



**REPUBLIC OF SERBIA  
GOVERNMENT**

**OFFICE FOR KOSOVO AND METOHIJA  
AND  
OFFICE FOR THE COORDINATION OF AFFAIRS  
IN THE PROCESS OF NEGOTIATION WITH  
THE PROVISIONAL INSTITUTIONS OF  
SELF-GOVERNMENT IN PRIŠTINA**

**PROGRESS REPORT ON THE DIALOGUE  
BETWEEN BELGRADE AND PRIŠTINA  
(for the period April-October 2015)**

**October 2015**

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## ***Introduction:***

During the previous reporting period, the Government of Serbia continued to take part in the EU-facilitated dialogue with Priština, openly and in good faith. The commitment of the Serbian Government remained at the same level and intensity, not only with a view to protecting vital national interests in the Province and normalizing relations with the Provisional Institutions of Self-Government, but also in consideration of a broader need to create optimal setting for the historic reconciliation between the Serbian and Albanian peoples in the Balkans. Accordingly, the Government of Serbia still regards the dialogue with Priština to be a mechanism that fosters regional European integrations, and that deserves full support of all stakeholders genuinely interested in peace and social and economic progress in this region. On the grounds of such presumptions, the present report aims at providing full insight into the course and the subject matter of the dialogue, with a particular emphasis on the breakthroughs made in the stage of implementing the solutions set forth by all documents drawn in the hitherto course of the dialogue.

Since the previous report, the most important qualitative breakthrough concerns the agreements reached by President of the Government of Serbia and President of the Provisional Institutions of Self-Government, in Brussels, on August 25. The documents are entitled as follows: ***Community/Association of Serb majority municipalities in Kosovo – general principles/main elements, Telecommunications Action Plan, Conclusions of the EU facilitator on the implementation of 2013 Energy Arrangement, and Conclusions of the Working Group on Freedom of Movement/Bridge.*** Given that these arrangements for the most part elaborate on the previously made agreements and principles by specifying deadlines and modalities for implementation, the present report is structured in the same fashion as the previous one so to provide a clear and comprehensive view of what was agreed and implemented so far, through three clusters of issues: the first cluster comprises issues and processes stemming from the political segment of the dialogue based on the First Agreement on the Principles Governing the Normalisation of Relations, and the supporting documents; the second cluster involves issues arising from the so-called technical agreements reached with the EU facilitation; the third cluster covers issues deriving from the arrangements made in order to resolve and overcome other, no less significant issues, which hamper further normalisation of relations.

It should be noted that progress in the dialogue is still mostly constrained by the failure to comply with obligations and meet the deadlines for implementing the agreed solutions. In this respect, the clearly defined dynamics under the Implementation Plan has been brought into question by Priština's procrastination in fulfilling the assumed obligations and/or by its attempts to imbue a strictly technical issue with an unwarranted political dimension. In addition, the process of normalizing relations is certainly not benefiting from the relentless attempts of the so-called Kosovo authorities to undermine the status-neutral modality of the negotiations by incessantly insisting on the resolution of the final status of the Province. In consequence, the Government of the Republic of Serbia continues to hold that a more decisive engagement on the part of the European mediators is required to preserve a status-neutral approach to the dialogue, as well as a timely and comprehensive implementation of the agreed.

## **A) Social and political situation in Kosovo and Metohija**

Over the last six months, social and political situation in Kosovo and Metohija remained relatively complex, with further polarisation of certain aspects due to intensified conflicts between the ruling and the major opposition parties (Self-Determination Movement, Alliance for the Future of Kosovo, and Initiative for Kosovo). Consequently, the political environment was most adversely affected by the opposition's decision to continue to rally supporters by using primarily nationalistic rhetoric. It must also be emphasised that the opposition did not "attack" the Government by citing the exceedingly complex economic and social conditions in the Province. Rather, their intensified action against the government is predominantly based on the issues of amending the "Kosovo" Constitution to provide for the establishment of the Special Court and the conclusion of four new agreements in the Dialogue with Belgrade on 25 August.

During the reporting period, the ruling coalition showed that its capacity to put into practice important decisions was often questionable. Thus, the so-called Government in Priština failed to achieve major results in stabilising the general social and political conditions, despite the absence of friction among coalition partners. The adoption of the aforementioned amendments to the Constitution proved to be the greatest challenge to that Government, since the first round of voting failed as certain MPs of the ruling Democratic Party of Kosovo (DPK) were opposed. In view of the fact that, following strong external pressure, the amendments were adopted after all, a hope remains that there will be sufficient political will to allow the Special Court to fulfil its role in the process of Albanian-Serbian reconciliation by prosecuting those responsible for crimes against the Serbs in Kosovo and Metohija. However, from insufficient readiness of the government to implement the agreements reached in the Dialogue with Belgrade one may draw an opposite conclusion, which may be attributed both to the pressure exerted by the opposition and to the discord among the same ruling parties that represent the Albanians from Kosovo and Metohija. Notwithstanding a substantial internal resistance to the adoption of the amendments to the Constitution encountered by certain parties of the ruling coalition, the fact that shortly afterwards they managed to consolidate their respective internal party unities may be assessed as a positive one. Such outcome gives some cause for optimism that official Priština will have the capacity to implement the agreements reached with Belgrade so far, in good faith and within appropriate deadlines.

Despite the fact that the problems encountered by the ruling coalition were conducive to a considerable strengthening of the opposition parties, this did not happen, most likely because of the rivalry over the leading role within the opposition camp. This is why opposition parties failed to mobilise a larger number of voters to directly contest the Brussels agreements in demonstrations. It is the key reason why they abandoned the idea of organising joint street protests and, instead, focused on their own actions against the Government's activities. The Self-Determination Movement was again the most radical opponent to the Brussels process, having their activists organise paint attacks on Prime Minister Isa Mustafa's motorcade, drop teargas in the so-called Assembly of the Provisional Institutions of Self-Government (PISG) in Priština, and stage numerous other incidents. At the same time, the ABK was mostly focused on opposing the demarcation of "the border between Kosovo and Montenegro", which is why it remains unclear whether the intensity of its opposition to the Brussels agreements equals the one exhibited by the Self-Determination Movement.

The political dynamics described above did not have a major impact on the progress in the Brussels dialogue despite the continuing trend of the "Kosovo" government to conclude agreements with Belgrade and thereafter to evade their substantial implementation on the account of the opposition and its own more radical proponents. The situation is not very likely to change significantly by the next spring, when the new President of "Kosovo" would be elected and the Special Court is expected to commence the processing of crimes against the Serbs.

