partesh/Parteš, will be initially coming from the allocated budget for the current municipality of Mitrovica.⁴¹ The fact that authorities did not treat Mitrovica North equally to Partesh/Parteš at this stage, knowing that the current political status of both future municipalities is exactly the same, is a bad signal that is being sent to Kosovo Serbs living in the northern part of Mitrovica. However, the government of Kosovo keeps financing the United Nations Mission in Kosovo (UNMIK) Administration in Mitrovica (UAM) by allocating €2,5 million annually. UAM functions as a de-facto municipality of northern Mitrovica, has eight departments and 123 staff. UAM reports directly to UNMIK.

Creation of the municipality of Mitrovica North remains the biggest challenge for Kosovo authorities and the international community. So far, the ICO has interviewed applicants for positions for the MPT for this municipality and has decided to re-run the job vacancy once again, being unsatisfied with capacities of the people who applied for these positions.⁴² The vacancy is likely to be unsuccessful for the second time as local Serbs in Mitrovica are discouraged from applying. On the contrary, they are intimidated

³⁵ Comprehensive Status Proposal, Annex III, Article 12, Section 1

³⁶ Communiqué of the ICO, September 15, 2009

³⁷ Law on Local Elections, Article 4.3

³⁸ KIPRED interview with a senior ICO official, Prishtina, December 2009

³⁹ Ibid

⁴⁰ Kosovo Draft Budget for 2010

⁴¹ KIPRED interview with a representative of the Ministry of Economy and Finances, Prishtina, December 2009

⁴² KIPRED interviews with representatives of the ICO and the MLGA, Prishtina December 2009

and threatened not to apply, by security parallel structures of Serbia who operate in the north.⁴³ As long as these structures freely operate in the area, creation of the new municipality of Mitrovica North and the overall decentralization process in Kosovo remains jeopardized.

a) Northern Kosovo between international expectations and local realities

The international community sees neither consistency nor any long-term plans in the current attitude and policies of Serbia's government towards Kosovo.⁴⁴ Yet, there are no indicators that Serbia will change its policy regarding the existence of the parallel structures immediately, although in due time, Belgrade may gradually withdraw the support to these institutions in Serb settlements south from Ibër/Ibar river. Representatives of Serbia's Ministry of Interior (MUP) are likely to continue harassing and intimidating all those Serbs in the north who work towards integration in Kosovo's society.

The international presence in Kosovo does not see the existence of parallel structures as an obstacle at this stage. Their current position is to pressure Kosovo authorities to have a concrete and fast offer on the ground for local Serb communities⁴⁵. They believe that Serbs will accept and even welcome any investment from Kosovo authorities, through newly elected municipal authorities.⁴⁶ But Serbs are divided when it comes to such issues. The influence of the Belgrade government over them, although is slowly diminishing, remains strong through the intimidation and threats. The parallel structures of interior and intelligence, continue to intimidate and threaten all those Serbs who are willing to cooperate with Kosovo institutions. This represents a serious challenge for any positive developments in the north.

There is an ungrounded level of optimism among the international presence regarding establishment the municipality Mitrovica North. The ICO and the members of the Quint see the solution through the role of the government in Belgrade on the ground. Most of the current leaders of the parallel structures in the north belong to the Democratic Party of Serbia (DSS) of the former prime minister Vojislav Koštunica. The major governing coalition party in Serbia, the Democratic Party (DS) led by Serbia's President Boris Tadić, is now replacing key officials of the parallel structures in the north, with their own people.⁴⁷ There are good chances that parallel municipalities in northern Kosovo will be put in a temporary administration, which would be run by Tadić appointees.⁴⁸ The international community is seeing this move as a positive sign, which will eventually help the decentralization process and will help the ICO to have the local Serbs onboard for creation of the new municipality.

However, these expectations are unrealistic. Since deployment of the EU rule of law mission (EULEX) custom officers in two northern border points, Gate 1 and 31, efforts of international community in Mitrovica have been put on a deadlock. This created more space for expansion of Belgrade parallel structures in the north. In this spirit, the Serb-dominated settlements in the north, including northern part of Mitrovica, have been

⁴³ KIPRED interviews with journalists and civil society representatives in Mitrovica, November, December 2009

⁴⁴ KIPRED interview with a senior European diplomat, The Hague, December 2009

⁴⁵ KIPRED interview with a senior ICO official, Prishtina, December 2009

⁴⁶ Ibid

⁴⁷ KIPRED interview with a senior international official, Prishtina, December 2009

⁴⁸ Ibid

disconnected from Kosovo's electrical network of KEK and have been connected to Serbia's main energetic corporation Elektro-Privreda Srbije (EPS), which is now illegally operating in Kosovo. EPS will collect bills in the north, although it will not be able to provide full electricity to the north.

In Zubin Potok, there are two mayors. One of them, Slaviša Ristić, was elected in Kosovo elections in 2002, and remains in charge of administering the budget granted by Kosovo government. However, implementation of any governmental policies in this municipality is hardly ever the case. On the other hand, Serbia organised elections in Kosovo on May 11, 2008, out of which a parallel municipality was reinstated. The head of this municipality is Stevan Božović. Both, Mr Ristić and Mr Božović are members of the Democratic Party of Serbia (DSS) led by Serbia's former prime minister Vojislav Koštunica. They are both heads of the Zubin Potok municipality, in different systems. The official website of the municipality⁴⁹, which is a domain name with .RS extension⁵⁰ presents the Kosovo municipality of Zubin Potok, although the domain name is official Serbian one.