## **B) Security situation in Kosovo and Metohija**

There have been no major changes in the security situation in Kosovo and Metohija since the submission of the previous report. It remained stable but fragile throughout most of the reporting period. In the last six months it was also fundamentally shaped by the risks deriving from the adverse social and economic situation in the Province and the associated political tensions, as well as by the activities of the Albanian and Islamic extremists. Of particular concern in the security context was the likelihood that the violent actions taken by the opposition camp and its allies against the Provisional Institutions of Self-Government in Priština would be “redirected” against the minority communities. The risk that the extremist factors would try to justify their violence by the negative political position taken by the Serbs on certain decisions of the Assembly (the transformation of the Kosovo Security Forces) should be particularly considered.

The catalysts of security risks included primarily a hostile reaction of the opposition and Albanian extremists against the passing of the Law on the Special Court for KLA Crimes and agreements with Belgrade in the Brussels Dialogue. On several occasions, this action resulted in highly nationalistically charged demonstrations and minor violent incidents. In that context, the commencement of the operation of the Special Court in spring 2016, coming after the expected establishment of the Community of Serbian Municipalities (the CSM), will be the events entailing high risk of violent demonstrations against the so-called Government in Priština.

The security status over the previous period was adversely affected by Priština's continued efforts to transform the Kosovo Security Force (KSF) into the “Kosovo Armed Forces”. Apart from the fact that the creation of structures not provided for under the Kumanovo Agreement and Resolution 1244 would, by default, impair the security architecture in the region, the mere announcement of its setting-up would cause unease amongst most members of the minority communities in the Province. Nevertheless, the Government of Serbia maintains full confidence in the capacities and intentions of the international peace-keeping forces in the Province to keep the risks associated to the process fully under control.

Over the reporting period, there was an increasing interest of Kosovo authorities in the individuals returning from foreign theatres of war. The arrest of 40 people in August, suspected of taking part in the conflict in Syria, certainly indicates the gravity of the threat of terrorism in Kosovo and Metohija. This is also indicated by a major terrorist attack carried out in Macedonia on 9 and 10 May, which also flared tensions in Kosovo and Metohija, but fortunately did not result in security destabilisation in Macedonia and a possible spill-over into the neighbouring Province.

The actions of Albanian extremists against the Serbian community remain the most significant security risk in the Province. The complexity of the situation is illustrated by a constant level of the ethnically motivated attacks on the Serbs and monuments of Serbian spiritual and cultural heritage. It is indicative that the said attacks on the monuments of the Serbian Orthodox Church and other Serbian patrimony coincided with the strenuous efforts on the part of Priština to be admitted into the UNESCO. This demonstrates continuity in the strategy of intimidation and *fait accompli*, based on which the Albanian extremists and their political patrons intend to take possession of the patrimony of the Serbian people while at the same time banishing them and rendering their return impossible.

During the reporting period, there were 25 ethnically motivated attacks on the Serbs, mostly involving the houses and facilities belonging to the returnees in the Municipalities of Klinë, Peć, Kosovo Polje and Uroševac. It is worth noting that, just like on previous occasions, all attacks were duly reported to the Kosovo Police, whose members carried out on site investigations.

Listed below are some ethnically motivated assaults:

- In May, unknown perpetrators assaulted Z. Kostić and S. Marković with a knife in the village of Pasjane, Gnjilane Municipality, populated by the Serbs. Kostić and Marković sustained stabbing wounds. At the same time, there was an attack in Klina on the returnee couple Dabižljević-Konić, as well as R. Magić, who have sustained minor and major bodily injuries.
- In July, there were serious assaults in the villages of Goraždevac and Brestovik in the Municipality of Peć. The first incident involved firing of several shots from automatic weapons from a drive-by vehicle, while in the second one several shots were fired on the Dašić and Džavrić families.
- In August, unknown persons sprayed graffiti in Albanian on the concrete wall by the road in Štimlje. The translation of the graffiti is as follows, “The sons of tender, Community of the Serbs, Isa Esad Pasha, Community shall not pass.” The largest individual incident was recorded in Đakovica during the same month, when around 250 displaced persons from the Municipality arrived to celebrate the festival and patron saint day of the Monastery of the Assumption of the Holy Mother of God. A large group of Albanian nationals gathered in the vicinity of the Monastery, shouting hostilities and trying to stop the displaced from entering the monastery courtyard. The group clashed with the members of KFOR and KPS, pelting firecrackers and red paint at the police.
- In the village of Istok in September, three Albanian nationals wrote the slogan “PDK-LDK-COMMUNITY” on the road and pavement. The following was written on the surrounding wall of the Orthodox Church of the Holy Trinity, “Uke Rugova with 5 Illyrian sheepdogs and Isa Osmanaj”. Members of the KPS identified and apprehended the perpetrators, who were subsequently released although proceedings will be instituted against them. Meanwhile, a group of 5-6 Albanians physically assaulted three members of the Stević family in the Serbian village of Klokot in the Municipality of Gnjilane. M. Stević (aged 23) sustained a major bodily injury, i.e. a stabbing wound in the abdomen. He was transported to hospital in Gračanica and underwent a surgery.

Listed below are some attacks on religious facilities and Serbian cemeteries:

- The Church of Saint Paraskevi in the village of Drsnik, Klina Municipality, was broken into in July.
- The door of the recently reconstructed Chapel in the Orthodox cemetery in the southern part of Kosovska Mitrovica was damaged in August.
- In September, there was an attempt to break into the Serbian Orthodox Church of the Holy Trinity in the village of Babljak, Uroševac Municipality, where 8 Serbian returnees live. It is worth mentioning that the temple has been broken into and desecrated on several occasions since June 1999.

All this may serve to draw a disappointing conclusion that the security of the Serbian population during this reporting period was again below the minimum satisfactory level.

## **C) Obligations stemming from the First Agreement**

### **1. Community of Serbian Municipalities**

Significant progress was made towards the establishment of the Community of Serbian Municipalities (CSM). With a view to specifying the provisions of the First Agreement which regulate the issue, the previous period saw activity on aligning the text of the underlying principles for the establishment of the CSM. The text entitled *Association/Community of Serbian majority municipalities in Kosovo – General Principles/Main Elements* was harmonized and initialled on 25 August 2015.

The document sets out seven underlying principles of the CSM: legal framework, objectives, organisational structure, relations with the central authorities, legal capacity, budget and funding, as well as general and final provisions.

It was agreed that the legal framework for the establishment of the CSM would include the First Agreement, the Law on Ratification of the First Agreement and Kosovo legislation. In addition, the so-called Government of Kosovo will adopt a Decree to incorporate the Community into the legal system of Kosovo, which decree will then be subject to verification on the part of the Constitutional Court of Kosovo.

The CSM will have public competences and functions, which will be reflected primarily in full overview in the areas of local economy, education, health and social care, urban and rural planning. In addition to the competences provided for by the document, the Community may subsequently be delegated other competences by the participating municipalities and central authorities.

It was agreed that the bodies of the Community would comprise the Assembly, President, Council, Board, Administration and Complaints Office.

With regard to the relationship between the Community and central authorities, it was agreed that the CSM would represent and protect the rights and interests of members of the Serbian community by having the right to propose amendments to laws in the areas within its competence, to initiate proceedings before courts, including the Constitutional Court, with a view to protecting the rights and interests of the CSM and members of the Serbian community, as well as to monitor the activities of the central authorities. The CSM will have the right to nominate its representatives in the central authorities, including a member of the Consultative Council for the Communities and the Regional Police Commander.

The Community will have full legal capacity, including the right to own property and companies, and to conclude all types of contracts. Further, it will have its budget and will be funded from the contributions of the participating municipalities, fees for the services provided, transfers of the central authorities, and donations of the Republic of Serbia, international and other organisations. The Community will have its symbols and it will be open to other municipalities with the consent of the participating municipalities. It will only be possible to dissolve it by virtue of a two-third decision of its member municipalities.

It is set forth under the Principles that no later than four months as of the day when they were agreed upon in Brussels, the Management Team will draw up the Draft Statute of the CSM, which will then be presented within the framework of the high-level dialogue.

Pursuant to Point 2 of the Principles, the passing of the Decree on the Establishment of the CSM will be a precondition for the Management Team to commence drafting the Statute. Priština has still not passed the decree in question, which will additionally postpone the passing of the Statute of the CSM, and by extension the entire process of the establishment of the CSM.

It would be imperative that Priština take the necessary steps in the upcoming period to discharge the obligations assumed, so as to create preconditions for the Management Team to start working.

## **2. Police**

With regard to the integration of police staff, the Republic of Serbia discharged all its obligations stemming from the First Agreement and the Implementation Plan. However, there are still a number of problems regarding the integration of the Ministry of Interior (MoI) employees into security structures in Kosovo and Metohija.

No measures have been taken yet to integrate 23 former employees of the MoI, whose applications have been refused on the grounds of insufficiently clarified “security reasons”. Furthermore, despite numerous promises by the EULEX and KPS, the integration of 77 MoI administrative and technical staff and 15 employees of the MoI Directorate for Food and Accommodation has not even commenced yet.

The only progress was made with respect to the integration of former employees of the Fire Department. Namely, in the previous period, under a provisional agreement between the head of the Office for the North of Kosovo and Metohija and the mayors of municipalities in the north of Kosovo and Metohija, 44 former employees of this department were integrated, whereas 20 members are still waiting for an adequate integration solution.

In the forthcoming period, the Republic of Serbia will continue to insist on Priština solving the issue of the integration of all MoI employees as soon as possible.

The post of the Regional Commander of the Police Directorate of Kosovska Mitrovica – North is currently being held by an Acting Commander. The official appointment will only be possible after the Community of Serbian Municipalities is formed pursuant to Point 9 of the First Agreement. In view of that, it is expected that the applicable regulations in Kosovo and Metohija will be harmonised.

It is important to underscore that the heads of police administrations integrated into the security structures in Kosovo and Metohija are under constant pressure from Priština regarding the performance of their duties, which significantly affects their work. Furthermore, Priština is constantly trying to provoke division among the integrated employees of MoI and divide them into those supporting Priština and those supporting the Serbian side in the north of Kosovo and Metohija.

## **3. Judiciary**

The implementation of the Agreement on Judiciary reached in February 2015 is underway. The Agreement sets forth the integration of judges, prosecutors and administrative staff into the system of Provisional Institutions of Self-Government (PISG) in Priština, as well as the provision and adaptation of premises designated for courts and prosecutors’ offices. Despite the fact that under the Agreement the activities should have been completed by 1 September 2015, there are still a number of problems in their implementation.

With respect to the integration of judges and prosecutors, a competition for the selection of candidates for the posts reserved for members of the Serbian community was completed. Thirty-four candidates were selected for the judge positions and nine candidates for the prosecutor positions, but they have still not been assigned their duties. Another problem is the fact that, after the competition had been completed, 14 judge positions and six prosecutor positions reserved for members of the Serbian community under the Agreement, remained vacant. It was agreed to re-announce the competition for those posts.

In regard to the integration of administrative staff, no competition has been announced for the agreed posts<sup>1</sup> yet, nor has agreement on managerial administrative posts in courts and prosecutors' offices been reached.<sup>2</sup>

There is also a problem of premises to accommodate courts and prosecutors' offices, since the Priština party failed to provide appropriate premises and complete their adaptation within the stipulated timeframes. The Serbian party discharged its obligations regarding this issue and completed work on the buildings designated for courts in Mitrovica North and Leposavić.

#### 4. Energy

In the framework of the political dialogue, intensive discussions were held regarding the implementation of the Arrangements in the field of energy of 8 September 2013. The Republic of Serbia discharged all its obligations under the Arrangements and the Action Plan, whereas Priština constantly refused to fulfil its obligations, invoking a different interpretation of the Arrangements<sup>3</sup>.

In order to resolve such situation, on 25 August the sides initialled the Conclusions of the EU facilitator on the implementation of the 2013 Energy Agreement. The Conclusions provided for the PE *Elektroprivreda Srbije* (EPS) to establish two companies, *EPS trgovina* LLC for trading in electricity and *Elektrosever* LLC for supply and distribution services. The Conclusions specify the supply competences of *Elektrosever*, whereas distribution service competences will be further discussed with the EU facilitation.

On the other hand, it was agreed that the Republic of Serbia should support the efforts of the Kosovo Transmission System and Market Operator (KOSTT) to become a separate control area within the European Network of Transmission System Operators for Electricity (ENTSO-E).

Both parties stated that signing the document would not prejudice the status of property in Kosovo and Metohija, which will be discussed as a separate issue.

It was decided at an ENTSO-E session in Budva on 16 September that the cooperation between the companies dealing in transmission of electricity, PE *Elektromreža Srbije* (EMS) and KOSTT, will continue and that a so-called *Connection Agreement* will be signed between all ENTSO-E members, of the one part, and KOSTT, of the other part. This will enable KOSTT to become a separate control area. The said agreement shall become effective before Priština registers *Elektrosever* and issues a licence for the supply of electricity to it.

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<sup>1</sup> The competition includes 149 vacancies, out of which 115 for judicial administrative staff and 34 for prosecutorial administrative staff.

<sup>2</sup> With respect to managerial administrative posts in courts and prosecutors' offices, the EU facilitator proposed that representatives of the Serbian community be appointed Deputy Secretary of the Appellate Court Department in Mitrovica, Deputy Secretary of the Basic Court in Mitrovica and Secretary of the Basic Prosecutor's Office in Mitrovica. As to the post of the head of the clerk's office, it was proposed that the Basic Court in Mitrovica should engage 2 heads of the clerk's office, an Albanian and a Serb. Such proposal is unacceptable to the Serbian party since the post of Secretary of the Basic Court is vital for the protection of interests of the local Serbian community, whereas the other posts offered have not been provided for under the applicable job classifications.