In Zvečan/Zvečan the situation is somewhat different, as the balance of political powers there has drastically changed in the meantime. The mayor of this municipality whose mandate was extended by Kosovo authorities is Dragiša Milović who comes from the DSS. However, the parallel municipality that came out of the May 11, 2008 election organised by Serbia, DSS's support in the municipality dropped, while most of the votes in the Serbian municipality got Serbian Radical Party (SRS) led by Vojislav Šešelj who is being tried in The Hague for war crimes. The head of the parallel municipality of Zvečan/Zvečan is Dobrosav Dobrić from the SRS.

Serbia organised early elections for its parallel municipality of Leposaviq/Leposavić in November 2009. The results showed that DS of Serbia's President Boris Tadić won most of the seats in this parallel municipal assembly, which was previously led by Koštunica's DSS. However, the mayor of the legal municipality, whose mandate was extended by Kosovo authorities, remains Velimir Bojović who comes from DSS.

Since 2004, it was clearly proven that the government in Prishtina couldn't extend its authority in the north by extending the mandates of mayors who were elected in 2002. Furthermore, these mayors come from Koštunica's DSS, a political entity that no longer have the support of the local Serbs. This led to the formation of an opinion in diplomatic circles that authorities in Prishtina has agreed with the fact it cannot control Kosovo's north, just like how the government in Belgrade agreed it can never control Kosovo again.⁵¹ Such conclusions are not only against the Contact Group's principles for Kosovo, but also correspond with Serbia's plan for partition of Kosovo after the ICJ verdict.

The leadership in Belgrade remains committed to its strategic goal for partition of Kosovo after the International Court of Justice (ICJ) issues an advisory opinion about the legality of declaration of Kosovo's independence in the first half of 2010, believing that this opinion will at best favour Serbia's position, and that will open a door for a new round of negotiations with Kosovo's leadership which will ultimately result in a

⁴⁹ <http://www.zubin-potok.org.rs> accessed on December 22, 2009

⁵⁰ RS stands for Republic of Serbia

⁵¹ KIPRED interview with a senior EU diplomat, The Hague, December 2009

negotiated partition of Kosovo.⁵² Pristina, on the other hand, does not have a position of its own regarding steps after the process at ICJ ends.

On October 16, 2009, the EU appointed the Italian Ambassador to Kosovo Michael Giffoni as EU's special representative for northern Kosovo. He will work under guidance of the EU Special Representative (EUSR) in Kosovo. However, it remains unclear what are the objectives that he is supposed to achieve.

The eventual success that southern municipalities may show in the near future is not sufficient to change the political situation in the north among the local Serbs as long as the parallel security institutions are present. At best, only 5% of the Serbs in northern Mitrovica would currently participate in Kosovo organized municipal elections⁵³.

The Serbs in the north are mostly concerned about the economical perspective⁵⁴. Thus for, any political solution for creation of the new municipality, has to come accompanied by an offer for economic development. This opportunity has not been used by the government of Kosovo to develop and offer a combined political-economical political solution for this part of Kosovo. However, only such a strategy will provide opportunity for the gradual inclusion of northern Kosovo in the rest of the institutional framework.⁵⁵

Such efforts would not be successful if the international community, primarily EULEX, and Kosovo's institutions remain without a vision for northern Kosovo. The ICO is currently applying a mantra for a gradual change in northern Mitrovica, based on the positive outcome from southern municipalities.⁵⁶ This view is supported by the Quint, while EULEX is still not capable to undertake any serious actions to establish the rule of law in the area. On the other hand, Belgrade's stance is not the same for the north, as it is for municipalities south of Ibër/Ibar river.

V. Recommendations

In order to improve the current situation, with an aim to improve implementation of the decentralization plan in a way that it will ensure Kosovo's territorial integrity, enforce its statehood and consolidate its multi-ethnic society, KIPRED proposes the following recommendations:

- The international community, and especially EU should condition any further integration of Serbia in EU with immediate disbanding of the parallel security structures in Kosovo.
- EULEX, Ministry of Interior and the Ministry of Justice should draft a joint action plan to establish the rule of law in northern Kosovo

⁵² Kosovo at a Crossroad – Decentralization, KIPRED, July 2009

⁵³ Disorderly Conduct: Government in Mitrovica, Kosovo Stability Initiative December 2009, http://www.iksweb.org/repository/docs/policy_brief_mitrovica_governance.pdf

⁵⁴ Ibid, and KIPRED interviews with ICO officials and civil society activists in northern Mitrovica, December 2009

⁵⁵ Looking beyond Mitrovica bridge – An Ahtisaari plus package, KIPRED, Pristina, October 2008

⁵⁶ KIPRED interview with a senior official of the ICO, Prishtina, December 2009

- The Kosovo government should draft a concrete strategy regarding integration of Kosovo's north, which would combine political, economic and confidence building measures *
- The Kosovo government should stop financing the UNMIK Administration in Mitrovica (UAM), and proceed with the creation of MPT for Mitrovica North
- The Kosovo government, the international community and the donor community should support developmental projects coming from new Serb majority municipalities.
- The MAPL and the Kosovo government should commit financial means for building municipal premises in the new municipalities as soon as possible
- Municipal governments in Novo Brdo and Shtërpce/Štrpce should be formed through multi-ethnic governing coalitions between Albanian and Serb political parties.
- The government of Kosovo should appoint “temporary municipal governing councils” for Leposaviq/Leposavić, Zvečan/Zvečan and Zubin Potok. It should ensure that rule of law is fully established before holding extraordinary municipal elections.

* See Annex I for detailed proposal regarding the economic package