<sup>3</sup> Belgrade repeatedly asked that Priština enable the registration of two companies in Kosovo and Metohija which would handle electricity trading and supply and distribution services, all in line with the Agreement. A particular problem was the issue of ownership over the electric distribution system in the north of Kosovo and Metohija. With respect to that, Belgrade continued insisting on acquiring a distribution system operator (DSO) licence for northern Kosovo and Metohija, whereas Priština remained strongly opposed to that.

Priština did not grant the registration of either *Elektrosever* or *EPS trgovina* within the agreed timeframe.

Namely, on 4 September PE EPS submitted the documentation for the registration of the two companies to the Kosovo Business Registration Agency (KBRA) in Priština. After five days, the Agency requested the submitted documentation to be corrected. Apart from political objections, one of the main requests of the Agency was that the documentation should specify the activities of the two companies in line with the nomenclature applied in Kosovo.

The applicable nomenclature recognises four types of activities: production, distribution, transmission and trade, which enables *EPS trgovina* to be registered under the code 3514 for the activity of ‘trading in electricity’. The nomenclature, however, does not recognise the activities of supply and distribution services, agreed for *Elektrosever* under the Arrangements. In an attempt to approach the issue constructively, the Serbian party proposed a solution for the registration of *Elektrosever*<sup>4</sup> at the last meeting in Brussels. The proposal received the approval of EU representatives and is now pending the consent of Priština, so as to overcome all obstacles to further implementation of the Arrangements and the Action Plan.

## 5. Telecommunications

In the previous period, the parties worked towards bringing into accord the wording of the Action Plan for the implementation of the Arrangements in the field of telecommunications of 8 September 2013. The wording of the Action Plan was agreed on 29 June and initialled on 25 August 2015.

It was agreed under the Action Plan that *Telekom Srbija* JSC should establish its daughter company for telecommunications (New Company) in Kosovo and Metohija. It is envisaged that the New Company should be granted a permanent licence for fixed telephony and a temporary authorisation for mobile telephony valid until 2017. The New Company will assume ownership of all the assets used by *Telekom Srbija* JSC in Kosovo and Metohija, as well as all its employees in Kosovo and Metohija.

The Autonomous Province of Kosovo and Metohija will be allocated a three-digit dial code (+383) designed for a geographic area within a state<sup>5</sup>.

The population of Kosovo and Metohija who will be using the services of the New Company will be able to dial numbers in other parts of Serbia without dialling the three-digit code. The same principle will apply when dialling numbers in Kosovo and Metohija from other parts of Serbia. All calls will be charged as they have been so far, i.e. without additional costs.

All activities envisaged under the Action Plan will be implemented simultaneously, so as to prevent one of the sides from evading its obligations.

The documentation which *Telekom Srbija* submitted for the purpose of registration was unjustifiably sent back several times for correction and adjustment in line with the legislation implemented in Kosovo and Metohija. This resulted in a delay in the implementation of the Action Plan and extension of all agreed timeframes by more than a month.

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<sup>4</sup> The Serbian party suggested that the problem be solved by combining the code and the description of activity, so as to enable registration, establishment and issuance of an appropriate licence to *Elektrosever*.

<sup>5</sup> In line with the regulation of the International Telecommunication Union (ITU) *Number E 164 point 4.1* Kosovo\* may be allocated a dial code designed for a geographic area within a state.

## 6. European integration

Since the European Union formally opened negotiations with the Republic of Serbia on 21 January 2014, the country has been working towards the opening of Chapter 35 entitled ‘Other Issues’ devoted to full normalisation of relations with Priština.<sup>6</sup>

Progress was made in the dialogue between Belgrade and Priština on 25 August 2015 by signing four agreements of key importance to the opening of Chapter 35 (Association/Community of Serbian majority municipalities in Kosovo – General Principles/Main Elements, Conclusions of the EU facilitator on the implementation of the 2013 Energy Agreement, Working Group Freedom of Movement/Bridge Conclusions and Telecommunications Action Plan).

The European Union assessed that, at this stage, Serbia met all the requirements set. Therefore, the European Commission and the European External Affairs Service initiated the preparation of the Screening Report and Draft Common Position (DCP) for Chapter 35, which will be submitted for consideration to the Committee on EU Enlargement of the Council of the European Union (COELA).

Our party submitted its objections to and comments on the said report. The final Screening Report is expected to be delivered in the nearest future, including the recommendations that Serbia should implement in the forthcoming period so that the negotiations on Chapter 35 could be officially opened by the end of 2015.

### D) Obligations stemming from Technical Agreements

#### 1. Cadastre

In the previous period the Republic of Serbia continued discharging its obligations in line with the Technical Agreement on Cadastral Records.

The EU-funded project *Exchange of Cadastral Records between Belgrade and Priština* envisages that the Republic Geodetic Authority should digitise pre-1999 cadastral records relocated from Kosovo and Metohija. To this day, the documentation for 903 cadastral municipalities has been scanned (out of the total of 1300).<sup>7</sup> What remains is to process the documentation for other 83 cadastral municipalities<sup>8</sup>, whereas for 314 cadastral municipalities<sup>9</sup> there are no cadastral records since they have not been relocated from Kosovo and Metohija. The process is expected to be completed by March 2016.

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<sup>6</sup> The negotiation process comprises 35 chapters, the last of which, Chapter 35, is of vital importance and is to be opened first and closed last.

<sup>7</sup> A total of 2,842,540 images have been scanned, which amounts to over 4 million pages. Out of this number, 1,125,709 images have been scanned in the last five months.

<sup>8</sup> For the municipalities of Priština, Zvečan and Obilić.

<sup>9</sup> The said cadastral municipalities are part of municipalities of Istok, Peć, Klina, Dečani, Orahovac, Gora and Kačanik.

As for the other obligations stipulated by the Agreement on Cadastral Records, it can be noted that no progress whatsoever has been made. Namely, bodies which are to compare cadastral records and adjudicate in disputable cases have not been established yet. These bodies are as follows:

- The Technical Agency envisaged by Point 2 of the Agreement, whose members are to be selected by the EU with the consent of both parties and whose task is to compare cadastral records.
- The Tripartite Implementation Group envisaged by Point 2 of the Agreement, which is to oversee the operation of the Technical Agency and which is to comprise cadastral experts from both parties headed by the EU.
- The first-instance adjudication mechanism, i.e. the Commission consisting of international and Kosovo cadastral and property experts, most of whom are to be appointed by the EU Special Representative, taking into account the interests of all interested communities. In line with Point 4 of the Agreement, the said Commission should decide on the correctness of a cadastral entry in cases where the comparison shows records not to be the same.
- The Special Panel within the Kosovo Supreme Court, consisting mostly of international judges who are to act as a second-instance mechanism on the appeals of interested persons against the decisions of the Commission (first-instance decisions).

In addition, the Draft Law on Kosovo Property Comparison and Verification Agency prepared by Priština is still on the table and under consideration of the so-called Assembly of Kosovo. The provisions of the said Draft are entirely in contradiction to the Agreement on Cadastral Records, and its adoption would pave the way for the legalisation of illegally usurped property of Serbs.<sup>10</sup> No representatives of Belgrade, the Serbian community in Kosovo and Metohija and the associations of internally displaced persons participated in the drafting of the Law, despite the fact that the said law is of vital importance to resolving the issue of property of the Serbian people in Kosovo and Metohija.

The Republic of Serbia asked EU representatives that the implementation of the Agreement on Cadastral Records should start and that the stipulated bodies be formed without delay. In late September, the implementation of the Agreement on Cadastral Records became a topic of discussion again.

## **2. Civil registry books**

The Republic of Serbia fully pursued its obligations stemming from the Agreement on Civil Registry Books.

## **3. Customs stamp**

The Agreement on Customs Stamps is fully implemented. Solutions of this Agreement are used in all documents related to the transport of goods (veterinary certificates, phytosanitary certificates, etc.).

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<sup>10</sup> The Draft Law provides for the establishment of the Kosovo Property Comparison and Verification Agency, despite the fact that its establishment is not envisaged by the Technical Agreement. The said Agency is to compare cadastral records and decide on the correctness of cadastral records in cases where the comparison shows records not to be the same. The provisions in question are evidently in violation of Points 2 and 4 of the Technical Agreement, which expressly stipulate that these competences will be exercised by the Technical Agency, i.e. the Commission (the first-instance adjudication mechanism). No seats whatsoever are reserved for members of the Serbian community in the key bodies of the new Agency.

#### **4. University diplomas**

The Republic of Serbia fully pursued all its obligations in order to facilitate the implementation of the Agreement on Diplomas<sup>11</sup>. Necessary legislation regulating the procedure for the recognition of diplomas issued in Kosovo and Metohija in accordance with the Agreement<sup>12</sup> has been adopted. In addition, the amendments of the Law on High Education, which were adopted in September 2015, facilitate the procedure of recognition of university diplomas within the Ministry of Education, Science and Technological Development, for the employment purposes<sup>13</sup>. These amendments, which will become effective from October 1, 2015, will significantly expedite the procedure of recognition of diplomas, and reduce the costs.

By contrast, four years after the Agreement on University Diplomas has been signed, Priština has still not enacted the legislation necessary to allow for the diplomas notarized by the certification of the European University Association (EAU) in Brussels to be recognized and used in Kosovo and Metohija.

This has led to a standstill in the implementation of the Agreement on University Diplomas, which was further exacerbated by the lack of intermediaries in this process, facilitating submission of applications for the EAU certificates in accordance with the Agreement<sup>14</sup>.

Refusal of Priština to recognize diplomas issued by the University of Priština temporarily dislocated to Kosovska Mitrovica, even those certified by the EAU, remains an outstanding issue. Its resolution is of great importance since mostly affects Serbian population in Kosovo and Metohija, who rely on the recognition of their qualifications to gain employment in the institutions in Kosovo and Metohija.

The issue of the implementation of the Agreement on Diplomas is expected to be resolved in the continuation of the dialogue in Brussels. In addition, the issue of recognition of diplomas for various academic titles (BA, MA and PhD studies) encompassed by the Agreement will be tackled, as well as the possibility of expanding the field of application of the Agreement to high school diplomas.

#### **5. Freedom of movement**

The freedom of movement regime over the past period proceeded in accordance with the Agreement on the freedom of movement.

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<sup>11</sup> The Agreement on Diplomas envisages mutual recognition of the diplomas issued by the universities in Kosovo and Metohija and the rest of Serbia. In order for a diploma to be recognized in accordance with the Agreement, it must previously be certified by the European University Association (EUA) in Brussels. After the EUA has granted its certificate, each party pursues the procedure of diploma recognition, in line with its respective regulations.

<sup>12</sup> Regulation has been passed on the special manner of recognition of higher education documents and on evaluation of study programs of the universities from the territory of Kosovo and Metohija, operating in accordance with UN Security Council Resolution 1244.

<sup>13</sup> To this purpose the Ministry has established the Centre for Information on the recognition of higher education qualifications and for diploma recognition for employment purposes (ENIC/NARIC Center). This center, which is envisaged under the Law on Higher Education, is part of the international network of centers for information about recognition and for recognition of foreign higher education qualifications. The center will authenticate diplomas and will be obliged to issue a decision on the recognition of diplomas within 90 days.

<sup>14</sup> In order to facilitate the implementation of the Agreement, in February 2012, EU contracted NGO "Spark", through which were submitted requests for EAU certificates. SPARK's mandate expired on July 2014 and since then there have been no intermediaries in this process.

The agreement is still applied to six joint crossing points and the following border crossings: Preševo, Gradina, Batrovci, Šid, Kelebija, Horgoš, Belgrade Airport and Niš Airport.

Persons from Kosovo and Metohija cross the administrative lines with an ID card and an entry/exit document which is issued on administrative crossing. To improve the implementation of the Agreement and ensure the exercise of the freedom of movement, the validity of this document has been extended to 60 days<sup>15</sup>. During this period, multiple crossings of the administrative border are possible, each instance of crossing electronically recorded. These changes became effective on 21 September 2015.

When vehicles with "RKS" registration plates cross the administrative line, they are issued temporary licence plates (the so-called "PROBA" ["TRIAL"] plates) and a certificate to use them. Starting from September 21, 2015, the costs of issuing "TRIAL" plates have been significantly reduced, and their validity has been extended to 60 days.

As to the abuse of the right to freedom of movement, the past period saw a drastic reduction of the number of persons from the territory of Kosovo and Metohija who tried to illegally cross the state border for the purpose of traveling to the member states of the European Union. From April through September, a total of 64 persons were seized in an attempt to illegally cross the border, of which 59 at the border with Hungary, and 3 persons on the Croatian border. No criminal groups engaged in human trafficking have been detected during this period.

## **6. Regional representation**

The Agreement on regional representation and cooperation reached on 24 February 2012 is successfully implemented. Persistent commitment of the Republic of Serbia to intensify all forms of regional cooperation, in line with this agreement, contributes to the stability of the region, its international affirmation and European integrations. During the previous period, the PISG representatives from Priština were enabled status-neutral participation in numerous regional conferences and fora<sup>16</sup>.

Among the most important are as follows: regional seminar on "Protection of Cultural Property in South-East Europe" held in Belgrade from 5 to 6 June 2015; a meeting in the framework of the "Crans Montana" forum, held in Brussels from 10 to 13 June; seminar of the anti-fraud systems (AFCOS), held in Belgrade from 17 to 19 June; Conference of the Global Security Forum (GLOBSEK), held in Bratislava from 19 to 21 June; Conference on the Albanian-Serbian relations building, which took place in the southern part of Kosovska Mitrovica, on September 3; conference on "The integration of a gender perspective in the security sector", organized by the OSCE Mission in Kosovo (OMIK) from 22 to 23 September; meeting of the Chiefs-of-Staff of the US-Adriatic Charter (A5), which took place in Bosnia and Herzegovina from 16 to 18 September 2015.

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<sup>15</sup> The entry/exit document previously lasted 15 days.

<sup>16</sup> In accordance with the agreement on regional representation, within the framework of regional cooperation for the PISG representatives in Priština used denomination such as "Kosovo \*" with a footnote which reads, "This designation is without prejudice to the status and in line with UN Security Council Resolution 1244 and the opinion of international Court of Justice on the Kosovo Declaration of Independence."

Cooperation has also been continued in the framework of implementing projects and programs of the Regional Environmental Center (REC) for Central and Eastern Europe, which is already operating in Kosovo and Metohija through the REC Office in Priština.

At the meeting of the Migration, Asylum, Refugees Regional Initiative (MARRI) in Skopje in June 2015, constructive approach of the representatives of the Republic of Serbia facilitated that Kosovo\* be granted the status of participant within the framework of this initiative. Representatives of Kosovo\* also freely participate in the work of the Regional Cooperation Council (RSS) and the Southeast European Cooperation Process (SEECF).

In the future the Republic of Serbia will continue to respect the provisions of the Arrangement and advocate for more comprehensive regional cooperation, naturally, with respect for the principle of status neutrality.

## **7. Integrated boundary management (IBM)**

The Republic of Serbia fully observes the Agreed conclusions on the IBM and the Technical Protocol on the implementation of IBM.

The functioning of all six joint crossing points (JCS) is successful.

At a meeting in Brussels held on 21 May 2015, construction of two new joint crossing points, Rajetići/Izvor and Kapija/Vrapce, has been agreed. Completion of these joint crossing points is expected in mid-2016.

Meetings at the local, regional and central level have been held in accordance with the agreed schedule. However, owing to their successful cooperation, the sides have agreed to start holding the bi-weekly, instead of weekly local meetings starting from August 2015, while regional meetings would be bi-monthly, instead of monthly. The next meeting at the central level will be held on 7 October 2015 in Belgrade.

In September 2015, after a prolonged delay, provision of mutual legal assistance through the letters rogatory was resumed. It was agreed that in the future this procedure would be carried out via the EU Delegation in Belgrade and EU Office in Priština instead of through EULEX, as previously agreed.

Full implementation of the SEED system started on 21 September 2015. Thus the exchange of information between the customs service of the Republic of Serbia and the PISG in Priština has been extended to all procedures involved in the traffic of road freight vehicles across the administrative line.

The process of electronic correspondence between the Customs Administration of the Republic of Serbia and the so-called Kosovo Customs has also been simplified. Correspondence is now conducted only via the email of the EU IMB Facilitation Office, without the mediation of the Ministry of Interior of the Republic of Serbia.

The status-neutral model of the Certificate of Pharmaceutical Products (CPP) has also been harmonized. It enables licensing of medicines and medical devices manufactured in the Republic of Serbia (outside of Kosovo and Metohija) and their distribution and sales in Kosovo and Metohija, and vice versa.

## **8. Liaison Officers**

The functioning of the system established by the exchange of Liaison Officers has continued to run in a satisfactory manner during this period. Successful cooperation between the liaison officers has continued, both mutually and with the institutions and the international missions in Belgrade and Priština.

In accordance with the agreement from Brussels dated 14 November 2014, placing under the jurisdiction of the liaison officers the process of announcing "official visits", a total of 116 "official visits" to Kosovo and Metohija have been arranged, including the visits at the highest level (Prime Minister, Deputy Prime Minister, ministers, etc.), followed by the first visit of FC "Red Star" to Gračanica, where an exhibition match was played with the local football team.

The Belgrade's Liaison Officer to Priština frequently visits Serbian communities in Kosovo and Metohija, as well as the facilities of the Serbian Orthodox Church, in order to provide various forms of assistance and support, as well as increase the level of safety of the population there. An example of that is putting a stop to the wave of violence in Goraždevac, in cooperation with EULEX and the KPS.

The Belgrade's Liaison Officer to Priština has an important role in solving a number of problems, both those related to the implementation of the agreement, and those concerning the everyday life of the citizens. He mediates in ensuring supply of medical institutions of the Republic of Serbia in Kosovo and Metohija. Over the last six months, these institutions have received medicines and medical equipment worth over 150 million RSD. Also, the Liaison Officer is actively engaged in resolving problems involved in the delivery of textbooks for primary and secondary schools in Kosovo and Metohija.

Owing to the successful cooperation with the so-called Kosovo Customs, numerous donations for Kosovo and Metohija have been realized, while many problems encountered by the Serbian businessmen have been resolved.

## **E) Other topics**

### **1. The collection of customs duties**

The Republic of Serbia complies with the commitments and collects all taxes in accordance with the Agreement on Customs.

### **2. Development Fund for the North of Kosovo**

There are still problems concerning the functioning of the Development Fund for the North of Kosovo, established under Agreement on Customs from 2013. According to the information available to the Serbian side, eight million euro have been paid to the Fund so far. However, the Fund has yet to pass internal documents that would allow its operation, as well as the allocation of the collected funds and the financing of specific projects. It is expected that the above problems would be resolved in the future.

### **3. Vehicle insurance**

Negotiations on vehicle insurance from the previous period resulted in signing of the Memorandum of Understanding between the Association of Insurers of Serbia (AIS) and the Kosovo Insurance Bureau (KIB), as mediated by the Council of Bureaux of the Green Card

System. The Memorandum was signed on June 23, and the implementation started on 12 August 2015.

This agreement stipulated mutual recognition of insurance policies for all vehicles entering central Serbia from the territory of Kosovo and Metohija, and vice versa. The control of possession and validity of the insurance policies is conducted at all six joint crossing points. In the event that the users of motor vehicles do not hold valid vehicle insurance when crossing the administrative line, they are obliged to conclude a contract on compulsory insurance. It was agreed that the processing and reimbursement of the claims for damages will be conducted by the Handling Bureau in accordance with the legislation of the party in whose territory the traffic accident took place. In accordance with the provisions of the Memorandum, the Guaranteeing Bureau will be obliged to refund the Handling Bureau of the other party with the full amount of compensation. Damage compensation claims of the injured parties originating from abroad are treated as claims by domestic injured parties. The MoU also specifies limits of insurance compensation.

In addition, the Memorandum provides for the establishment of a system of electronic verification of insurance policies at the administrative line, which provides greater security in terms of damage compensation and also reducing space for the smuggling of vehicles. The electronic system of policy verification will be established when the necessary equipment has been provided at the administrative crossings. It was agreed that the first step involves only a visual inspection of the insurance policy, and that the second phase, or the electronic verification of insurance policies, will begin once the conditions have been set in place.

The Memorandum establishes the institution of correspondents, which significantly reinforces the control mechanism of the handling of claims, prevention of fraud and possible augmentation of the amount of damage compensation. The signed Memorandum is quite successfully applied.

#### **4. Free trade**

Free trade between the Republic of Serbia and Kosovo and Metohija unfolds in accordance with the Central Europe Free Trade Agreement (*CEFTA*). For this area, also especially important is the Customs Stamp Agreement, as well as the Technical Protocol on the IBM Implementation, within which was concluded the Customs Agreement.

It should be noted that, in matters of the trading with central Serbia, the Provisional Institutions of Self-Government in Priština continue to act in contravention with the provisions of *CEFTA* Agreement.

One of the major problems concerns the inadequate determination of the basis for customs duties for levying duties on the construction material, and remains unresolved. Namely, Kosovo Customs Authority still refuses to determine the basis for customs duties according to transaction values. This results in a significant increase in product prices and a decline in competitiveness of the Serbian goods, given that the customs bases are thus increased by as much as 200% relative to the invoice value. This particular problem has been repeatedly emphasized in the meetings held within the *CEFTA*. At the meeting held in the framework of the Technical Dialogue between the Chambers of Commerce on July 3, 2015, it was agreed that the issue of customs bases would be resolved within two months. The solution, however, has not been reached yet.

Further to this, and contrary to legislation and practices within both *CEFTA* and the EU, Priština requests that veterinary certificates be supplied for certain products for which such certificates are normally not required. This problem has been settled but only partially, by agreeing that the products which contain a specific (minimal) percentage of ingredients of animal origin in

addition to those of plant origin, would carry a harmonized certificate for mixed-origin products. At *CEFTA* meetings, and also at the meetings of Chambers of Commerce, it was proposed that no certificate should be required in the turnover of the above products.

Another persisting problem is inability to transport non-hazardous waste (paper, glass, scrap metal) from the territory of Kosovo and Metohija. This problem has already been repeatedly indicated by companies registered in central Serbia and by the representatives of the PISG in Priština. Efforts are underway to harmonize a model for a status-neutral solution to this problem.

The procedure of harmonizing veterinary certificate for the marketing of products of animal origin is currently ongoing.

Serbian economic operators and entrepreneurs from the North of Kosovo and Metohija still face the same problems as in the previous period. Namely, Serbian economic operators are unable to operate within Kosovo and Metohija unless registered with the Kosovo Business Registration Agency. Business people from the North of Kosovo and Metohija may not import goods from Serbia to the North of Kosovo and Metohija without adequate licenses; on top of that, they are forced to operate under temporary permits, extended on quarterly basis. Furthermore, those entrepreneurs from the North of Kosovo and Metohija who are not registered with the Kosovo Business Registration Agency, are only allowed to sell their goods to end users (buyers), since they are not included in the Kosovo\* fiscal system.

## **5. The bridge and “Peace Park” in Kosovska Mitrovica**

Over the previous period, discussions were held concerning the opening of the bridge in Kosovska Mitrovica and identifying a comprehensive, durable and sustainable solution which would contribute to a security friendly environment.

The agreement was reached on August 25, 2015 at the meeting held in Brussels, with signed Conclusions of the Working Group on the Freedom of Movement/the Bridge.

In the Conclusions was agreed to settle the matter of demarcation of two municipalities, Brđani and Suvi Do, in Phase One. It was agreed to resolve the matter by October 10, by means of Memorandum of Understanding on the municipalities’ development plans, municipal zoning maps and detailed regulatory plans, concluded between the relevant Ministries and the two Municipalities.

That would be followed by commencing activities on revitalizing the bridge and its adaptation for the traffic, in line with the technical recommendations and architectural project of June 29, 2015. The contractor will close both sides of the bridge by fixed road-shoulders and construction fences, and entry to the construction site will be possible from the southern access road.

Simultaneously with this, the Kralja Petra Street would be reconstructed and transformed into a pedestrian zone. Throughout this process, relevant Working Group and both Mayors of Northern and Southern Municipalities of Kosovska Mitrovica would be monitoring and reviewing political and security conditions of reconstruction, on a regular basis. It was foreseen that the works should be finalized by the end of June 2016.

## **6. Civil protection**

The Agreement on Integration of the Civil Protection (CP) was reached on March 26, 2015 and its implementation began in line with the Action Plan.

The Serbian side has carried out all obligations stemming from this Agreement: the CP was dismantled, the CCTV system and containers were removed from the checkpoints, the previously used equipment and facilities were handed over. The container by the bridge in Kosovska Mitrovica was handed over on August 12, 2015, as the last one.

By contrast, Priština is defaulting on its obligations. The integration of 483 members of the CP into the Priština's PISG structures in the North of Kosovo and Metohija was to be completed by the end of August 2015. The Agreement stipulates that this procedure should be carried out in three phases. So far, only completed was the first phase, integration of 105 members of the CP in June 2015. The second phase was never initiated. For the second phase to commence, Priština needs to systemize jobs for 130 members of the CP in seven PISG institutions; thereupon would commence the third phase of integration of the remaining 248 members of the CP.

Due to Priština's delay in fulfilling these obligations, deadlines set under the Action Plan have been moved back. The key problems are: Priština failed to ensure conditions to carry out the anticipated dynamics of integration; administrative issues are addressed extremely slowly; there are no indications that job posts would be provided for 458 members of the CP (25 were given positions in the Penitentiary Department in North Mitrovica); no adequate equipment for furnishing work space has been provided.

For so long as Priština keeps failing to ensure the above-mentioned preconditions, the integration cannot be deemed completed. The Republic of Serbia will continue to provide the necessary financial and all other assistance to the members of the Civil Protection who have not been integrated to spare them from being left without financial income.

## **7. Agreements and dialogue of Chambers of Commerce**

The Chamber of Commerce and Industry of Serbia (PKS) and the Kosovo Chamber of Commerce (PKK), under facilitation of the Eurochamber, have regular meetings aimed at enhancing economic cooperation. The basis of cooperation between the two Chambers is the adopted Memorandum of Understanding between the PKS and the PKK of July 24, 2013, with adjoining Annexes on Arbitration in Disputes and on Building Institutional Capacities.

On May 9, 2015, in Gračanica was held a meeting of businesspeople (*Business to Business*) attended by 70 leading regional companies. This meeting was held with a view to enhancing economic cooperation between the leading companies and as a contribution to the normalization and stabilization of the region. On the same occasion was signed the Annex to Memorandum of Understanding between the PKS and the PKK, on exchanging Chambers' representatives and housing them in the premises of EU Delegation in Belgrade and EU Office in Priština.

In the meetings of the PKS and the PKK held in Ankara on May 22, in Berlin on July 3, and in Vienna on August 26, 2015, the discussion has tackled numerous issues of relevance for the reconstruction of infrastructure, removal of traffic-related and technical barriers, improving the business and investment environment, and encouraging business cooperation.

The point was made to re-establish postal traffic, which is of exceptional importance to the daily life of people in Kosovo and Metohija. Over the past six months, Serbian side has insisted on signing the Agreement on Technical Principles for Exchanging Postal Consignments, with wording partially agreed. The main obstacles in reaching the final settlement in this matter is the property of the Post of Serbia located in the territory of Kosovo and Metohija, treated by Priština as "Kosovo property" and the matter of the employees of the Post of Serbia, who are regarded as "members of parallel structures".

In the domain of railway transport was tabled the issue of restoration of the railway tunnel Merdare, demolished in the bombing in 1999. It was agreed to establish an expert committee, comprising representatives from both sides and tasked with defining necessary measures aimed at restoring railway on the route Niš–Kosovo Polje–Skoplje. Implementation of this project would reduce the costs of transporting the goods, and pave the way for regular passenger transport. In addition to railways, also discussed was the opening of Belgrade–Priština airline.

In addressing issues of postal services and railways, our side suggests to discuss technical rather than political aspects, and to leave the solutions in the domain of property to be found in the framework of the dialogue in Brussels.

Special attention was given to regulating the accompanying documentation in the domain of veterinary certificates, by continuing efforts to resolve all contentious issues stemming from the huge number and diversity of certificates. In order to enable an easier cooperation and remove obstacles preventing the free flow of goods and services, the veterinary authorities have established a working group, tasked with obtaining necessary documents for the harmonization of veterinary certificates.

Possibility of scheduling more frequent meetings between the PKS and the KKS was also considered. It was agreed that, going forward, the inter-chamber dialogue would be conducted in three areas: networking business partners (trade fairs, B2B meetings, sectoral meetings, study visits, etc.); facilitating trade and investments (information exchange, removal of trade barriers, creating opportunities for establishing joint companies, joint ventures, joint participation in various tendering projects, including projects in third markets); and international cooperation and projects (joint regional projects, educational projects, etc.).

## ***Conclusion***

The Government of the Republic of Serbia continues to take part in the Brussels Dialogue with the Provisional Institutions of Self-Government in Priština, confident that this path is optimal, under the existing circumstances, for addressing the everyday problems of citizens of both Serbian and Albanian nationalities, for promoting peace in the region and advancing regional European integration processes. Guided by this motive, over the previous period Belgrade has once again demonstrated absolute commitment to implementing the agreements reached after massive efforts invested, and under the EU facilitation. Furthermore, along with the steps aimed at implementing the previous agreements, the Serbian side has clearly demonstrated good will for making concrete new progress in the process of normalizing relations with Priština. This good will has resulted in reaching a set of agreements of August 25, whose implementation is yet to begin.

Nevertheless, bearing in mind Priština's disregard for the deadlines, and its attempts to alter the essence of the agreements during the course of implementation, the Serbian Government has to reiterate that, sadly, the implementation of the agreed continues is the most poorly organized segment of the dialogue. A particular problem remains to be Priština's mistrust and failure to comprehend the significance of the prompt formation of the Community of Serbian Municipalities (the CSM), as a vital mechanism for strengthening mutual trust between the Serbs and Albanians and for enabling the long-term and sustainable development, return, survival, and endurance of the Serbian and non-Albanian population in Kosovo and Metohija.

Concerning the delays in implementing the Agreement on the CSM, a surprising fact is that the Government in Priština has not yet adopted relevant regulation on formation of the CSM. This calls into question the sustainability of deadlines related to the projected work of the

Management Team in preparing the Draft Statute of the Community and, thus, of the deadlines related to the CSM formation. Relentless delays, or rather procrastination, give rise to serious questioning the capacity of the Government in Priština to implement the agreed, especially against the backdrop of harsh and, quite often, violent opposition attacks against the agreements related to the creation of the CSM.

Besides the CSM-related issues, the Government of the Republic of Serbia deems it necessary to underscore the outstanding issues concerning the implementation of the agreed and the obligations of Priština related to the integration of employees of the Ministry of Interior and the Ministry of Justice into the relevant structures in Kosovo and Metohija, as well as those concerning the registration of companies and implementation of agreements in the areas of energy and telecommunications.

While having a high level of understanding for the complex legal, personnel and political aspects involved in implementing these commitments, for Belgrade is unacceptable the level of tolerance on the part of the EU officials towards Priština's procrastination in implementing the agreed, such as in the case of the Agreement on Diplomas and the Agreement on Cadastre from 2011. We recall that Priština failed to adopt the legislation facilitating recognition and use in Kosovo and Metohija of diplomas certified by the European University Association (the EUA) in Brussels and, consequently, it has not recognized a single such diploma. Secondly, Priština simply went on to compile the Draft Law on Kosovo Property Comparison and Verification Agency whose wording is in full contravention with the provisions of the Agreement on Cadastre governing the formation of bodies and mechanisms for the purpose of establishing a reliable cadastre in Kosovo and Metohija.

High degree of understanding for Priština's attempts to undermine the status neutrality of the dialogue, and to "dislocate" discussion on numerous essential issues outside the framework of talks conducted under the auspices of the EU, triggers additional discontent. This was especially evident in the recent initiation of the process leading to Priština's membership to UNESCO, which jeopardizes the whole purpose of holding the dialogue on normalization of relations, under the EU facilitation. Namely, if the topics are to be dictated by one party only, so to remove from the agenda any "annoying" issues for that party, one may reasonably wonder whether this dialogue possesses any substantial sense.

However, in firm hope and belief that problems mentioned in the context of the contents of the dialogue will be overcome to the satisfaction of all participants, Serbian side remains committed to the consistent and full implementation of all agreements reached with representatives of the PISG. The Republic of Serbia stands ready to invest whatever effort is needed to continue its collaboration with representatives of the PISG aimed at normalizing relations, the improvement of the living conditions in the territory of Kosovo and Metohija, and creation of preconditions for the historic reconciliation of the Serbian and the Albanian. By means of its active contribution to the EU efforts to finalize the process of European integrations of the region, the Government of the Republic of Serbia points to the necessity of upholding the principle of status neutrality in the dialogue, as the indispensable precondition for reaching the set objectives and for satisfying the minimum of interests of all parties involved.

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